



THE ANDHRA SUGARS LIMITED

Regd. Office: Venkatarayapuram, Tanuku – 534215

CIN: L15420AP1947PLC000326

Ph : 08819-224911, Fax : 08819-224168

E-mail: info.tnk@theandhrasugars.com Website : www.theandhrasugars.com

BOARD OF DIRECTORS :

Dr. B. B. Ramaiah

Chairman & Managing Director

Sri P. Narendranath Chowdary, B.Sc.

Managing Director

Sri Mullapudi Narendranath, B.Sc.(Ag.)

Joint Managing Director

Sri Mullapudi Thimmaraja, B.Tech., M.B.A.(Florida)

Joint Managing Director

Sri P. Achuta Ramayya, B.Com., M.B.A.(New York)

Joint Managing Director

Sri P.S.R.V.K. Ranga Rao, B.Com.

Executive Director

Sri A. Ranga Rao

Independent Director

Dr. P. Kotaiah

Independent Director

Sri V. S. Raju

Independent Director

Dr. A.V. Rama Rao

Independent Director

Sri P.A.Chowdary, I.R.S. (Retd.)

Independent Director

Dr. D. Manjulata

Independent Director

COMPANY SECRETARY :

Sri M. Palachandra, M.Com., A.C.S.

GENERAL MANAGER (FINANCE) & ASST. SECRETARY :

Sri P.V.S.Viswanadha Kumar, F.C.A., F.C.M.A., A.C.S.

BANKERS :

Andhra Bank

State Bank of India

State Bank of Hyderabad

Bank of Baroda

Indian Bank

STATUTORY AUDITORS :

M/s. Brahmayya & Co.

Chartered Accountants

D.No. 33-25-33-B, Govindarajulu Naidu Street,
Suryaraopet, Vijayawada - 520002

COST AUDITORS :

M/s. Narasimha Murthy & Co.

Cost Accountants

104, Pavani Estate, 3-6-365,
Himayat Nagar, Hyderabad - 500029

SECRETARIAL AUDITORS :

M/s. Nekkanti S.R.V.V. Satyanarayana & Co.

Flat No. 403, Malik Chambers, Hyderguda,
Hyderabad - 500 029

REGISTERED OFFICE :

Venkatarayapuram, Tanuku - 534 215

West Godavari District, Andhra Pradesh

REGISTRAR & SHARE TRANSFER AGENTS:

XL Softech Systems Ltd.,

3, Sagar Society, Road No. 2

Banjara Hills, Hyderabad - 500 034

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DIRECTORS REPORT

To
The Shareholders

Your Directors have pleasure in presenting this SIXTY NINTH ANNUAL REPORT along with the Audited Statement of Accounts for the year ending 31st March, 2016.

Financial Results:

(Rupees in lakhs)

	This Year	Last Year
Sales	86932.29	77853.95
Other Income	1750.68	1065.83
	<u>88682.97</u>	<u>78919.78</u>
Profit for the year	12082.14	4332.59
Depreciation	4310.65	3569.06
Profit after depreciation	7771.49	763.53
Add: Excess provision of Income-tax credited back	187.97	(12.00)
Add: Income Tax Refund received	90.41	—
Less: Short Provision of Income Tax	—	—
Less: Exceptional Item (Electricity FSA charges relating to earlier years)	—	—
	<u>8049.87</u>	<u>775.53</u>
Provision for Current Tax	2643.66	110.00
Provision for Deferred Tax	(175.76)	434.27
MAT Credit	106.34	(106.34)
Profit after Tax	5475.63	337.60
Add: Balance brought forward from last year	12373.45	13264.87
Profit available for appropriation	<u>17849.08</u>	<u>13602.47</u>
APPROPRIATIONS		
Transfer to General Reserve	1000.00	300.00
Interim Dividend on Equity Shares at Rs.5 /-per share	1355.35	813.21
Tax on distributable profits	146.60	115.81
Balance brought forward to next year	15347.13	12373.45
	<u>17849.08</u>	<u>13602.47</u>

PERFORMANCE:

Your Directors are glad to report that for the year 2015-16 your Company's performance was impressive. Profit before tax Rs. 77.71 Crores against a Profit of Rs. 7.64 Crores made last year. The Net Profit (After Tax) was Rs. 54.76 Crores against Rs. 3.38 Crores made last year.

The Andhra Sugars Limited

DIVIDENDS:

A Dividend of Rs. 3/- per Equity Share was paid for the year 2014-15. An Interim Dividend of Rs.5/- per share was paid on 28th March, 2016 involving an outflow of Rs.15.02 Crores (including Tax on Distributable Profits). Your Directors now recommend this Interim Dividend as Final Dividend for the Financial Year 2015-16.

CAPITAL & RESERVES:

Authorised and Paid Up Capital:

As on 31.3.2016, the Authorised Capital of the Company is Rs.30.00 Crores and the Paid-up Capital is Rs. 27.11 Crores.

Reserves:

With the transfer of Rs. 10.00 Crores during the year under report, the total Reserves as on 31.3.2016 stands at Rs.402.53 Crores against Rs. 392.53 Crores on 31.3.2015.

REVIEW OF OPERATIONS:

SUGAR UNITS:

The Sugar Units II and III crushed in aggregate 609579 M.T. of cane during the 2015-16 season against 565781 M.T. crushed by three Units last year. The crushing operations and cane price paid to cane suppliers for the 2014-15 Season are:

	SUGAR UNIT – I TANUKU		SUGAR UNIT – II TADUVAI		SUGAR UNIT - III BHIMADOLE	
	Fin. Year 2015-16	Fin. Year 2014-15	Fin. Year 2015-16	Fin. Year 2014-15	Fin. Year 2015-16	Fin. Year 2014-15
(A) Crushing details:						
Total cane crushed (MT)	–	140761	362979	291534	246600	133486
Total No. of days crushed	–	69	110	88	85	66
Total Sugar produced(MT)	–	12952.50	38440.69	30946	23683.34	12562.50
Average Recovery	%	8.70%	10.59%	10.50%	9.60%	8.70%
(B) Cane price:						
Fair & Remunerative price (per M.T.)	–	2200.00	2542.00	2469.12	2300.00	2200.00
Cane price paid (per M.T.)*	–	2350.00	2602.00	2530.00	2360.00	2350.00

- inclusive of Purchase Tax Incentive of Rs.60/- per M.T.
- Operations of Sugar Unit-I was suspended during the Season 2015-16 due to unviability.
- Cane crushed at sugar unit II & III was higher compared to the last Season.
- Recovery achieved at Sugar Unit II& III was higher compared to previous Season.
- Sugar Unit-II stood first in the State of Andhra Pradesh in achieving the recovery percent cane.
- To encourage farmers to plant cane, your Company opted to pay a cane price higher than the Fair Remunerative Price fixed by the Government.

POWER GENERATION :

During the year under report the Co-generation Unit at Taduvai generated 2,01,14,150 Units of Power against 1,31,30,300 Units generated last year.

PERFORMANCE OF CHEMICAL DIVISION:

During the year under report the Caustic Soda Division at Saggonda achieved a turnover of Rs.376.50 Crores compared to Rs. 370.11 Crores achieved last year. The Profit after depreciation achieved this year was higher at Rs.77.47 Crores against Rs. 62.12 Crores last year.

Aspirin Division also made a profit of Rs.440.80 lakhs due to export activities.

WIND POWER UNITS:

The Power generated at Ramagiri Wind Mills during the year is Units 18,28,182 against 22,86,500 Units generated last year.

The Power generation at the Tamil Nadu Wind Mills during the year under report is 1,84,29,228 Units against 2,31,02,512 Units of last year. This Power is being fed into the Tamil Nadu State Electricity Board grid.

PROJECTS:

Your Company continues to focus its strategy on expansion and diversification programme.

Your company is setting up a project at J.N.Pharmacy, Parawada, Visakhapatnam in Non-Sez area to manufacture 100 TPD Sodium Hypochlorite. The estimated project cost is about Rs.10 crores. The important raw materials required are Sodium Hydroxide and Chlorine gas, which can be supplied from our Chemicals Division, Saggonda.

Most of the civil construction works are completed. All the bought-out components required for this project have already been procured. Fabrication of all the process equipments and main storage tanks are completed. Construction of main process plant building, office building, chlorine cylinder shed, MCC building, D.G. set shed, Chilling unit shed and Stores & Maintenance shed are completed. Fabrication and erection of pipe racks / bridges are also completed. Fabrication and erection of storage tanks in tank farm area and main process plant equipment are in progress.

It is expected to complete the project by the end of October, 2016.

An Energy Efficient Caustic Soda plant is in operation at Saggonda.

Power is an essential input for your Company's Chlor Alkali Plants. To ensure required Power for operations, your Company is implementing a 33 MW Coal Based Power Plant at Saggonda. Erection of Boiler, Electro Static Precipitation, Coal Handling Plant, Air Cooled condensers and other works are in progress. Around 70% of Civil Works have been completed. 132 KV Switchyards and Transmission works have been received and its erection work is in progress. 33 MW Steam Turbine has arrived at the site and its erection work is expected to commence. Overall progress is above 40%. The Project cost has been estimated at Rs.200.00 Crores. A Term Loan of Rs.140.00 Crores has been tied up with Andhra Bank (Rs.100.00 Crores) and Axis Bank (Rs.40.00 Crores) and balance Rs.60.00 Crores is being met from internal generation. Barring unforeseen circumstances the commercial operation is expected to commence during the last Quarter of Financial Year 2016-17.

The Power generated from this Power Plant will be utilized for the Chemical Plants located at Saggonda.

During the year under report a Solar Power Plant based on Photovoltaic Technology was in operation. The Power generated by this plant is being utilized in house at Kovvuru.

DEMATERIALISATION OF EQUITY SHARES:

As of 31st March, 2016 Equity Shares representing 44.63% of the Share Capital have been dematerialised.

AUDITORS:

M/s Brahmayya & Co., Chartered Accountants, Vijayawada, the present Auditors were appointed at 67th Annual General Meeting for a period of 3 Financial Years i.e., 2014-15, 2015-16 and 2016-17.

They retire at this Annual General Meeting and offer themselves for re-appointment. Their remuneration for the current Financial Year 2016-17 requires your approval.

COST AUDITORS:

M/s Narasimha Murthy & Co., Cost Accountants, Hyderabad are appointed by your Board of Directors, as Cost Auditors of the Company for the products, which are subject to Cost Audit, for the year ended 31-3-2016. The remuneration proposed to be paid to them is being placed for your ratification at the ensuing 69th Annual General Meeting. Cost Auditors Report in respect of Financial Year 2014-15 has been filed with the Ministry of Corporate Affairs within the stipulated due date.

CORPORATE GOVERNANCE:

As per the amended provisions of the Listing Agreement, a Report on Corporate Governance along with Management Discussion and Analysis forming part of the Directors' Report is annexed.

COMPLIANCE CERTIFICATE OF THE AUDITORS:

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement with the Stock Exchanges and the same is annexed to the Report of Directors.

AUDIT COMMITTEE:

Audit Committee comprises of 3 non Whole-time, Independent Directors, Sri A. Ranga Rao, Dr. P. Kotaiah and Sri V.S. Raju. Sri A. Ranga Rao is the Chairman of this Committee.

DIRECTORS AND KMP:

Appointment of Dr. B. B. Ramaiah as Managing Director (overall Incharge) for a further period of 5 years with effect from 1.11.2016 is being placed for the approval of Shareholders at the ensuing 69th Annual General Meeting.

Directors Sri Mullapudi Thimmaraja and Sri P. S.R.V.K. Ranga Rao retire by rotation at the ensuing 69th Annual General Meeting and being eligible offer themselves for re-appointment.

Independent Directors have given a statement of declaration as per Section 149(6) of the Companies Act, 2013. Dr. B.B. Ramaiah, Chairman & Managing Director, Sri M. Palachandra, Company Secretary and Sri P.V.S. Viswanadha Kumar, General Manager (Finance) & Asst. Secretary had been designated as Key Managerial Personnel.

Compliance under Companies Act, 2013

Pursuant to Sec.134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, your company complied with the compliance requirement the details of which are enumerated hereunder.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirements of Section 134(1)(c) of the Companies Act, 2013 and on the basis of explanation and compliance certificate given by the executives of the Company, and subject to disclosures in the Annual Accounts and also on the basis of discussions with the Statutory Auditors of the Company from time to time, we state as under :

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departure;
- b) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the directors had prepared the annual accounts on a going concern basis;
- e) that the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

BOARD MEETINGS:

The Board of Directors met 6 times during the financial year 2015-16 on 26-05-2015, 28-07-2015, 8-09-2015, 31-10-2015, 6-02-2016 and 14-03-2016.

INDEPENDENT DIRECTORS MEETING:

A Meeting of Independent Directors was held on 19th April, 2016. The Independent Directors have evaluated the performance of the Non-independent Directors, the Board as a whole and Chairman of the Board. The Board was briefed on the deliberations made at the Independent Directors Meeting.

FAMILIARISATION PROGRAMME:

Your Company through a Policy has in place a familiarisation programme to all the Directors with a view to update them on the Company's Policies and Procedures. Independent Directors make a periodical visit to plants to keep themselves abreast of the plant operations. Respective Plant Heads interact with the Independent Directors and explain to them about the various process operations.

FORMAL ANNUAL EVALUATION OF THE BOARD

The Board evaluated its own performance and that of its Committees and Directors in terms of :

- Measured and appropriate contribution by the Directors to the discussions on the Agenda Items,
- Each Director exercising the responsibilities in a bonafide manner.
 - Understanding of the Company's business, strategic plans and other key issues.
 - Special Skills and expertise of each Director contributing to the Board's overall effectiveness.
 - Respecting the confidentiality of the Company's business information and Board's deliberations.
 - Satisfactory attendance and active participation of each Director at the meetings of the Board and Committee.

The Board members were of the opinion that the Board as a whole and Directors have performed effectively as per the terms of the above parameters. The respective Committee performed as per its terms of reference.

VIGIL MECHANISM:

As a part of Vigil Mechanism, a Whistle Blower Policy has been established and approved by the Board. This Policy envisages reporting of wrong doing or non-ethical activities observed by Employees at any level directly to the Chairman of the Audit Committee or to the Chairman & Managing Director. The matter reported will be investigated and if the wrong doer is found guilty, a disciplinary action will be initiated depending upon the materiality of the non-ethical doings. During the year under report there has been no such instances which required reporting.

NOMINATION AND REMUNERATION COMMITTEE :

As required by the Provisions of the Companies Act, 2013 and listing Agreement, a Nomination and Remuneration Committee comprising of Independent Directors Sri V.S. Raju (Chairman), Sri P.A.Chowdary and Sri A. Ranga Rao has been constituted by the Board.

This Nomination and Remuneration Committee has formulated Nomination and Remuneration Policy which has been approved by the Board. This Nomination & Remuneration Policy has laid down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in the industry.

CORPORATE SOCIAL RESPONSIBILITY (CSR) :

As required by the Provisions of the Companies Act, 2015, a Corporate Social Responsibility (CSR) Committee has been constituted by the Board of the Company with Dr. B.B.Ramaih, Chairman & Managing Director, Sri P.Narendranath Chowdary, Managing Director, Sri Mullapudi Thimmaraja, Joint Managing Director and Sri V.S. Raju, Independent Director as members of the Committee. This Committee has formulated a CSR Policy which has been approved by the Board. This Policy envisages CSR Activities to be taken up, amount of expenditure to be incurred and monitoring of CSR Activities from time to time.

The Andhra Sugars Limited

This Policy aims towards the achievement of CSR objectives by undertaking any one or more of the activities to be in alignment with Schedule VII of the Companies Act, 2015 either on a own or through any Trust / Society or any other recognized Agency.

As per the provisions of Section 135(5) of the Companies Act, 2013, company should spend in every Financial Year at least 2% of the average net profits of the company made during the three immediately preceding Financial Years. In pursuance of its Corporate Social Responsibility Policy, the company gives preference to the local area and areas around it where it operates or any other permissible location for spending the amount earmarked for Corporate Social Responsibility activities.

Accordingly, for achieving its CSR objectives through implementation of meaningful and sustainable CSR programmes, ASL shall allocate at least 2% of its average Net Profits calculated as per Section 198 of the Companies Act, 2013, as its Annual CSR Budget in each Financial Year.

From the Annual CSR Budget allocation, a provision will be made towards the expenditure to be incurred on identified areas, for undertaking CSR activities on a year on year basis.

Allocation of the Annual Budget for CSR activities in any given year shall be as per the provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time. Any unspent / unutilised CSR allocation of a particular year, will be carried forward to the next year, i.e., the CSR budget will be non-lapsable in nature.

As required by Rule 8 of the Companies (CSR Policy) Rules, 2013, a Report on CSR Activities and the amount of expenditure incurred are annexured to this Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS :

The Company has duly complied with the Provisions of Section 186 of the Companies Act, 2013 with regard to Loans, Guarantees or Investments, the details of which, as applicable are provided in the Notes to Balance Sheet.

RISK MANAGEMENT POLICY:

The company has framed a Risk Management Policy which envisages the following

- Identification of areas of Risk
- Assessing the impact of Risks
- Steps taken to mitigating the Risk

The Major Segments of operations of the Company are Sugar and Chlor Alkali.

The major aspects of concern for the Sugar Sector are:

- 1) Harvesting Labour
- 2) Power to operate the irrigation requirements
- 3) Proper Cane Varieties that give good Cane and Sugar yield and that are suitable for mechanical harvesting.

To get around the 1st aspect, the Company has embarked upon locating the right Cane Harvester suited to our Grower Farm sizes. The 2nd aspect is being taken care of by setting up a Solar Powered Pumping System at our R & D Farm so that our Growers could ultimately be provided the right guidance in this aspect. The 3rd aspect is being met by the Cane Breeding Programme undertaken by the Company.

Chlor Alkali segment is power intensive where Power constitute a major input cost. Restricted power supply and increased power cost have become a cause of concern. To mitigate this impact, a Solar Power Plant has been commissioned at Kovvur. At Saggonda location a coal based Power Plant is being set up. This would improve the power availability to the Chemical Plants.

INDUSTRIAL RELATIONS:

The relations with your Company's employees continue to be cordial and harmonious during the year under report.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE POLICY:

The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (Act.) An Internal Compliance Committee (ICC) has been set up to redress the complaints received regarding sexual harassment. All employees are covered under this Policy. As on the date of this report, there were no complaints received by the ICC.

SAFETY, HEALTH AND ENVIRONMENT:

Safety, Occupational Health and Environment Protection continue to be accorded high priority.

EXTRACT OF ANNUAL RETURN :

As required by Section 92 (3) of the Companies Act, 2013 and relevant rules, an Extract of Annual Return in MGT9 is annexured as a part of this Annual Report.

RELATED PARTY TRANSACTIONS:

There is no transaction with Related Party which requires disclosure under Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014.

SECRETARIAL AUDIT REPORT :

As required by Provisions of Companies Act, 2013, Secretarial Audit Report has been provided by Nekkanti SRVV Satyanarayana & Co., Hyderabad, Company Secretaries in practice is annexured to this Report.

PARTICULARS OF EMPLOYEES:

Information in accordance with the provisions of the Companies Act, 2013, read with the relevant Rules made thereunder, regarding employees is annexed as Annexure "II A" forming part of this Report.

RATIO OF REMUNERATION OF EACH DIRECTOR :

Details of ratio of Remuneration of each Director to the median employees remuneration is enclosed.

Significant and Material Orders Passed by the Regulators or Courts or Tribunals impacting the Going Concern status of the Company

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

Information pursuant to Section 134 of the Companies Act, 2013 read with relevant rules is given in Annexure "II B" forming part of this Report.

The Andhra Sugars Limited**FIXED DEPOSITS:**

As required by the Companies Act, 2013 the details of Fixed Deposits as on 31.3.2016 is given hereunder.

		2015-16	2014-15
(a)	Accepted during the year.	39,55,65,000	35,79,35,000
(b)	Remained unpaid or unclaimed as at the end of the year.	52,95,000	41,20,000
(c)	Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved.	NO	NO
i)	at the beginning of the year	NOT APPLICABLE	NOT APPLICABLE
ii)	maximum during the year	-do-	-do-
iii)	at the end of the year	-do-	-do-
(d)	Details of deposits which are not in compliance with the requirements of Chapter V of the Act.	NIL	NIL

CONSOLIDATED ACCOUNTS:

In accordance with the Accounting standards, consolidated financial statements of the Company and its Subsidiaries form part of the Report and Accounts. These consolidated statements have been prepared on the basis of audited results received from the Subsidiary Companies as approved by their respective Boards.

The Accounts of the Subsidiary Companies for the year 2015-16 have not been attached to the Company's Accounts. However, Shareholders desirous of obtaining the Annual Accounts of the Subsidiaries may obtain them upon request. The Annual Report and the Accounts of the Subsidiary Companies will be kept for inspection at the Company's Registered Office as well as at the offices of your Subsidiary Companies.

SUBSIDIARIES AND ASSOCIATE:**JOCIL LIMITED:**

For the Financial Year ending 31.3.2016 your subsidiary Company, JOCIL Ltd., posted a profit of Rs..2713.91 lakhs (before taxation) against Rs. 1967.91 lakhs (before taxation) last year. This Subsidiary Company paid an Interim Dividend of Rs.7/- per Share which is being recommend to the Shareholders as Final Dividend for the Financial Year 2015-16.

THE ANDHRA FARM CHEMICALS CORPORATION LIMITED:

The Company achieved a sales of Rs.92.04 lakhs against Rs. 99.00 lakhs and incurred a loss (before Tax) of Rs.59.90 lakhs against the loss of Rs. 51.11 lakhs last year.

HINDUSTAN ALLIED CHEMICALS LIMITED:

The Directors are on the look out for a suitable project to be taken up by the Company.

THE ANDHRA PETROCHEMICALS LIMITED:

The Company achieved a sales of Rs.33565.83 lakhs against Rs. 14026.17 lakhs and incurred a loss (before Tax) of Rs. 2693.37 lakhs against the loss of Rs. 4749.04 lakhs last year. During the year under report the Plant was shut down over a prolonged period due to non-remunerative selling prices of the product. Hence the company incurred loss.

INTERNAL CONTROL SYSTEM:

Your Company conducts a review of the financial and operating controls of the various Units. The Internal Control System of your Company is commensurate with its size and nature of business. The Board has also laid down a

policy on Internal Financial Control as required by the provisions of the Companies Act, 2013. The same has been posted on Company's Website.

LISTING ON STOCK EXCHANGE:

Company's Equity Shares are listed on National Stock Exchange and Annual Listing Fee for the Financial Year 2015-16 has been paid.

ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation for the co-operation extended by the State and Central Government authorities, Financial Institutions and Banks. They also express their appreciation to the employees at all levels for the successful working of the Company.

TANUKU
27.07.2016

For and on behalf of the Board
Dr. B.B.RAMAIHAH
Chairman & Managing Director

ANNEXURE - I

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Andhra Sugars Ltd. (ASL) always believes that good Corporate Governance ensures proper and adequate protection of the interests of all the stake-holders in the Company. ASL affirm that healthy Corporate Governance leads to the operations and actions which serve the underlying goal of continuously enhancing the value that the Company can create for the stake-holders including Shareholders, Employees, Customers, Suppliers, Lenders, Government and other parties having association with ASL.

2. BOARD OF DIRECTORS

a) As on 31.3.2016, the Board of Directors consisted of 12 Directors.

COMPOSITION AND CATEGORY OF DIRECTORS IS AS FOLLOWS:

Category	Name of the Director
Promoter/Executive Directors	Dr. B.B. Ramaiah Chairman & Managing Director Sri Pendyala Narendranath Chowdary Managing Director Sri Mullapudi Narendranath Joint Managing Director Sri Mullapudi Thimmaraja Joint Managing Director Sri Pendyala Achuta Ramayya Joint Managing Director Sri P.S.R.V.K. Ranga Rao Executive Director
Non-Executive and Independent Directors	Sri A. Ranga Rao Dr. A.V. Rama Rao Dr. P. Kotaiah Sri V.S. Raju Sri P.A. Chowdary, I.R.S.(Retd.) Dr. D. Manjulata

Inter se Relationship among Directors

Dr. B.B. Ramaiah - Sister's Husband of Sri P. Narendranath Chowdary & Sri P. Achuta Ramayya

Sri Pendyala Narendranath Chowdary - Daughter's Husband of Dr. B. B. Ramaiah

Sri Pendyala Narendranath Chowdary & Sri Pendyala Achuta Ramayya - Brothers

Sri Mullapudi Narendranath & Sri Mullapudi Thimmaraja - Brothers

b) Non-executive Director remuneration : Please refer Point No. 6

- c) Attendance of each Director at the Board Meetings, last Annual General Meeting and number of other Directorships and Chairmanship / Membership of Committee of each Director in various Companies

Name of the Director	Attendance Particulars		Directorship, Committee Membership and Chairmanship in other Companies			
	Board Meetings	Last AGM	Other Directorship	Chairman	*Committee Membership	*Committee Chairmanship
Dr. B. B. Ramaiah	6	Yes	3	-	-	-
Sri Pendyala Narendranath Chowdary	6	Yes	3	4	-	2
Sri Mullapudi Narendranath	2	No	3	-	-	-
Sri Mullapudi Thimmaraja	6	Yes	2	-	3	-
Sri Pendyala Achuta Ramayya	4	No	-	-	-	-
Sri P.S.R.V.K. Ranga Rao	6	Yes	-	-	-	-
Sri A. Ranga Rao	5	Yes	-	-	-	-
Dr. A.V. Rama Rao	5	No	-	-	-	-
Dr. P. Kotaiah	6	No	8	-	3	5
Sri V.S. Raju	5	No	2	-	-	2
Sri P.A. Chowdary, I.R.S.(Retd.)	5	Yes	-	-	-	-
Dr. D. Manjulata	4	No	2	-	-	-

Sri A. Ranga Rao, Chairman of the Audit Committee was present at the last Annual General Meeting to answer the queries of the Shareholders .

- * Represents Membership / Chairmanship of Audit Committee & Stakeholders Relationship Committee of other Public Limited Companies.

- d) NUMBER OF BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2015-16 AND THE DATES ON WHICH HELD

Sl.No.	Date of Board Meeting
1	26-5-2015
2	28-7-2015
3	08-09-2015
4	31-10-2015
5	06-02-2016
6	14-03-2016

Information given to the Board:

The Company provides the information as set out in Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the Board and Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of agenda papers in advance of the meeting or by way of presentations and disclosures during the meeting.

Post Meeting Mechanism:

The Important decisions taken at the Board / Board Committee Meetings are communicated to the concerned departments.

Familiarisation Programme for Directors:

Whenever a new Director is appointed, the said Director is explained in detail the compliance required under the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant regulations and his / her affirmation is taken with respect to the same. The Managing Director also familiarise him / her with the Company's operations. The details of the familiarisation programmes undertaken by the Company are provided in the website of the Company at the weblink: www.theandhrasugars.com

Independent Directors:

The Non-Executive Independent Directors fulfil the conditions of the independence specified in Section 149(6) of the Companies Act, 2013 and the rules made thereunder and meet with requirement of Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A formal letter of appointment as provided in the Companies Act, 2013 and the Regulations has been issued to each Independent Director and placed on the website of the Company. These appointment letters can be accessed at the web link: www.theandhrasugars.com

Orientation programme to Independent Directors was organised at the Plant premises to familiarize them about the Plant operations of the Company. All the Directors participated in the programme and acquainted themselves with the entire operations of the Company.

3. CODE OF CONDUCT :

The Board of Directors has adopted the Code of Business Conduct and Ethics for Directors and Senior Managers of the Company. As required by the Listing Agreement the Code of Conduct for Directors has been suitably amended to include the duties of Independent Directors. The said Code has been communicated to the Directors and the Senior Managers from whom the necessary affirmation has been received with regard to the compliance of Code. A declaration in this regard by the Managing Director is furnished at the end of the report. The Code has also been posted on the Company's website - www.theandhrasugars.com.

4. AUDIT COMMITTEE

- a) A qualified and Independent Audit Committee, meeting the requirements as stipulated in the Regulation 18 of the Listing Agreement has been constituted. Audit Committee consists of 3 non-Executive independent Directors Sri A. Ranga Rao, Dr. P. Kotaiah and Sri V.S. Raju. Sri A. Ranga Rao is Chairman of the Committee. All the Members of the Committee are financially literate and have accounting or related financial management experience.
- b) The terms of reference of the Audit Committee as detailed hereunder are in terms of Regulation 18 of the Listing Agreement:
 - i) Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
 - ii) Recommending to the Board the appointment, re-appointment and if required the replacement or removal of the Statutory Auditor and fixation of audit fees.
 - iii) Approval of payment to the Statutory Auditors for any service rendered by them.
 - iv) Review with the management the annual financial statements before submission to the Board for approval with particular reference to :
 - a) Matters required to be included in the Directors responsibility statement to be included in the Board's Report
 - b) Changes if any in the accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on exercise of judgement by management
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any Related Party Transaction.
 - g) Qualification in the draft Audit Report.

- v) Review with the management, the quarterly financial statements before submission to the Board for approval.
- vi) Review with the Management, performance of Statutory and Internal Auditors, adequacy of the Internal Control Systems.
- vii) Review the adequacy of internal audit function if any, including the structure of the Internal Audit Department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- viii) Discussions with the Internal Auditors any significant findings and follow up thereon.
- ix) Review the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- x) Discussions with the Statutory Auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- xi) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- xii) To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- xiii) Carrying any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee also reviews the following information as and when required.

- a. Management discussion and analysis of financial condition and results of operations;
 - b. Statement of Significant Related Party Transactions (as defined by the Audit Committee)
 - c. Management letters / letters of internal control weakness issued by the Statutory Auditors;
 - d. Internal Audit Reports relating to internal control weaknesses
 - e. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
- c) NUMBER OF AUDIT COMMITTEE MEETINGS HELD DURING THE FINANCIAL YEAR 2015 -16 AND THE DATES ON WHICH HELD

Sl. No.	Dates of Audit Committee Meeting
1	26-05-2015
2	28-07-2015
3	31-10-2015
4	06-02-2016

- d) ATTENDANCE OF THE MEMBERS OF THE AUDIT COMMITTEE AT ITS MEETINGS HELD DURING THE FINANCIAL YEAR 2015-16.

Name of the Director	No. of Meetings attended
Sri A. Ranga Rao	3
Dr. P. Kotaiah	4
Sri V.S. Raju	4

Joint Managing Director, G.M.(Fin) & Asst. Secretary, Statutory Auditors, Dy.G.M. (Fin.) - Internal Audit and Cost Auditors whenever required also attend the Audit Committee Meetings to answer the queries raised by the Committee Members.

The Andhra Sugars Limited

Company Secretary acts as a Secretary to the Committee.

- d) The Audit Committee considers periodically statement of Related Party Transactions at its meeting.

NOMINATION AND REMUNERATION COMMITTEE

- a) A Nomination and Remuneration Committee meeting, the requirements as stipulated in the Regulation 19 of the Listing Agreement, has been constituted. Nomination and Remuneration Committee consists of 3 Non-Executive independent Directors Sri A. Ranga Rao, Sri V.S. Raju and Sri P.A. Chowdary. Sri V.S. Raju is Chairman of the Committee.
- b) The Company does not remunerate nor the Company has any pecuniary relationship with the Non-Executive Directors except for the payment of sitting fees for attending each Meeting of the Board or Committee thereof.
- c) The terms of reference of the Nomination and Remuneration Committee as detailed hereunder are in terms of Regulation 19 of the Listing Agreement:
 - ❖ Identify persons who are qualified to be Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal
 - ❖ Carry out evaluation of every Director's performance
 - ❖ Formulate the criteria for determining qualifications, positive attributes and independence of a Director and
 - ❖ Recommend to the Board a Policy relating to the remuneration for the Directors, Key Managerial Personnel (KMP) and employees one level below the KMP.

While formulating the said Policy the Committee should ensure that

- a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully
- b. Relationship of remuneration to performance is clear and meets appropriate performance bench marks and
- c. Remuneration to Director, Key Managerial Personnel and employees one level below the KMP involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual evaluation of its own performance, performance of the Directors individually as well as the evaluation of working of its Committees.

The performance evaluation of Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed its satisfaction over its own performance, performance of its Committees and all the Directors individually.

The criteria for nomination of Directors, KMP, Senior Management Personnel and their remuneration including criteria for promotion is described in Nomination and Remuneration Policy of the Company which can be accessed at the weblink: www.theandhrasugars.com

Perform such other functions as may be necessary or appropriate for the performance of its duties.

- c) NUMBER OF NOMINATION AND REMUNERATION COMMITTEE MEETINGS HELD DURING THE FINANCIAL YEAR 2015 -16 AND THE DATES ON WHICH HELD

Sl. No.	Dates of Nomination and Remuneration Committee Meeting
1	28-07-2015
2	31-10-2015
3	06.02.2016

- d) ATTENDANCE OF THE MEMBERS OF THE NOMINATION AND REMUNERATION COMMITTEE AT ITS MEETINGS HELD DURING THE FINANCIAL YEAR 2015-16.

Name of the Director	No. of Meetings attended
Sri A. Ranga Rao	3
Sri P.A. Chowdary	3
Sri V.S. Raju	3

Details of the remuneration paid / payable to the Directors during the year 2015-16 are as hereunder:-

Name of Director	Remuneration paid / payable to the Directors			
	Sitting Fees	Salaries & Perquisites	Commission	Total
	Rs.	Rs.	Rs.	Rs.
Dr. B. B. Ramaiah	Nil	5003876	15079297	20083173
Sri Pendyala Narendranath Chowdary	Nil	5439421	15079297	20518718
Sri Mullapudi Narendranath	Nil	3206958	9424560	12631518
Sri Mullapudi Thimmaraja	Nil	3190208	9424560	12614768
Sri Pendyala Achuta Ramayya	Nil	2442212	9424560	11866722
Sri P.S.R.V.K. Ranga Rao	Nil	1847203	5654737	7501940
Sri A. Ranga Rao	2,20,000	Nil	Nil	2,20,000
Dr. P. Kotaiah	2,00,000	Nil	Nil	2,00,000
Sri V.S. Raju	2,60,000	Nil	Nil	2,60,000
Dr. A.V. Rama Rao	1,00,000	Nil	Nil	1,00,000
Sri P.A. Chowdary, I.R.S.(Retd.)	2,20,000	Nil	Nil	2,20,000
Dr. D. Manjulata	80,000	Nil	Nil	80,000

Remuneration is fixed and paid to the Managing Directors / Whole-time Directors as approved by the Shareholders of the Company and is in accordance with and subject to the limits prescribed by the Companies Act, 2013. The Company enters into an agreement with the Managing Directors / Whole-time Directors relating to their appointment / re-appointment. There is no severance fee.

Corporate Social Responsibility (CSR) Committee:

Pursuant to Section 135 of the Companies Act, 2013 and the Companies (CSR Rules), 2014, CSR Committee was constituted on 27.7.2014. Presently, it comprises four Directors viz., Dr. B B Ramaiah, Chairman & Managing Director, is the Chairman of the Committee and Sri P. Narendranath Chowdary, Sri Mullapudi Thimmaraja and Sri V S Raju are the members of the Committee.

The terms of reference of the CSR Committee broadly comprises:

- ◆ To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made thereunder
- ◆ To recommend the amount of expenditure to be incurred on the CSR activities
- ◆ To monitor the implementation of the CSR Policy of the Company from time to time

Meeting and attendance:

The CSR Committee met during the year on 6.2.2016. The necessary quorum was present at the meetings. All the members of the Committee attended the said meetings.

The Company formulated CSR Policy which is uploaded on the website of the Company (weblink: www.theandhrasugars.com)

Independent Directors Meeting:

The Independent Directors met on 19th May, 2016, inter alia, to discuss:

- ❖ Evaluation of performance of Non-Independent Directors and the Board as a whole.
- ❖ Evaluation of performance of the Chairman of the Company, taking into account the view of the Executive and Non-Executive Directors

Evaluation of the Quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties. Details of familiarisation programme for Independent Directors is placed at weblink: www.theandhrasugars.com

5. SUBSIDIARIES :

- a) The Company does not have any material non-listed Indian subsidiary as defined in Regulation 24 of the Listing Agreement regarding Corporate Governance.
- b) Company has two un-listed subsidiary Companies.
- c) Minutes of the Board Meeting of the unlisted Companies are placed before the Board Meeting of the holding Company.

6. SHAREHOLDING OF NON-EXECUTIVE DIRECTORS:

As on 31.03.2016 Sri A. Ranga Rao holds 200 Equity Shares & Dr. D. Manjulata holds 21500 Equity Shares in the Company. No other Non-executive Director holds any equity shares in the Company. During the year 2015-16 Company has not issued any convertible instruments.

7. MANAGEMENT

- a) Management Discussion and Analysis forms the part of Annual Report.
- b) Disclosure by the Management to the Board : Please refer point No. 11

8. CEO / CFO CERTIFICATION

In accordance with the requirements of Regulation 33 (2) of the Listing Agreement the Board of Directors of the Company, Audit Committee and Auditors have been furnished with the requisite certificate from the Managing Director and CFO.

9. STAKEHOLDERS' RELATIONSHIP COMMITTEE

- a) The Board has constituted Stakeholders' Relationship Committee comprising Sri P.A. Chowdary, (Chairman of the Committee - non-Executive & Independent Director), Sri P. Narendranath Chowdary and Sri M. Thimmaraja as Members of the Committee. The Committee looks into redressal of the Stakeholders' complaints like Transfer of Shares, non-receipt of Balance Sheet, non-receipt of declared Dividend and other related matters.
- b) The Board has designated Sri M. Palachandra, Company Secretary as the Compliance Officer.
- c) During the year 2015-16, four Committee Meetings were held on dates viz., 26.05.2015, 28.07.2015, 31.10.2015 and 06.02.2016. The Company received a total number of 99 letters in respect of various matters viz., non-receipt / revalidation of dividend warrants, change of address, change of Bank account etc. and all of them were attended to and replied to the satisfaction of the Shareholders. As on 31.3.2016 no Share Transfers were pending and there were no pending complaints which has since been resolved.
- d) ATTENDANCE OF DIRECTORS AT THE SHAREHOLDERS GRIEVANCE COMMITTEE MEETING HELD DURING FINANCIAL YEAR 2015-16.

Name of the Director	No. of Meetings attended
Sri P.A. Chowdary	3
Sri P. Narendranath Chowdary	4
Sri M. Thimmaraja	4

10. ANNUAL GENERAL BODY MEETINGS

- a) PARTICULARS OF ANNUAL GENERAL BODY MEETINGS HELD DURING THE LAST THREE YEARS.

Financial Year – 1 st April to 31 st March			
Financial Year	Venue	Date	Time
2012-2013	Registered Office, VENKATARAYAPURAM, TANUKU-534 215 (A.P.)	26-8-2013	3.00 p.m.
2013-2014	-do-	10-09-2014	3.00 p.m.
2014-2015	-do-	26-09-2015	3.00 p.m.

At the last Annual General Meeting, there were no Special Resolutions that were required to be put through postal ballot.

At the ensuing Annual General Meeting there is no Resolution proposed to be passed through postal ballot.

- b) SPECIAL RESOLUTIONS PASSED AT THE LAST THREE ANNUAL GENERAL MEETINGS:

DATE OF AGM	NO. OF SPECIAL RESOLUTIONS	SUBJECT MATTER
26-08-2013	2	Re-appointment of Sri P.S.R.V.K. Ranga Rao as Executive Director with effect from 1-05-2014, enhancement of Borrowing Powers
10-09-2014	3	Acceptance of Fixed Deposits, Borrowing Powers, Creation of Charge
26-09-2015	1	Acceptance of Fixed Deposits,

11. OTHER DISCLOSURES

- i. There is no materially significant pecuniary or business transaction of the Company with its promoters, Directors or the Management, their Subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.

The Company enters into contracts from time to time with its Directors, Companies, Firms in which the Directors are interested. These contracts are in the ordinary course of Company's business and the concerned Directors regularly make full disclosures to the Board of Directors regarding the nature of their interest. Full particulars of contracts entered into with the parties in which Directors are directly or indirectly concerned or interested are entered in the Register of Contracts maintained under Section 189 of the Companies Act, 2013 and the same is placed at every Board Meeting for the information of the Directors.

- ii. There were no instances of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authorities, on any matter related to Capital markets during last three years.
- iii. Company has a Whistle Blower Policy.
- iv. Details regarding Non-Mandatory requirements are enumerated under point No. 13.

Affirmations and Disclosures:

i) Compliance with governance frame work:

The Company has complied with the applicable mandatory requirements specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ii) Related Party Transactions:

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the Financial Year were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with Related Parties during the Financial Year. Related Party Transactions have been disclosed under the Note No.41 of the Financial Statements in accordance with Accounting Standard-18. A statement in summary form of transactions with related parties in the ordinary course of business and on arm's length basis, is periodically placed before the Audit Committee for review and recommendation to the Board.

As required under Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company formulated a Policy for dealing with Related Party Transactions. The Policy is available on the website of the Company (weblink: www.theandhrasugars.com)

None of the transactions with Related Parties were in conflict with the interest of the Company. All the transactions are in the normal course of business and have no potential conflict with the interest of the Company at large and or carried out on an arm's length basis or fair value.

- iii) Details of Non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years:

No penalties or strictures were imposed on the Company for non-compliance by Stock Exchange / SEBI or any authority on any matter related to capital markets during the last 3 years.

- iv) Whistle Blower Policy:

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimisation of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases.

v) Disclosure of Accounting Treatment:

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant Accounting Policies which are consistently applied are set out in the Notes to the Financial Statements.

vi) Risk Management

Board periodically reviews the compliance of all laws, regulations and various risks affecting the Company. Various Risk Management Systems adopted to mitigate the risks are also reviewed by the Board. Risk Management Policy approved by the Board can be accessed at the weblink: www.theandhrasugars.com

12. MEANS OF COMMUNICATION

- i. Quarterly Results are not sent to each household of shareholders, since they are being published in leading news papers.
- ii. Quarterly, Half Yearly and Annual Results are published in "The Hindu Business Line" and "Eenadu".
- iii. The Company displays its periodical results on the Company's Web Site, "www.theandhrasugars.com" as required by the Listing Agreement.
- iv. Company has not issued any press release nor made any presentations to the investors or to analysts about its financial results during the year.

v. General Shareholder Information

- | | |
|-----------------------------------|---|
| (i) Annual General Meeting: | |
| Date & Time | : 26.09.2016 at 3.00 P.M. |
| Venue | : Registered Office
Venkatarayapuram, Tanuku - 534 215
West Godavari Dist. (A.P.) |
| (ii) Financial Year | : The Company follows April to March as its financial year. The results of every quarter beginning from April are declared within the time limit prescribed by the provisions of Listing Agreement. |
| (iii) Date of book closure | : 19.07.2016 to 26.07.2016 (both days inclusive) |
| (iv) Dividend payment date | : Interim Dividend paid on 28-3-2016 |
| (v) Listing on Stock Exchanges at | : National Stock Exchange |
| (vi) Stock code | : NSE-CODE-ANDHRSUGAR |

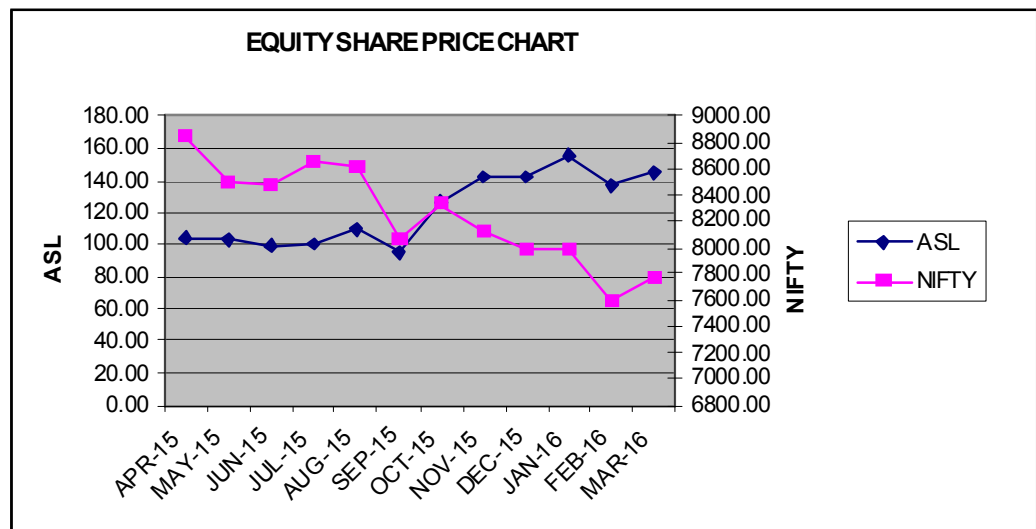
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(vii) Stock Market Data : National Stock Exchange

Month	High	Low
	Rs.	Rs.
April, 2015	104.85	91.55
May, 2015	103.50	93.15
June, 2015	98.80	87.30
July, 2015	100.60	91.50
August, 2015	110.00	86.20
September, 2015	95.75	88.00
October, 2015	126.95	91.10
November, 2015	142.50	119.05
December, 2015	141.90	121.15
January, 2016	155.00	121.10
February, 2016	137.40	100.00
March, 2016	145.00	105.85

(viii) Performance in comparison to broad-based indices. : See chart

EQUITY SHARE PRICE CHART (NSE)



(ix) Registrars & Share Transfer Agents : Company's Equity Shares are listed on National Stock Exchange with a view to provide liquidity to the Shareholders. As per the SEBI notification, the Company's Equity Shares have been compulsorily dematerialised with effect from 25th October, 2000. The Company has appointed XL Softech Systems, 3 Sagar Society, Road No.2, Banjara Hills, Hyderabad-500 034 as Registrars and Transfer Agents.

(x) Share Transfer System : Shareholders have an option to hold the Shares in physical form or in demat form. In the case of physical form, Company is taking care to ensure that the Share Transfer work gets completed within the stipulated time. XL Softech Systems Ltd., Hyderabad has been appointed to handle the Shares Transfer work.

(xi) (a) Shareholding pattern as on 31st March, 2016

Category	No. of Shares held	% of Shareholding
Promoters	12762707	47.08
Institutions, Mutual Funds and Banks	202288	0.75
FII's / OCB's	12194	0.05
NRI's	491294	1.81
Bodies Corporate, Trusts and Clearing Members	1811134	6.68
Public	11827461	43.63
Total	27107078	100.00

(b) Distribution of Shareholding as on 31st March, 2016

Shareholding of Nominal value of Rs.	No. of Shareholders	% to Total	Share Amount in Rs.	% to Total
Upto 5000	11290	79.86	15286080	5.64
5001 to 10000	1148	8.12	9167550	3.38
10001 to 20000	717	5.07	10868310	4.01
20001 to 30000	295	2.09	7468890	2.76
30001 to 40000	115	0.81	4107050	1.51
40001 to 50000	111	0.79	5138070	1.90
50001 to 100000	220	1.56	15910710	5.87
100001 onwards	241	1.70	203124120	74.93
Total	14137	100.000	27,10,70,780	100.000

(xii) Dematerialisation of Equity Shares and liquidity:

The ISIN No. is INE715B01013. As on 31.3.2016, 44.63% of Equity Shares have been dematerialised.

(xiii) Outstanding GDRs / ADRs / Warrants of any other Convertible Instruments, Conversion date and likely impact on equity : Nil

- (xiv) Plant Locations :
1. VENKATARAYAPURAM, Tanuku, West Godavari Dist., Andhra Pradesh
 2. KOVVUR, West Godavari Dist., Andhra Pradesh
 3. SAGGONDA, Gopalapuram Mandal, West Godavari Dist. Andhra Pradesh
 4. TADUVAI, Jangareddygudem Mandal, West Godavari Dist., Andhra Pradesh
 5. BHIMADOLE, W.G.Dist., Andhra Pradesh
 6. PERECHERLA, GUNTUR Andhra Pradesh.

Wind Power Units:

7. RAMGIRI, Ananthapur Dist., Andhra Pradesh
8. (a) Kurichampatti Village,
(b) Surandai Village, Veeranam Region, Thirunalvelli District, Tamil Nadu.
(c) Kundadam Village, Tamil Nadu
(d) Palladam Village, Tamil Nadu

(xv) Address for correspondence for all matters including Shares. : Registered Office:
VENKATARAYAPURAM
Tanuku - 534 215
West Godavari Dist., Andhra Pradesh
Email: investors@theandhrasugars.com

13. NON-MANDATORY REQUIREMENTS :

Mandatory requirements of the Listing Agreement have been complied by the Company. Adoption of non-mandatory requirement is as hereunder :

1. The Board

The Company has an Executive Chairman.

2. Shareholders Rights

The quarterly and Half Yearly are published in leading English news papers having circulation all over India and also in Telugu News Papers circulating in the District and are also posted on the Company's website therefore the same are not sent to the Shareholders individually.

3. Audit Qualification

There are no qualifications proposed by the Auditors in their Report for the year ending 31st March, 2016 as per the information received from them.

DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

As provided under Regulation 26 of the Listing Agreement with the Stock Exchanges, all Board members and Senior Management personnel have affirmed the compliance with The Andhra Sugars Limited Code of Conduct for the year ended 31st March, 2016.

Place : TANUKU
Date : 27.07.2016

Dr. B.B.RAMAI AH
Chairman & Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of TheAndhra Sugars Limited

We have examined the compliance of conditions of Corporate Governance by The Andhra Sugars Limited, for the year ended on 31st March, 2016 as stipulated in Chapter-IV of Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter-IV of Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said company with stock exchanges.

As required by the Guidance Note issued by The Institute of Chartered Accountants of India, we have to state that as per the records maintained by the company, there were no investor grievances remaining unattended/ pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or the effectiveness with which the management has conducted the affairs of the company.

For Brahmayya& Co.,
Chartered Accountants
Firm Registration No. 000513S
(T.V.Ramana)
Partner
Membership No. 200523

Camp : Tanuku
Date : 30th May 2016

MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis Report set out hereunder supplements the Directors' Report and the Audited Financial Statements forming part of this Annual Report.

SUGAR INDUSTRY :

Sugar Sector which was reeling under the impact of declining prices and mounting stocks is slowly nursing back with the revival in the Sugars prices. Millers were under severe strain due to downward trend of Sugar prices and increasing cane arrears. But with the improvement in prices the Mills are in a better position to off load their Sugars stocks. This outlook is expected to continue in view of the estimated lower production in the Country due to unforeseen weather conditions in some parts. But still unreasonable high Cane price unmatched with revenue realization continues to be a concern for the Mills. To remove this bottleneck, uniform implementation of the recommendations of Rangarajan Committee for linking of Cane price to the realization from Sugar and other products is very much needed.

Government of India Programme of Ethanol blending with Petrol which was seen as an opportunity of value Addition to the Sugar Mills has not yet fully realized its objectives. The Government has announced its intention of doubling Ethanol blending with petrol to 10% from 5% earlier, to boost ethanol demand and increase the income of the Mills from Molasses. However, its implementation seems difficult in near term given that even current 5% Ethanol blending target has not been fully met in many parts of the country. Other areas of concern have been higher cost of production, inadequate availability of quality seeds, high yielding Cane Varieties, lack of harvesting labour, unavailability of proper Irrigation specialties. To better the prospects of Sugar Industry there is a need for the Central & State Government to address several areas of concern such as doing away with export duty on Interstate sales of Molasses, providing subsidy and duty exemptions for procurement of equipments suitable for mechanization of cane farming, setting up Breeding Institutions for development of good cane varieties, increasing subsidies for better irrigation facilities and availability of Solar Pump Sets and affordable cost.

In the present scenario, your Company's focus has been on Mechanization and Sugar Cane R&D activities

- i) This year we harvested 160 acres with our improved Cane Harvester (suitable for wet lands also). 5,000 MTs. of cane was harvested with our improved Cane Harvester at our three Sugar Units.
- ii) For 2016-17 cane crushing season we advised farmers to plant cane in wider row spacing suitable for Mechanical Harvesting. The total wider row spacing area is 300 acres in our three Sugar Units.
- iii) Single bud seedlings planting:

We introduced New Single Bud Cutting Machine for single bud seedlings planting. About 50 acres has been planted by using single bud cutting machine at our R & D farm and farmers field. By using this single bud seedlings a seed cane quantity of 1 to 1.5 MTs. is sufficient for planting one acre whereas for manual planting 4 MTs. of seed cane are required thus reducing the seed cane cost.

- iv) Sugar Cane R & D Activities:
 - a) Under the Sugar cane R&D program for developing New Sugar cane Varieties, we have 1,584 lines considering of commercial varieties, hybrids and advanced stage clones for evaluating their commercial value.
 - b) Based on the Agronomical and Bio-chemical characters of evaluation, we have 27 varieties under phase-I, 17 varieties under phase-II, 13 varieties under phase-III and finally 10 varieties under phase-IV.
 - c) Out of 10 varieties under phase-IV, two varieties (SI 123 and SI 309) have been multiplied and given to farmers field with an average cane yield of 55 to 60 MTs. per acre and POCS% is 11.50. These two varieties will be supplied to the factory in commercial quantities from 2016-17 cane crushing season.
 - d) The total area of SI 123 variety is 808.79 acres, SI 309 variety is 1,415.35 acres and both together 2,224.14 acres are planted at farmers field in our three sugar units. The above figures includes plant and ratoon crops.

CHLOR-ALKALI OPERATIONS:

Your Company has an integrated Chlor-Alkali Chemicals Complex at Saggonda manufacturing Caustic Soda, Chlorine and other allied products. A 400 TPD Caustic Soda Plant is in operation at Saggonda Village, Gopalapuram Mandal and 25 TPD Caustic Potash plant at Kovvur, West Godavari District, AP. Power is a major raw material for Caustic Soda / Potash Industries and its share in production cost is around 65%. Caustic Soda Industry is basically a heavy Chemical and Power Intensive Industry, which needs quality power at viable rate for manufacturing products like Caustic Soda, Liquid Chlorine and Hydrochloric Acid. There is a severe constraint for marketing these Products in the highly competitive Global Market. As power cost is very much lower in China & Gulf Countries the products are being dumped in the open market at lower prices. In view of this situation the Caustic Soda Industry is not on a level playing field thereby making it difficult for the industry to remain competitive.

Caustic Soda and its by-products (i.e.) Liquid Chlorine, Hydrochloric Acid and Hydrogen are being used in our State & other States mainly in Pharmaceutical, Paper Industries, Alumina and Thermal Power Plants; while Chlorine is used for Water purification in Towns & Municipalities.

In order to ensure that the domestic Industry remain competitive there is an urgent need for the concerned authorities to classify the Chlor-Alkali Industry as "Energy Intensive Industry" to get the benefit of availing power at a lower rate as applicable to "Energy Intensive Industry".

ASPIRIN :

As domestic price realization of Aspirin is not encouraging, Supply of Aspirin to Overseas customers and to Indigenous customers for export formulations is seen as a better business opportunity. Your Company's Aspirin facility has been upgraded to meet the International Standards (GMP) and also has been Audited and approved by USFDA and EDQM.

Certificate of Suitability and Good Manufacturing Practice Certification have been received from World Health Organisation with Written Confirmation which would enable your Company to cater to the requirements of potential customers in European Countries. ISO Certification to the Aspirin Division gives better opportunity to market our products in the International Market.

Several Overseas and Indigenous Multinational Companies have evinced interest in our product. Validation of product have been done by customers which has enabled the Company to enter into a long term contract to cater to their requirements. Validation process by several other customers are in progress and once completed successfully long term contract shall be firmed with them also.

Due to this development the Aspirin Plant could achieve 75% capacity as against 55% achieved last year. During the year the capacity of Aspirin Plant was expanded from 1000 TPA to 2000 TPA after complying with the regulatory approvals.

In the coming years your Company focus could be widen the International client base

POWER:

Gas allocation to Andhra Pradesh Gas Power Corporation Limited (APGPCL), Gas based Power Generating Company of which your Company is a Shareholder, continues to be curtailed due to which APGPCL is not in a position to achieve its full generating capacity. This has constrained APGPCL to restrict the Power Supply to their shareholders. To overcome this uncertainty your Company is implementing a 33 M.W. Coal Based Power Plant at Saggonda so as to be self sufficient in Power for operating the Chlor-Alkali and other Plants.

INTERNAL CONTROL SYSTEM

Your Company conducts a review of the financial and operating controls of the various Units. The Internal Control System of your Company is commensurate with its size and nature of business.

As per the provisions of the Companies Act, 2013 the Statutory Auditors have annexed a report on Internal Control System to the Independent Auditors Report pertaining to Financial Year 2015-16.

SEGMENT-WISE PERFORMANCE

Segment-wise performance has been given separately vide Annexure - II of Group Consolidated Accounts.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Your Company has earned a Gross Profit of Rs. 143.83 Crores (before interest and depreciation) against Rs. 65.69 Crores (before interest and depreciation) in last year.

The Fund based working capital limits at Rs. 140.00 Crores.

The gross Fixed Assets of your Company as on 31.3.2016 is Rs.933.23 Crores compared to Rs. 901.25 Crores as on 31.3.2015. Your Company has a net worth of Rs.594.86 Crores.

HUMAN RESOURCE DEVELOPMENT / INDUSTRIAL RELATIONS

Your Company continuously reviews and monitors its manpower requirements to ensure that it has human skills commensurate with its needs. Industrial relations continued to be cordial. As on 31.3.2016 your Company's employees strength stands at 2,127.

ANNEXURE "II A" TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31-03-2016

Statement showing particulars of employees of the Company as required under Section 197 of the Companies Act, 2013, read with Companies (Particulars of Employees) Rules, 1975 as amended and forming part of Report of the Board of Directors for the period from 01-04-2015 to 31-03-2016.

Sl. No.	Name	Designation	Qualification	Experience (Years)	Date of commencement of employment in the Company	Gross Remuneration Rs.	Age (Years)	Particulars of Last Employment (Name of the Concern, Designation and Period)
1)	Dr. B.B. Ramaiah	Chairman & Managing Director	B.Sc., (Hons), Sugar Technology M.Sc., (Chemical Technology) M.Sc., (Wisconsin), A.M.P.(Harvard)	62	01-04-1998	20083173	90	Managing Director (Tech.) The Andhra Sugars Ltd., 28 Years
2)	Sri P.Narendranath Chowdary	Managing Director	B.Sc.	49	12-01-1976	20518718	68	Director, The Andhra Sugars Ltd., 8 Years
3)	Sri M. Narendranath	Joint Managing Director	B.Sc., (Ag.)	42	01-01-1998	12631518	67	Managing Director Sree Satyanarayana Spinning Mills Ltd., Tanuku. 24 Years
4)	Sri M. Thimmaraja	Joint Managing Director	B.Tech., M.B.A.(Florida)	41	01-08-1978	12614768	65	Director The Andhra Sugars Ltd., 21½ Years
5)	Sri P. Achuta Ramayya	Joint Managing Director	B.Com., M.B.A.(New York)	33	01-08-1983	11866722	61	First Appointment
6)	Sri P.S.R.V.K.Ranga Rao	Executive Director	B.Com.	17	01-05-1999	7501940	46	Director The Andhra Sugars Ltd., 11½ Years

- 1) Gross remuneration includes Salary, Commission on profits, House rent allowance, Company's contribution to Provident Fund, Superannuation Fund, Gratuity Fund, Reimbursement of Medical Expenses, Personal Accident Insurance, Membership Fees to Clubs as may be applicable.
- 2) The Appointments are governed by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.

ANNEXURE - II B
Directors' Report for the year ended 31.03.2016

Information pursuant to Section 134 of the Companies Act, 2013 read with rule 8(3) of Companies (Accounts) Rules, 2014.

A. Conservation of Energy:

CHEMICAL COMPLEX, SAGGONDA:

- a) 1) No.3 CSP Plant "C" Electrolyser Elements re-coated for reduction of power consumption.
- 2) No.3 CSP Plant "C" Electrolyser Old F8020SP Membranes replaced with high performance low voltage F6801 New membranes for reduction of power consumption.
- b) No.1 CSP Plant "G" Electrolyser and No.2 CSP Plant "A" Electrolyser Old Membranes replaced with high performance low voltage F6801 New Membranes for reduction of power consumption.
- c) Due to the above measures, the power consumption has reduced by approximately 130 KWH / Ton of production. Impact on cost of production Rs.800/- MT.

B. TECHNOLOGY ABSORPTION:

Form B annexed.

C. Foreign Exchange Earnings and outgo:	Current Year	Last Year
a) Used (Rs. in lakhs)		
i) Revenue Account	115.57	131.28
ii) Know-how fee and Service	-	-
b) Earned (Rs. in lakhs) on FOB basis	1861.48	851.72

FORM B

Form for Disclosure of particulars with respect to Technology absorption

RESEARCH & DEVELOPMENT (R&D)

1. Specific areas in which R&D carried out by the company:

Your company is actively involved in development of indigenous and cost effective technologies for new products and processes optimization. Your company is also actively involved in Technology up-gradation, Cost balancing, Effective utilization of internal resources, Establishing & Development of methods and controls to minimize waste and reduce environmental pollution, Introduction of modern methods in sugarcane cultivation and management.

2. Benefits derived as a result of above R&D:

The continuous R&D activities of your company have helped in improving the performance of the existing process and products, increased capacity utilization, preparedness to counter competition and explore new markets, Mechanization of Sugar cane cultivation helped in optimizing the Sugar cane harvesting.

3. Future plan of action:

Your company will continue to utilize the existing R&D capabilities to upgrade the process technologies, Development of new products, Maximize production capacity at optimum cost.

TECHNOLOGY ABSORPTION ADAPTATION AND INNOVATION:

1. Efforts, in brief, made towards technology absorption, adaptation and Innovation

- a) Development of high yield Sugar cane varieties, Sugar cane breeding is being carried out continuously at the existing R&D farm.
- b) Implementation of Mechanization of Sugarcane planting and Harvesting is in progress.
- c) As a part of implementing suitable technology for recovery of DMA, Ammonia and MMA effluents generated from UDMH/MMH plants, commissioning of recovery plant is in progress.
- d) As a part of developing new products studies are being carried out for development of fuel for semi cryogenic engine.

2. Benefits derived as a result of above efforts e.g. product improvement; cost reduction, product development import substitution etc.:

- a) Multiplication of suitable high yield Sugar Cane varieties which are close to commercialization ensures the availability of quality cane varieties to the farmers.
- b) Implementation of mechanical plantation and harvesting helps in convincing the farmers, to bring additional area under cultivation.
- c) Commissioning of recovery system will help in attaining ZLD.
- d) The new product development will help in production of new products.

3. In case of imported technology (Imported during the last five years reckoned from the beginning of the financial year), following Information may be furnished:

a) Technology imported	NIL
b) Year of import	
c) Has technology been fully absorbed	
d) If not fully absorbed, areas where this has not been taken place, reasons there of.	

ANNEXURE - III
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L15420AP1947PLC00326
Registration Date	August 11, 1947
Name of the Company	The Andhra Sugars Limited
Category / Sub-Category of the Company	Public Company / Company having share capital
Address of the registered office and contact details	Venkatarayapuram Tanuku - 534 215 Andhra Pradesh Ph:08819-224911 ((7 Lines) Fax:08819-224168
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any*	XL Softech Systems Limited 3, Sagar Society Road No. 2, Banjara Hills HYDERABAD - 500 034

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Business activities contributing 10% or more of the total turnover of the company :

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Sugar	2060	25.27 %
2	Caustic Soda	3008	50.04 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Sections
1	JOCIL Limited	L28990AP1978PLC002260	Subsidiary	55.02 %	2(87)
2	The Andhra Farm Chemicals Corporation Limited	U24110AP1968PLC001197	Subsidiary	77.35 %	2(87)
3	Hindustan Allied Chemicals Limited	U24231AP1965PLC001039	Subsidiary	76.82 %	2(87)
4	The Andhra Petrochemicals Limited	L23209AP1984PLC004635	Associate	33.05%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1-April, 2015)				No. of Shares held at the end of the year (as on 31-March-2016)				(%) Change during the year
	Demat	Physical	Total	(%) of Total Shares	Demat	Physical	Total	(%) of Total Shares	
A. Promoter and Promoter Group Indian									
a) Individual/HUF	872229	10486234	11358463	41.90	1056645	10464874	11521519	42.50	0.60
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	350868	350868	1.29	-	350868	350868	1.29	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
g) Trust	-	890320	890320	3.28	-	890320	890320	3.29	0.00
Total shareholding of Promoter (A)	872229	11727422	12599651	46.48	1056645	11706062	12762707	47.08	0.60

B. Public Shareholding

1. Institutions									
a) Mutual Funds/UTI	-	5500	5500	0.02	-	5500	5500	0.02	0.00
b) Banks / FI	206751	6800	213551	0.79	195684	1104	196788	0.73	(0.06)
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) FIs	14694	-	14694	0.05	12194	-	12194	0.04	(0.01)
g) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
h) Qualified Foreign Investors	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	221445	12300	233745	0.86	207878	6604	214482	0.79	(0.07)
2. Non-Institutions									
a) Bodies Corp.	1674744	305313	1980057	7.30	1437878	301940	1739818	6.42	(0.88)
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	4886912	1103558	5990470	22.10	5889105	1238833	7127938	26.30	4.20

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Category of Shareholders	No. of Shares held at the beginning of the year (as on 1-April, 2015)				No. of Shares held at the end of the year (as on 31-March-2016)				(%) Change during the year
	Demat	Physical	Total	(%) of Total Shares	Demat	Physical	Total	(%) of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	3559359	1860016	5419375	19.99	3027855	1671668	4699523	17.34	(2.65)
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	438709	291	439000	1.62	491294	-	491294	1.80	0.18
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Clearing Members	61163	-	61163	0.23	71316	-	71316	0.25	0.02
Foreign Bodies - DR	-	-	-	-	-	-	-	-	-
Societies	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	11004504	3269178	14273682	52.66	10917448	3212441	14129889	52.13	(0.53)
Total Public Shareholding	11225949	3281478	14507427	53.52	11125326	3219045	14344371	52.92	(0.60)
(B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
GrandTotal (A+B+C)	12098178	15008900	27107078	100.00	12181971	14925107	27107078	100.00	

(ii) Shareholding of Promoters and Promoter Group.

Sl. No.	Shareholder's Name	No. of Shares held at the beginning of the year (as on 1-April-2015)			No. of Shares held at the end of the year (as on 31-March-2016)			Change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
A	Promoters							
1	Pendyala Sujata	768119	2.83	-	768119	2.83	-	0.00
2	Mullapudi Thimmaraja	367195	1.35	-	367195	1.35	-	0.00
3	Mullapudi Thimmaraja (HUF)	204478	0.75	-	204478	0.75	-	0.00
4	Mullapudi Thimmaraja (Individual)	110244	0.41	-	110244	0.41	-	0.00
5	Mullapudi Thimmaraja	29045	0.11	-	29045	0.11	-	0.00
6	Thimmaraja Mullapudi	19975	0.07	-	19975	0.07	-	0.00
7	Mullapudi Thimmaraja	83166	0.31	-	83166	0.31	-	0.00
8	Mullapudi Thimmaraja (Individual)	205120	0.76	-	205120	0.76	-	0.00
9	Pendyala Jhansi Jayalakshmi	694824	2.56	-	694824	2.56	-	0.00
10	P.S.R.V.K. Ranga Rao	627284	2.31	-	627284	2.31	-	0.00
11	P.S.R.V.K. Ranga Rao	8591	0.03	-	8591	0.03	-	0.00
12	Mullapudi Narendranath	397140	1.47	-	397140	1.47	-	0.00
13	Mullapudi Narendranath (Individual)	59166	0.22	-	59166	0.22	-	0.00
14	Mullapudi Narendranath (Individual)	49098	0.18	-	49098	0.18	-	0.00
15	Mullapudi Narendranath	27446	0.10	-	27446	0.10	-	0.00
16	Mullapudi Narendranath (HUF)	20633	0.08	-	20633	0.08	-	0.00
17	Narendranath Mullapudi	19975	0.07	-	19975	0.07	-	0.00
18	Mullapudi Narendranath	28510	0.11	-	28510	0.11	-	0.00
19	Mullapudi Narendranath (Individual)	302514	1.12	-	302514	1.12	-	0.00
20	Mullapudi Narendranath (Individual)	205120	0.76	-	205120	0.76	-	0.00
21	Maddipoti Kamala Devi	573840	2.12	-	573840	2.12	-	0.00
22	Kum.Pendyala Ananthalakshmi Satyavathi Devi	520304	1.92	-	520304	1.92	-	0.00
23	Pendyala Achuta Ramayya	285356	1.05	-	285356	1.05	-	0.00
24	Sri Balusu Ranganayaki Alias Radhika	424795	1.57	-	424795	1.57	-	0.00
25	Pendyala Narendranath Chowdary	333056	1.23	-	333056	1.23	-	0.00
26	Pendyala Narendranath Chowdary (Individual)	83793	0.31	-	83793	0.31	-	0.00

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27	Bolla Rajiv	410000	1.51	-	410000	1.51	-	0.00
28	Jujavarapu Usharani	330975	1.22	-	330975	1.22	-	0.00
29	Jujavarapu Usharani	242381	0.89		242381	0.89		0.00
30	Yelamarthi Narayanamma	323556	1.19		323556	1.19		0.00
31	Jayaraman Ananthalakshmi	286624	1.06		286624	1.06		0.00
32	Bolla Bulli Ramaiah	223998	0.83		223998	0.83		0.00
33	Miss. Bolla Sarina	218000	0.80		218000	0.80		0.00
34	Pendyala Venkata Krishna Rao	172949	0.64		172949	0.64		0.00
35	Pendyala Venkata Krishna Rao (Individual)	41359	0.15		41359	0.15		0.00
36	Pendyala Sesha Shailaja	153600	0.57		153600	0.57		0.00
37	Pendyala Sesha Shailaja	59607	0.22		59607	0.22		0.00
38	Mullapudi Vikram Prasad	129437	0.48		129437	0.48		0.00
39	Mullapudi Vikram Prasad	42048	0.16		42048	0.16		0.00
40	Pendyala Sujatha	46021	0.17		46021	0.17		0.00
41	Nidadavolu Venkataramanamma	107438	0.40		107438	0.40		0.00
42	Nidadavolu Venkataramanamma	16024	0.06		16024	0.06		0.00
43	Mullapudi Mrutyumjaya Prasad	120692	0.45		120692	0.45		0.00
44	Mullapudi Narayanamma	47616	0.18		47616	0.18		0.00
45	Mullapudi Narayanamma	37685	0.14		37685	0.14		0.00
46	Mullapudi Narayanamma	16951	0.06		16951	0.06		0.00
47	Mullapudi Narayanamma	147564	0.54		147564	0.54		0.00
48	Mullapudi Renuka	46000	0.17		46000	0.17		0.00
49	Mullapudi Renuka	39407	0.15		39407	0.15		0.00
50	Mullapudi Renuka	13314	0.05		13314	0.05		0.00
51	Mullapudi Renuka	247858	0.91		247858	0.91		0.00
52	Mullapudi Renuka	147564	0.54		147564	0.54		0.00
53	G. Anuradha	52800	0.19		52800	0.19		0.00
54	Gaddipati Anuradha	42039	0.16		42039	0.16		0.00
55	Goli Devi	84288	0.31		84288	0.31		0.00
56	Bolla Veera Venkata Satya Ramesh Kumar	57965	0.21		57965	0.21		0.00
57	Bolla Veera Venkata Satya Ramesh Kumar	5400	0.02		5400	0.02		0.00
58	Goli Jayashree	95720	0.35		95720	0.35		0.00
59	B. Rama Devi	8807	0.03		8807	0.03		0.00
60	Nutakki Anantalakshmi	400	0.00		400	0.00		0.00

	DEMAT							
61	Ramalakshmi E.	92966	0.34		92966	0.34		0.00
62	Anantha Lakshmi N.	55000	0.20		55000	0.20		0.00
63	Pendyala Usha Lakshmi	8000	0.03		8000	0.03		0.00
64	Pendyala Meghana Sri Sai Sujata	5300	0.02		5300	0.02		0.00
65	Pendyala Achuta Ramayya	182180	0.67		182180	0.67		0.00
66	Pendyala Divya Atchimamba	37237	0.14		37237	0.14		0.00
67	Pendyala Sruthi Rajeswari	14300	0.05		14300	0.05		0.00
68	Pendyala Prithivi Sri Narendra Rayudu	3141	0.01		3141	0.01		0.00
69	P.S.R.V.K. Ranga Rao	7000	0.03		7000	0.03		0.00
70	Bolla Ramesh Kumar	3010	0.01		62650	0.23		0.22
71	Pendyala Jansi Jayalakshmi	15300	0.06		15300	0.06		0.00
72	Narayanamma Mullapudi	14850	0.05		14850	0.05		0.00
73	Yelamorthy Thimma Raja	59640	0.22		0	0.00		0.22
74	Mullapudi Satyanarayanamma	374305	1.38		558721	2.06		0.68
	BODIES CORPORATE							
75	The Mullapudi Investment & Finance Co. (P) Ltd.	128452	0.47		128452	0.47		0.00
76	Thimmaraja Investment & Finance Co. (P) Ltd.	113536	0.42		113536	0.42		0.00
77	Sree Harischandra Prasad Invest. & Fin. Co., Ltd.,	107800	0.40		107800	0.40		0.00
78	Jayalakshmi Chemical Enterprises (P) Ltd.	1080	0.00		1080	0.00		0.00
	TRUSTS							
79	S.M.V.M. Hospital	890320	3.28		890320	3.28		0.00
	Total A	12578291	46.40	-	12762707	47.08	-	
B	Promoter Group							
C	Promoter & Promoter Group							

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

1	Mullapudi Satyanarayanamma	374305	1.38		558721	2.06		0.68
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(iv) Shareholding Pattern of top ten Shareholders

Shareholding pattern of top 10 Shareholders
(other than Directors, Promoters and Holders of GDRs and ADRs)

Name of the Shareholder	Shareholding at the beginning of the year (01-04-15)		Increase/Decrease in share holding			Cumulative Shareholding during the Year (01-04-15 to 31-03-16)	
	No. of Shares	% of total shares of the company	Date	No. of Shares	Reason	No. of Shares	% of total shares of the company
Anil Kumar Goel	4,50,000	1.66	01-04-2015			4,50,000	1.66
Saffron Agencies Ltd.	–	–	01-04-2015	3,98,964		3,98,964	1.47
Dr. Sanjeev Arora	3,23,541	1.19	01-04-2015			3,23,541	1.19
Pendyala Ravi	2,76,114	1.02	01-04-2015			2,76,114	1.02
Pendyala Venkatarayudu	2,29,124	0.85	01-04-2015			2,29,124	0.85
Seema Goel	2,00,000	0.74	01-04-2015			2,00,000	0.74
R.Raghu	1,86,832	0.69	01-04-2015			1,86,832	0.69
R. Ramesh	1,86,832	0.69	01-04-2015			1,86,832	0.69
General Insurance Corp. of India	1,81,681	0.67	01-04-2015			1,81,681	0.67
Ramkumar Varadarajan	1,81,108	0.67	June 2015	03	Sold	1,81,105	0.67
			March 2016	110	Buy	1,81,215	0.67

(v) A. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Dr. B.B. Ramaiah				
	At the beginning of the year	2,50,758	0.93	2,50,758	0.93
	Purchase/Sales during the year	-	-	-	-
	At the end of the year	2,50,758	0.93	2,50,758	0.93
2.	P. Narendranath Chowdary				
	At the beginning of the year	4,16,849	1.54	4,16,849	1.54
	Purchase/Sales during the year	-	-	-	-
	At the end of the year	4,16,849	1.54	4,16,849	1.54
3.	Mullapudi Narendranath				
	At the beginning of the year	11,09,602	4.09	11,09,602	4.09
	Purchase/Sales during the year	-	-	-	-
	At the end of the year	11,09,602	4.09	11,09,602	4.09

4.	Mullapudi Thimmaraja At the beginning of the year Purchase/Sales during the year At the end of the year	10,19,223 - 10,19,223	3.76 - 3.76	10,19,223 - 10,19,223	3.76 - 3.76
5.	P. Achuta Ramayya At the beginning of the year Purchase/Sales during the year At the end of the year	1,82,180 - 1,82,180	0.67 - 0.67	1,82,180 - 1,82,180	0.67 - 0.67
6.	P.S.R.V.K Ranga Rao At the beginning of the year Purchase/Sales during the year At the end of the year	6,42,875 - 6,42,875	2.37 - 2.37	6,42,875 - 6,42,875	2.37 - 2.37
7.	A. Ranga Rao At the beginning of the year Purchase/Sales during the year At the end of the year	200 - 200	0.00 - 0.00	200 - 200	0.00 - 0.00
8.	Dr. Dasari Manjulata At the beginning of the year Purchase/Sales during the year At the end of the year	21,500 - 21,500	0.08 - 0.08	21,500 - 21,500	0.08 - 0.08

b) **Shareholding of Key Managerial Personnel**

Sl. No.	Name of the Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Dr. B.B. Ramaiah At the beginning of the year Sold on At the end of the year	2,50,758 - 2,50,758	0.93 - 0.93	2,50,758 - 2,50,758	0.93 - 0.93
2.	M. Palachandra At the beginning of the year Purchase/Sold on At the end of the year	- - -	- - -	- - -	- - -
3.	P.V.S. Viswanadha Kumar At the beginning of the year Purchase/Sold on At the end of the year	120 - - 120	0.00 - - 0.00	120 - - 120	0.00 - - 0.00

VI. INDEBTEDNESS**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

(Amount Rs. in lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	16965.97	3835.29	11855.00	32656.26
ii) Interest due but not paid	—	—	6.71	6.71
iii) Interest accrued but not due	4.41	—	319.90	324.31
Total (i+ii+iii)	16970.38	3835.29	12181.61	32987.28
Change in Indebtedness during the financial year				
Addition	—	—	3213.67	3213.67
Reduction	(7337.80)	(189.53)	—	(7527.33)
Net Change	(7337.80)	(189.53)	3213.67	(4313.66)
Indebtedness at the end of the financial year				
i) Principal Amount	9616.56	3645.76	15030.20	28292.52
ii) Interest due but not paid	—	—	6.64	6.64
iii) Interest accrued but not due	16.02	—	358.44	374.46
Total (i+ii+iii)	9632.58	3645.76	15395.28	28673.62

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
I.		Dr. B.B. Ramaiah	P. Narendranath Chowdary	Mullapudi Narendranath	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	41,40,000.00	50,67,096.00	29,70,000.00	1,21,77,096.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	8,63,876.00	3,72,325.00	2,36,958.00	14,73,159.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	—	—	—	—
2.	Stock Option	—	—	—	—
3.	Sweat Equity	—	—	—	—
4.	Commission	1,50,79,297.00	1,50,79,297.00	94,24,560.00	3,95,83,154.00
	- as % of profit				
	- others, specify...				
5.	Others, please specify- Retirals				
	Total (A)	2,00,83,173.00	2,05,18,718.00	1,26,31,518.00	5,32,33,409.00
	Ceiling as per the Act @ 5 % of Net Profit				

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mullapudi Thimmaraja	P. Achuta Ramayya	P.S.R.V.K. Ranga Rao	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	29,70,000.00	20,70,000.00	16,56,050.00	66,96,050.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2,20,209.00	3,72,212.00	1,91,153.00	7,83,574.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	—	—	—	—
2.	Stock Option	—	—	—	—
3.	Sweat Equity	—	—	—	—
4.	Commission - as % of profit - others, specify...	94,24,560.00	94,24,560.00	56,54,737.00	2,45,03,857.00
5.	Others, please specify- Retirals				
	Total (A)	1,26,14,769.00	1,18,66,772.00	75,01,940.00	3,19,83,481.00
	Ceiling as per the Act @ 5 % of Net Profit				
	Grand Total (A+B)				8,52,16,890.00

B. Remuneration to Independent Directors:

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	Sri A. Ranga Rao	Dr.A.V. Rama Rao	Dr. P. Kotaiah	
	Fee for attending Board committee meetings	2,20,000	1,00,000	2,00,000	5,20,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	2,20,000	1,00,000	2,00,000	5,20,000
Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
2	Other Non-Executive Directors	Sri V.S.Raju	Sri P.A. Chowdary	Dr. Manjulata	
	Fee for attending board committee meetings	2,60,000	2,20,000	80,000	5,60,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	2,60,000	2,20,000	80,000	5,60,000
	Total (B)=(1+2)	4,80,000	3,20,000	2,80,000	10,80,000
	Total Managerial Remuneration				8,62,96,890

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTB

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CS	CFO	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	19,31,141	19,05,700	38,36,841
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,16,260	1,13,554	2,29,814
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—
2	Stock Option	—	—	—
3	Sweat Equity	—	—	—
4	Commission	—	—	—
	- as % of profit	—	—	—
5	Others, please specify			
	- Retirals			
	Total	20,47,401	20,19,254	40,66,655

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
COMPANY / DIRECTORS / OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

ANNEXURE - IV

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
The Andhra Sugars Limited,
Venkatarayapuram,
Tanuku - 534215,
West Godavari District,
Andhra Pradesh.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. The Andhra Sugars Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on our verification of M/s. The Andhra Sugars Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. The Andhra Sugars Limited ("the Company") for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company during the Audit Period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The erstwhile Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit Period);

The Andhra Sugars Limited

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings
- ii) Listing Agreement (till November 30, 2015) entered into by the Company with the National Stock Exchange and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (From 1st December, 2015)

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that, having regard to the compliance system prevailing in the company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- a) Sugarcane Control Order, 1966
- b) Sugar Cess Act, 1982
- c) Sugar Development Fund Act, 1982
- d) The Andhra Pradesh Sugarcane (Regulation of Supply & Purchase) Act, 1961
- e) The Hazardous Wastes (Management, Handling and Transboundary Movement) Rule, 2008
- f) Drugs & Cosmetics Act, 2002 and rules made thereunder
- g) Legal Metrology Act, 2009 and rules made thereunder
- h) Arms Act and Rules, 1962
- i) Andhra Pradesh Electricity Act
- j) The Environmental Protection Act, 1986
- k) The Indian Electricity Act
- l) Indian Explosives Act
- m) Petroleum Act
- n) The Indian Telegraph Act
- o) Andhra Pradesh Petroleum Products Order, 1980
- p) The Andhra Pradesh Panchayat Raj Act, 1994

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings, as represented by the management, were taken unanimously.

We further report that, as per the explanations given to us and the representations made by the Management and relied upon by us, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the audit period, there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines etc. having major bearing on the Company's affairs.

For NEKKANTI S.R.V.V.S. NARAYANA & CO.

Company Secretaries

(NEKKANTI S.R.V.V.S. NARAYANA)

Proprietor

M.No.F7157, C.P.No.7839

Date : 16th July, 2016

Place : Hyderabad

Note :

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

ANNEXURE - A

To
The Members,
The Andhra Sugars Limited,
Venkatarayapuram,
Tanuku - 534215,
West Godavari District,
Andhra Pradesh.

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For NEKKANTI S.R.V.V.S. NARAYANA & CO.

Company Secretaries

(NEKKANTI S.R.V.V.S. NARAYANA)

Proprietor

M.No.F7157, C.P.No.7839

Date : 16th July, 2016

Place : Hyderabad

ANNEXURE - V

STATEMENT CONTAINING INFORMATION AS PER SECTION 197(12) OF THE COMPANIES ACT 2013, READ WITH RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE YEAR ENDED 31ST MARCH, 2016.

1. Ratio of remuneration of each Director to median remuneration of the employees of the Company for the Financial Year.

Sl. No.	Name of the Director	Ratio of remuneration of Director to median remuneration of employees
		2015 - 16
1.	Dr.B.B. Ramaiah	98.19:1
2.	Sri P.Narendranath Chowdary	100.32:1
3.	Sri M. Narendranath	61.76:1
4.	Sri M. Thimmaraja	61.68:1
5.	Sri P. Achuta Ramayya	58.02:1
6.	Sri P.S.R.V.K. Ranga Rao	36.68:1
7.	Sri A. Ranga Rao	01.08:1
8.	Dr. P. Kotaiah	00.98:1
9.	Sri V.S.Raju	01.27:1
10.	Sri A.V. Rama Rao	00.49:1
11.	Sri P.A. Chowdary	01.08:1
12.	Dr. Manjulata (from 28.7.2014)	00.39:1

2. Percentage increase in remuneration of each Director, President, Chief Financial Officer and Company Secretary.

Sl. No.	Name of the Director	Designation	Percentage Increase (%)
			2015 - 16
1.	Dr.B.B. Ramaiah	Chairman	348.92
2.	Sri P.Narendranath Chowdary	Director	248.98
3.	Sri M. Narendranath	Director	334.13
4.	Sri M. Thimmaraja	Director	333.56
5.	Sri P. Achuta Ramayya	Director	413.65
6.	Sri P.S.R.V.K. Ranga Rao	Director	332.81
7.	Sri M. Palachandra	Company Secretary	31.72
8.	Sri P.V.S. Viswanadha Kumar	G.M. (Finance) & Asst. Secretary	25.65

3. The percentage increase in the median remuneration of employees in Financial Year 2015-16 is 10.88%.
4. Number of permanent employees on the rolls of the Company as on 31st March, 2016 was 2127 and as on 31st March, 2015 was 2241.
5. Remuneration of Whole-time Directors consists of Commission on net profits for a particular year if applicable.
6. No employee has received remuneration in excess of highest paid Director of the Company during the Financial Year 2015-16.

The Andhra Sugars Limited

7. The explanation on the relationship between average increase in remuneration and Company's performance:
There is no direct relationship between average increase in remuneration of employees and Company's performance.

8. Remuneration of KMP against performance of the Company

(Rs. In lakhs)

Remuneration of KMP during the Financial Year 2015-16	241.50
Revenue from Operations	88,682.97
Remuneration percentage (as % of revenue)	0.27%

9. Variations in market capitalisation of the Company, Price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer :

Particulars	31-03-2016	31-03-2015	Variation %
Closing Rate of Shares on NSE (Rs.)	137.70	91.70	50.16
Earnings Per Share (EPS) (Rs.)	20.20	1.25	1516.00
Market Capitalization (Rs. In lakhs)	37326.45	24857.19	50.16
Prise Earning Ratio (Rs.)	6.82	73.36	(90.70)

10. Comparison of each remuneration of the Key managerial Personnel against the performance of the Company:

Particulars	Chief Executive Officer Rs. In lakhs	Chief Financial Officer Rs. In lakhs	Company Secretary Rs. In lakhs
Remuneration	200.83	20.19	20.47
Revenue	88682.97	88682.97	88682.97
Remuneration (as a percentage of Revenue)	0.23%	0.02%	0.02%

11. Remuneration to Employees and Directors of the Company is in line with Remuneration Policy of the Company as per competitive market scenario and sustainability in the medium to long run.

ANNEXURE - VI

1. Philosophy:

Your Company is dedicated to the betterment of the Rural Masses in the areas of our operations. Way back in the 1950s, well before there was the thought of "Corporate Social Responsibility" your Company took up these activities. Realising that Health and Education are vital for the improvement of the quality of human life your Company helped build a Medical College at Kakinada to produce the Doctors needed for rural healthcare and followed this up with helping in setting up a modern Hospital at Tanuku providing Cardiac, Ophthalmic, Orthopedic, Obstetrics, Gynaecological and Dental Care. Your Company helped to provide education by helping in setting up two Schools and a Polytechnic and helped in setting up a modern Library and a Cultural Centre with a 1000 seat indoor Auditorium and an Outdoor Auditorium.

2. Corporate Social Responsibility Committee:

Following Directors are on Corporate Social Responsibility Committee constituted by the Board of Directors.

1. Dr. B.B. Ramaiah, Chairman & Managing Director (Chairman of the Committee)
2. Sri P. Narendranath Chowdary, Managing Director
3. Sri Mullapudi Thimmaraja, Joint Managing Director
4. Sri V.S. Raju, Independent Director

3. Average Net Profits :

Rs. 65,15,75,579/- Of last 3 Financial Years.

4. Prescribed Corporate Social Responsibility Committee Expenditure

Rs. 1,30,31,512/- (2% of the amount as in 3 above)

5. Details of Corporate Social Responsibility Committee spent during the year.

(a) Total Amount to be spent : Rs. 1,31,00,000/-

(b) Amount unspent if any : NIL

(c) Manner in which the amount spent during the Financial Year is annexed.

The CSR Committee confirms that the implementation and monitoring of the CSR policy is in compliance with the CSR objectives and policy of the Company.

Dr. B.B. Ramaiah
(Chairman CSR Committee)

V.S. Raju
(Member - Independent Director)

DETAILS OF CSR ACTIVITIES

(Rs. in lakhs)							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR Project / Programme	Sector in which the Project / Programme is covered	Projects / Programmes (1) Local area or other (2) Specify the State and district where Projects or Programmes were under taken	Amount outlay (budget) Project / Programme Wise	Amount spent on the Project / Programme Subheads: (1) Direct expenditure on Project / Programme (2) Overheads	Cumulative expenditure upto the reporting period i.e. 31.03.2016	Amount spent: Direct or through implementing agency
1.	Providing Health Related Activities	Health Care	Local Area West Godavari District Andhra Pradesh	91.00	91.00	91.00	Sree Mullapudi Venkataramanamma Memorial Hospital, Venkatarayapuram
2.	Promotion of Literature and Arts	Education	Local Area West Godavari District Andhra Pradesh	10.00	10.00	10.00	Sree Mullapudi Timma Raju Memorial Library & Cultural Centre, Tanuku
3.	Promoting Education	Education	Local Area West Godavari District Andhra Pradesh	20.00	20.00	20.00	Sree Mullapudi Venkatarayudu Memorial Educational Trust Tanuku
4.	Promoting development of School	Education	Local Area West Godavari District Andhra Pradesh	10.00	10.00	10.00	Sree Pendyala Venkata Krishna Rangaraya Memorial Trust, Dommeru

ANNEXURE - VII

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

- (a) Name(s) of the related party and nature of relationship:
- (b) Nature of contracts/arrangements/transactions:
- (c) Duration of the contracts / arrangements/transactions:
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) Date(s) of approval by the Board:
- (g) Amount paid as advances, if any:
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:

2. Details of material contracts or arrangement or transactions at arm's length basis: NIL

- (a) Name(s) of the related party and nature of relationship:
- (b) Nature of contracts/arrangements/transactions:
- (c) Duration of the contracts / arrangements/transactions:
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
- (e) Date(s) of approval by the Board, if any:
- (f) Amount paid as advances, if any:

TANUKU
30.05.2016

B.B. RAMAIAH
Chairman & Managing Director

INDEPENDENT AUDITOR'S REPORT

To
The Members of **THE ANDHRA SUGARS LIMITED**,
TANUKU

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of The Andhra Sugars Ltd., which comprise the Balance sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting standards specified under section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Companies Act, 2013 we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B", and
 - g) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 26 to the financial statements;
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Camp : Tanuku
Date : 30th May 2016

For BRAHMAYYA & Co
Chartered Accountants
Firm Registration No. 000513S
(T. V. Ramana)
Partner
(ICAI Membership No. 200523)

Annexure - A to the Independent Auditor's Report

The Annexure referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date, to the members of THE ANDHRA SUGARS LIMITED, TANUKU for the year ended 31st March 2016. We report that:

- (i). (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Fixed Assets are physically verified by the management according to a phased program designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) According to the information and explanations furnished to us, the title deeds of immovable properties are held in the name of the company.
- (ii). According to the information and explanation given to us, the inventory has been physically verified by the management at reasonable intervals and the discrepancies noticed during such physical verification of inventories as compared to books have been properly dealt with in the books of account.
- (iii). The company has granted loan to its Associate Company for an amount of Rs.1500 lacs (Maximum balance Rs.1500 lacs) covered in the register maintained under section 189 of the Companies Act, 2013
 - a. The terms and conditions of the grant of such loan to its Associate are not prima facie prejudicial to the interest of the company.
 - b. As per the stipulations mentioned in the loan agreement, Principal is repayable on 31-03-2019 and its Associate is paying interest as per the terms of the agreement.
 - c. There is no amount of overdue on account of Principal and Interest recoverable from its Associate as at 31st March 2016.
- (iv). In our opinion and according to the information and explanations given to us, the company has not granted any loans, guarantees and security in accordance with the provisions of section 185 of the Companies Act 2013. The company has complied with the provisions of Section 186 of the Companies Act 2013, in respect of Loans and investments made by the company.
- (v). In our opinion the company has complied with the provisions of section 73 to 76 and other applicable provisions of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 with regard to the deposits accepted from the public. According to the information furnished to us, no Order has been passed on the company by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for non-compliance with the provisions of Sections 73 to 76 of the Companies Act, 2013.
- (vi). We have broadly reviewed the books of account and records maintained by the company at its Sugar Units, Caustic Soda Division, Caustic Potash Division, Sulphuric Acid Divisions, Superphosphate Division and Rectified Spirit of Distillery Division pursuant to the Rules made by the Central Government for the maintenance of Cost Records under section 148 (1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (vii). (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, in our opinion, the company is regular in depositing with the appropriate authorities, the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it; and no undisputed statutory dues were outstanding, as at the date of Balance sheet under report, for a period of more than six months from the date they became payable.

Sl.No.	Name of the statute	Period	Amount (Rs. in lakhs)	Remarks
1.	Andhra Pradesh State Excise Act	Upto August, 1976	3.58 (establishment charges)	Pending receipt of demand by the Company
2.	Andhra Pradesh State Excise Act	August, 1976 to March, 2015	17.02 (Interest on above)	Pending receipt of demand by the Company

- (b) According to the information and explanations given to us, there were no amounts of Sales Tax, Customs Duty, Excise Duty, Cess, Income Tax, Service Tax that have been disputed by the company, and hence, were not remitted to the concerned authorities at the date of the balance sheet under report, except

S.No	Nature of dues	Name of the statute	Period	Amount (Rs. In lacs)	Forum where the dispute is pending
1	Water (Prevention and control of Pollution) cess Act, 1977	Cess	01-04-78 to 1990-91	0.50	Appellate Committee of the Govt. of A.P.
2	Sales Tax laws in different States	Sales Tax	2002-03 to 2011-12	106.77	Different appellate Authorities
3	Income Tax Act, 1961	Income Tax	2007-08 to 2014-15	1196.46	Commissioner of Income Tax, Appeals
4	Central Excise Act, 1944	Excise duty	2002-03 to 2013-14	2748.32	Different departmental appellate authorities
5	Service Tax Law	Service Tax	2004-05 to 2011-12	85.29	Commissioner of Service Tax

- (b) According to the information and explanations given to us, there were no amounts of Sales Tax, Customs Duty, Excise Duty, Cess, Income Tax, Service Tax that have been disputed by the company, and hence, were not remitted to the concerned authorities at the date of the balance sheet under report, except

- (viii). According to the records of the company examined by us, and the information and explanations given to us, there were no defaults in repayment of loans or borrowings to banks and Government during the year under report.
- (ix). The company did not raise any money by way of initial public offer or further public offer (including debt instruments) except term loans from banks during the year under report and the same were applied for the purposes for which those were raised.
- (x). During the course of our examination of the books and records of the company, carried out in accordance with the Generally Accepted Audited Practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud by the company or any fraud on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi). According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

The Andhra Sugars Limited

- (xii). In our opinion and according to the information and explanations furnished to us, the company is not a chit fund or a Nidhi / mutual benefit fund/ society and hence, the requirements of clause 3(xii) of the Order is not applicable to the company during the year under report.
- (xiii). According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv). According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him under the provisions of Section 192 of Companies Act, 2013. Therefore the provisions of clause 3(xv) of the Order are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Camp : Tanuku
Date : 30th May 2016

For BRAHMAYYA & Co
Chartered Accountants
Firm Registration No. 000513S
(T. V. Ramana)
Partner
(ICAI Membership. No. 200523)

Annexure - B to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of The Andhra Sugars Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Camp : Tanuku
Date : 30th May 2016

For BRAHMAYYA & Co
Chartered Accountants
Firm Registration No. 000513S
(T.V. Ramana)
Partner
(ICAI Membership. No. 200523)

NOTES FORMING PART OF ACCOUNTS

1. ACCOUNTING POLICIES

1.1 GENERAL

- a) The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards as prescribed under section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 and the provisions of the Act (to the extent notified). The financial statements have been prepared under the historical cost convention on accrual basis.
- b) Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in India requires management, where necessary, to make the estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from the estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised.

1.2 FIXED ASSETS :

Fixed Assets are capitalised at acquisition cost, net of Cenvat, less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of directly attributable cost of bringing the assets to their working condition for the intended use. Financing costs incurred up to the date of commissioning of assets are capitalised. Revenue expenses incidental to new projects are capitalized.

1.3 LEASED ASSETS :

(A) ASSETS UNDER FINANCE LEASE:

Assets acquired under finance lease arrangement on or after 01.04.2001 are recognised separately among the fixed assets, at the inception of the lease at lower of their fair value or the present value of minimum lease payments in respect thereof. Depreciation and lease charges on such assets are accounted for, in accordance with the Accounting Standard-19 - "Accounting for Leases" issued by The Institute of Chartered Accountants of India .

(B) ASSETS UNDER OPERATING LEASE :

Assets used by the Company as a lessee under operating lease agreement are not recognised in the Company's accounts. Lease payments under operating lease are charged to the profit and loss account on a systematic basis representative of the pattern of the benefit accruing to the Company from the use of the asset under operating lease.

1.4 BORROWING COSTS :

Borrowing costs incurred in connection with the funds borrowed for acquisition / erection of assets that necessarily take substantial period of time to get ready for intended use, are capitalized as part of cost of such assets. All other borrowing costs are charged to revenue.

1.5. INVESTMENTS :

Long Term Investments are stated at cost and income thereon is accounted for on accrual. Provision towards decline in the value of long-term investments is made only when such decline is other than temporary.

Current Investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

1.6. INVENTORIES :

- Finished goods are valued at lower of cost or net realisable value.
- Work -in- process, Raw-materials, Stores, Spares and Materials in transit are valued at cost except where net realisable value of the finished goods they are used in is less than the cost of finished goods and in such an event, if the replacement cost of such materials etc., is less than their book values, they are valued at replacement cost.
- By-products and scrap are valued at net realisable value.
- Machinery spares which can be used only in connection with an item of fixed assets and whose use is expected to be irregular are amortised over the life of the principal assets.

1.7. SALES :

- a) Revenue from sales is recognized when the property in the goods is transferred to the buyers along with the significant risks and rewards of ownership of such goods.
- b) Sales are inclusive of Excise Duty, packing charges and Freight charges, wherever applicable, and net off rebates and Sales Tax.

1.8. INTER UNIT TRANSFERS :

The product of one unit used as raw materials, stores and spares and energy in another unit of the company is adjusted at market value.

1.9. EMPLOYEE BENEFITS

- a) Short Term Employee Benefits :

Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

- b) **Post-Employment Benefits :**

- (i) Defined Contribution plans: The company's superannuation scheme, state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.
- (ii) Defined Benefit plans: The employees' gratuity fund schemes and compensated absences schemes are under defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

The company's liability to gratuity on retirement of its eligible employees is funded with the Life Insurance Corporation of India. The fair value of the plan assets there under is reduced from the gross plan obligation, to recognize the obligation on net basis.

The incremental expense thereon for each year is arrived at as per actuarial valuation and is recognized and charged to the Profit and loss account in the year in which the employee has rendered service.

- Expense on account of unutilized compensated absences is arrived at as per actuarial valuation and is recognized and charged to the Profit and loss account in the year in which employee has rendered services in lieu of such leave.
- Gains/losses arrived at in the above actuarial valuations are charged to the profit and loss account immediately in each year.

1.10. EXPENDITURE :

Revenue expenditure is charged to Profit & Loss Account and Capital expenditure is added to the cost of Fixed Assets in the year in which it is incurred.

1.11. DEPRECIATION :

Depreciation is provided in the accounts, in accordance with Schedule II of the Companies Act, 2013 on the following basis:

- On part of Buildings, Main Plant & Machinery and Electrical Installations of Caustic Soda, Aspirin, Wind Power at Ramagiri, Wind Power Tamilnadu, Power Generation and Sugar Units at Taduvai and Bhimadole and All buildings, Plant & Machinery, Electrical Installations, Weigh Bridges and Scales and Workshop Equipment of Cotton & Oil Products Unit, Sulphuric Acid Unit at Saggonda and Solar Power Plant at Kovvur under Straightline Method.
- On the remaining assets of the above units and all assets of the other units, under Written Down Value method.
- In respect of Inter Unit Transfer of Assets, Depreciation is computed on the same basis as in the Transferor Unit.
- In respect of the following assets, the useful life has been estimated by the technical personnel which is different from the life given under Schedule II of the Companies Act, 2013 as detailed here under:
 - > Boilers, Chlorine Storage Tank, M S Storage Tank, HCL Plant, D.M. Water Plant, Diesel Generator set, ET Plant Pond , Turbines, Rectifiers , Cell Plant , Shell , Evaporation Plant , Fusion Plant, Sulphur Melting Station , Rotary Ball Mill , Bagasse Handling System , Centrifugal Machine - 20 Years.
 - > M S Pipelines, Refrigeration Plant, Distributed Control System, ET Plant, Brass Tubes, Bearings, Process Plant, Sodium Sulphate Recovery Plant - 15 Years
 - > Cooling Towers, Instrumentation, Air Compressors , Chains - 10 Years
 - > Solar plant-25 years

1.12. FOREIGN EXCHANGE TRANSACTIONS :

- Transactions in foreign currency are initially accounted at the exchange rate prevailing on the date of the transaction, and adjusted appropriately with the difference in the rate of exchange arising on actual receipt/payment during the year.
- At each Balance Sheet date foreign currency monetary items are reported using the rate of exchange on that date. Foreign currency non-monetary items are reported using the exchange rate at which they were initially recognized.
- In respect of forward exchange contracts in the nature of hedges
 - a) Premium or discount on the contract is amortized over the term of the contract,
 - b) Exchange differences on the contract are recognized as profit or loss in the period in which they arise.

1.13. ACCOUNTING FOR DERIVATIVES

The company uses derivative instruments to hedge its exposure to movements in foreign exchange rates, interest rates and currency risks. The objective of these derivative instruments is only to reduce the risk or cost to the company and is not intended for trading or speculation purpose.

1.14. IMPAIRMENT OF ASSETS :

An asset is treated as impaired when the carrying cost of the same exceeds its recoverable amount. An impairment loss is charged to the Profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

1.15. EXPENDITURE DURING CONSTRUCTION PERIOD:

An identifiable revenue expenses including interest on term loans incurred in respect of various projects/ expansions are allocated to capital cost of respective assets/capital work in progress.

1.16 EXPENDITURE ON APPROVED RESEARCH AND DEVELOPMENT PROGRAMME

In respect of approved Research and Development Programme, expenditure of capital nature is included in the fixed assets and other expenditure is charged off to revenue in the year in which such expenditure is incurred.

1.17. PROVISIONS/ CONTINGENT LIABILITIES AND ASSETS

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised, but are disclosed in the notes on accounts. Contingent assets are neither recognised nor disclosed in the financial statements.

1.18. INTANGIBLE ASSETS :

Costs incurred on intangible assets, resulting in future economic benefits are capitalized as intangible assets and amortized on written down value method beginning from the date of capitalization.

Intangible Assets are initially recorded at the consideration paid for acquisition and stated in the Account each year net of Amortised Value. Intangible Assets are amortised over period of 10 Years.

1.19. TAXATION :

- Provision is made for income tax liability estimated to arise on the results for the year at the current rate of tax in accordance with the Income Tax Act, 1961.
- Deferred tax resulting from timing differences between book and tax profits is accounted for under the liability method, at the current rate of tax.
- Deferred tax assets arising on account of brought forward losses and unabsorbed depreciation are recognized only when there is virtual certainty supported by convincing evidence that such assets will be realised. Deferred tax assets arising on other temporary timing differences are recognized only if there is a reasonable certainty of realization.
- MAT Credit Entitlement as per the provisions of Income tax Act, 1961, is treated as an asset by credit to the Profit and loss Account.

1.20. DIVIDENDS :

Provision is made in the Accounts for the Dividends payable by the Company as recommended by the Board of Directors, pending approval of the Shareholders at the Annual General Meeting. Tax on distributable Profits is provided for in the year to which such distributable Profits relate.

1.21. MISCELLANEOUS EXPENDITURE :

Debentures / Shares issue expenditure is Amortised as per Sec. 35D of the Income Tax Act.

1.22 EARNINGS PER SHARE (EPS)

The earnings considered in ascertaining the company's Basic EPS is the attributable net profit or loss to the equity shareholders as per AS-20 "Earnings Per Share". The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the period. The Diluted EPS is calculated on the same basis as Basic EPS, after adjusting for the effects of potential dilutive equity shares unless the effect of the potential dilutive equity shares is anti-dilutive.

1.23 GOVERNMENT GRANTS

- (i). Grants from government are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.
- (ii) Government grants relating to Specific fixed assets is shown as deduction from the gross value of the asset concerned in arriving at its book value.
- (iii) Grants related to revenue items are presented under general heading such as "Other Income" or they are deducted in reporting the related expense.

BALANCE SHEET AS AT 31ST MARCH, 2016

<u>EQUITY AND LIABILITIES</u>	Notes	As At 31st March, 2016	(Rs. in Lakhs) As At 31st March, 2015
<u>Shareholders Funds</u>			
Share Capital	2	2711.01	2711.01
Reserves and Surplus	3	56774.67	52800.99
		59485.68	55512.00
<u>Non-Current Liabilities</u>			
Long-term Borrowings	4	16979.85	14936.72
Deferred Tax Liability (Net)	5	8605.13	8780.89
Other Long-term liabilities	6	6562.79	6154.95
Long-term Provisions	7	394.98	672.24
		32542.75	30544.80
<u>Current Liabilities</u>			
Short-term Borrowings	8	5903.17	13821.29
Trade Payables-	9.1		
Due to Micro & Small Enterprises		1.54	8.61
Due to Others		1465.65	1814.36
Other Current Liabilities	9.2	11734.14	9133.89
Short term Provisions	7	6221.72	8165.73
		25326.22	32943.88
TOTAL		117354.65	119000.68
<u>ASSETS</u>			
<u>Non current Assets</u>			
<u>Fixed Assets</u>			
Tangible Assets	10.1	45782.69	45962.63
Intangible Assets	10.2	30.69	35.89
Capital Work in Progress		5428.96	1933.40
		51242.34	47931.92
Non-current Investments	11	10306.22	10306.12
Long term Loans and Advances	12	5641.14	2883.61
		15947.36	13189.73
<u>Current Assets</u>			
Inventories	14	29773.64	34053.78
Trade Receivables	13.1	9124.89	9722.45
Cash and Bank Balances	15	2071.85	2458.72
Short term Loans and Advances	12	9015.09	11495.69
Other Current Assets	13.2	179.48	148.39
		50164.95	57879.03
TOTAL		117354.65	119000.68

Summary of Significant Accounting Policies 1
The Accompanying Notes are an Integral Part of the Financial Statements.

As per our report of even date
for BRAHMAYYA & Company
Chartered Accountants
Firm Regn. No. 000513S
T.V. Ramana, Partner
Membership No: 200523

Tanuku
Date : 30.05.2016

For and on behalf of the Board of Directors...
of The ANDHRA SUGARS LTD,

Dr. B.B. Ramaiah
Dr.P.Kotaiah

M. Palachandra
P.V.S. Viswanadha Kumar
Tanuku
30.05.2016

Chairman & Managing Director
Director

Company Secretary
G.M.(Finance) & Asst. Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

		(Rs. in Lakhs)	
<u>PARTICULARS</u>	Notes	Current Reporting Period 2015-16	Previous Reporting Period 2014-15
<u>Income</u>			
Revenue from operations (Gross)	16	93098.30	83629.25
Less: Excise duty		6166.01	5775.30
Revenue from operations (Net)		86932.29	77853.95
Other Income	17	1750.68	1065.83
Total Revenue		88682.97	78919.78
<u>Expenses</u>			
Cost of raw materials and components consumed	18	32294.57	31208.25
[Increase]/ Decrease in Inventories of Finished goods, Work in Progress and Traded goods	19	3473.77	2353.65
Employee Benefits Expense	20	8203.71	7230.98
Depreciation and Amortization Expense	21	4310.65	3569.06
Finance Costs	22	2300.85	2236.81
Other Expenses	23	30327.93	31557.50
Total Expenditure		80911.48	78156.25
Profit Before Exceptional Items and Tax		7771.49	763.53
Profit Before Tax		7771.49	763.53
Add: Income Tax Refund		90.41	-----
Less : Tax Expenses			
Short/ (Excess) provision of Income Tax of Earlier years		(187.97)	(12.00)
Current Tax - Rs. 2643.66			110.00
MAT Credit Entitlement Utilised Rs. 106.34		2750.00	
Deferred Tax		(175.76)	434.27
Add : MAT Credit Entitlement			(106.34)
Total Tax Expense		2295.86	425.93
Profit for the year		5475.63	337.60
Basic Earning Per Share		20.20	1.25
Diluted Earning Per Share		20.20	1.25
Summary of Significant Accounting Policies	1		
The Accompanying Notes are an Integral Part of the Financial Statements.			

As per our report of even date for BRAHMAYYA & Company Chartered Accountants Firm Regn. No. 000513S T.V. Ramana, Partner Membership No: 200523

Tanuku
Date : 30.05.2016

For and on behalf of the Board of Directors... of The ANDHRA SUGARS LTD,

Dr. B.B. Ramaiah
Dr.P.Kotaiah

M. Palachandra
P.V.S. Viswanadha Kumar
Tanuku
30.05.2016

Chairman & Managing Director
Director

Company Secretary
G.M.(Finance) & Asst. Secretary

Notes Forming Part of Accounts

(Rs. in Lakhs)
Note -2

Share Capital

As at 31st
March, 2016 As at 31st
March, 2015**Authorised Shares :**

28750000 (31st March 2015: 28750000)'Equity shares of Rs.10/- each	2875.00	2875.00
30000(31st March 2015:30000)'9.5% First Cumulative Redeemable Preference Shares of Rs 100/- each.	30.00	30.00
95000 (31st March 2015:95000)'9.5% Second Cumulative Redeemable Preference Shares of Rs 100/- each.	95.00	95.00
Total	3000.00	3000.00

Issued Shares :

27113091 (31st March 2015: 27113091)'Equity shares of Rs.10/- each	2711.31	2711.31
Total	2711.31	2711.31

Subscribed and fully paid-up shares :

27107078 (31st March 2015: 27107078)'Equity shares of Rs.10/- each "fully paid up"	2710.71	2710.71
Forfeited amount on 6013 shares of Rs.10/-each, Rs.5/-paid up	0.30	0.30
Total Subscribed and fully paid-up capital	2711.01	2711.01

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting periodAs at 31st March, 2016
No. Rs. As at 31st March, 2015
No. Rs.**Equity Shares**

At the beginning of the period	271.07	2710.71	271.07	2710.71
Add: Fresh Issue during the year	-	-	-	-
Less: Buy-back of Shares during the year	-	-	-	-
Outstanding at the end of the period	271.07	2710.71	271.07	2710.71

b. Shareholders holding more than 5% sharesAs at 31st
March, 2016 As at 31st
March, 2015

Details of shareholders holding more than 5% shares in the Company

Nil Nil

The Andhra Sugars Limited

Notes Forming Part of Accounts

**(Rs. in Lakhs)
Note -3**

RESERVES AND SURPLUS

**As at 31st
March, 2016** **As at 31st
March, 2015**

Capital Reserves

Capital investment subsidy	45.00	45.00
Forfeited Debentures *	0.30	0.30
Securities Premium Account	1129.40	1129.40

General Reserve

Balance as per the last Financial Statements	39252.84	39212.74
Less: Amount Withdrawn During the Year		259.90
Add : Amount transferred from Surplus Balance in the Statement of Profit And Loss	1000.00	300.00

Closing Balance

40252.84 39252.84

Surplus/(Deficit) In The Statement of Profit And Loss

Balance as per the last Financial Statements	12373.45	13264.87
Profit for the year	5475.63	337.60

17849.08 13602.47

Less : Appropriations

Interim Equity Dividend	1355.35	—
Final Equity Dividend	—	813.21
Tax on Distributed Profits	146.60	115.81
Transfer to General Reserve	1000.00	300.00

Total Appropriations

2501.95 1229.02

Net Surplus In Statement of Profit And Loss

15347.13 12373.45

Total Reserves And Surplus Taken To Balance Sheet

56774.67 52800.99

* Forfeited Debentures have been transferred to Capital Reserve on total redemption of the remaining debentures in the same series.

Notes Forming Part of Accounts

(Rs. in Lakhs)

Note -4

LONG-TERM BORROWINGS:

	4.1. Non-current portion		4.2. Current maturities	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Term Loans				
Term loan for 3 MW Solar Power Plant (secured)	110.58	610.77	500.14	500.14
Term loan for Rail Tanker Wagons (secured)	752.00	—	513.33	—
Interest Subvention Loan (Secured)	1340.25	2071.61	731.33	121.86
	2202.83	2682.38	1744.80	622.00
Other Loans and advances:				
Deferred Sales Tax Loan (Unsecured)*	3454.12	3706.99	—	—
Deposits (unsecured)				
Deposits from Directors/Related Parties (Refer Note No. 41 (e))	9441.45	6951.40	2588.35	2428.25
Others	1799.95	1506.70	962.65	812.55
Deposits from Hidustan Allied Chemicals Ltd (Subsidiary) (Refer Note No. 41 (e))	81.50	89.25	60.75	9.00
	14777.02	12254.34	3611.75	3249.8
Total Amount	16979.85	14936.72	5356.55	3871.80
The above amount includes				
Secured borrowings	2202.83	2682.38	1744.80	622.00
Unsecured borrowings	14777.02	12254.34	3611.75	3249.80
Amount disclosed under the head "Other current liabilities"(Note 9.2)	—	—	5356.55	3871.80
Net Amount	16979.85	14936.72	—	-

Term Loans as on 31.03.2016 From Banks Comprises of :

	Interest Subvention Loan	3MW Solar Power Plant Loan	Rail Tanker Wagons Loan
a) Loan Sanctioned	Rs. 2194.00 Lakhs	Rs.1484.00 Lakhs	Rs.1540.00 Lakhs
b) Loan Availed	Rs. 2193.47 Lakhs	Rs. 1484.00 Lakhs	Rs. 1522.00 Lakhs
c) No. of Installments	36 Monthly Installments after 2 years Moratorium Period.	12 Quarterly	12 Quarterly
d) Installments Commencing from	Feb, 2016	Sep, 2014	Oct, 2015
e) Rate of Interest	Interest Subvention at 12.00% p.a. will be met from Sugar Development Fund as per the Govt. of India Notification.	Base Rate + 1.25% p.a	Base Rate + 1.35% p.a.
f) Installment Amount	Rs.60.95 lakhs	Rs. 125.04 Lakhs	Rs. 128.33 Lakhs
g) Lending Bank	Andhra Bank	Andhra Bank	State Bank of Hyderabad
h) Security	Pari Passu Second Charge on Fixed Assets of the Company	Exclusive First Charge on Assets created out of the loan.	Exclusive First Charge on Assets created out of the loan

Notes Forming Part of Accounts

(Rs. in Lakhs)

* **Deferred Sales Tax Loan :**

The Company has availed interest free Sales Tax deferment under Andhra Pradesh Sales Tax deferment Scheme (Target 2000) from the Financial Year 1998-99 as per the eligibility norms in respect of expanded capacities. The Company has availed total deferment of Rs. 4536.86 lakhs. Since April 1998, the loan amount is repayable after a period of 14 years from the date of each availment in annual instalments.

- Eligible amount of interest free sales tax deferment - Rs. 4536.86 lakhs.
- Period of Eligibility for availment - April 1998 till April, 2012.

Note -5

Deferred Tax Liability (Net)	As at 31st March, 2016	As at 31st March, 2015
Deferred Tax Liability		
Fixed assets: Difference between Tax depreciation and depreciation/amortisation charged for the financial reporting	9436.42	9731.68
Others	—	—
Gross Deferred Tax Liability	9436.42	9731.68
Deferred Tax Asset		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	770.21	799.61
Provision for doubtful debts and advances	61.08	10.60
Unabsorbed Losses for Assessment Year 2015-16	—	140.58
Gross Deferred tax asset	831.29	950.79
Net Deferred Tax Liability	8605.13	8780.89

Note -6

OTHER LONG-TERM LIABILITIES:	As at 31st March, 2016	As at 31st March, 2015
Trade payables	—	—
Total	—	—
Others		
Trade Deposits	164.39	131.04
Staff Security Deposit	16.91	17.56
Outstanding Liabilities for Others	6381.49	6006.35
Total	6562.79	6154.95

Note -7

PROVISIONS	Long-Term		Short-Term	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Provision for employee benefits:				
Provision for Gratuity	131.62	452.93	311.66	306.17
Provision for leave benefits	263.36	219.31	395.06	360.54
	<u>394.98</u>	<u>672.24</u>	<u>706.72</u>	<u>666.71</u>
Other Provisions:				
Provision for Wealth tax	--	--	10.00	15.00
Provision for Income tax	--	--	5505.00	6555.00
Proposed Equity Dividend	--	--		813.21
Provision for Tax on Distributed Profits	--	--		115.81
	<u>--</u>	<u>--</u>	<u>5515.00</u>	<u>7499.02</u>
	<u>394.98</u>	<u>672.24</u>	<u>6221.72</u>	<u>8165.73</u>

Notes Forming Part of Accounts

(Rs. in Lakhs)
Note -8**SHORT-TERM BORROWINGS**

	As at 31st March, 2016	As at 31st March, 2015
Cash credit from Banks (Secured) @	4337.11	12697.97
Foreign currency loan from banks-Buyers Credit (secured) \$	1331.82	963.62
: Unsecured		
Loan Repayable on Demand (Unsecured)		
:from Directors		
Short Term Loan from HDFC Bank (Un Secured)	—	—
Deposits (unsecured)		
Deposits from Directors/Related Parties (Refer Note No. 41)	30.00	26.00
from Others	12.60	5.40
Loans From Directors	191.64	128.30
	5903.17	13821.29
The above amount includes		
Secured borrowings	5668.93	13661.59
Unsecured borrowings	234.24	159.70

@ Cash Credit is Secured by Hypothecation of inventories and receivables, and collaterally secured by a second charge on the fixed assets of the company except those at the COP division, Wind power divisions in Tamilnadu and Ramagiri, 3 MW Solar Plant at Kovvur, ISRO Plants and 33 MW Power Plant assets at Saggonda ranking pari passu among the members of the consortium of working capital lending banks.

\$ Foreign Currency Exposure hedged by derivative Instruments as on 31st March 2016 is amounting to Rs. 686.80 Lakhs and that are not hedged is Rs.645.02 Lakhs.

Note -9

OTHER CURRENT LIABILITIES :

	As at 31st March, 2016	As at 31st March, 2015
9.1 Trade payables		
Due to Micro & Small Enterprises	1.54	8.61
Due to Others	1465.65	1814.36
	1467.19	1822.97
9.2 Other Liabilities:		
Current maturities of long Term Borrowings (Refer Note No. 4.2)	5356.55	3871.80
Interest accrued but not due on Borrowings	374.46	324.31
Advance from Customers	191.67	197.37
Unclaimed Dividend	91.27	94.37
Unclaimed matured deposits And interest accrued thereon	59.59	33.16
Accrued Salaries and Benefits	1175.39	648.83
Directors Remuneration Payable (Refer Note No. 41)	647.91	9.17
Staff Security Deposits	6.82	7.27
Statutory Dues	1612.79	1307.90
Others	2217.69	2639.71
	11734.14	9133.89
	13201.33	10956.85

FIXED ASSETS(Rs. in lakhs)
Note - 10

	GROSS BLOCK				DEPRECIATION BLOCK				IMPAIRMENT BLOCK				NET BLOCK	
	Cost as at 31-3-15	Additions during the year	Deductions during the year	Cost as at 31-3-16	Dep. upto 31-3-15	Dep. for 15-16***	Dep. on Dedn.	Dep. up to 31-03-16	Cost as at 31-3-2015	Additions during the year	Deductions during the year	Cost as at 31-3-2016	WDV ASAT 31-3-16	WDV ASAT 31-3-15
10.1.Tangible Assets:														
1 . LAND*	3495.67	40.98	0.00	3536.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3536.65	3495.67
2 . BUILDINGS **	5880.76	709.55	1.27	6589.04	2654.27	198.82	1.11	2851.98	0.00	0.00	0.00	0.00	3737.06	3226.49
3 PLANT AND MACHINERY	67781.98	1081.72	0.47	68863.23	37927.18	3098.09	0.21	41025.06	191.87	0	13.94	177.93	27660.24	29662.93
4 . TRANSPORT EQUIPMENT	3712.96	2266.56	73.92	5905.60	2151.64	512.44	67.39	2596.69	0.00	0.00	0.00	0.00	3308.91	1561.32
5 . FURNITURE & FITTINGS	875.37	36.07	26.90	884.54	679.00	82.24	26.54	734.70	0.00	0.00	0.00	0.00	149.84	196.37
6 . TRAMWAYS & RAILWAY SIDING	734.33	0.00	0.00	734.33	422.57	32.47	0.00	455.04	0.00	0.00	0.00	0.00	279.29	311.76
7 . RENEWABLE ENERGY														
PLANT (Wind & Solar)	10842.08	0.00	0.00	10842.08	3333.99	397.39	0.00	3731.38	0.00	0.00	0.00	0.00	7110.70	7508.09
Total:	93323.15	4134.88	102.56	97355.47	47168.65	4321.45	95.25	51394.85	191.87	0	13.94	177.93	45782.69	45962.63
Previous Year Total:	90124.59	3311.81	113.25	93323.15	43266.27	3579.04	74.11	47168.65	205.77	0	13.90	191.87	45962.63	46652.55

10.2. Intangible Asset	52.01	0.00	0.00	52.01	16.12	5.20	0.00	21.32	0.00	0.00	0.00	0.00	30.69	35.89
Previous Year Total:	52.01	0.00	0.00	52.01	10.92	5.20	0.00	16.12	0.00	0.00	0.00	0.00	35.89	41.09

* Includes land of 42.28 acres in the possession of the company at Jawaharlal Nehru Pharma city, Visakhapatnam, for which final registration is at to be made in the Name of the Company

** Including Buildings of the Gross value of Rs.42.50 lakhs Constructed on leasehold land.

*** Depreciation for the year includes depreciation on impaired assets to the extent of Rs.13.94 Lakhs/- and depreciation capitalised to the extent of Rs.2.06 Lakhs/-.

Notes Forming Part of Accounts

(Rs. in Lakhs)

Note -11

Non-Current Investments

As at 31st
March, 2016As at 31st
March, 2015

A) Trade Investments -Quoted

1 Investment in Subsidiary

48,86,500 (31st March 2015: 48,86,500) fully paid Equity shares of Rs.10/- each in JOCIL LTD.

441.79

441.79

2 Investments in Associate

2,80,86,613 (31st March 2015: '2,80,86,613) fully paid Equity Shares of Rs.10/- each in The Andhra Petrochemicals Ltd.,

3660.56

3660.56

3 Investments in Other Companies

25,052 (31st March 2015: 25,052)fully paid equity shares of of Rs.10/- each in Andhra Bank

4.31

4.31

B) Trade Investments -Unquoted

1 Investment in Subsidiaries

a) 3,28,760 (31st March 2015: 3,28,760) partly paid Equity shares of Rs.10/- each (Rs.2.50 per share paid up) in Hindustan Allied Chemicals Ltd.,(Unquoted)

2.74

2.74

b) 3,45,700 (31st March 2015: 3,45,700) fully paid Equity shares of Rs.10/- each in The Andhra Farm Chemicals Corpn.Ltd.,(un quoted)

34.57

34.57

2 Investments in Other Companies

a) 1,10,04,080 (31st March 2015: 1,10,04,080) fully paid Equity Shares of Rs.10/- each in Andhra Pradesh Gas Power Corporation Ltd., (Unquoted)

6158.59

6158.59

b) 1,40,000 (31st March 2015: 1,40,000) fully paid Equity Shares of Rs.10/-each in Sree Akkamamba Textiles Ltd.,

1.75

1.75

C) Other Investments

1 1391 (31st March 2015: 1391)Equity Shares of Rs.10/- each, fully paid up in Indian Bank (Quoted)

1.27

1.27

2 Investments in Govt Securities:
National Plan Saving Certificates
(lodged with Govt.Departments towards security)

0.64

0.54

10306.22

10306.12

All the above investments are long term investments.

Aggregate Amount of unquoted investments

6196.54

6196.44

Aggregate Amount of quoted investments

4109.68

4109.68

10306.22

10306.12

Aggregate Market value of quoted investments

11136.88

8368.56

The Andhra Sugars Limited

Notes Forming Part of Accounts

(Rs. in Lakhs)

Note -12

Loans and advances

	Non-current		Current	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Capital Advances				
Secured, considered good	—	—	—	—
Unsecured, considered good	1899.94	1719.64	—	—
	<u>1899.94</u>	<u>1719.64</u>	<u>—</u>	<u>—</u>
(A)	1899.94	1719.64	—	—
	<u>1899.94</u>	<u>1719.64</u>	<u>—</u>	<u>—</u>
Security Deposit				
Secured, considered good				
Unsecured, considered good	2224.29	1150.88	82.33	84.87
Doubtful	—	—	—	—
	<u>2224.29</u>	<u>1150.88</u>	<u>82.33</u>	<u>84.87</u>
Provision for doubtful security deposit	—	—	—	—
	<u>2224.29</u>	<u>1150.88</u>	<u>82.33</u>	<u>84.87</u>
(B)	2224.29	1150.88	82.33	84.87
	<u>2224.29</u>	<u>1150.88</u>	<u>82.33</u>	<u>84.87</u>
Loans and advances to Associate (The Andhra Petrochemicals Ltd.)				
(Unsecured, considered good)	1500.00	—	—	1500.00
	<u>1500.00</u>	<u>—</u>	<u>—</u>	<u>1500.00</u>
(C)	1500.00	—	—	1500.00
	<u>1500.00</u>	<u>—</u>	<u>—</u>	<u>1500.00</u>
Advances recoverable in cash or Kind				
Secured, considered good				
Unsecured, considered good			918.74	1432.03
Doubtful			20.62	20.62
	<u>—</u>	<u>—</u>	<u>939.36</u>	<u>1452.65</u>
Provision for doubtful advances			20.62	20.62
	<u>—</u>	<u>—</u>	<u>20.62</u>	<u>20.62</u>
(D)	—	—	918.74	1432.03
	<u>—</u>	<u>—</u>	<u>918.74</u>	<u>1432.03</u>
Other Loans and Advances				
Excise Duty paid in advance (including CENVAT credit pending utilisation)			508.89	345.65
Advance payment of Direct Taxes			6824.33	7717.04
MAT Credit Entitlement			—	106.34
Income Tax deducted at source			144.44	132.99
Income Tax Refund Receivable			340.22	0.96
Prepaid expenses	16.91	13.09	190.26	173.83
Balances with statutory/ 'government authorities			5.88	1.98
	<u>16.91</u>	<u>13.09</u>	<u>190.26</u>	<u>173.83</u>
(E)	16.91	13.09	8014.02	8478.79
	<u>16.91</u>	<u>13.09</u>	<u>8014.02</u>	<u>8478.79</u>
Total [A+B+C+D+E]	5641.14	2883.61	9015.09	11495.69
	<u>5641.14</u>	<u>2883.61</u>	<u>9015.09</u>	<u>11495.69</u>

Notes Forming Part of Accounts

(Rs. in Lakhs)

Note -13.1

13.1 Trade receivables

	Non-current		Current	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Secured, considered good			33.50	33.50
Unsecured, considered good				
Less than 6 Months from the due date for Payment:	—	—	8690.21	9454.37
More than 6 Months from the due date for Payment:	—	—	401.18	234.58
Doubtful	—	—	156.90	10.02
	—	—	9281.79	9732.47
Provision for doubtful receivables			156.90	10.02
	—	—	9124.89	9722.45
Other receivables				
Secured, considered good				
Unsecured, considered good				
Doubtful	—	—	—	—
Provision for doubtful receivables				
Total	—	—	9124.89	9722.45

Note -13.2

13.2 Other Current Assets

	Non-current		Current	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Non-current bank balances				
[A]	—	—	—	—
Unamortized expenditure				
(B)	—	—	—	—
Others				
Interest accrued on Deposits	—	—	179.48	148.39
Interest accrued on investments				
Others				
[C]	—	—	179.48	148.39
Total [A+B+C]	—	—	179.48	148.39

The Andhra Sugars Limited

Notes Forming Part of Accounts

(Rs. in Lakhs)

Note -14

14. Inventories (valued at lower of cost and net realisable value)	As at 31st March, 2016	As at 31st March, 2015
Raw materials and components at Cost	1940.13	2363.76
Work-in-progress		
: At Cost	230.75	235.81
: At Estimated Realisable Value	38.95	125.37
Finished goods		
: At Cost	13698.90	2559.80
: At Estimated Realisable Value	9338.33	23859.73
Stores and spares at Cost (includes in transit Rs.19.49 lakhs) '(31 March 2015: Rs .9.38 Lakhs)	4464.24	4845.51
Loose tools	36.53	38.78
Others	25.81	25.02
Total	29773.64	34053.78

Note -15

15. CASH AND BANK BALANCES	Non-current	Current
<u>Cash and Cash Equivalents :</u>	As at 31st March, 2016	As at 31st March, 2015
Balances with Banks:		
On current accounts		703.26
Deposits with original maturity of less than 3 months		
Cheques/drafts on hand		273.75
Cash on hand		14.82
		991.83
<u>Other Bank Balances :</u>		
Deposits with original maturity for more than 12 months		--
For more than 3 months but less than 12 months		123.60
On unpaid dividend account		91.27
Earmarked Balances with Banks(15% Liquidity on Fixed Deposits held under The Companies Act 2013)		587.19
Margin money deposit		277.96
		1080.02
		--
Total		2071.85

Notes Forming Part of Accounts

(Rs. in Lakhs)

Note -16

Revenue from Operations

This Year Previous Year

Sale of products:

Finished goods	91614.43	81925.25
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Sale of services	–	0.72
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Other operating revenue

Freight and Sales Expenses Recovered	772.31	642.10
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Subsidy Received on Superphosphate Sales	707.80	869.37
--	--------	--------

Minimum off Take Commitment income from ISRO	–	187.74
--	---	--------

Processing and Job Work income	3.76	4.07
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Revenue from operations (gross)	93098.30	83629.25
--	-----------------	-----------------

Less: Excise Duty	6166.01	5775.30
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Revenue from operations (net)	86932.29	77853.95
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Note -16.1

Details of Products Solid

This Year Previous Year

Finished goods sold

Sugar	23854.08	15395.94
-------	----------	----------

Industrial Alcohol & Ethanol	3283.48	3420.65
------------------------------	---------	---------

Acetic Acid	97.33	91.68
-------------	-------	-------

Acetic Anhydride	294.53	301.99
------------------	--------	--------

Aspirin	2495.44	1535.44
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Caustic Soda	33145.61	32076.76
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Caustic Potash	4950.12	6226.26
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Chlorine	699.93	1049.56
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Hydrochloric Acid	3142.96	3283.42
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Sodium Hypochlorite	3164.22	3207.90
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Hydrogen gas	1021.74	923.79
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Sulphuric Acid	6703.72	6156.58
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Superphosphate	1265.62	1606.78
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UH25	1329.97	573.17
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Mono Methyl Hydrazine	647.90	587.26
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HTPB	828.93	735.60
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Wind Power	561.67	706.73
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Cattle Feed	872.49	825.69
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Potassium carbonate	1102.60	986.12
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Poly Aluminium Chloride	574.94	669.59
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Liquid Hydrogen	772.85	741.93
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Others	804.30	822.41
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	91614.43	81925.25
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Details of services rendered

	–	0.72
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Notes Forming Part of Accounts

(Rs. in Lakhs)

Note -17

Interest Income on

This Year Previous Year

Bank deposits	144.58	120.44
Inter Corporate Loan to Associate (The Andhra Petrochemicals Ltd.)	195.00	163.12
Others	234.25	113.42

Dividend income on

Investments in Subsidiary (Jocil Ltd.)	635.25	244.33
Long-Term Investments	3.36	2.82
Rent received	60.37	71.07
Net gain on Sale of Current Investments	170.66	2.28
Net gain on Sale of Assets	5.29	17.24
Other non-operating income #	301.92	331.11

1750.68 1065.83

Other Non-operating Income includes :

This Year Previous Year

Excess Provision In Earlier Years Credited Back	16.47	63.37
Claims Received	127.13	55.88
Income Not Relating to This year	0.48	4.09
Misc. Scrap Sales	46.21	77.03
Excise Duty Recovery-Scrap Sale	0.60	3.06
Other Misc. Receipts	111.03	127.68

Total

301.92 331.11

Notes Forming Part of Accounts

(Rs. in Lakhs)

Note -18

Cost of Raw Material consumed

	This Year	Previous Year
Inventory at the beginning of the year	2363.75	2349.72
Add: Purchases	31870.94	31222.28
	34234.69	33572.00
Less: Inventory at the end of the year	1940.12	2363.75
Cost of Raw Material Consumed	32294.57	31208.25

Details of Raw material consumed

	This Year	Previous Year
Sugarcane	16028.19	15289.01
Phenol	544.72	627.42
Sulphur	5162.20	4630.28
Rockphosphate	1433.11	1526.97
Salt	3464.48	3996.33
Potassium Chloride	2707.73	2505.56
Alumina Hydride	315.29	366.85
Extractions for Cattle feed	530.44	436.74
Other Rawmaterials	2108.41	1829.09
Total	32294.57	31208.25

Details of Inventory**Raw Materials**

	This Year	Previous Year
Phenol	48.35	25.37
Sulphur	828.25	777.46
Rockphosphate	262.94	578.76
Salt	111.90	396.44
Potassium Chloride	296.74	387.11
Alumina Hydride	79.01	61.80
Extractions for Cattle feed	211.22	37.74
Other Rawmaterials	101.71	99.07
Total	1940.12	2363.75

The Andhra Sugars Limited

Notes Forming Part of Accounts

(Rs. in Lakhs)

(Increase)/ Decrease in Inventories		Note -19	
		This Year	Previous Year
Inventories at the End of the year			
Work in Progress	269.70	361.17	91.47
Finished Goods	23037.23	26419.53	3382.30
	<u>23306.93</u>	<u>26780.70</u>	<u>3473.77</u>
Inventories at the Beginning of the year			
Work in Progress	361.17	241.06	(120.11)
Finished Goods	26419.53	28893.29	2473.76
	<u>26780.70</u>	<u>29134.35</u>	<u>2353.65</u>
Details of Inventory		This Year	Previous Year
Work-in-progress			
Sugar	58.34	125.37	
Molasses	1.95	2.12	
Sulphuric Acid	47.37	48.20	
Caustic Potash	31.17	29.33	
Caustic Soda	6.14	10.41	
Aspirin	85.81	99.21	
Potassium Carbonate	5.02	13.86	
Others	33.9	32.67	
Total	<u>269.70</u>	<u>361.17</u>	
Finished goods			
Sugar	17933.43	22314.46	
Molasses	1376.30	994.83	
Sulphuric Acid	113.85	74.38	
Superphosphate	1642.06	1061.82	
Caustic Soda	234.29	540.50	
Caustic Potash	629.37	138.27	
Chlorine	5.47	13.65	
Sodium Hypochlorite	3.27	4.13	
Hydrochloric acid	12.04	16.88	
Industrial Alcohol& Ethanol	66.41	50.98	
Acetic acid	—	7.61	
Acacetic anhydride	—	7.91	
Aspirin	224.05	294.34	
Organic Diervatives ofhydrzine or of hydroxyl amine	33.41	304.29	
HTPB	16.33	7.96	
Hydrogen Gas	1.01	0.22	
Potassium Carbonate	265.90	240.75	
Poly Aluminium Chloride	18.87	24.61	
Others	461.17	321.94	
Total	<u>23037.23</u>	<u>26419.53</u>	

Notes Forming Part of Accounts

(Rs. in Lakhs)

Note -20

Employee Benefit Expense

Salaries, Wages and Bonus

Contribution to Provident and other fund

Gratuity Expense

Staff Welfare Expenses

Total**This Year****7082.95****707.26****74.96****338.54****8203.71**

Previous Year

6043.40

683.22

167.49

336.87

7230.98

Note -21

Depreciation and Amortisation Expense

Depreciation of Tangible assets

Amortization of Intangible Assets

Total**This Year****4305.45****5.20****4310.65**

Previous Year

3563.86

5.20

3569.06

Note -22

Finance Costs

Interest

Diff in Exchange treated as Finance Cost

Other Borrowing Costs

Total**This Year****2130.05****105.23****65.57****2300.85**

Previous Year

2171.78

25.08

39.95

2236.81

Notes Forming Part of Accounts

(Rs. in Lakhs)

Note -23

Other Expenses

	This Year	Previous Year
Consumption of Stores and Spares	1705.64	1851.48
Increase/(Decrease) of Excise Duty on Inventory	347.09	60.54
Power and fuel	17535.21	17540.60
Insurance	139.66	121.06
Sugarcane Development Expenses	79.58	137.04
Rent	43.26	36.35
Rates and Taxes	618.60	673.39
Repairs and maintenance		
Plant and machinery	2872.02	4118.10
Buildings	177.52	234.00
Others	534.11	642.91
Advertising and sales promotion	19.93	25.85
Handling, Transport & Expenses at Sales Depots	4739.35	4592.77
Sales Commission	95.66	49.99
Donations	0.15	—
CSR Expenditure	131.00	245.05
Directors' sitting fees	10.80	11.20
Payment to auditors (Refer details below)	28.95	28.72
Exchange differences (net)-Loss /(Gain)	(17.91)	(41.68)
Bad debts/advances written off	—	1.57
Provision for doubtful debts and advances	146.89	—
Excess off Take charges to ISRO	124.49	75.30
loss from Agriculture (Net)	2.85	9.66
Bank Charges	68.25	66.95
Assets Written off	2.26	0.02
Miscellaneous Expenses	922.57	1076.63
Total	30327.93	31557.50

Payment to Auditors

	This Year	Previous Year
As Auditor	13.50	13.50
For Taxation Matters	2.51	2.50
For Limited review & Other Certifications	6.63	6.41
For Reimbursement of expenses	1.31	1.24
As Cost Auditors	4.00	4.00
Fee for Certification	0.66	0.72
For Reimbursement of expenses	0.34	0.35
Total	28.95	28.72

Notes Forming Part of Accounts

		(Rs. in Lakhs)
	As at 31-3-2016	As at 31-3-2015
24)	Estimated amount of contracts remaining to be executed on Capital Account and not provided for	10488.83 16262.46
25)	a) Uncalled liability on partly paid shares held as Investments	24.66 24.66
	b) Liability on account of membership in Alkali Manufacturers' Association of India, a Company limited by Guarantee	0.01 0.01
	c) Other Commitments in respect of sale contracts	3905.64 3273.36
26)	Claims against the Company not acknowledged as debts relating to the following areas :	
	i) Excise	2785.29 4299.66
	ii) Service Tax	88.59 88.59
	iii) Sales Tax	146.03 146.03
	iv) Income Tax	392.41 1196.46
	v) State Levies	214.83 209.68
	vi) Suppliers and Service Contract	42.60 43.36
	vii) Labour related	5.00 5.00
27)	Other monies for which the company is contingently liable :	
	(a) Guarantees issued by the company for obligations arising out of events occurred at the Balance Sheet date	1862.30 1422.06
	(b) On letter of Credit opened with banker for purchase of Material	437.00 1396.71
	(c) Under the provisions of "The Levy Sugar Price Equalisation Fund Act, 1976" the excess amount collected over the notified levy sale price pursuant to the interim stay granted by the Courts vests in the fund. In a writ petition No: 1534/76 filed by the Company against these provisions, the High Court of Andhra Pradesh has held that provisions of the said Act are not applicable to the excess collections made prior to 15-6-1972, against which the Union Government filed a civil appeal No: 274/79 before the Supreme Court, which is pending.	
	While admitting the appeal, the Supreme Court granted stay of operation of Judgment of A.P. High Court in W.P.No: 1534/76 and directed the Company to furnish a Bank Guarantee for Rs.9.60 lakhs being the difference in levy Sugar price for the Sugar Season 1969-70. The Bank Guarantee was furnished on 7-12-1979 in favour of Registrar, High Court of Andhra Pradesh. Interest, if any, payable under the said Act, estimated at Rs. 64.39 lakhs (Rs 62.66 lakhs) has not been provided for in the accounts pending final legal decision in the matter. However, an amount of Rs.66.80 lakhs was appropriated during the financial year 2008-2009 by Govt India, New Delhi, against payment of buffer stock subsidy dues, which was protested by the company.	
28)	Loans and Advances include an amount of Rs.1500.00 Lakhs (Rupees Fifteen Crores only) being the amount given as an Inter Corporate Advance u/s 186 of the Companies Act 2013, to The Andhra Petrochemicals, an associate of the company, on the following terms and conditions.	
	a) Amount of Advance	: Rs.1500.00 Lakhs
	b) Date of Advance	: Rs.1000.00 Lakhs on 03.04.2014. Rs. 500.00 Lakhs on 23.09.2014.
	c) Interest Rate	: 13.00% p.a
	d) Security	: Unsecured
	e) Purpose	: To meet Working Capital Gap
	f) Repayable on	: 31.03.2019

The Andhra Sugars Limited

- 29.** In the opinion of the management, all the amounts stated under sundry debtors and loans and advances are Recoverable at the values at which they are stated.
- 30.** Disclosures on payments and dues to "suppliers" as defined in Micro, Small and Medium enterprises Development Act, 2006 ("The Act").

31-03-2016

	Rs.in Lakhs
1. Amount remaining unpaid to any " Supplier" at the end of the year,	
(a) Principal amount of bills to be paid	1.54
(b) Interest due thereon	0.01
2. Payments made to suppliers, during the year, but beyond appointed / agreed by	
(a) Payments made to Suppliers.	8.61
(b) Interest paid along with such payments during the year u/s 16 of the Act.	0.06
3. The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under MSMED Act, 2006	0
4. Amount of interest accrued and remaining unpaid, at the end of each accounting year	0.01
5. Amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of deductible expenditure under section 23 of MSMED Act, 2006	

Note: For the purpose of the above details of the status of the supplier's under the Act has been determined, to the extent of and based on information furnished by the respective parties, and has accordingly, been relied upon by the company and its auditors.

- 31.** Loans and Advances in the nature of loans given to subsidiary Hindustan Allied Chemicals Limited as per Regulation 53 (f) and Schedule V of SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015 is Rs. Nil as on 31.3.2016. (Maximum balance outstanding during the year is Rs. 0.93 Lakhs). The investment in the Equity shares of the company is Nos. 328760.
- 32.** Closing stock units of Wind farm at Ramagiri and power generation unit at Taduvai as per the books of the company and as confirmed by the APGENCO is subject to reconciliation, to the extent of Rs.11.83 lakhs due to certain matters pending before Honourable High Court of Andhra Pradesh.

Notes Forming Part of Accounts

(Rs. in Lakhs)

Note - 33

Comparison between consumption of Imported and Indigenous Raw Materials during the year :

	This year		Previous Year	
	Value	Percentage	Value	Percentage
Imported	5596.89	17	7638.16	24
Indigenous	26697.68	83	23570.09	76
	<u>32294.57</u>	<u>100</u>	<u>31208.25</u>	<u>100</u>

Note - 34

Comparison between consumption of Imported and Indigenous spare parts and components during the year (charged to appropriate heads):

	This year		Previous Year	
	Value	Percentage	Value	Percentage
Imported	442.98	9	622.78	11
Indigenous	4275.98	91	5304.09	89
	<u>4718.96</u>	<u>100</u>	<u>5926.87</u>	<u>100</u>

Note - 35

Value of Imports made by the Company during the year calculated on C.I.F. basis

	This year	Previous Year
Capital Goods	44.57	270.75
Components and spare parts	135.94	740.02
Raw - materials	7727.27	6491.63
	<u>7907.78</u>	<u>7502.40</u>

Note - 36

	This year	Previous Year
Earnings in foreign exchange on FOB basis:	1861.48	851.72

Note - 37

Expenditure incurred in foreign currency:

	This year	Previous Year
Books, Periodicals & Subscriptions	7.13	38.75
Foreign travel (excluding tickets purchased in India)	28.96	34.12
Delegation fee	1.39	2.53
Consultation Fee	60.20	49.47
Sales Expenses	0.26	—
Bank Charges	0.25	2.19
Interest paid	17.38	4.22

Notes Forming Part of Accounts

(Rs. in Lakhs)

Note - 38

During the year the Company has incurred the following expenditure towards R&D (Charged to appropriate heads)

	This year	Previous Year
<u>Sugar Cane R & D</u>		
a) Capital Expenditure	5.30	328.05
b) Revenue Expenditure (charged to appropriate heads)	286.88	382.42
<u>General R & D</u>		
a) Capital Expenditure	10.26	0.93
b) Revenue Expenditure (charged to appropriate heads)	70.37	74.01
	<hr/>	<hr/>
	372.81	785.41
	<hr/>	<hr/>

Note - 39

(A) Revenue expenditure does not include the following, which formed part of the cost of capital equipment internally manufactured for captive usage.

	This year	Previous Year
Salaries, Wages and Bonus	107.61	91.57
Contribution to Provident, Gratuity and other funds	13.69	9.95
Workmen and Staff Welfare Expenses	5.60	4.24
Power and Fuel	3.46	2.70
Insurance	0.01	0.02
Repairs to Buildings	0.47	0.18
Repairs to P & M	1.85	0.64
Miscellaneous Expenses	2.16	1.39
Depreciation	2.06	1.28
	<hr/>	<hr/>
	136.91	111.97
	<hr/>	<hr/>

(B) Un allocated Capital Expenditure capitalised during the year for 33 MW Captive Power Project

Opening Balance	59.53	—
Add : Capital expenditure during the year		
Staff salaries & wages	15.31	—
Power & Fuel	3.91	—
Contribution to Provident, Gratuity and other funds	0.99	—
Bank Charges	2.30	6.47
Insurance	10.38	—
Travel expenses	1.75	0.39
Other Expenses	17.05	55.24
	<hr/>	<hr/>
	51.69	62.10
Less: Interest received from banks	5.61	2.57
	<hr/>	<hr/>
Net unallocated expenditure capitalised during the year:	46.08	59.53
	<hr/>	<hr/>
Closing Balance	105.61	—
	<hr/>	<hr/>

Notes Forming Part of Accounts

(Rs. in Lakhs)

Note - 40

DISCLOSURES REQUIRED BY ACCOUNTING STANDARD-15 (REVISED)- EMPLOYEE BENEFITS

	Gratuity	Compensated Absences
a) <u>Reconciliation for present value of obligations</u>		
Present value of obligations as at beginning of year	2824.98	579.85
Interest Cost	226.00	31.79
Current Service Cost	176.28	7.69
Benefits paid	(255.69)	(175.60)
Actuarial loss /(gain) on obligation	(152.42)	214.69
Present value of obligations as at end of year	2819.14	658.42
b) <u>Reconciliation for Fair Value of Plan Assets</u>		
Fair value of plan assets at beginning of year	2065.89	
Expected return on plan assets	174.89	
Contributions	390.77	
Benefits paid	(255.69)	
Actuarial gain on plan assets	0	
Fair value of plan assets at the end of year	2375.86	
c) <u>Expenses Recognised in statement of Profit & Loss a/c</u>		
Current Service cost	176.28	7.69
Interest Cost	226.00	31.79
Expected return on plan assets	174.89	0
Net Actuarial loss/(gain) recognised in the year	(152.42)	214.69
Expenses to be Recognised in the profit & loss	74.96	254.17
d) <u>Net Liability Recognised in the Balance Sheet</u>		
Present value of obligations as at the end of year	2819.14	658.42
Fair value of plan assets as at the end of the year	2375.86	0
Funded status	443.28	0
Net Liability Recognised in the Balance Sheet	443.28	658.42
e) <u>Actuarial Assumptions</u>	31/03/2016	31/03/2016
Discount Rate	8.00%	7.80%
Salary Escalation	8.00%	7.00%
Attrition rate	1 to 3%	2.00%
Expected return on plan assets	8.35%	—
Mortality	LIC(2006-08)	IAL (2006-08)
	Mortality Rates	Mortality Rates

Notes Forming Part of Accounts

Note - 41

41. PARTICULARS DISCLOSED PURSUANT TO "ACCOUNTING STANDARD -18 RELATED PARTY DISCLOSURES"

(A) LIST OF RELATED PARTIES:

1) Subsidiary Companies:

- (a) JOCIL LIMITED
- (b) The Andhra Farm Chemicals Corporation Limited
- (c) Hindustan Allied Chemicals Limited

2) Key Management Personnel (KMP) :

Wholetime Directors :

Dr. B.B.Ramaiah
Sri Pendyala Narendranath Chowdary
Sri Mullapudi Narendranath
Sri Mullapudi Thimmaraja
Sri Pendyala Achuta Ramayya
Sri P.S.R.V.K.Ranga Rao

Company Secretary :

Sri M. Palachandra

General Manager (Finance) & Asst. Secretary :

Sri P.V.S. Viswanadha Kumar

3) Relatives of Key Management Personnel

Sri B.V.V.S.Ramesh Kumar	Son of Dr.B.B.Ramaiah
Smt. Pendyala Jhansi Jayalakshmi	Wife of Sri P.Narendranath Chowdary
Sri Pendyala Venkata Krishna Rao	Brother of Sri P.Narendranath Chowdary
Smt. Sri Balusu Ranganayaki alias Radhika	Sister of Sri P.Narendranath Chowdary
Smt. Ethirajula Rama Lakshmi	Sister of Sri P.Narendranath Chowdary
Smt. Jujjavarapu Usha Rani	Sister of Sri P.Narendranath Chowdary
Smt. Maddipoti Kamala Devi	Sister of Sri P.Narendranath Chowdary
Smt. Mullapudi Satyanarayanamma	Sister of Sri P.Narendranath Chowdary
Smt. Nutakki Anantha Lakshmi	Sister of Sri P.Narendranath Chowdary
Smt. Jayaraman Anantha Lakshmi	Sister of Sri M.Narendranath
Smt. Kosaraju Rama Lakshmi	Sister of Sri M.Narendranath
Smt. Nidadavolu Venkata Ramanamma	Sister of Sri M.Narendranath
Smt. Yelamarthy Narayanamma	Sister of Sri M.Narendranath
Smt. Mullapudi Narayanamma	Wife of Sri M.Narendranath
Sri Mullapudi Vikram Prasad	Son of Sri M.Narendranath
Smt. Gaddipati Anuradha	Daughter of Sri M.Narendranath
Smt. Goli Jayashree	Daughter of Sri M.Narendranath
Smt. Mullapudi Renuka	Wife of Sri M.Thimmaraja
Sri Mullapudi Mrutyumjaya Prasad	Son of Sri M.Thimmaraja
Smt. Goli Devi	Daughter of Sri M.Thimmaraja
Smt. Pendyala Sesha Shailaja	Wife of Sri P.Achuta Ramayya
Smt. Pendyala Divya Atchmamba	Daughter of Sri P.Achuta Ramayya

Smt. Pendyala Sruthi Rajeswari	Daughter of Sri P.Achuta Ramayya
Smt. Pendyala Sujatha	Mother of Sri P.S.R.V.K.Ranga Rao
Smt. Pendyala Usha Lakshmi	Wife of Sri P.S.R.V.K.Ranga Rao
Kum. Pendyala Meghana Sri Sai Sujatha	Daughter of Sri P.S.R.V.K.Ranga Rao
Chy. Pendyala Prithvi Sri Narendra Rayudu	Son of Sri P.S.R.V.K.Ranga Rao

4) Enterprises in which Key Management Personnel and/or their relatives are Interested

Andhra Pradesh Gas Power Corporation Limited
Jaya Industries
Jayalakshmi Estates
Jayalakshmi Estates Limited
Jayalakshmi Fertilisers
Jayalakshmi Plastics and Chemicals
Ramaiah & Co.,
Royal Printing Works
Mullapudi Venkatarayudu Eye Centre
Mullapudi Kamala Devi Cardiovascular Centre
Sree Akkamamba Textiles Limited
Sree Mullapudi Timma Raju Memorial Library & Cultural Centre
Sree Mullapudi Venkataramanamma Memorial Hospital
Sree Rangaraya Estates
Sree Sarvaraya Sugars Limited
Sree Satyanarayana Spinning Mills Limited
Sree Pendyala Venkata Krishna Rangaraya Memorial Trust
Sree Harischandra Prasad Investment & Finance Company Limited
Sree Mullapudi Venkatarayudu Memorial Educational Trust
Sree Mullapudi Venkataraya Memorial Polytechnic
Sree Mullapudi Venkatarayudu Memorial Medical Trust
Sugarfield Constructions Pvt. Limited
The Mullapudi Investment & Finance company Pvt. Limited
Thimmaraja Investment & Finance Company Pvt. Limited
Vibhas Polymers Pvt. Limited

5) Associate Company :

The Andhra Petrochemicals Limited

(Rs. in Lakhs)

(B) TRANSACTIONS WITH THE RELATED PARTIES:**Note - 41**(Corresponding figures related to 31st March, 2015)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence/interested	Associate Company	Key Management Personnel	Relatives of Key Management Personnel
Purchase of Goods from	85.45 (55.85)	4280.67 (3904.44)	0.73 (0.00)	30.72 (26.68)	34.28 (19.35)
The Andhra Farm Chemicals Corporation Limited	63.37				
JOCIL Limited	22.09				
The Andhra Petrochemicals Limited			0.73		
Dr. B.B.Ramaiah				15.59	
Pendyala Narendranath Chowdary				8.86	
Pendyala Achuta Ramayya				6.27	
Andhra Pradesh Gas Power Corporation Limited		3810.45			
SPVKRM Trust		11.06			
Sree Akkamamba Textiles Limited		3.69			
Sree Mullapudi Venkataramanamma Memorial Hospital		0.93			
Sri Sarvaraya Sugars Limited		0.12			
Vibhas Polymers Pvt. Limited		454.42			
B.V.V.S.Ramesh Kumar					9.94
Pendyala Sujatha					10.12
Pendyala Venkata Krishna Rao					2.16
Pendyala Jhansi Jaya Lakshmi					5.53
Sri Balusu Ranganayaki alias Radhika					6.53
Purchase of Fixed Assets from	2.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
The Andhra Farm Chemicals Corporation Limited	2.00				
Inter Corporate Loans given to	0.00 (0.00)	0.00 (100.00)	0.00 (1500.00)	0.00 (0.00)	0.00 (0.00)
Inter Corporate Loans re-payment from	0.00 (0.00)	0.00 (100.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Fixed Deposits Received from :	58.00 (28.50)	0.00 (0.00)	0.00 (0.00)	1439.65 (861.00)	3801.05 (2023.80)
Hindustan Allied Chemicals Limited	58.00				
Mullapudi Thimmaraja				10.00	
Pendyala Achuta Ramayya				265.00	
Pendyala Narendranath Chowdary				1144.65	
Royal Printing Works				20.00	
Bolla Bulli Ramaiah (HUF)					10.00
Gaddipati Anuradha					34.40
Goli Devi					64.05
Goli Jayashree					28.20
Jujjavarapu Usha Rani					217.45
Maddipoti Kamala Devi					239.80
Mullapudi Mrutyumjaya Prasad					78.45

Notes Forming Part of Accounts

(Rs. in Lakhs)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence/interested	Associate Company	Key Management Personnel	Relatives of Key Management Personnel
Mullapudi Narayanamma					103.25
Mullapudi Narendranath (HUF)					13.00
Mullapudi Renuka					218.80
Mullapudi Thimmaraja (HUF)					173.00
Mullapudi Vikram Prasad					73.90
Nidadavolu Venkataramanamma					163.15
Nutakki Anantha Lakshmi					46.50
P S R V K Ranga Rao (HUF)					71.00
Pendyala Achuta Ramayya (HUF)					113.50
Pendyala Divya Atchamamba					137.00
Pendyala Jhansi Jaya Lakshmi					537.75
Pendyala Meghana Sri Sai Sujatha					26.00
Pendyala Narendranath Chowdary (HUF)					470.55
Pendyala Prithvi Sri Narendrarayudu					15.40
Pendyala Sesha Sailaja					121.75
Pendyala Shruthi Rajeshwari					170.00
Pendyala Sujatha					415.35
Pendyala Usha Lakshmi					30.00
Sribalusu Ranganayaki Alias Radhika					122.40
Yelamarthy Narayanamma					106.40
Fixed Deposits repaid on maturity/cancellation	14.00	0.00	0.00	246.65	2354.35
	(22.00)	(1.00)	(0.00)	(1780.10)	(2754.55)
Hindustan Allied Chemicals Limited	14.00				
P.S.R.V.K.Ranga Rao				25.00	
Pendyala Achuta Ramayya				75.00	
Pendyala Narendranath Chowdary				126.65	
Royal Printing Works				20.00	
Goli Devi					27.85
Goli Jayashree					1.20
Jujjavarapu Usha Rani					214.55
Maddipoti Kamala Devi					216.80
Mullapudi Mrutyumjaya Prasad					18.60
Mullapudi Narayanamma					34.20
Mullapudi Renuka					42.65
Mullapudi Thimmaraja (HUF)					22.00
Mullapudi Vikram Prasad					6.75
Nidadavolu Venkataramanamma					161.80
Pendyala Divya Atchamamba					43.50
Pendyala Jhansi Jaya Lakshmi					414.75
Pendyala Narendranath Chowdary (HUF)					333.55
Pendyala Prithvi Sri Narendrarayudu					16.75
Pendyala Sesha Sailaja					87.65
Pendyala Shruthi Rajeshwari					149.05
Pendyala Sujatha					320.35
Sribalusu Ranganayaki Alias Radhika					242.35
Loans Received from Directors	0.00	0.00	0.00	133.00	0.00
	(0.00)	(0.00)	(0.00)	(1493.50)	(0.00)

Notes Forming Part of Accounts

(Rs. in Lakhs)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence/interested	Associate Company	Key Management Personnel	Relatives of Key Management Personnel
Pendyala Narendranath Chowdary				64.00	
Pendyala Achuta Ramayya				69.00	
Loans re-paid to Directors	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	69.66 (1365.20)	0.00 (0.00)
Pendyala Achuta Ramayya				58.66	
P.S.R.V.K. Ranga Rao				11.00	
Services Rendered by	0.00 (0.00)	18.75 (15.99)	0.00 (0.00)	23.51 (25.00)	1.84 (1.83)
Mullapudi Thimmaraja				4.42	
Royal Printing Works				19.09	
Mullapudi Mrutyumjaya Prasad					1.84
Mullapudi Venkatarayudu Eye Centre		0.30			
Sree Mullapudi Venkataramanamma Memorial Hospital		11.92			
Sree Mullapudi Venkataraya Memorial Polytechnic		0.41			
Sree Mullapudi Venkatarayudu Memorial Medical Trust		6.12			
Sale of Goods to	384.81 (203.11)	948.51 (1180.95)	55.85 (18.51)	0.00 (1.09)	0.00 (0.00)
JOCIL LIMITED	384.81				
The Andhra Petrochemicals Limited			55.85		
Andhra Pradesh Gas Power Corporation Limited		5.15			
Jayalakshmi Fertilisers		938.53			
SPVKRM Trust		0.02			
Sree Mullapudi Venkataramanamma Memorial Hospital		0.10			
Sree Rangaraya Estates		1.26			
Sri Sarvaraya Sugars Limited		3.45			
Sale of Fixed Assets to	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Services Rendered to	0.00 (0.00)	0.05 (0.57)	1.14 (0.93)	0.00 (0.10)	0.00 (0.28)
The Andhra Petrochemicals Limited			1.14		
Andhra Pradesh Gas Power Corporation Limited		0.05			
Interest Paid on Fixed Deposits	11.67 (8.74)	0.00 (0.01)	0.00 (0.00)	285.95 (250.41)	958.31 (904.45)
Hindustan Allied Chemicals Corporation Ltd.,	11.67				
Dr. B.B. Ramaiah				22.11	
Mullapudi Narendranath				4.21	
Mullapudi Thimmaraja				11.77	
P.S.R.V.K. Ranga Rao				10.26	
Pendyala Achuta Ramayya				34.85	
Pendyala Narendranath Chowdary				200.82	
Royal Printing Works				1.93	

Notes Forming Part of Accounts

(Rs. in Lakhs)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence/interested	Associate Company	Key Management Personnel	Relatives of Key Management Personnel
Dr. B.B. Ramaiah (HUF)					6.27
Gaddipati Anuradha					10.12
Goli Devi					13.98
Goli Jayashree					11.00
Jujjavarapu Usha Rani					64.56
Maddipoti Kamala Devi					70.80
Mullapudi Mrutyumjaya Prasad					21.53
Mullapudi Narayanamma					29.53
Mullapudi Narendranath (HUF)					37.08
Mullapudi Renuka					53.56
Mullapudi Thimmaraja (HUF)					74.42
Mullapudi Vikram Prasad					19.63
Nidadavolu Venkataramanamma					33.59
Nutakki Anantha Lakshmi					1.91
P.S.R.V.K. Ranga Rao (HUF)					42.87
Pendyala Achuta Ramayya (HUF)					37.64
Pendyala Divya Atchamamba					16.36
Pendyala Jhansi Jaya Lakshmi					128.46
Pendyala Meghana Sri Sai Sujatha					3.07
Pendyala Narendranath Chowdary (HUF)					80.92
Pendyala Prithvi Sri Narendrarayudu					3.36
Pendyala Sesha Sailaja					26.27
Pendyala Sruthi Rajeswari					29.25
Pendyala Sujatha					107.11
Pendyala Usha Lakshmi					2.99
Sribalusu Ranganayaki Alias Radhika					18.38
Yelamarthy Narayanamma					13.65
Interest paid to Directors	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	15.57 (34.87)	0.00 (0.00)
Dr. B.B. Ramaiah				9.53	
Mullapudi Narendranath				0.17	
Mullapudi Thimmaraja				0.19	
P.S.R.V.K. Ranga Rao				1.00	
Pendyala Achuta Ramayya				2.05	
Pendyala Narendranath Chowdary				2.63	
Remuneration paid to	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	890.55 (219.66)	11.00 (44.08)
Dr. B.B. Ramaiah				200.83	
M. Palachandra				19.31	
Mullapudi Narendranath				126.32	
Mullapudi Thimmaraja				126.15	
Pendyala Achuta Ramayya				118.67	
Pendyala Narendranath Chowdary				205.19	
P.S.R.V.K. Ranga Rao				75.02	
P.V.S. Viswanadha Kumar				19.06	
Mullapudi Mrutyumjaya Prasad					3.18
Mullapudi Vikram Prasad					7.82

Notes Forming Part of Accounts

(Rs. in Lakhs)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence/interested	Associate Company	Key Management Personnel	Relatives of Key Management Personnel
Contribution towards CSR Expenses	0.00 (0.00)	131.00 (145.05)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Sree Mullapudi Timma Raju Memorial Library & Cultural Centre		10.00			
Sree Mullapudi Venkataramanamma Memorial Hospital		91.00			
Sree Mullapudi Venkatarayudu Memorial Educational Trust		20.00			
Sri Pendyala Venkata Krishna Rangaraya Memorial Trust		10.00			
Dividend Paid to	0.00 (0.00)	123.36 (77.10)	0.00 (0.00)	292.40 (187.19)	529.43 (319.90)
Dr. B.B.Ramaiah				17.92	
Mullapudi Narendranath				87.12	
Mullapudi Thimmaraja				65.18	
Pendyala Achuta Ramayya				37.41	
Pendyal Narendranath Chowdary				33.34	
P.S.R.V.K.Ranga Rao				51.43	
B.V.V.S.Ramesh Kumar					8.29
Ethirajulu Rama Lakshmi					7.44
Gaddipati Anuradha					7.59
Goli Devi					6.74
Goli Jayashree					7.66
Jayaraman Anantha Lakshmi					22.93
Jujjavarapu Usha Rani					45.87
Maddipoti Kamala Devi					45.91
Mullapudi Mrutyumjaya Prasad					9.65
Mullapudi Narayanamma					21.17
Mullapudi Narendranath (HUF)					1.65
Mullapudi Renuka					39.53
Mullapudi Satyanarayanamma					39.17
Mullapudi Thimmaraja (HUF)					16.35
Mullapudi Vikram Prasad					13.71
Nutakki Anantha Lakshmi					4.43
Nidadavolu Venkata Ramanamma					9.87
Pendyala Divya Atchmamba					2.97
Pendyala Jhansi Jayalakshmi					56.81
Pendyala Meghana sai Sujatha					0.43
Pendyala Prithvi Narendrarayudu					0.26
Pendyala Sesha Shailaja					17.06
Pendyala Sruthi Rajeswari					1.15
Pendyala Sujatha					65.14
Pendyala Usha Lakshmi					0.64
Pendyala Venkata Krishna Rao					17.14
Sri Balusu Ranganayaki alias Radhika					33.98
Yelamarthy Narayanamma					25.89
Sree Akkamamba Textiles Limited		24.15			
Sree Harischandra Prasad Investment & Finance Company Limited		8.62			
Sree Mullapudi Venkataramanamma Memorial Hospital		71.23			
The Mullapudi Investment & Finance company Pvt. Limited		10.27			
Thimmaraja Investment & Finance Company Pvt. Limited		9.09			

Notes Forming Part of Accounts

(Rs. in Lakhs)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence/interested	Associate Company	Key Management Personnel	Relatives of Key Management Personnel
Dividend Received from	635.25 (244.33)	2.80 (2.80)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
JOCIL Limited	635.25				
Sree Akkamamba Textiles Limited		2.80			
Interest Received on Inter Corporate Loan	0.00 (0.00)	0.00 (0.00)	195.00 (163.12)	0.00 (0.00)	0.00 (0.00)
The Andhra Petrochemicals Limited			195.00		
C) Balances as at 31-03-2016:					
a) Share Capital held by the Company, in	479.10 (479.10)	6160.34 (6160.34)	3660.56 (3660.56)	0.00 (0.00)	0.00 (0.00)
Hindustan Allied Chemicals Limited	2.74				
JOCIL Limited	441.79				
The Andhra Farm Chemicals Corporation Limited	34.57				
The Andhra Petrochemicals Limited			3660.56		
Andhra Pradesh Gas Power Corporation Limited		6158.59			
Sree Akkamamba Textiles Limited		1.75			
b) RECEIVABLES					
----TRADE DUES :	0.00 (0.00)	228.41 (311.51)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Jayalakshmi Fertilisers		228.07			
Sree Mullapudi Venkataramanamma Memorial Hospital		0.34			
Loans/ Inter corporate loans	0.00 (0.00)	0.00 (0.00)	1500.00 (1500.00)	0.00 (0.00)	0.00 (0.00)
The Andhra Petrochemicals Limited			1500.00		
c) Share Capital of the Company held by	0.00 (0.00)	154.20 (154.20)	0.00 (0.00)	365.50 (368.17)	670.94 (646.00)
DR. B.B.Ramaiah				22.40	
Mullapudi Narendranath				108.90	
Mullapudi Thimmaraja				81.47	
Pendyala Achuta Ramayya				46.75	
Pendyala Narendranath Chowdary				41.68	
P.S.R.V.K.Ranga Rao				64.30	
B.V.V.S.Ramesh Kumar					12.60
Ethirajulu Rama Lakshmi					9.30
Gaddipati Anuradha					9.48
Goli Devi					8.43
Goli Jayashree					9.57
Juaajavarapu Anantha Lakshmi					28.66
Jujavarapu Usha Rani					57.34

Notes Forming Part of Accounts

(Rs. in Lakhs)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence/interested	Associate Company	Key Management Personnel	Relatives of Key Management Personnel
Maddipoti Kamala Devi					57.38
Mullapudi Mrutyumjaya Prasad					12.07
Mullapudi Narayanamma					26.47
Mullapudi Narendranath (HUF)					2.06
Mullapudi Renuka					49.41
Mullapudi Satyanarayanamma					55.87
Mullapudi Thimmaraja (HUF)					20.45
Mullapudi Vikram Prasad					17.15
Nutakki Anantha Lakshmi					5.54
Nidadavolu Venkataramanamma					12.35
Pendyala Divya Atchmamba					3.72
Pendyala Jhansi Jayalakshmi					71.01
Pendyala Meghana sai Sujatha					0.53
Pendyala Prthivi Sri Narendrarayudu					0.32
Pendyala Sesha Shailaja					21.32
Pendyala Sruthi Rajeswari					1.43
Pendyala Sujatha					81.41
Pendyala Usha Lakshmi					0.80
Pendyala Venkata Krishna Rao					21.43
Sri Balusu Ranganayaki alias Radhika					42.48
Yelamarthy Narayanamma					32.36
Sree Akkamamba Textiles Limited		30.19			
Sree Harischandra Prasad Investment & Finance Company Ltd.,		10.78			
Sree Mullapudi Venkataramanamma Memorial Hospital		89.03			
The Mullapudi Investment & Finance company Pvt. Limited		12.85			
Thimmaraja Investment & Finance Company Pvt. Limited		11.35			
d) Loans/ Intercompany loans received from	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
e) PAYABLES :					
---- Fixed Deposits :	142.25 (98.25)	0.00 (0.00)	0.00 (0.00)	2804.55 (1611.55)	9240.80 (7794.10)
Hindustan Allied Chemicals Limited	142.25				
Dr. B.B. Ramaiah				210.00	
Mullapudi Narendranath				40.00	
Mullapudi Thimmaraja				120.00	
P.S.R.V.K. Ranga Rao				75.00	
Pendyala Achuta Ramayya				349.10	
Pendyala Narendranath Chowdary				1990.45	
Royal Printing Works				20.00	
Bolla Bulli Ramaiah (HUF)					60.00
Gaddipati Anuradha					101.10
Goli Devi					138.80
Goli Jayashree					110.55
Jujjavarapu Usha Rani					588.70
Maddipoti Kamala Devi					659.05
Mullapudi Mrutyumjaya Prasad					217.10
Mullapudi Narayanamma					300.25
Mullapudi Narendranath (HUF)					360.00
Mullapudi Renuka					539.35

Notes Forming Part of Accounts

(Rs. in Lakhs)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence/interested	Associate Company	Key Management Personnel	Relatives of Key Management Personnel
Mullapudi Thimmaraja (HUF)					711.85
Mullapudi Vikram Prasad					202.25
Nidadavolu Venkataramanamma					312.40
Nutakki Anantha Lakshmi					46.50
P S R V K Ranga Rao (HUF)					414.70
Pendyala Achuta Ramayya (HUF)					367.25
Pendyala Divya Atchamamba					162.95
Pendyala Jhansi Jaya Lakshmi					1242.60
Pendyala Meghana Sri Sai Sujatha					29.20
Pendyala Narendranath Chowdary (HUF)					783.00
Pendyala Prithvi Sri Narendrarayudu					32.00
Pendyala Sesha Sailaja					247.95
Pendyala Shruthi Rajeshwari					287.00
Pendyala Sujatha					1032.30
Pendyala Usha Lakshmi					30.00
Sri Balusu Ranganayaki Alias Radhika					115.55
Yelamarthy Narayanamma					148.40
Loans Payable to Directors	0.00	0.00	0.00	191.64	0.00
	(0.00)	(0.00)	(0.00)	(128.30)	(0.00)
Dr. B.B. Ramaiah				100.00	
Mullapudi Narendranath				1.80	
Mullapudi Thimmaraja				2.00	
Pendyala Achuta Ramayya				23.84	
Pendyala Narendranath Chowdary				64.00	
-----Trade dues :	2.94	232.34	0.00	0.00	0.00
	(0.33)	(442.97)	(0.00)	(0.00)	(0.00)
The Andhra Farm Chemicals Corporation Limited	2.94				
Andhra Pradesh Gas Power Corporation Limited		230.24			
Sree Mullapudi Venkataraya Memorial Polytechnic		0.02			
Vibhas Polymers Pvt. Limited		2.08			
----- Interest payable on Fixed Deposits :	3.35	0.00	0.00	64.82	217.28
	(2.29)	(0.00)	(0.00)	(52.67)	(199.12)
Hindustan Allied Chemicals Limited	3.35				
Dr. B.B. Ramaiah				4.95	
Mullapudi Narendranath				0.94	
Mullapudi Thimmaraja				2.76	
P.S.R.V.K. Ranga Rao				1.77	
Pendyala Achuta Ramayya				8.10	
Pendyala Narendranath Chowdary				46.04	
Royal Printing Works				0.26	
Dr. B.B. Ramaiah (HUF)					1.41
Gaddipati Anuradha					2.36
Goli Devi					3.37
Goli Jayashree					2.59
Jujjavarapu Usha Rani					14.01
Maddipoti Kamala Devi					15.76
Mullapudi Mrutyumjaya Prasad					4.99

Notes Forming Part of Accounts

(Rs. in Lakhs)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence/interested	Associate Company	Key Management Personnel	Relatives of Key Management Personnel
Mullapudi Narayanamma					7.02
Mullapudi Narendranath, (HUF)					8.46
Mullapudi Renuka					12.57
Mullapudi Thimmaraja, (HUF)					16.70
Mullapudi Vikram Prasad					4.69
Nidadavolu Venkataramanamma					7.30
Nutakki Anantha Lakshmi					1.14
Pendyala Anantha Lakshmi Satyavathidevi					0.00
P.S.R.V.K. Ranga Rao (HUF)					9.86
Pendyala Achuta Ramayya (HUF)					8.64
Pendyala Divya Atchamamba					3.64
Pendyala Jhansi Jaya Lakshmi					29.34
Pendyala Meghana Sri Sai Sujatha					0.69
Pendyala Narendranath Chowdary (HUF)					18.49
Pendyala Prithvi Sri Narendrarayudu					0.84
Pendyala Sesha Sailaja					5.93
Pendyala Sujatha					23.93
Pendyala Usha Lakshmi					0.71
Sri Balusu Ranganayaki Alias Radhika					2.82
Veeramachaneni Shruthi Rajeshwari					6.54
Yelamarthy Narayanamma					3.48
-----Interest Payable to Directors:	0.00	0.00	0.00	4.36	0.00
	(0.00)	(0.00)	(0.00)	(3.18)	(0.00)
Dr. B.B. Ramaiah				2.13	
Mullapudi Narendranath				0.04	
Mullapudi Thimmaraja				0.04	
P.S.R.V.K. Ranga Rao				0.19	
Pendyala Achuta Ramayya				0.62	
Pendyala Narendranath Chowdary				1.34	
-- Remuneration Payable :	0.00	0.00	0.00	649.58	0.73
	(0.00)	(0.00)	(0.00)	(9.17)	(1.94)
Dr. B.B. Ramaiah				152.31	
M. Palachandra				0.74	
Mullapudi Narendranath				95.72	
Mullapudi Thimmaraja				95.72	
Pendyala Achuta Ramayya				94.91	
Pendyala Narendranath Chowdary				151.77	
P.S.R.V.K. Ranga Rao				57.49	
P.V.S. Viswanadha Kumar				0.92	
Mullapudi Mrutyumjaya Prasad					0.32
Mullapudi Vikram Prasad					0.41

Notes Forming Part of Accounts

(Rs. in Lakhs)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence/ interested	Associate Company	Key Management Personnel	Relatives of Key Management Personnel
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42. The Ministry of Corporate Affairs, Government of India, vide General Circular No.2 and 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidies has been included in the Consolidated Financial Statements.

43. GENERAL:

Figures have been rounded off to the nearest thousand.

Previous year figures have been regrouped wherever necessary.

Figures in Brackets are for previous year.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2016**(Rs. in lakhs)**

PARTICULARS	31st March, 2016	31st March, 2015
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	7771.49	763.53
Adjustments for		
Depreciation/amortization on continuing operation	4310.65	3569.06
Impairment/other write off on tangible/intangible assets	2.26	0.02
Loss/[profit] on sale of fixed assets	(5.29)	(17.24)
Wealth Tax	—	5.00
Net (gain)/Loss on sale of Non-current investments	—	—
Net gain on sale of current investments	(170.66)	(2.28)
Interest expense	2300.85	2242.36
Interest income	(573.83)	(396.98)
Dividend income	(638.61)	(247.15)
Operating profit before working capital changes	12996.86	5916.32
<u>Movements in working capital:</u>		
Increase/[decrease] in trade payables	(355.77)	480.48
Increase/[decrease] in long-term provisions	(277.26)	(51.83)
Increase/[decrease] in short-term provisions	40.01	94.93
Increase/[decrease] in other current liabilities	2627.43	(2430.16)
Increase/[decrease] in other long-term liabilities	407.84	(838.86)
Decrease/[increase] in trade receivables	597.56	(622.70)
Decrease/[increase] in inventories	4280.14	1792.67
Decrease/[increase] in long-term loans and advances	(2577.23)	(5.92)
Decrease/[increase] in short-term loans and advances	1832.26	(1681.82)
Decrease/[increase] in other current assets	(31.09)	(58.81)
Cash generated from/[used in] operations	19540.75	2594.30
Direct taxes paid [net of refunds]	2905.28	809.59
Net cash flow from/[used in] operating activities (A)	16635.47	1784.71
<u>Cash flows from investing activities</u>		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(7808.67)	(4320.00)
Proceeds from sale of fixed assets	10.14	34.17
Proceeds of non-current investments	—	—
Purchase of non-current investments	(0.10)	—
Purchase of current investments	(15250.00)	(1100.00)
Proceeds from sale/maturity of current investments	15420.66	1102.28
Interest received	573.83	396.98
Dividends received from subsidiary company	635.25	244.33
Dividends received from Long-Term investments	3.36	2.82
Net cash flow from/[used in] investing activities (B)	(6415.53)	(3639.42)

31st March, 2016 31st March, 2015

Cash flows from financing activities

Proceeds from long term borrowings	2043.13	
Repayment of long term borrowings		(894.79)
Proceeds from short term borrowings	(7918.12)	6730.41
Interest paid	(2300.85)	(2242.36)
Dividends paid including Interim Dividend	(2168.56)	(1355.35)
Tax on equity dividend paid	(262.41)	(180.51)

Net cash flow from/[used in] in financing activities [C]	(10606.81)	2057.40
---	-------------------	---------

Net increase/[decrease] in cash and cash equivalents (A+B+C)	(386.87)	202.69
Cash and cash equivalents at the beginning of the year	2458.72	2256.03

Cash and cash equivalents at the end of the year	2071.85	2458.72
---	----------------	---------

Components of cash and cash equivalents

Cash on hand	14.82	17.94
Cheques/drafts on hand	273.75	296.53
With banks Accounts	1414.05	1776.28
Margin Money deposit accounts	277.96	273.60
Unpaid dividend accounts	91.27	94.37

Total cash and cash equivalents (Note 15)	2071.85	2458.72
--	----------------	---------

As per our report of even date
for BRAHMAYYA & Company
Chartered Accountants
Firm Regn. No. 000513S
T.V. Ramana, Partner
Membership No: 200523

Tanuku
Date : 30.05.2016

For and on behalf of the Board of Directors...
of The ANDHRA SUGARS LTD,

Dr. B.B. Ramaiah
Dr.P.Kotaiah

M. Palachandra
P.V.S. Viswanadha Kumar
Tanuku
30.05.2016

Chairman & Managing Director
Director

Company Secretary
G.M.(Finance) & Asst. Secretary

INDEPENDENT AUDITOR'S REPORT

To
The Members of
THE ANDHRA SUGARS LIMITED,
TANUKU

Report on Consolidated Financial Statements:

We have audited the accompanying consolidated financial statements of The Andhra Sugars Limited (the "Company"), its subsidiaries (collectively referred to as "the Group") and its associate, comprising of the Consolidated Balance sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements:

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associate company in accordance with the accounting principles generally accepted in India, including the Accounting standards specified under section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting the frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, and its associate as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by Section 143(3) of the Act, we report to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiary companies and its associate incorporated in India, none of the directors of the Group Companies and its associate incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Companies Act;
 - f) With respect to the adequacy of Internal Financial Controls over Financial Reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure-A", and
 - g) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated financial statements disclose the impact of pending litigations on its financial position of the Group and its associate - Refer Note 27 to the Consolidated financial statements;
 - ii. The Group and its associate did not have any material foreseeable losses on long term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its Subsidiaries and its Associate Company incorporated in India.

Camp : Tanuku
Date : 30th May 2016

For BRAHMAYYA & Co
Chartered Accountants
Firm Registration No. 000513S
(T. V. Ramana)
Partner
(ICAI Membership No. 200523)

ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of The Andhra Sugars Limited ("the Holding Company") and its Associate, which are companies incorporated in India, as of 31 March 2016 in conjunction with our audit of the consolidated financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its Subsidiaries and its Associate, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its Subsidiaries and Associate which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Camp : Tanuku
Date : 30th May 2016

For BRAHMAYYA & Co
Chartered Accountants
Firm Registration No. 000513S
(T.V. Ramana)
Partner
(ICAI Membership No. 200523)

The Andhra Sugars Limited - Group Consolidated Financial Statements

BALANCE SHEET AS AT 31st MARCH, 2016

	Notes	As at 31st March, 2016	(Rs.in Lakhs) As at 31st March, 2015
EQUITY AND LIABILITIES			
<u>Shareholder Funds</u>			
Share Capital	2	2711.01	2711.01
Reserves and Surplus	3	65864.48	62152.26
		68575.49	64863.27
Minority Interest		7210.32	7032.91
<u>Non-Current Liabilities</u>			
Long-term Borrowings	4	16898.35	14847.47
Deferred Tax Liability (Net)	5	9368.11	9645.68
Other Long-term liabilities	6	6572.62	5086.78
Long-term Provisions	7	545.40	779.47
		33384.48	30359.40
<u>Current Liabilities</u>			
Short-term Borrowings	8	6806.77	14863.44
Trade Payables	9.1		
Due to Micro & Small Enterprises		19.21	8.61
Due to Others		2982.52	2861.95
Other Current Liabilities	9.2	13227.29	11635.12
Short term Provisions	7	6264.73	13284.39
		29300.52	42653.51
TOTAL		138470.81	144909.09
<u>ASSETS</u>			
<u>Non current Assets</u>			
<u>Fixed Assets</u>			
Tangible Assets	10.1	52146.28	52685.97
In tangible Assets	10.2	35.36	40.53
Capital Work in Progress		5489.01	2055.47
		57670.65	54781.97
Non-current Investments	11	10551.79	11377.25
Long term Loans and Advances	12	6104.48	3604.95
Other Non Current assets	13.2	17.98	17.97
		16674.25	15000.17
<u>Current Assets</u>			
Current Investments		5.11	5.24
Inventories	14	35251.56	39693.70
Trade Receivables	13.1	15257.99	14503.3
Cash and Bank Balances	15	2577.84	3168.84
Short term Loans and Advances	12	10852.55	17603.31
Other Current Assets	13.2	180.86	152.56
		64125.91	75126.95
TOTAL		138470.81	144909.09

Summary of significant accounting policies

24

The Accompanying Notes are an Integral Part of the Financial Statements.

As per our report of even date
for BRAHMAYYA & Company
Chartered Accountants
Firm Regn. No. 000513S
T.V. Ramana, Partner
Membership No: 200523

For and on behalf of the Board of Directors...
of The ANDHRA SUGARS LTD,

Dr. B.B. Ramaiah
Dr.P.Kotaiah

Chairman & Managing Director
Director

M. Palachandra
P.V.S. Viswanadha Kumar
Tanuku
30.05.2016

Company Secretary
G.M.(Finance) & Asst. Secretary

Tanuku
Date : 30.05.2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016 (Rs. in Lakhs)

PARTICULARS	Notes	Current Reporting Period 2015-16	Previous Reporting Period 2014-15
<u>Income</u>			
Revenue from operations (Gross)	16	135771.59	120258.64
Less: Excise duty		9954.10	9512.45
Revenue from operations (Net)		125817.49	110746.19
Other Income	17	2290.22	1313.39
Total Revenue		128107.71	112059.58
<u>Expenses</u>			
Cost of raw materials consumed	18	58362.62	54007.31
[Increase]/Decrease in Inventories of finished goods, Work-in-progress and traded goods	19	3787.26	2231.95
Employee Benefits expense	20	10782.70	9275.18
Depreciation and amortization expense	21	5117.87	4242.23
Finance Costs	22	2408.11	2333.64
Other expenses	23	37177.08	37278.64
Total Expenses		117635.64	109368.95
Profit/(Loss) Before Tax		10472.07	2690.63
Loss from Associate		(824.21)	(1523.89)
Add : Income Tax Refund		90.45	-
Less : Tax expenses			
Short/ (Excess) provision of Income Tax of Earlier Years		(190.91)	(12.00)
Current tax (MAT Credit Utilised Rs.106.34)		3778.55	811.84
Deferred tax		(277.57)	376.58
Add: MAT Credit		-	(105.22)
Total tax expense		3219.62	1071.20
Profit/(Loss) for the year		6428.24	95.54
Less:-			
Minority Interest		802.31	582.49
Profit/(Loss) After Minority Interest		5625.93	(486.95)
Profit Attributable to Owners of Parent Company		974.51	699.34
Basic Earning Per Share		20.75	(1.80)
Diluted Earning Per Share		20.75	(1.80)
Summary of Significant Accounting policies	24		
The Accompanying Notes are an Integral Part of the Financial Statements.			

As per our report of even date for BRAHMAYYA & Company Chartered Accountants Firm Regn. No. 000513S T.V. Ramana, Partner Membership No: 200523

Tanuku
Date : 30.05.2016

For and on behalf of the Board of Directors...
of The ANDHRA SUGARS LTD,

Dr. B.B. Ramaiah
Dr.P.Kotaiah

M. Palachandra
P.V.S. Viswanadha Kumar
Tanuku
30.05.2016

Chairman & Managing Director
Director

Company Secretary
G.M.(Finance) & Asst. Secretary

The Andhra Sugars Limited - Group Consolidated Financial Statements

Notes Forming Part of Consolidated Accounts

(Rs.in Lakhs)

Share Capital

Note-2

As at 31st
March, 2016

As at 31st
March, 2015

Authorised Shares :

28750000 (31st March 2015: 28750000)'Equity shares of Rs.10 /- each
30000(31st March 2015:30000)'9.5% First Cumulative Redeemable
Preference Shares of Rs 100/- each.
95000 (March 2015:95000)'9.5% Second Cumulative Redeemable

2875.00

2875.00

30.00

30.00

Preference Shares of Rs 100/- each.

95.00

95.00

3000.00

3000.00

Issued Shares :

27113091 (31st March 2015: 27113091)'Equity shares of Rs.10 /- each

2711.31

2711.31

2711.31

2711.31

Subscribed and fully paid-up shares :

"27107078 (31st March 2015: 27107078)'Equity shares of Rs.10 /- each
"fully paid up"

2710.71

2710.71

Forfeited amount on 6013 shares of Rs.10/-each,Rs.5/-paid up

0.30

0.30

Total issued, subscribed and fully paid-up capital

2711.01

2711.01

**Reconciliation of the shares outstanding at the beginning
and at the end of the reporting period
Equity Shares (No.s)**

At the beginning of the period

27107078

27107078

Issued during the period - Bonus issue

-

-

Add: Forfeited Shares

-

-

Outstanding at the end of the period

27107078

27107078

Note-3

RESERVES AND SURPLUS

As at 31st
March, 2016

As at 31st
March, 2015

Capital Reserve

Capitalization of Bonus Shares

52.35

52.35

Capital Redemption Reserve

3.84

3.84

Forfeited Debentures

0.30

0.30

Capital Subsidy

66.82

66.82

Securities Premium Reserve

1560.70

1560.70

General Reserve

Balance as per the last Financial Statements

46087.02

45496.62

Add : Amount transferred from Surplus Balance in the Statement Of
Profit And Loss

1275.15

873.47

Closing Balance

47362.17

46087.02

The Andhra Sugars Limited - Group Consolidated Financial Statements

Notes Forming Part of Consolidated Accounts

(Rs.in Lakhs)

Surplus/(Deficit) In The Statement Of Profit And Loss	As at 31st March, 2016	As at 31st March, 2015
Balance as per the last Financial Statements	14381.23	17023.61
Profit for the Year (Standalone)	5475.63	337.60
Profits attributable to owners of parent company	974.51	699.34
Profit/(Loss) from Associate	(824.21)	(1523.89)
Less : Appropriations		
Interim Equity Dividend	1697.46	–
Final Equity Dividend	–	1106.45
Tax on Distributed Profits	216.25	175.51
Transfer to General Reserve	1275.15	873.47
Total Appropriations	3,188.86	2,155.43
Net Surplus In Statement Of Profit And Loss	16,818.30	14,381.23
Total Reserves And Surplus Taken To Balance Sheet	65864.48	62152.26

Note-4

LONG-TERM BORROWINGS:

	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014
	4.1 Long - Term		4.2 Current Maturity	
Term Loans				
Term Loan for 3 MW Solar Power Plant (Secured)	110.58	610.77	500.14	500.14
Interest Subvention Loan (Secured)	1340.25	2071.61	731.33	121.86
Term Loan for rail tanker wagons (Secured)	752.00	–	513.33	–
	2202.83	2682.38	1744.80	622.00
Other Loans and advances:				
Deferred sales tax loan (unsecured)*	3454.12	3706.99	–	–
Deposits (unsecured)				
Deposits from Directors / Related Parties	9441.45	6965.85	2588.35	2437.25
Deposits from Others	1799.95	1492.25	962.65	812.55
	14695.52	12165.09	3551.00	3249.80
Total Amount	16898.35	14847.47	5295.80	3871.80
The above amount includes				
Secured borrowings	2202.83	2682.38	1744.80	622.00
Unsecured borrowings	14695.52	12165.09	3551.00	3249.80
Amount disclosed under the head "other current liabilities"(note 9.2)			5295.80	3871.80
Net Amount	16898.35	14847.47	0.00	0.00

*** Deferred Sales Tax Loan :**

The Company has availed interest free Sales Tax deferment under Andhra Pradesh Sales Tax deferment Scheme (Target 2000) from the Financial Year 1998-99 as per the eligibility norms in respect of expanded capacities. The Company has availed total deferment of Rs. 4536.86 lakhs. Since April 1998, the loan amount is repayable after a period of 14 years from the date of each availment in annual instalments.

- Eligible amount of interest free sales tax deferment - Rs. 4536.86 lakhs.
- Period of Eligibility for availment - April 1998 till April, 2012.

The Andhra Sugars Limited - Group Consolidated Financial Statements

Notes Forming Part of Consolidated Accounts

Term Loans as on 31.03.2016 From Banks Comprises of :

	<u>Interest Subvention Loan</u>	<u>3MW Solar Power Plant Loan</u>	<u>Rail Tanker Wagon Loan</u>
a) Loan Sanctioned	Rs. 2194.00 Lakhs	Rs. 1484.00 Lakhs	Rs. 1540.00 Lakhs
b) Loan Availed	Rs. 2193.47 Lakhs	Rs. 1484.00 Lakhs	Rs. 1522.00 Lakhs
c) No. of Installements	36 Monthly Installments after 2 years Moratorium Period	12 Quarterly	12 Quarterly
d) Installments Commencing from	Feb, 2016	Sep, 2014	Oct, 2015
e) Rate of Interest	Interest Subvention at 12.00% p.a. will be met from Sugar Development Fund as per the Govt. of India Notification.	Base Rate+1.25% p.a.	Base Rate+1.35% p.a.
f) Installment Amount	Rs. 60.95 lakhs	Rs. 125.04 Lakhs	Rs. 128.33 Lakhs
g) Lending Bank	Andhra Bank	Andhra Bank	State Bank of Hyderabad
h) Security	Pari Passu Second Charge on Fixed Assets of the Company	Exclusive First Charge on Assets created out of the loan.	Exclusive First Charge on Assets created out of the loan.

(Rs.in Lakhs)

Note-5

Deferred Tax Liability (Net)	As at 31st March, 2016	As at 31st March, 2015
Deferred Tax Liability		
Fixed Assets : Difference Between Tax Depreciation and Depreciation / Amortisation charged for the Financial reporting	10546.54	10915.64
Gross Deferred tax Liability	10546.54	10915.64
Deferred Tax Asset		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis	1040.23	1039.01
Provision for doubtful Debts and advances	62.81	14.98
Loss as per Income tax to be Carried forward	75.39	215.97
Gross Deferred tax Asset	1178.43	1269.96
Net Deferred Tax Liability	9368.11	9645.68

Note-6

OTHER LONG-TERM LIABILITIES:	As at 31st March, 2016	As at 31st March, 2015
Trade payables	—	—
Others		
Outstanding Liabilities for others	6382.41	4929.27
Staff Security Deposits	16.91	17.56
Trade Deposits	173.30	139.95
Total	6572.62	5086.78

Notes Forming Part of Consolidated Accounts

Note-7

PROVISIONS	Long-Term		Short-Term	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Provision for employee benefits:				
Provision for gratuity	176.04	488.58	311.66	306.17
Provision for leave benefits	369.36	290.89	427.02	385.82
	<u>545.40</u>	<u>779.47</u>	<u>738.68</u>	<u>691.99</u>
Other Provisions:				
Provision for Wealth tax	--	--	10.00	15.00
Provision for Income tax	--	--	5516.05	11295.45
proposed equity dividend	--	--	--	1106.44
Provision for tax on Distributed Profits	--	--	--	175.51
	<u>--</u>	<u>--</u>	<u>5526.05</u>	<u>12592.40</u>
Total	<u>545.40</u>	<u>779.47</u>	<u>6264.73</u>	<u>13,284.39</u>

(Rs.in Lakhs)

Note-8

SHORT-TERM BORROWINGS	As at 31st March, 2016	As at 31st March, 2015
Cash credit from Banks (Secured)	4476.63	13150.56
Foreign Currency loan from banks - Buyers Credit (Secured)	1331.82	963.62
Deposits (unsecured)		
: from Directors/Related Parties	216.11	179.78
: from Others	590.57	441.18
Loans from Directors	191.64	128.30
Total	<u>6806.77</u>	<u>14863.44</u>
The above amount includes		
Secured borrowings	5808.45	14114.18
Unsecured borrowings	749.26	749.26

Cash Credit is Secured by Hypothecation of inventories and receivables, and collaterally secured by a second charge on the fixed assets of the company except those at the COP division, Wind power divisions in Tamilnadu and Ramagiri, 3 MW Solar Plant at Kovvur, ISRO Plants and 33 MW Power Plant assets at Saggonda ranking pari passu among the members of the consortium of working capital lending banks.

Foreign Currency Exposure hedged by derivative Instruments as on 31st March 2016 is amounting to Rs. 686.80 Lakhs and that are not hedged is Rs.645.02 Lakhs.

Notes Forming Part of Consolidated Accounts

	Note-9	
Other Current Liabilities:	As at 31st March, 2016	As at 31st March, 2015
9.1) Trade payables		
Due to : Small and Micro Enterprises	19.21	8.61
: Others	2982.52	2861.95
	<hr/>	<hr/>
Total	3001.73	2870.56
	<hr/>	<hr/>
9.2) Other Liabilities:		
Current maturities of long term borrowings	5295.80	3871.80
Interest accrued but not due on borrowings	394.70	336.74
Advance from customers	285.22	512.77
Unclaimed dividend	162.12	117.64
Unclaimed matured deposits And interest accrued thereon	59.59	33.16
Accrued Salaries and Benefits	1402.94	808.69
Directors Remuneration Payable	666.35	20.49
Staff Security Deposits	6.82	7.27
Statutory Dues	2711.69	2189.21
Others	2242.06	3737.35
	<hr/>	<hr/>
	13227.29	11635.12
	<hr/>	<hr/>
Total	16229.02	14505.68
	<hr/>	<hr/>

FIXED ASSETS

(Rs. in lakhs)
Note - 10

	GROSS BLOCK				DEPRECIATION BLOCK				IMPAIRMENT BLOCK				NET BLOCK	
	Cost as at 31-3-15	Additions during the year	Deductions during the year	Cost as at 31-3-16	Dep. upto 31-3-15	Dep. for 15-16**	Dep. on Dedn.	Dep. up to 31-03-16	Cost as at 31-3-2015	Additions during the year	Deductions during the year	Cost as at 31-3-2016	WDV AS AT 31-3-16	WDV ASAT 31-3-15
10.1.Tangible Assets:														
1 LAND	3583.61	40.98	0.00	3624.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3624.59	3583.61
2 BUILDINGS*	7140.33	715.02	1.27	7854.08	3390.25	254.40	1.11	3643.54	0.00	0.00	0.00	0.00	4210.54	3750.08
3 PLANT AND MACHINERY	83798.64	1483.75	13.81	85268.58	47903.64	3821.93	9.62	51715.95	191.87	0.00	13.94	177.93	33374.70	35703.13
4 TRANSPORT EQUIPMENT	3915.73	2284.18	75.40	6124.51	2333.01	521.13	69.55	2784.59	0.00	0.00	0.00	0.00	3339.92	1582.72
5 FURNITURE & FITTINGS	1108.28	60.59	29.48	1139.39	861.70	100.21	29.06	932.85	0.00	0.00	0.00	0.00	206.54	246.58
6 TRAMWAYS & RAILWAY SIDING	734.33	0.00	0.00	734.33	422.57	32.47	0.00	455.04	0.00	0.00	0.00	0.00	279.29	311.76
7 RENEWABLE ENERGY PLANT (Wind & Solar)	10842.08	0.00	0.00	10842.08	3333.99	397.39	0.00	3731.38	0.00	0.00	0.00	0.00	7110.70	7508.09
Total:	111123.00	4584.52	119.96	115587.56	58245.16	5127.53	109.34	63263.35	191.87	0.00	13.94	177.93	52146.28	52685.97
Previous Year Total:	107945.36	3344.33	153.46	111136.23	54052.73	4315.93	111.66	58257.00	205.77	0.00	13.90	191.87	52687.36	53686.86
1 10.2. Intangible Asset	62.81	1.92	0.00	64.73	22.28	7.09	0.00	29.37	0.00	0.00	0.00	0.00	35.36	40.53
Previous Year Total:	58.76	4.05	0.00	62.81	15.56	6.71	0.00	22.27	0.00	0.00	0.00	0.00	40.53	43.19

* Including Buildings of the Gross value of Rs.42.50 lakhs Constructed on leasehold land.

** Depreciation for the year includes depreciation on impaired assets to the extent of Rs.13.94 Lakhs/- and depreciation capitalised to the extent of Rs.2.06 Lakhs/-.

Notes Forming Part of Consolidated Accounts

(Rs. in Lakhs)

Note-11

I. Non-current Investments	As at 31st March, 2016	As at 31st March, 2015
A) Trade Investment -- Quoted		
1) Investment in Associate 2,90,94,594 (31st March 2015 : '2,90,94,594) fully paid Equity shares of Rs.10/- each in The Andhra Petrochemical Ltd.,	4373.92	5198.13
2) Investment in Other Companies		
a) 38,704 (31st March 2015: 38,704) fully paid Equity Shares of Rs.10/- each in Andhra Bank	7.48	7.48
B) Trade Investment --Un- Quoted		
a) 1,10,04,080 (31st March 2015 : 1,10,04,080) fully paid Equity shares of Rs.10/- each in Andhra Pradesh Gas Power Corporation Ltd.,	6158.59	6158.59
b) 1,40,000 (31st March 2015: 1,40,000) fully paid Equity Shares of Rs.10/- each in Sree Akkamamba Textiles Ltd.,	1.75	1.75
C) Other Investments		
1)1391 (31st March 2015: 1391) Equity Shares of Rs.10/- each , fully paid up in Indian Bank (Quoted)	1.27	1.27
2)200 Equity Shares of Rs. 10 each fully Paid -Up in The Industrial Finance Corporation of India	0.04	0.04
3)11,360 Equity Shares of Rs.10 each fully paid up in Industrial Development Bank of India	7.88	9.23
C)Investment in Govt Securities :-		
a)National Plan Saving Certificates (lodged with Govt. Department towards Security)	0.86	0.76
Total	10551.79	11377.25
Aggregate amount of un quoted Investments	6159.450	6159.35
Aggregate amount of quoted investments	4392.340	5217.90
Total	10551.79	11377.25
Aggregate Market Value of quoted investments	11278.37	8510.05
Aggregate amount of Diminution in Value of Investment		
II. Current Investments(Quoted & Non Trade)		
Investments in HDFC Liquid Fund-Dividend-Daily Reinvest (501.210 Units @ Rs.1019.82/-each)	5.11	5.24
	5.11	5.24

Notes Forming Part of Consolidated Accounts

(Rs. in Lakhs)

Note-12

Loans and advances

	Non - Current		Current	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Capital Advances				
Secured, considered good				
Unsecured, considered good	1899.94	1766.25	—	—
(A)	1899.94	1766.25	—	—
Security Deposit				
Secured, considered good	—	—	—	—
Unsecured, considered good	2289.03	1215.62	82.33	84.87
Doubtful	—	—	—	—
(B)	2289.03	1215.62	82.33	84.87
Loans and advances to related parties				
Unsecured, considered good	1600.00	300.00	200.00	1700.00
(C)	1600.00	300.00	200.00	1700.00
Advances recoverable in cash or kind				
Secured, considered good				
Unsecured, considered good	—	—	918.94	1432.23
Doubtful	—	—	20.62	20.62
Provision for doubtful advances	—	—	20.62	20.62
(D)	—	—	918.94	1432.23
Other Loans and Advances				
Excise Duty Paid in Advance (Including Cenvat Credit Pending Utilisation)	—	—	1699.22	953.13
Advances to Trade Payables	—	—	251.16	400.57
MAT Credit	—	—	4.65	112.34
Advance Income-tax	74.79	74.74	6894.49	12443.64
Income Tax Deducted at Source	—	—	144.44	132.99
Income Tax Refund Receivable	—	—	340.22	0.96
Taxes Paid Under Protest	—	—	30.79	30.79
Fund With LIC -Gratuity	223.81	235.25	—	—
Prepaid expenses	16.91	13.09	257.41	255.74
Balances with statutory/government authorities	—	—	8.34	7.32
Others	—	—	20.56	48.73
(E)	315.51	323.08	9651.28	14386.21
Total [A+B+C+D+E]	6104.48	3604.95	10852.55	17603.31

Notes Forming Part of Consolidated Accounts

(Rs. in Lakhs)

Note-13.1

Trade receivables	Non - Current		Current	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Secured, considered good	–	–	33.50	8.44
Secured, considered good	–	–	33.50	33.5
Unsecured, considered good				
Less than 6 Months from the due date for payment	–	–	8789.33	9454.59
more than 6 Months from the due date for payment	–	–	401.18	266.2
Doubtful	–	–	161.90	22.68
	–	–	9385.91	9776.97
Provision for doubtful receivables			161.9	22.68
(A)	–	–	9224.01	9754.29
Other receivables				
Secured, considered good	–	–	–	–
Unsecured, considered good	–	–	6033.98	4749.01
Doubtful	–	–	–	–
Provision for doubtful receivables	–	–	–	–
(B)	–	–	6033.97	4749.01
Total [A+B]	–	–	15257.99	14503.30

Note-13.2

Other Assets	Non - Current		Current	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Unsecured, considered good unless stated otherwise				
Non-current bank balances				
[A]	–	–	–	–
Unamortized expenditure				
Unamortized Preliminary Expenses	0.94	0.94	–	–
[B]	0.94	0.94	–	–
Others				
Interest accrued on fixed deposits	–	–	180.35	151.99
IT Refund Receivable	17.04	17.03		
Others	–	–	0.51	0.57
[C]	17.04	17.03	180.86	152.56
Total [A+B+C]	17.98	17.97	180.86	152.56

Notes Forming Part of Consolidated Accounts

(Rs. in Lakhs)

Note-14

Inventories (valued at lower of cost and net realisable value)

	As at 31st March, 2016	As at 31st March, 2015
Raw materials and components at Cost	2523.85	3384.84
Work-in-progresss		
: At Cost	1952.62	1902.95
: At Estimated Realisable Value	38.95	125.37
Finished goods		
: At Cost	15364.49	4571.48
: At Estimated Realisable Value	9340.69	23884.21
Traded goods		
Stores and spares at Cost	5951.13	5746.26
Loose tools	50.13	51.15
Others	29.70	27.44
Total	35251.56	39693.70

Note-15

Cash and bank balances

	Non - Current		Current	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
<u>Cash and Cash Equivalents :</u>				
Balances with Banks:				
in current accounts	--	--	1013.90	812.65
in Fixed Deposit Accounts	--	--	--	500.00
Cheques/drafts on hand	--	--	273.75	296.53
Cash on hand	--	--	16.78	28.78
[A]	--	--	1304.43	1637.96

Other Bank Balances :

Deposits with original maturity for more than 12 months	--	--	--	--
Deposits with original maturity for more than 3 months but less than 12 months	--	--	123.60	198.98
On unpaid dividend account	--	--	162.12	117.81
Earmarked Balances with Banks (15% Liquidity on Fixed Deposits held under The Companies Act 2013)	--	--	677.19	910.44
Margin money deposit	--	--	310.50	303.65
[B]	--	--	1273.41	1530.88
Total	--	--	2577.84	3168.84

MINORITY INTEREST

	As at 31-03-15	Increase During the year	Decrease During the year	As at 31-03-16
Share capital	412.32			412.32
Add: Share in				
General Reserve	5465.93	224.85		5690.78
Capital Reserve	19.00			19.00
Securities Premium	352.45			352.45
Provision for dividend(including tax)	288.42	336.48	624.9	--
Profit and loss A/C	494.79	802.31	561.33	735.77
Total	7032.91	1363.64	1186.23	7210.32

Notes Forming Part of Consolidated Accounts
(Rs. in Lakhs)
Note-16

Revenue from operations	This Year	Previous Year
Sale of products:		
Finished goods	133690.52	117631.58
Sale of services	–	0.72
Other operating revenue		
Freight & Sale Expenses Recovered	772.31	642.10
Subsidy Received on Super phosphate Sales	707.80	869.37
Minimum off Take Commitment income from ISRO	–	187.74
Processing & Job Work Income	600.96	927.13
	<hr/>	<hr/>
Revenue from operations (gross)	135771.59	120258.64
Less: Excise Duty	9954.10	9512.45
	<hr/>	<hr/>
Revenue from operations (net)	125817.49	110746.19
	<hr/>	<hr/>

Note-17

Other Income	This Year	Previous Year
Interest income on		
Bank deposits	360.54	269.42
Others	429.82	278.16
Dividend income on		
Current Investment	9.87	5.21
Long-term investments	638.97	247.18
Rent received	61.83	72.53
Net gain on sale of Assets	5.59	42.64
Net gain on Sale of Current Investment	170.66	2.28
Other non-operating income #	612.94	395.97
	<hr/>	<hr/>
Total	2290.22	1313.39
	<hr/>	<hr/>

Other non-operating income includes :

Credit balances Written Back	–	2.34
Excess Provision In Earlier Years Credited Back	24.14	68.34
Claims Received	131.66	57.15
Export Incentives -Duty Drawback Received	127.67	–
Weightment Charges Received	6.89	3.81
Income not relating to this year	0.48	4.09
Difference In Exchange-(Net)	96.73	–
Income from Agriculture (Net)	34.50	–
Misc.Scrap Sales	76.16	124.12
Excise Duty Recovery-Scrap Sales	0.60	3.06
Misc. Receipts	114.11	133.06
	<hr/>	<hr/>
Total	612.94	395.97
	<hr/>	<hr/>

Notes Forming Part of Consolidated Accounts

(Rs. in Lakhs)

Note-18

Cost of raw material consumed	This Year	Previous Year
Inventory at the beginning of the year	3384.83	3816.88
Add: Purchases	57882.02	54110.75
Less: Sale of raw material	431.25	535.48
Less: Inventory at the end of the year	2472.98	3384.84
Cost of raw material consumed	58362.62	54007.31

Note-19

(Increase)/decrease in inventories	2015-16	2014-15	This Year	Previous Year
Inventories at the end of the year				
Traded goods				
Work in progress	1,991.57	2,028.31	36.74	102.12
Finished goods	24,705.18	28,455.69	3750.52	2129.83
	26,696.75	30,484.00	3787.26	2231.95
Inventories at the beginning of the year				
Traded goods				
Work in progress	2,028.31	2,130.43	102.12	(615.14)
Finished goods	28,455.69	30,585.51	2129.83	(6975.66)
	30,484.00	32,715.94	2231.95	(7590.80)

Note-20

Employee benefit expense	This Year	Previous Year
Salaries, wages and bonus	9277.92	7773.44
Contribution to provident and other fund	982.05	943.05
Gratuity expense	131.73	167.49
Staff welfare expenses	391.00	391.20
Total	10782.70	9275.18

Note-21

Depreciation and amortisation expense	This Year	Previous Year
Depreciation of tangible assets	5110.77	4235.52
Amortization of intangible assets	7.10	6.71
Total	5117.87	4242.23

Notes Forming Part of Consolidated Accounts

(Rs. in Lakhs)

		Note-22
	This Year	Previous Year
Finance Costs		
Interest	2231.01	2257.6
Diff in Exchange treated as Finance Cost	105.23	25.08
Other Borrowing Costs	71.87	50.96
Total	2408.11	2333.64

		Note-23
	This Year	Previous Year
Other expenses		
Consumption of stores and spares	4038.65	3467.43
Increase/(decrease) of excise duty on inventory	314.66	91.94
Power and fuel	20143.67	19883.34
Sugarcane development Expenses	79.58	144.54
Rent	55.45	48.38
Rates and taxes	656.58	708.38
Insurance	215.75	192.23
Repairs and maintenance		
Plant and machinery	3347.57	4523.25
Buildings	250.25	282.36
Others	545.91	649.68
Advertising and sales promotion	27.05	33.40
Handling Transport & Expenses	5466.09	5187.58
Sales commission	314.18	330.40
Bank Charges	68.25	66.95
Traveling Expenses	0.15	0.54
Directors' sitting fees	21.47	22.64
Payment to auditors (Refer details below)	37.42	35.63
Exchange differences (net)	(17.91)	(40.64)
Donations	55.20	35.05
CSR Expenses	171.00	285.05
Assets Written off	2.29	0.09
Stores & Spare written off	3.08	3.68
Provision for doubtful debts and advances	146.89	—
Loss on sale of fixed assets (net)	1.56	0.02
Bad Debts written -off	—	10.87
Excess off take charges to ISRO	124.49	75.30
Loss from Agriculture(Net)	2.85	9.66
Provision for Diminution in Value of Investments	1.35	—
Miscellaneous expenses	1103.60	1230.89
Total	37177.08	37278.64

	This Year	Previous Year
Payment to Auditors		
As Auditor	16.64	16.39
For Taxation Matters	4.01	4.18
For Limited review & Other Certification	9.06	7.35
For Reimbursement of Expenses	1.31	1.24
As Cost Auditors	5.40	5.40
Fee for Certification	0.66	0.72
For Reimbursement of Expenses	0.34	0.35
Total	37.42	35.63

NOTES FORMING PART OF THE GROUP CONSOLIDATED ACCOUNTS

24.1 Basis of preparation:

The Andhra Sugars Limited (ASL), the parent company has prepared the group consolidated financial statements by consolidating its accounts and those of its subsidiaries viz., JOCIL Limited, The Andhra Farm Chemical Corporation Limited and Hindustan Allied Chemicals Limited in accordance with Accounting Standard-21 "Consolidated Financial Statements" prescribed by Companies (Accounting Standards) Rules, 2006.

Financial Statements of the Subsidiaries used in the consolidation are drawn up to the same reporting date as that of the parent company i.e., year ended 31st March 2016.

24.2 Principles of consolidation:

The consolidated financial statements of the group are prepared according to the accounting policies as stated in the "Statements on Accounting Policies" in the respective group companies and published separately. The accounting policies of the group companies are uniform except for the method of charging depreciation in respect of some of the items of like assets. It is not practicable to use uniform accounting policies in preparing the consolidated financial statements, and in the opinion of the management, the effect of such differences in the accounting policies is not material.

24.3. Minority Interest:

Subsidiary companies	% Voting power held as at 31st March, 2016
a. JOCIL	44.97
b. The Andhra Farm Chemical Corporation Limited	23.17
c. Hindustan Allied Chemicals Limited	22.64

24.4 Associates

The Andhra Sugars Limited and its other group companies hold 34.23% of the share capital of The Andhra Petrochemicals limited (APL), a company incorporated in India, as on 31.3.2016. Therefore APL is treated as an associate, and investment in it is recognized in the accounts using the 'equity method' as per which the share of profit of the associate company has been added to the cost of investment, in accordance with the Accounting Standard - 23 "Accounting for Investments in Associates in Consolidated Financial Statements" prescribed by Companies (Accounting Standards) Rules, 2006. The audited accounts of the The Andhra Petrochemicals limited is considered for the purpose of computing the share of profit from associate for the year ended 31st March 2016.

The accounting policies of APL are broadly comparable to those of ASL. The accounts of associate company are drawn up to the same reporting date as the parent entity. Particulars of investment in Associate Company by Group companies:

	Rs. In lacs
Gross cost of the investment in Associate company - (including goodwill of Rs. 88.43 lacs)	3783.49
Less: Dividend received	556.17

	3227.32
Add: Share of post acquisition reserves and surplus	1146.60

Carrying value of investment in associate company	4373.92

24.5. Disclosure as required by Accounting Standard-18 (AS-18) "Related Party Disclosures" issued by The institute of Chartered Accountants of India are given in Annexure - I.

24.6. Segment information:

Particulars disclosed pursuant in Accounting Standard -17 "Segment Reporting" are given in Annexure II.

The Andhra Sugars Limited - Group Consolidated Financial Statements

	As at 31-3-2016	As at 31-3-2015
25) Estimated amount of contracts remaining to be executed and not provided for		
a) Towards Capital Account	10448.83	16262.46
b) Towards Raw materials	3625.52	2471.44
26) a) Uncalled liability on partly paid shares held as Investments	24.66	24.66
b) Liability on account of membership in Alkali Manufacturers' Association of India, a Company limited by Guarantee	0.01	0.01
c) Other Commitments in respect of sale contracts	3905.64	3273.36
27) Claims against the Company not acknowledged as debts relating to the following areas :		
i) Excise	2907.12	4389.46
ii) Service Tax	88.59	88.59
iii) Sales Tax	146.03	146.03
iv) Income Tax	455.11	1332.87
v) State Levies	230.73	225.58
vi) Suppliers and Service Contract	42.60	43.36
vii) Labour related	5.00	5.00
viii) Others	3.96	3.84
28) Other monies for which the company is contingently liable :		
(a) Guarantees issued by the company for obligations arising out of events occurred at the Balance Sheet date	1862.30	1422.06
(b) On letter of Credit opened with banker for purchase of Material	437.00	1396.71
(c) In the Case of Holding Company, Under the provisions of "The Levy Sugar Price Equalisation Fund Act, 1976" the excess amount collected over the notified levy sale price pursuant to the interim stay granted by the Courts vests in the fund. In a writ petition No: 1534/76 filed by the Company against these provisions, the High Court of Andhra Pradesh has held that provisions of the said Act are not applicable to the excess collections made prior to 15-6-1972, against which the Union Government filed a civil appeal No: 274/79 before the Supreme Court, which is pending.		
While admitting the appeal, the Supreme Court granted stay of operation of Judgment of A.P. High Court in W.P.No: 1534/76 and directed the Company to furnish a Bank Guarantee for Rs.9.60 lakhs being the difference in levy Sugar price for the Sugar Season 1969-70. The Bank Guarantee was furnished on 7-12-1979 in favour of Registrar, High Court of Andhra Pradesh. Interest, if any, payable under the said Act, estimated at Rs. 64.39 lakhs (Rs 62.66 lakhs) has not been provided for in the accounts pending final legal decision in the matter. However, an amount of Rs.66.80 lakhs was appropriated during the financial year 2008-2009 by Govt India, New Delhi, against payment of buffer stock subsidy dues, which was protested by the company.		
29. Loans and Advances include an amount of Rs.1500.00 Lakhs (Rupees Fifteen Crores only) being the amount given as an Inter Corporate Advance u/s 186 of the Companies Act 2013, to The Andhra Petrochemicals, an associate of the company, on the following terms and conditions.		
a) Amount of Advance	:	Rs.1500.00 Lakhs
b) Date of Advance	:	Rs.1000.00 Lakhs on 03.04.2014. Rs. 500.00 Lakhs on 23.09.2014.
c) Interest Rate	:	13.00% p.a
d) Security	:	Unsecured
e) Purpose	:	To meet Working Capital Gap
f) Repayable on	:	31.03.2019

The Andhra Sugars Limited - Group Consolidated Financial Statements

- 30.** In the opinion of the management, all the amounts stated under sundry debtors and loans and advances are Recoverable at the values at which they are stated.
- 31.** Disclosures on payments and dues to "suppliers" as defined in Micro, Small and Medium enterprises Development Act 2006 ("The Act").

31.03.2016

	Rs.in Lakhs
1. Amount remaining unpaid to any " Supplier" at the end of the year,	
(a) Principal amount of bills to be paid	0
(a) Principal amount of bills to be paid	1.54
(b) Interest due thereon	0.01
2. Payments made to suppliers, during the year, but beyond appointed / agreed by	
(a) Payments made to Suppliers.	8.61
(b) Interest paid along with such payments during the year u/s 16 of the Act.	0.06
3. The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under MSMED Act, 2006	0
4. Amount of interest accrued and remaining unpaid, at the end of each accounting year	0.01
5. Amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of deductible expenditure under section 23 of MSMED Act, 2006	0

Note: For the purpose of the above details of the status of the supplier's under the Act has been determined, to the extent of and based on information furnished by the respective parties, and has accordingly, been relied upon by the company and its auditors.

- 32.** Loans and Advances in the nature of loans given to subsidiary Hindustan Allied Chemicals Limited as per Regulation 53 (f) and Schedule V of SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015 is Rs. Nil as on 31.3.2016. (Maximum balance outstanding during the year is Rs. 0.93 Lakhs). The investment in the Equity shares of the company is Nos. 328760.
- 33.** Closing stock units of Wind farm at Ramagiri and power generation unit at Taduvai as per the books of the company and as confirmed by the APGENCO is subject to reconciliation, to the extent of Rs.11.83 lakhs due to certain matters pending before Honourable High Court of Andhra Pradesh.
- 34.** Comparison between consumption of Imported and Indigenous Raw Materials during the year :

	This year		Previous Year	
	Value	Percentage	Value	Percentage
Imported	10002.44	17	10364.67	19
Indigenous	48360.18	83	43642.64	81
	58362.62	100	54007.31	100

- 35.** Comparison between Consumption of Imported and Indigenous spare parts and components during the year (charged to appropriate heads):

	This year		Previous Year	
	Value	Percentage	Value	Percentage
Imported	463.15	5	629.18	6
Indigenous	9647.40	95	9617.66	94
	10110.55	100	10246.84	100

Notes Forming Part of Consolidated Accounts
(Rs. in Lakhs)
36. Value of Imports made by the company during the year calculated on C.I.F. basis

	This year	Previous Year
Capital Goods	44.57	270.75
Components and spare parts	351.66	764.69
Raw - materials	11933.58	9320.55
	12329.81	10355.99

	This year	Previous Year
37. Earnings in foreign exchange on FOB basis:	8578.34	912.84

38. Expenditure incurred in foreign currency:

Books, Periodicals & Subscriptions	7.13	38.75
Foreign travel (excluding tickets purchased in India)	28.96	34.12
Delegation fee	1.39	2.53
Consultation Fee	60.20	49.47
Sales Expenses	0.26	—
Bank Charges	0.25	2.19
Interest paid	17.38	4.22

39. During the year the Company has incurred the following expenditure towards R&D (Charged to appropriate heads)

	This year	Previous Year
<u>Sugar Cane R & D</u>		
a) Capital Expenditure	5.30	328.05
b) Revenue Expenditure (charged to appropriate heads)	286.88	382.42
<u>General R & D</u>		
a) Capital Expenditure	10.26	0.93
b) Revenue Expenditure (charged to appropriate heads)	70.37	74.01
	372.81	785.41

40. (A) Revenue expenditure does not include the following, which formed part of the cost of capital equipment internally manufactured for capitive usage.

	This year	Previous Year
Salaries, Wages and Bonus	107.61	91.57
Contribution to Provident, Gratuity and other funds	13.69	9.95
Workmen and Staff Welfare Expenses	5.60	4.24
Power and Fuel	3.46	2.70
Insurance	0.01	0.02
Repairs to Buildings	0.47	0.18
Repairs to P & M	1.85	0.64
Miscellaneous Expenses	2.16	1.39
Depreciation	2.06	1.28
	136.91	111.97

Notes Forming Part of Consolidated Accounts

(B) Un allocated Capital Expenditure capitalised during the year for 33 MW Captive Power Project

Opening Balance	59.53	—
Add : Capital expenditure during the the year		
Staff salaries & wages	15.31	—
Power & Fuel	3.91	—
Contribution to Provident, Gratuity and other funds	0.99	—
Bank Charges	2.30	6.47
Insurance	10.38	—
Travel expenses	1.75	0.39
Other Expenses	17.05	55.24
	51.69	62.10
Less: Interest received from banks	5.61	2.57
Net unallocated expenditure capitalised during the year:	46.08	59.53
Closing Balance	105.61	—

Notes Forming Part of Consolidated Accounts

(Rs. in Lakhs)

41. DISCLOSURES REQUIRED BY ACCOUNTING STANDARD-15 (REVISED)- EMPLOYEE BENEFITS

	Gratuity	Compensated Absences
a) <u>Reconciliation for present value of obligations</u>		
Present value of obligations as at beginning of year	3576.85	675.24
Interest Cost	286.15	38.21
Current Service Cost	229.45	33.73
Benefits paid	(294.19)	(208.47)
Actuarial loss /(gain) on obligation	(130.99)	256.19
Present value of obligations as at end of year	3667.27	794.90
b) <u>Reconciliation for Fair Value of Plan Assets</u>		
Fair value of plan assets at beginning of year	3028.21	
Expected return on plan assets	252.88	
Contributions	428.25	
Benefits paid	(294.19)	
Actuarial gain on plan assets	0	
Fair value of plan assets at the end of year	3415.15	
c) <u>Expenses Recognised in statement of Profit & Loss a/c</u>		
Current Service cost	229.45	33.73
Interest Cost	286.15	38.21
Expected return on plan assets	252.88	0
Net Actuarial loss/(gain) recognised in the year	(130.99)	256.19
Expenses to be Recognised in the profit & loss	131.73	328.13
d) <u>Net Liability Recognised in the Balance Sheet</u>		
Present value of obligations as at the end of year	3667.27	794.9
Fair value of plan assets as at the end of the year	3415.15	0
Funded status	252.12	0
Net Liability Recognised in the Balance Sheet	252.12	794.9
	31/03/2016	31/03/2016
e) <u>Actuarial Assumptions</u>		
Discount Rate	8.00%	7.80%
Salary Escalation	8.00%	7.00%
Attrition rate	1 to 3%	2.00%
Expected return on plan assets	8.35%	---
Mortality	LIC(2006-08)	IAL (2006-08)
	Mortality Rates	Mortality Rates

ANNEXURE - I

Particulars disclosed pursuant to "Accounting Standard -18 Related Party Disclosures"

(A) LIST OF RELATED PARTIES:

1) Key Management Personnel : (Viz: Whole time directors)

The Andhra Sugars Limited

Dr. B.B.Ramaiah
Sri Pendyala Narendranath Chowdary
Sri Mullapudi Narendranath
Sri Mullapudi Thimmaraja
Sri Pendyala Achutaramayya
Sri P.S.R.V.K.Ranga Rao

JOCIL Limited

Sri J.Murali Mohan

The Andhra Farm Chemicals Corporation Limited

Sri P.V.Krishna Rao

Company Secretary :

The Andhra Sugars Limited

Sri M. Palachandra

General Manager (Finance) & Asst. Secretary :

The Andhra Sugars Limited

Sri P.V.S. Viswanadha Kumar

2) Relatives of Key Management Personnel

Sri B.V.V.S.Ramesh Kumar	Son of Sri B.B.Ramaiah
Smt. Pendyala Jhansi Jayalakshmi	Wife of Sri P.Narendranath Chowdary
Smt. Sri Balusu Ranganayaki	Sister of Sri P.Narendranath Chowdary
Smt. Ethirajula Rama Lakshmi	Sister of Sri P.Narendrnath Chowdary
Smt. Jujjavarapu Usha Rani	Sister of Sri P.Narendrnath Chowdary
Smt. Maddipoti Kamala Devi	Sister of Sri P.Narendrnath Chowdary
Smt. Mullapudi Satyanarayanamma	Sister of Sri P.Narendrnath Chowdary
Smt. Nutakki Anantha Lakshmi	Sister of Sri P.Narendrnath Chowdary
Smt. Jayaraman Anantha Lakshmi	Sister of Sri M.Narendranath
Smt. Kosaraju Rama Lakshmi	Sister of Sri M.Narendranath
Smt. Nidadavolu Venkata Ramanamma	Sister of Sri M.Narendranath
Smt. Yelamarthy Narayanamma	Sister of Sri M.Narendranath
Smt. Mullapudi Narayanamma	Wife of Sri M.Narendranath
Smt. Goli Jayashree	Daughter of Sri M.Narendranath
Smt. Gaddipati Anuradha	Daughter of Sri M.Narendranath
Sri Mullapudi Vikram Prasad	Son of Sri M.Narendranath
Smt. Mullapudi Renuka	Wife of Sri M.Thimmaraja
Smt. Goli Devi	Daughter of Sri M.Thimmaraja
Sri Mullapudi Mrutyamjaya Prasad	Son of Sri M.Thimmaraja
Smt. Pendyala Archana	Daughter of Sri P.V.Krishna Rao
Sri Pendyala Venkata Rayudu	Son of Sri P.V.Krishna Rao
Sri Pendyala Ravi	Son of Sri P.V.Krishna Rao

The Andhra Sugars Limited - Group Consolidated Financial Statements

Smt. Pendyala Sesha Shailaja	Wife of Sri P.Achuta Ramayya
Smt. Pendyala Divya Atchmamba	Daughter of Sri P.Achuta Ramayya
Smt. Pendyala Sruthi Rajeswari	Daughter of Sri P.Achuta Ramayya
Smt. Pendyala Sujatha	Mother of Sri P.S.R.V.K.Ranga Rao
Smt. Pendyala Usha Lakshmi	Wife of Sri P.S.R.V.K.Ranga Rao
Kum. Pendyala Meghana Srisai Sujatha	Daughter of Sri P.S.R.V.K.Ranga Rao
Chy. Pendyala Prithvi Sri Narendrarayudu	Son of Sri P.S.R.V.K.Ranga Rao
Smt. Jagarlamudi Gangabhavani Devi	Mother of Sri J.Murali Mohan
Smt. Vemana Indira	Sister of Sri J.Murali Mohan
Smt. Jagarlamudi Sunitha Mohan	Wife of Sri J.Murali Mohan
Smt. Jagarlamudi Namrata	Daughter of J.Murali Mohan

3) Entities in which Key Management Personnel and/or their relatives have significant influence :

Andhra Pradesh Gas Power Corporation Limited
Jaya Industries
Jayalakshmi Estates
Jayalakshmi Estates Limited
Jayalakshmi Fertilisers
Jayalakshmi Plastics and Chemicals
Ramaiah & Co.,
Royal Printing Works
Mullapudi Venkatarayudu Eye Centre
Mullapudi Kamala Devi Cardiovascular Centre
Sree Akkamamba Textiles Limited
Sree Mullapudi Thimma Raju Memorial Library & Cultural Centre
Sree Mullapudi Venkataramanamma Memorial Hospital
Sree Rangaraya Estates
Sree Sarvaraya Sugars Limited
Sree Satyanarayana Spinning Mills Limited
Sree Pendyala Venkata Krishna Rangaraya Memorial Trust
Sree Harischandra Prasad Investment & Finance Company Limited
Sree Mullapudi Venkatarayudu Memorial Educational Trust
Sree Mullapudi Venkataraya Memorial Polytechnic
Sree Mullapudi Venkatarayudu Memorial Medical Trust
Sugarfield Construction Pvt. Limited
The Mullapudi Investment & Finance company Pvt. Limited
Thimmaraja Investment & Finance Company Pvt. Limited
Vibhas Polymers Pvt. Limited

4) Associate :

The Andhra Petrochemicals Limited

(B) TRANSACTIONS WITH THE RELATED PARTIES:

(Corresponding figures related to 31st, Mar'2015)

(Rs. in Lakhs)

Particulars	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relatives of Key Management Personnel
Purchase of Goods from	4280.67 (3904.44)	0.73 (0.00)	30.72 (26.68)	34.28 (19.35)
Inter Corporate Loans given to	0.00 (0.00)	0.00 (1500.00)	0.00 (0.00)	0.00 (0.00)
Inter Corporate Loans re-payment from	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Fixed Deposits Received from	0.00 (0.00)	0.00 (0.00)	1439.65 (861.00)	3801.05 (2023.80)
Fixed Deposits re-paid on maturity	0.00 (1.00)	0.00 (0.00)	246.65 (1780.10)	2354.35 (2754.55)
Loans Received from Directors	0.00 (0.00)	0.00 (0.00)	133.00 (1493.50)	0.00 (0.00)
Loans re-paid to Directors	0.00 (0.00)	0.00 (0.00)	69.66 (1365.20)	0.00 (0.00)
Services Rendered by	18.75 (15.99)	0.00 (0.00)	23.51 (25.00)	2.41 (2.40)
Sale of Goods to	948.51 (1180.95)	55.85 (18.51)	0.00 (1.09)	0.00 (0.00)
Sale of Fixed Assets to	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Services Rendered to	0.05 (0.57)	1.14 (0.93)	0.00 (0.10)	0.00 (0.28)
Interest Paid on Fixed Deposits	0.00 (0.01)	0.00 (0.00)	302.89 (264.37)	979.30 (917.65)
Interest paid to Directors	0.00 (0.00)	0.00 (0.00)	15.57 (34.87)	0.00 (0.00)
Interest Received on Inter Corporate Loan	0.00 (0.00)	195.00 (163.12)	0.00 (0.00)	0.00 (0.00)
Remuneration (including Commission) paid to	0.00 (0.00)	0.00 (0.00)	1027.38 (353.84)	11.00 (44.08)
Donations paid to	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)

The Andhra Sugars Limited - Group Consolidated Financial Statements

(Rs. in Lakhs)

Particulars	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relative of Key Management Personnel	Remarks
Contribution towards CSR Expenses	131.00 (145.05)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Dividend Paid to	123.36 (77.10)	0.00 (0.00)	292.73 (187.32)	534.14 (321.71)	
Dividend Received from	2.80 (2.80)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Balances as at 31-03-2016					
a) Share Capital held by the Company, in	6160.34 (6160.34)	3660.56 (3660.56)	0.00 (0.00)	0.00 (0.00)	
b) Receivables-					
- Trade dues	228.41 (311.51)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
- Loans/Intercompany loans	0.00 (0.00)	1500.00 (1500.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
c) Share Capital of the company held by	154.20 (154.20)	0.00 (0.00)	366.16 (368.83)	676.89 (651.95)	
d) Payables : -					
- Trade dues payable to	232.34 (442.97)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
- Fixed Deposits payable to	0.00 (0.00)	0.00 (0.00)	2990.67 (1774.33)	9489.27 (7946.35)	
- Loans payable to Directors	0.00 (0.00)	0.00 (0.00)	191.64 (0.00)	0.00 (0.00)	
- Interest payable on Fixed Deposits	0.00 (0.00)	0.00 (0.00)	64.82 (52.67)	217.28 (199.12)	
- Interest payable to Directors	0.00 (0.00)	0.00 (0.00)	4.36 (3.18)	0.00 (0.00)	
- Remuneration (including Commission)	0.00 (0.00)	0.00 (0.00)	714.36 (62.34)	0.73 (1.94)	

ANNEXURE - II

(Rs. in lakhs)

STATEMENT SHOWING SEGMENT WISE ANALYSIS AS ON 31.03.2016

Description	SUGARS		CAUSTIC SODA		POWER GENERATION		INDUSTRIAL CHEMICALS		SOAP		OTHERS		ELIMINATIONS		CONSOLIDATED	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
REVENUE:																
External sales	22934.47	14906.75	43319.97		1975.97	1659.65	32393.50		12992.55		5473.77				125817.49	110746.19
Inter-segment sales	3676.91	3904.94	2468.55		4262.50	4559.95	9115.40		0.00		94.41		19883.56			
Total revenue	26611.38	18811.69	45270.20		6238.47	6219.60	41508.90		12992.55		5568.18		21900.32		125817.49	110746.19
RESULT:																
Segment result before Interest, Extra-ordinary items	(1283.92)	(7372.61)	9006.40		602.47	727.24	4728.04		775.10		1135.72				15369.83	8628.76
Unallocated corporate expenses less Income															3280.01	4152.07
Operating Profit															12089.82	4476.69
Interest expenses															2408.11	2333.64
Interest income															790.36	547.58
Profit before tax															10472.07	2690.63
Loss from Associate															824.21	1523.89
"Provision for current and deferred tax"															3219.62	1071.20
Net profit after tax															6428.24	95.54
OTHER INFORMATION:																
Segment Assets	30969.86	35222.65	34631.19		19852.15	15739.66	16790.62		4898.32		5993.41				111111.76	110990.32
Unallocated Corporate Assets											27359.05				27359.05	33913.77
Total Assets															138470.81	144909.09
Segment Liabilities	8153.33	13221.45	8916.95		1280.11	1244.87	2306.04		380.00		965.34				23616.74	28301.20
Unallocated Corporate Liabilities											12801.80				12801.80	20218.55
Total Liabilities															36418.54	48519.75
Capital Employed	22816.53	22001.20	25714.24		18572.04	14494.79	14484.58		4518.32		19585.32				102052.27	96389.34
Capital expenditure	952.80	763.10	3237.14		26.49	2402.41	221.23		0.00		589.20				5728.86	5281.78
Depreciation	935.07	597.47	2138.85		717.17	572.83	493.19		115.04		478.85		0.86		5117.87	4242.23
Non-cash Expenditure other than depreciation															0.00	0.00

Notes:

- The Company and its subsidiaries have disclosed Business Segment as the Primary Segments. Segments have been identified taking into account the nature of Products, the different risks and returns, the organisation structure and internal reporting system.
- The Operations of the Parent Company and its subsidiaries predominantly relate to manufacture of Sugar, Caustic Soda, Soaps, Industrial Chemicals comprising mainly fatty acids, Industrial alcohol, Acetic acid, Sulphuric Acid and its related products and Liquid propellants.
- The business segments that are disclosed under "Others" comprise Fertilizers, Bulk Drugs, Edible oils and Transportation receipts etc.,
- All the Group companies operate predominantly in the Indian markets and have no production facilities outside India. Hence there are no separately reportable Geographical segments.
- Inter Segment transfers are priced at market rates.

GROUP CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2015-16

(Rs.in Lakhs)

	2015-16	2014-15
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and extra-ordinary items	10472.07	2690.63
ADJUSTMENTS FOR:		
Depreciation	5117.88	4242.23
Assets written off	2.29	0.09
Interest (Net)	1611.45	1780.60
Profit/Loss on sale of assets(Net)	(5.59)	(42.64)
Profit/Loss on sale of investments	(169.10)	(2.28)
Provision for Dimunition in Investments	1.35	–
Dividends received	(648.85)	(252.39)
Wealth Tax	–	5.00
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	16381.50	8421.24
Trade and other receivables	(1133.88)	(1060.65)
Inventories	4442.15	2292.82
Trade payables	292.33	(344.58)
Other current liabilities & provsions	2790.96	(3232.19)
Short term loans & other current assets	(761.97)	(1737.25)
CASH GENERATED FROM OPERATIONS	22011.09	4339.39
Direct taxes paid	4210.81	1422.85
NET CASH FROM OPERATING ACTIVITIES.... A	17800.28	2916.54
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets (Including Capital Work-in-progress, unallocated capital expenditure)	(8151.61)	(4475.65)
Sale of Fixed assets	11.22	62.14
Purchase of Noncurrent investments	2.00	–
Purchase of Current Investments	(15249.87)	(1100.21)
Interest received	790.36	547.56
Sale of current investments	15420.66	1102.28
Deposits/Withdrawal of Inter corporate advances	103.00	(506.50)
Dividends received	13.59	8.07
NET CASH USED IN INVESTING ACTIVITIES....B	(7060.65)	(4362.31)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings/loans	(5978.55)	5675.94
Dividends paid	(1908.35)	(1386.09)
Interest paid	(3443.73)	(2677.68)
NET CASH FROM FINANCING ACTIVITIES.....C	(11330.63)	1612.17
INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(591.00)	166.40
Cash and Cash equivalents as on 01.4.2015	3168.84	3002.44
Cash and Cash equivalents as on 31.3.2016	2577.84	3168.84
	(591.00)	166.40

As per our report of even date
for BRAHMAYYA & Company
Chartered Accountants
Firm Regn. No. 000513S
T.V. Ramana, Partner
Membership No: 200523

Tanuku
Date : 30.05.2016

For and on behalf of the Board of Directors...
of The ANDHRA SUGARS LTD,

Dr. B.B. Ramaiah
Dr.P.Kotaiah

M. Palachandra
P.V.S. Viswanadha Kumar
Tanuku
30.05.2016

Chairman & Managing Director
Director

Company Secretary
G.M.(Finance) & Asst. Secretary

STATEMENT REGARDING SUBSIDIARY COMPANIES AS ON 31-03-2016

(Rs. in lakhs)

Name of the Subsidiary Company	JOCIL Ltd.	The Andhra Farm Chemicals Corporation Limited	Hindustan Allied Chemicals Limited
1. Capital	888.16	45.00	10.63
2. Reserves	14983.17	121.51	140.95
3. Total Assets	20637.98	301.40	155.43
4. Total Liabilities	4905.97	134.93	3.85
5. Investments	139.32	0.03	–
6. Total Income	39765.82	946.87	46.17
7. Profit before Taxation	2713.91	(59.90)	45.81
8. Provision for Tax	920.25	–	3.55
9. Profit after Taxation	1793.67	(59.90)	42.30
10. Dividend : Interm : Final	621.28 –	–	–

The Andhra Sugars Limited



THE ANDHRA SUGARS LIMITED

Registered Office: Venkatarayapuram, TANUKU - 534 215

West Godavari District, (A.P)

Website: www.theandhrasugars.com CIN: L15420AP1947PLC000326

NOTICE TO SHAREHOLDERS

Notice is hereby given that the SIXTY NINTH Annual General Meeting of THE ANDHRA SUGARS LIMITED (CIN: L15420AP1947PLC000326) will be held at the Registered Office of the Company, Venkatarayapuram, Tanuku on Monday the 26th September, 2016 at 3.00 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Statement of Profit & Loss for the year ended 31st March, 2016 and the Balance Sheet as at that date together with the Reports of Board of Directors and Auditors thereon.
2. To confirm the Interim Dividend paid as Final Dividend for the Financial Year 2015-16.
3. To appoint a Director in place of Sri Mullapudi Thimmaraja (DIN 00016711) who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Sri P.S.R.V.K. Ranga Rao (DIN 00015795) who retires by rotation and being eligible offers himself for re-appointment.
5. To fix remuneration of present Statutory Auditors M/s. Brahmayya & Co., who were appointed by Shareholders at the 67th Annual General Meeting for a period of 3 years viz., 2014-15, 2015-16 & 2016-17.

SPECIAL BUSINESS

6. To Consider and if thought fit to pass with or without modifications the following Resolution as an **ORDINARY RESOLUTION.**

"RESOLVED THAT pursuant to the provisions of Sec.148 of the Companies Act, 2013 and other applicable provisions if any and rules made thereunder the Company hereby ratifies the payment of remuneration of Rs.4,00,000/- per annum to M/s. Narasimha Murthy & Co., Cost Accountants, Hyderabad, who were appointed as Cost Auditors by the Board at its meeting held on 30.05.2016 for conducting the Cost Audit for the year 2016-17 in respect of the products viz., Sugar, Food Residues or prepared Animal Feed, Electricity, Chemical Elements, In-organic Chemicals & other their derivatives, Organic Chemicals & other their derivatives, Bulk Drugs, Chemical Fertilizers and Chemicals-Plastics Polymers".

7. To Consider and if thought fit to pass with or without modifications the following Resolution as an **SPECIAL RESOLUTION.**

"RESOLVED THAT having regard to the recommendations of Nomination & Remuneration Committee and pursuant to the provisions of Sections 197 and other applicable provisions, if any, of the Companies Act, 2013 (Act) read with Schedule V to the said Act or any statutory modification or re-enactment of the said Act and subject to the approval of the Shareholders at the ensuing 69th Annual General Meeting and such other approvals as may be required the consent of the Board be and is hereby accorded to the appointment of Sri Dr.B.B.Ramaiah (DIN 00015061) as Managing Director of the Company for a period of five years with effect from 01-11-2016 on the following terms and conditions:-

Dr.B.B.Ramaiah is not subject to retirement by rotation during the tenure of his office as Managing Director from 01-11-2016 to 31-10-2021.

1. Salary : Rs. 3,00,000/- per month.
2. Commission: Upto 2% of the net profits of the Company subject to the overall ceiling stipulated in Sections 197 of the Companies Act, 2013.
3. Perquisites : (i) Housing - if required, free furnished residential accommodation with all facilities and amenities including Gas, Electricity, Water, Furniture/Fittings etc., the monetary value of which may be evaluated as per Rule 3 of the Income-Tax Rules, 1962. The expenditure incurred by the Company on Gas, Electricity, Water and Furnishings shall be subject to a ceiling of 10% of the Salary. In case where

the Company does not provide accommodation, House Rent Allowance shall be paid at the rate of 50% of the Salary. (ii) Medical reimbursement of the expenses incurred for the treatment in India / abroad for self and family, (iii) Leave Travel Concession - for himself and his family as per the rules of the Company, (iv) Club Fees, (v) Personal Accident Insurance, (vi) Provident Fund, Company's contribution towards Provident Fund at 12% of his salary or any rate applicable from time to time, (vii) Superannuation Fund - Company's contribution towards Superannuation Fund as per the rules of the Company, such contribution together with Company's contribution shall not exceed 27% of the salary as laid down under the Income tax Rules, 1962 or such other ceiling as may be prescribed from time to time, (viii) Gratuity - not exceeding $\frac{1}{2}$ a month's salary for each completed year of service, (ix) Leave - entitled to one month's leave, as per the rules of the Company on full pay for every 11 months of service. Encashment of leave at the end of tenure will not be included in computation of ceiling on perquisites, (x) Telephone - one or more free telephone facility at the residence for the use of Company's business, (xi) Car - one or more use of Company's car on Company's business with driver and all expenses of maintenance, repairs and cost of petrol. (provision of Car for use of Company's business and telephone at residence will not be considered as perquisites), (xii) any other perquisites that may be allowed as per the guidelines issued by the Central Government from time to time.

The above perquisites including salary and commission shall be subject to the overall ceiling of remuneration stipulated under Section 197 of the Companies Act, 2013 read with Schedule V thereto or any statutory modification thereof.

Company's contribution to Provident Fund and Superannuation Fund and Gratuity payable at the end of the tenure to the extent these either singly or together are not taxable under the Income-tax Act shall not be included in the computation of limits for the perquisites aforesaid.

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profit in any financial year of the Company during the term of his Office as Managing Director, the remuneration and perquisites set out above be paid or granted to Dr.B.B. Ramaiah as minimum remuneration stipulated in Section II of Part II of Schedule V of the said Act or such other amount and perquisites as may be provided in the said Schedule V as may be amended from time to time or any equivalent statutory re-enactment(s) thereof."

8. To consider and if thought fit to pass with or without modification the following Resolution as an Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sec.73, 76 and other applicable provisions of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014, consent of the Members be and is hereby accorded to the Board of Directors to invite and accept Fixed Deposits from Public & Members , within the limits prescribed in the Act and the overall borrowing limits of the Company, as approved by the Members, for the time being in force or any amendments made from time to time".

"RESOLVED FURTHER THAT the Board of Directors or any person authorized thereof to finalise the scheme for invitation and acceptance of Fixed Deposits from the Members and the Public and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution".

(BY ORDER OF THE BOARD)

Venkatarayapuram
TANUKU – 534 215
27.7.2016

For THE ANDHRA SUGARS LIMITED
Dr. B.B. RAMAIAH
Chairman and Managing Director

NOTES:

1. A Member entitled to attend and vote may appoint a proxy to attend and vote instead of himself on poll and that a proxy need not be a Member.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday 19th September, 2016 to Monday 26th September, 2016 (both days inclusive).
3. Shareholders in physical mode are requested to notify their change of address, if any, to the Company.

The Andhra Sugars Limited

4. As per the provisions of Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, the un-claimed Dividend in respect of Dividend for the year 2007-2008 has been transferred to Investor Education and Protection Fund as envisaged in Section 125 of the Companies Act, 2013. Shareholders who have not encashed the Dividends may make a request to the Company for the payment of un-encashed Dividend amount in respect of Dividend declared from the years 2008-09 onwards in order to enable the Company to proceed with their request in case the dividend warrants remain unencashed.
5. Shareholders have an option to maintain their shareholding in demat form by opening a demat account with a Depository Participant. This will enable the shareholders to easily sell or buy the shares through Stock Exchanges. However, maintaining shareholding in Demat form is purely optional and not compulsory.
6. Voting through electronic means
As provided by the Companies Act, 2013 E-Voting facility shall be made available to vote on the resolutions proposed to be passed at ensuing 69th Annual General Meeting. Necessary papers to facilitate E-voting is enclosed.
7. Information about the Directors seeking re-appointment at the 69th Annual General Meeting as required under Corporate Governance:
A. Sri Mullapudi Thimmaraja has been the Whole-time Director of your Company from 1978.
Sri Mullapudi Thimmaraja as Joint Managing Director has been looking after general administration of the Company besides supervision of day to day administration of all the units at Tanuku, other than Sugar.
Sri Mullapudi Thimmaraja is a Graduate in Chemical Engineering. He did his Postgraduation in Business Administration from the University of Florida, U.S.A.
He is a director on the Board of The Andhra Petrochemicals Limited and JOCIL Limited. His Committeeship includes- Member Audit Committee and Stakeholders Relationship Committee of JOCIL Limited, Member Stakeholders Relationship Committee of The Andhra Petrochemicals Limited and Member Share Transfer Committee, member Corporate Social Responsibility Committee and Stakeholders Relationship Committee constituted by the Board of the Company.
B. Sri P.S.R.V.K.Ranga Rao is a Graduate in Commerce. He has been the Executive Director of the Company since 1st May, 1999. As Executive Director, he assist Chairman & Managing Director in looking after day to day affairs of Chemical Complex at Saggonda. He is instrumental in successful expansion of Chemical Complex at Saggonda.

* * * *

ANNEXURE TO NOTICE

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013.

ITEM NO. 6:

The Board, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s Narasimha Murthy & Co., the Cost Auditors to conduct the audit of the Cost records of the Company for the Financial Year ending March 31, 2016 and remuneration of Rs. 4,00,000/- plus applicable taxes, out-of-pocket and travelling expenses have been fixed for this purpose.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, ratification for the remuneration payable to the Cost Auditors for the Financial Year 2015-16 by way of Ordinary Resolution is being sought from the members as set out at Item No.6 of the Notice.

Your Directors therefore recommend the Resolution for approval.

None of the Directors or Key Managerial Personnel of the Company or their relatives is/are concerned or interested in the Resolution.

ITEM NO. 7

Dr. B.B.Ramaiah has been the Whole-time Director of the Company since 1968 and Managing Director (Overall Incharge) from 2011.

Dr.B.B.Ramaiah, a highly qualified technocrat, has been associated with the Company in various capacities. He has been the Whole-time Director of the Company for a period of more than four decades being incharge of all technical matters of the Company. During his tenure as Whole-time Director and Managing Director (Overall Incharge), he was instrumental in initiating and successfully completing various diversifications and Expansion Programmes thus making invaluable contributions to the growth of the Company. He is also involved in day to day progress of 33 MW Coal Based Power Project which is being setup at Saggonda.

As such, having regard to the recommendation of the Nomination and Remuneration Committee, it is considered advisable to recommend to shareholders the appointment of Dr.B.B.Ramaiah as Managing Director for a further period of five years with effect from 01-11-2016 which would be beneficial to the Company.

Your Directors recommend the Resolution for your approval.

Dr. B.B.Ramaiah, the concerned Managing Director along with his relatives Sri P.Narendranath Chowdary and Sri P. Achuta Ramayya shall be deemed to be interested in the above Resolution.

The terms and conditions as set out in the Resolution may be treated as an abstract of the terms of appointment of Dr. B.B. Ramaiah as Managing Director with effect from 1.11.2016 to 30.10.2021 pursuant to Section 190 of the Companies Act, 2013.

ITEM NO. 8

As per the provisions of the Companies Act, 2013, Company can accept/invite Fixed Deposits from Members & Public only with the approval of the Shareholders.

Company has been accepting Fixed Deposits from Public & Members for several years under the provisions of erstwhile Companies Act, 1956 and Fixed Deposit Rules made thereunder. As such your Board of Directors considers it advisable to continue acceptance of Fixed Deposits from Members & Public with which would enable the Company to augment its financial recourses for various requirements.

Your Directors therefore recommend the resolution for your approval.

Directors and Key Managerial Personnel may be deemed to be interested in the resolution in event they place Fixed Deposits with the Company.

Inspection of Documents

All the documents referred to in the notice and explanatory statement including the Memorandum and Articles of Association of the Company are open for inspection at the Registered Office of the Company between 09:00 a.m. and 11:00 a.m. on any working day prior to the date of the Annual General Meeting.

(BY ORDER OF THE BOARD)

Venkatarayapuram
TANUKU – 534 215
27.7.2016

For THE ANDHRA SUGARS LIMITED
Dr. B.B. RAMAIAH
Chairman and Managing Director

CIN: L15420AP1947PLC000326
Tel.:+91-8819-224911

e-mail: info.tnk@theandhrasugars.com
Website: www.theandhrasugars.com

The Andhra Sugars Limited

**Addendum to Notice dated 27.7.2016 convening
69th Annual General Meeting to be held on 26th September, 2016.**

SPECIAL BUSINESS:

ITEM NO.9

To consider and if thought fit, to pass, with or without modification(s), the following as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V of Companies Act, 2013 or any statutory modification(s) or re-enactment of the said Act consent of the Company be and is hereby accorded to pay a revised salary of Rs.3,00,000/-per month to Sri P. Narendranath Chowdary (DIN 00015674) as Managing Director effective from 1-4-2016 to 11.1.2021 viz., for the balance period of the existing tenure of his appointment.

"RESOLVED FURTHER THAT other terms and conditions as mentioned in the Resolution No.7 of 68th Annual General Meeting remain the same.

ANNEXURE TO ADDENDUM TO THE NOTICE

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013.

Shareholders at the 68th Annual General Meeting appointed Sri P. Narendranath Chowdary as Managing Director for a period of 5 years with effect from 1.11.2016.

In view of the general trend prevailing in the Industry with regard to payment of Managerial Remuneration and also having regard to the increased responsibility of Sri P. Narendranath Chowdary in view of the implementation of Power Project and other project expansion programmes, your Board of Directors considered it advisable to enhance the Salary of Sri P. Narendranath Chowdary from 1.00 Lakh per month to 3.00 Lakhs per month effective from 1.4.2016 to 10.1.2021 i.e., remaining period of existing tenure.

Your Directors therefore recommend the Resolution for your approval.

Sri P. Narendranath Chowdary, the concerned Managing Director, along with his relative Sri P. Achuta Ramayya shall be deemed to be interested in the above Resolution.

(BY ORDER OF THE BOARD)

Venkatarayapuram
TANUKU – 534 215
10.8.2016

CIN: L15420AP1947PLC000326
Tel.: +91-8819-224911

For THE ANDHRA SUGARS LIMITED
Dr. B.B. RAMAIAH
Chairman and Managing Director

e-mail: info.tnk@theandhrasugars.com
Website: www.theandhrasugars.com



THE ANDHRA SUGARS LIMITED

VENKATARAYAPURAM, TANUKU - 534215
West Godavari District, Andhra Pradesh
Telephone: 08819-224911 Fax: 08819-224168
Email: info.tnk@theandhrasugars.com
Website: www.theandhrasugars.com
CIN: L15420AP1947PLC000326



Dear Member,

Subject: ELECTRONIC VOTING FACILITY – REG.

Pursuant to Provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 the Company is pleased to offer e-voting facility to the members to cast their votes electronically as an alternative to participation at the 69th Annual General Meeting to be held on Monday, the 26th September, 2016 at 3 p.m. at the Regd. Office of the Company. The Company has engaged the services of Central Depository Services (India) Limited (“CDSL”) to provide e-voting facility.

Sri Nekkanti S R V V S Narayana, Practising Company Secretary (CP No.7839) of M/s Nekkanti S.R.V.V.S. Narayana & Co, Company Secretaries, Hyderabad has been appointed as Scrutiniser for conducting the e-voting process in a fair and transparent manner.

The e-voting facility is available at the link <https://www.evotingindia.co.in>. The e-voting particulars are as follows.

EVS (E-VOTING SEQUENCE NUMBER)	PAN / SEQUENCE NO.	USER ID (DEMAT NUMBER / FOLIO NUMBER)	BANK ACCOUNT DETAILS AS AVAILABLE WITH THE COMPANY (OR) FOLIO NUMBER
160817059			

Please read the instructions before exercising the vote which are printed hereunder. The Annual Report is also available for download at our website www.theandhrasugars.com.

The instructions for shareholders voting electronically are as under:

- The voting period begins on 23rd September, 2016 from 9.00 a.m. and ends on 25th September, 2016 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 19th September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- The shareholders should log on to the e-voting website www.evotingindia.com.
- Click on Shareholders.
- Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.

- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id/ folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <The Andhra Sugars Limited> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Yours faithfully,
For THE ANDHRA SUGARS LIMITED,

Sd/-
(Dr. B B Ramaiah)
Chairman & Managing Director

Place: Tanuku
Date: 19th August, 2016



THE ANDHRA SUGARS LIMITED

Regd. Office : Venkatarayapuram, TANUKU - 534 215

CIN : L15420 AP1947 PLC 000326

Website : www.theandhrasugars.com, Email : investors@theandhrasugars.com

Phone : 08819-224911, Fax : 08819-224168

PROXY FORM

I/We being the member(s) of shares of the above named Company hereby appoint :

- (1) Name : Address :
E-mail ID : Signature or failing him
- (2) Name : Address :
E-mail ID : Signature or failing him
- (3) Name : Address :
E-mail ID : Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 69th Annual General Meeting of the Company to be held on Monday, 26th September, 2016 at 3.00 p.m. at Regd. Office : Venkatarayapuram, Tanuku and at any adjournment thereof in respect of such Resolutions as are indicated below :

Resolution No.	RESOLUTIONS	Optional	
	Ordinary Business	For	Against
1.	Adoption of Audited Financial Statements for the year ended 31 st March, 2016		
2.	Approval of dividend for the year 2015-16		
3.	Re-appointment of Sri Mullapudi Thimmaraja, as Director who retires by rotation		
4.	Re-appointment of Sri P.S.R.V.K. Ranga Rao, as Director who retires by rotation		
5.	Ratification of the appointment of M/s. Brahmayya & Co. Chartered Accountants as auditors and fixing their remuneration;		
	Special Business		
6.	Ratification of remuneration of Cost Auditors		
7.	Appointment of Dr. B.B. Ramaiah as Managing Director (Overall Incharge)		
8.	Acceptance of Fixed Deposits		
	Addendum to Notice		
9.	Revision in Salary of Sri Pendyala Narendhranath Chowdary		

Signed this day of 2016

Signature of Shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp not
less than
Re 0.15

Note :

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 69th Annual General Meeting.
3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.



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THE ANDHRA SUGARS LIMITED