



THE ANDHRA SUGARS LIMITED

67th ANNUAL REPORT

2013 - 2014

BOARD OF DIRECTORS :

Dr. B. B. Ramaiah
Chairman & Managing Director

Sri P. Narendranath Chowdary, B.Sc.
Managing Director

Justice G. Ramanujam (Retd.)
(Upto 25.8.2013)

Sri A. Ranga Rao

Sri M. Narendranath, B.Sc.(Ag.)
Joint Managing Director

Sri M. Thimmaraja, B.Tech., M.B.A.(Florida)
Joint Managing Director

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

Dr. A.V. Rama Rao

Dr. P. Kotaiah

Sri V. S. Raju

Dr. Alapaty Appa Rao
(Upto 30.4.2014)

Dr. Anumolu Ramakrishna
(Upto 20.8.2013)

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

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

REGISTERED OFFICE :

Venkatarayapuram
Tanuku - 534 215
West Godavari District
Andhra Pradesh

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DIRECTORS' REPORT

To
The Shareholders

Your Directors have pleasure in presenting this SIXTY SEVENTH ANNUAL REPORT along with the Audited Statement of Accounts for the year ending 31st March, 2014.

Financial Results:

(Rupees in lakhs)

	This Year	Last Year
Sales	72616.57	83200.31
Other Income	1300.88	1373.57
	-----	-----
	73917.45	84573.88
	-----	-----
Profit for the year	11948.39	17820.52
Depreciation	4325.93	4119.29
	-----	-----
Profit after depreciation	7622.46	13701.23
Add: Excess provision of Income Tax credited back	85.30	--
Add: Income Tax Refund received	86.96	7.61
Less: Short Provision of Income Tax	--	72.42
Less: Exceptional Item (Electricity FSA charges relating to earlier years)	--	1764.15
	-----	-----
	7794.72	11872.27
	-----	-----
Provision for Current Tax	2645.00	3800.00
Provision for Deferred Tax	(304.56)	587.35
Profit after Tax	5454.28	7484.92
Add: Balance brought forward from last year	9836.45	9212.84
	-----	-----
Profit available for appropriation	15290.73	16697.76
	-----	-----
APPROPRIATIONS :		
Transfer to General Reserve	490.00	5000.00
Proposed Dividend on Equity Shares at Rs.5/- per share	1355.35	1626.42
Tax on distributable profits	180.51	234.89
Balance brought forward to next year	13264.87	9836.45
	-----	-----
	15290.73	16697.76
	-----	-----

PERFORMANCE:

For the year 2013-14 your Company achieved a Profit of Rs. 76.22 Crores (before tax) against a Profit of Rs.137.01 Crores achieved last year. Net Profit (after tax) declined to Rs. 54.54 Crores from Rs. 74.84 Crores mainly due to depressed selling price of Sugar and increase in Power Tariff.

DIVIDENDS:

A Dividend of Rs. 6.00 per Equity Share was paid for the year 2012-13. Your Directors recommend a Dividend of Rs. 5/- per Equity Share (Rs.10/- Paid-up Equity Share) for the year 2013-14. The outflow towards Dividend payment (including tax on distributable profits) would be Rs. 1535.86 Crores. This Dividend, if approved by the Shareholders, will be paid to all the eligible Shareholders.

CAPITAL & RESERVES:

Authorised and Paid-up Capital:

As on 31.3.2014, the Authorised Capital of the Company is Rs.30 Crores and the Paid-up Share Capital is Rs. 27.11 Crores.

Reserves:

With the transfer of Rs. 4.90 Crores during the year under report, the total Reserves as on 31.3.2014 stands at Rs. 536.52 Crores against Rs. 497.34 Crores on 31.3.2013.

REVIEW OF OPERATIONS:

SUGAR UNITS:

The three Sugar Units together crushed 5, 71,449 MTs of cane during the 2013-14 season against 6,38,641 MTs crushed last year. The crushing operations and cane price paid to cane suppliers for the 2013-14 season are:

	SUGAR UNIT – I TANUKU		SUGAR UNIT – II TADUVAI		SUGAR UNIT - III BHIMADOLE	
	Fin. Year 2013-14	Fin. Year 2012-13	Fin. Year 2013-14	Fin. Year 2012-13	Fin. Year 2013-14	Fin. Year 2012-13
(A) Crushing details:						
Total cane crushed (MT)	152986	178035	264395	272811	154068	187795
Total No. of days crushed	71	77	89	97	72	80
Total Sugar produced (MT)	14102	16639	28806	28627	15012	17689
Average Recovery	9.12%	9.28%	10.66%	10.51%	9.27%	9.27%
(B) Cane price:						
Fair & Remunerative Price (per MT)	2100.00	1700.00	2323.21	2016.00	2100.00	1735.80
Cane price paid (per MT)*	2250.00	2200.00	2385.00	2276.00	2250.00	2200.00

- inclusive of an Incentive of Rs.60/- per MT.
- Cane crush at all the three sugar units was lower compared to the last season due to lower availability of cane and lower number of days of cane crush.
- Recovery achieved at Sugar Unit II was higher compared to Units I and III.
- Unfavourable weather conditions affected the cane yield per acre thereby reducing the quantity of cane crush. This also affected recovery.
- Due to non-availability of harvesting labour and increase in the cost of hiring the labour, farmers opted for cultivation of other crops.
- 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 1,50,63,200 Units of Power against 2,10,04,360 Units generated last year.

PERFORMANCE OF CHEMICAL DIVISION:

During the year under report the Caustic Soda Division at Saggonda achieved a turnover of Rs. 410.45 Crores compared to Rs. 371.99 Crores achieved last year. Profit after depreciation achieved by this Division this year was Rs. 82.95 Crores against Rs. 82.29 Crores achieved last year. If it was not for substantial increase in "Power Tariff" and "purchase of Additional Power" from "Power Exchanges" at a higher rate in view of the restricted supply from State Electricity Distributing Companies, the performance of the Chemical Units would have been better.

WIND POWER UNITS:

The Power generated at Ramagiri Wind Mills during the year is Units 25,40,290 against 24,15,000 Units generated last year.

The Power generation at the Tamil Nadu Wind Mills during the year under report is 2,69,55,509 Units against 3,55,15,616 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.

An Energy Efficient Caustic Soda Plant was commissioned at Saggonda.

At the Jawaharlal Nehru Pharmacy, at Parawada, Visakhapatnam, a Sodium Hypochlorite Plant is being set up. Sodium Hydroxide and Chlorine Gas are the main raw material for this Plant, which will be sourced internally from our Saggonda Plants. Site development and civil foundation works are in progress. Procurement of bought out components required for this project have been initiated. Fabrication of all the process equipment and storage tanks has been completed. Fabrication of the structures for the main process Plant is in progress.

Sodium Hypochlorite is used in the drug and pharmaceutical industries, water treatment, paper and chemical industries. Since the Plant is being put up at the Pharmacy, it will have the advantage of catering to the requirements of user industries in and around Jawaharlal Nehru Pharmacy. This project is expected to be commissioned around the end of 2014.

A Hydrogen Peroxide Plant is being set up at Saggonda. This project would have the locational advantage as Hydrogen which is the main raw material, will be sourced in-house from our Caustic Soda Plant at Saggonda. This product is widely used for Bleaching, Water and Effluent Treatment Plant, Chemical synthesis and allied applications.

For the effective utilisation of Chlorine, which is a bye product at the Caustic Soda Plant, a Chlorinated Paraffins Plant is being set up at Saggonda. Chlorinated Paraffins are mainly used as a Plasticiser. Required steps for implementation have been initiated.

As Power is an essential input for your Company's Chlor Alkali operations, a Coal Based Power Project is being set up at the Chemical Complex at Saggonda. 40 acres of land have been procured. Details for the Power Project have been prepared. The total capital cost of the project has been estimated at Rs. 193.50 Crores. Technical evaluation of Turbine package has been completed and final offers are awaited from vendors. Technical evaluation of Equipment offers are under progress and expected to be completed shortly. A public hearing by the Andhra Pradesh Pollution Control Board is yet to take place, after which purchase orders will be released.

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

A Solar Power Plant, based on Photovoltaic Technology, is being set up at Kovvur at a total cost of Rs.21.20 Crores. Execution of this Project has been entrusted to Tata Solar Power on Engineering, Procurement and Construction basis. The Power generated by this Plant will be utilised in-house at Kovvur. Installation of a Supervisory Control and Data Acquisition (SCADA) system at Solar Power Plant has been completed. Pre-commissioning checks are in progress.

The Andhra Sugars Limited

At Sugar Unit-III, Boiler upgradation, installation of a new Sulphitation system, Sugar and Begasse handling system, 50 Ton Vacuum Pan were taken up and have been commissioned. Consent for expansion to 6000 TCD and installation of a 31 MW Power Plant have been cleared by Andhra Pradesh Pollution Control Board. Consent For Operation for expanded capacity without Power Plant has also been issued.

These Projects are expected to strengthen your Company's Product range and improve revenue generation.

CERTIFICATION :

Your Directors are happy to inform:

- Aspirin Division at Tanuku has been certified by DET NORSKE VERITAS (DNV) for Quality Management System Standard (ISO 9001:2008); Environmental Management System Standard (ISO 14001:2004); and Occupational Health & Safety Management System Standard (OHSAS 18001:2007).
- Chemicals & Fertilisers Division at Saggonda has been certified by DNV for ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 Management System Standards.
- Chemicals & Fertilisers Division at Saggonda has been granted Licence by Bureau of Indian Standards, New Delhi 15573:2005 for Manufacture and Supply of 10% Medium Basicity & 10% High Basicity of Poly Aluminium Chloride (PAC 10 MB).

DEMATERIALISATION OF EQUITY SHARES:

As of 31st March, 2014, Equity Shares representing 43.90% of the Share Capital have been dematerialised.

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors confirm:

- i. That in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed.
- ii. That the Directors have selected such accounting policies and applied them consistently and made judgements 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 ended 31st March, 2014 and of the profit of the Company for that year;
- iii. That the Directors have taken proper and sufficient care for the maintenance of adequate Accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. That the Directors have prepared the Annual Accounts on a going concern basis.

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.

DIRECTORS:

Your Directors express profound grief over the sad demise of Directors Dr. Anumolu Ramakrishna and Dr. Alapaty Appa Rao. Your Directors place on record appreciation of their valuable guidance during their tenure as Directors of the Company.

Justice G. Ramanujam (Retd.) retired as Director of the Company at the 66th Annual General Meeting. Your Directors place on record appreciation of the valuable guidance rendered by him during his tenure as Director of the Company.

In terms of Article 111 of the Articles of Association of the Company, Directors, Sri M. Thimmaraja and Sri P.S.R.V.K. Ranga Rao retire by rotation at the 67th Annual General Meeting and being eligible, offer themselves for re-appointment.

As per the provisions of the Companies Act, 2013 Independent Directors are required to be appointed by the Shareholders. As such, the appointment of Directors Sri A. Ranga Rao, Dr. P. Kotaiah, Sri V.S. Raju, Dr. A.V. Rama Rao and Sri P.A. Chowdary as Independent Directors is being placed for the approval of Shareholders at the ensuing 67th Annual General Meeting,

AUDIT COMMITTEE:

Audit Committee comprises 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.

OTHER COMMITTEES :

- To be in line with the Provisions of the Companies Act, 2013, the following committees have been constituted by the Board.
- **Corporate Social Responsibility Committee :** Comprises 4 Directors Dr. B.B. Ramaiah, Sri P. Narendranath Chowdary, Sri M. Thimmaraja and Sri V.S. Raju (Independent Director).
- **Nomination & Remuneration Committee :** Comprises 3 Independent Directors, Sri A. Ranga Rao, Sri V.S. Raju and Sri P.A. Chowdary.
- **Stakeholders Relationship Committee :** Comprises 3 Directors Sri P. Narendranath Chowdary, Sri M. Thimmaraja, Independent Director Sri P.A. Chowdary, who is the Chairman of the Committee.

INDUSTRIAL RELATIONS:

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

SAFETY, HEALTH AND ENVIRONMENT:

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

CORPORATE SOCIAL RESPONSIBILITY:

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.

As required by the provisions of Companies Act, 2013, a Corporate Social Responsibility (CSR) Committee has been constituted by the Board of the Company with Dr. B.B. Ramaiah, Chairman & Managing Director; Sri P. Narendranath Chowdary, Managing Director; Sri M. Thimmaraja, Joint Managing Director and Sri V.S. Raju, Independent Director as members of the Committee. This Committee will frame the Corporate Social Responsibility activities policy as specified by the CSR Rules provided under the Companies Act, 2013 and recommend to the Board for its consideration and implementation.

PARTICULARS OF EMPLOYEES:

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended by Companies (Particulars of Employees) Amendment Rules, 2011 regarding employees is given in Annexure "A" forming part of this Report.

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

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure "B" forming part of this Report.

FIXED DEPOSITS:

Fixed Deposits aggregating to Rs 41.20 lakhs held by 88 depositors had fallen due for payment but remained unclaimed as on 31.3.2014. Unclaimed deposits aggregating to Rs. 12.75 lakhs held by 20 depositors have since been renewed/repaid. Still, deposits aggregating to Rs.28.45 lakhs held by 68 depositors remained unclaimed as on date.

CONSOLIDATED ACCOUNTS:

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

In view of the general exemption granted by the Ministry of Corporate Affairs, the Accounts of the subsidiary companies for the year 2013-14 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.

SUBSIDIARY COMPANIES:

JOCIL LIMITED:

For the Financial Year ending 31.3.2014, your subsidiary company, JOCIL Ltd., posted a profit of Rs. 1630.45 lakhs (before taxation) against Rs. 2294.46 lakhs (before taxation) last year. The Board of this subsidiary recommended a Dividend of Rs. 5/- per share on the Capital of 88,81,150 Equity Shares. Dividend paid last year was Rs. 6/- per share.

THE ANDHRA FARM CHEMICALS CORPORATION LIMITED:

The company achieved a sales of Rs. 159.98 lakhs against Rs. 636.78 lakhs and incurred a loss (before tax) of Rs. 79.42 lakhs against the loss of Rs. 46.87 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.

AUDITORS:

M/s Brahmayya & Co. Chartered Accountants, Vijayawada, the present Auditors, retire at the 67th Annual General Meeting and are eligible for re-appointment.

COST AUDITORS:

M/s Narasimha Murthy & Co., Cost Accountants, Hyderabad are appointed as Cost Auditors of the Company for the products, which are subject to Cost Audit, for the year ended 31.3.2014. Cost Auditors Report and Compliance Report in respect of Financial Year 2012-13 have been filed with the Ministry of Corporate Affairs on 24.9.2013 and 23.09.2013 respectively i.e., within the stipulated due date of 27.9.2013.

ACKNOWLEDGEMENT:

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

Venkatarayapuram
TANUKU – 534 215
26-05-2014

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

ANNEXURE "A" TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31-03-2014

Statement showing particulars of employees of the Company as required
under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees)
Rules, 1975 as amended and forming part of Report of the Board of Directors for the period from 01-04-2013 to 31-03-2014.

Sl. No.	Name	Designation	Qualification	Experi-ence (Years)	Date of commence-ment of employment in the Company	Gross Remunera-tion 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)	60	01-04-1998	19561915	88	Managing Director (Tech.) The Andhra Sugars Ltd. 28 Years
2)	Sri P. Narendranath Chowdary	Managing Director	B.Sc.	47	12-01-1976	21189901	66	Director, The Andhra Sugars Ltd. 8 Years
3)	Sri M. Narendranath	Joint Managing Director	B.Sc. (Ag.)	40	01-01-1998	12653818	65	Managing Director, Sree Satyanarayana Spinning Mills Ltd., Tanuku. 24 Years
4)	Sri M. Thimmaraja	Joint Managing Director	B.Tech., M.B.A. (Florida)	39	01-08-1978	12447758	63	Director, The Andhra Sugars Ltd. 2 ½ Years
5)	Sri P. Achuta Ramayya	Joint Managing Director	B.Com., M.B.A. (New York)	31	01-08-1983	11631843	59	Executive Director, The Andhra Sugars Ltd. 28 Years
6)	Sri P.S.R.V.K. Ranga Rao	Executive Director	B.Com.	15	01-05-1999	7350984	44	Director, The Andhra Sugars Ltd. 1 ½ 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 269 read with Schedule XIII of the Companies Act, 1956.

Annexure 'B' to Directors' Report for the year ended 31.03.2014

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. Conservation of Energy:

SUGAR UNIT – II, TADUVAI:

Conservation of Energy:

1. Energy conservation measures taken.

Following Steam Economy Measures were taken up during 2013 -14 to reduce the process steam consumption.

- a) Tubular heaters were installed for syrup heating with 2nd vapour.
- b) Tubular heater was installed for draft juice heating (before Sulphitation) with 3rd vapour to maintain optimum reaction temperature at juice sulphitor for better clarification and to have steam saving.

2. Impact of the measures at (a) and (b) for reduction of energy consumption and consequent impact on the cost of production of goods.

The Steam Economy Measures, implemented during 2013-14 crushing Season, resulted in saving of 1,650 MTs of bagasse, which costs about Rs.18,15,000/- considering cost of bagasse @ Rs.1100/- MT. The reduction in cost of production is Rs.6.29/- per quintal of Sugar produced.

CHEMICAL COMPLEX, SAGGONDA:

- Re-coating of Anode and Cathode half shells of No.3 cell hall for reduction of power consumption.
- Replacement of old membranes with high performance new membranes.
- Recoating of one more Electrolyses Anode & Cathode half shells in No.3 cell hall for reduction of power consumption.
- Installation of VFD's for Brine/ Water pumps for reduction of power consumption.

Due to these measures, the power consumption was reduced by approximately 140-150 KWH/Ton of production. The impact on the cost of production is Rs.750 / Ton.

B. TECHNOLOGY ABSORPTION:

A new syrup sulphitation system has been installed under R&D programme by taking the Technical know-how from Fourteam Engineers of Brazil. This system came on line during the 2012-13 crushing season achieving 95HP saving in Electrical Power and 0.7% of Steam on Cane.

Form B annexed.

C. Foreign Exchange Earnings and outgo :	Current Year	Last Year
a) Used (Rs. in lakhs)		
i) Revenue Account	129.05	163.25
ii) Know-how fee and Service	--	--
b) Earned (Rs. in lakhs)		
On FOB basis	343.03	95.06

ANNEXURE
FORM A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

PARTICULARS	UM	TANUKU UNITS		KOVVUR UNITS		TADUVAI UNITS		SAGGONDA UNITS		BHIMADOLE UNIT	
		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
A) POWER AND FUEL CONSUMPTION											
1. ELECTRICITY											
A) PURCHASED											
UNITS	KWH	6739048	6556929	22280059	20004341	553300	384325	278331177	266697903	506230	400248
TOTAL AMOUNT	Rs.	44545804	40619380	114512492	121249889	4133314	3671251	1302544705	1329984516	4135193	3296322
RATE/UNIT	Rs.	6.61	6.19	5.14	6.06	7.47	9.55	4.68	4.99	8.17	8.24
B) OWN GENERATION											
I) THROUGH DIESEL											
GENERATOR											
UNITS	KWH	70194	133372	--	--	44583	73888	--	--	69273	223564
TOTAL AMOUNT	Rs.	1176108	1826347	--	--	1149545	1694974	--	--	1467051	4497493
RATE/UNIT	Rs.	16.76	13.69	--	--	25.78	22.94	--	--	21.18	20.12
II) THROUGH STEAM											
TURBINE GENERATOR											
UNITS	KWH	6665200	7311280	--	--	15063200	21004360	--	--	6303720	7670650
TOTAL AMOUNT	Rs.	7149641	7678093	--	--	22205226	47411662	--	--	9176527	10533014
RATE/UNIT	Rs.	1.07	1.05	--	--	1.47	2.26	--	--	1.46	1.37
2. COAL											
QUANTITY	MT	3110.000	860.000	--	--	--	--	--	--	--	--
TOTAL COST	Rs.	11463257	3330948	--	--	--	--	--	--	--	--
AVERAGE RATE	Rs.	3686	3873	--	--	--	--	--	--	--	--
3. FURNACE OIL											
QUANTITY	KL	--	--	291.931	243.010	--	--	232.883	348.739	--	--
TOTAL AMOUNT	Rs.	--	--	14221318	11458723	--	--	11120616	16470543	--	--
AVERAGE RATE	Rs.	--	--	48715	47153	--	--	47752	47229	--	--
4. ONGC NATURAL GAS											
QUANTITY	M³	1622392	1828024	--	--	--	--	--	--	--	--
TOTAL AMOUNT	Rs.	16050482	20256833	--	--	--	--	--	--	--	--
RATE/UNIT (M³)	Rs.	9.89	11.08	--	--	--	--	--	--	--	--

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

PARTICULARS	UM	TANUKU UNITS		KOVVUR UNITS		TADUVAI UNITS		SAGGONDA UNITS		BHIMADOLE UNIT	
		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
5. HUSK AND FIRE WOOD											
QUANTITY	MT	114.950	168.190	826.220	927.570	--	449.365	10142.194	6613.740	60.760	106.260
TOTAL AMOUNT	Rs.	271580	308209	2434499	2692613	--	1033539	34390187	20790303	162012	238081
AVERAGE RATE	Rs.	2363	1833	2947	2881	--	2300	3391	3144	2666	2241
6. PURCHASED BAGASSE											
QUANTITY	MT	--	--	--	--	--	--	--	--	--	--
TOTAL COST	Rs.	--	--	--	--	--	--	--	--	--	--
AVERAGE RATE	Rs.	--	--	--	--	--	--	--	--	--	--
7. CHIPPER DUST											
QUANTITY	MT	--	--	--	--	--	--	--	--	--	--
TOTAL COST	Rs.	--	--	--	--	--	--	--	--	--	--
AVERAGE RATE	Rs.	--	--	--	--	--	--	--	--	--	--
8. OTHER INTERNAL GENERATION											
A) BAGASSE											
QUANTITY	MT	39545.91	48310.92	--	--	62703.431	41979.493	--	--	40080.967	48999.454
TOTAL AMOUNT	Rs.	43500497	53142007	--	--	68973774	46177443	--	--	44089064	53899399
RATE/UNIT	Rs.	1100	1100	--	--	1100	1100	--	--	1100	1100
B) BIOGAS:											
QUANTITY	M³	4259962	3825765	--	--	--	--	--	--	--	--
TOTAL AMOUNT	Rs.	--	--	--	--	--	--	--	--	--	--
RATE/UNIT	Rs.	--	--	--	--	--	--	--	--	--	--
C) HYDROGEN											
QUANTITY	MT	--	--	103.685	76.080	--	--	389.381	465.083	--	--
TOTAL AMOUNT	Rs.	--	--	OWN GENERATION IN CAUSTIC POTASH PLANT				OWN GENERATION IN CAUSTIC SODA PLANT			
RATE/UNIT	Rs.	--	--	--	--	--	--	--	--	--	--

B. CONSUMPTION PER UNIT OF PRODUCTION

PRODUCTION	UM	CURRENT YEAR 2013-14		PREVIOUS YEAR 2012-13	
		POWER (K.W.H.)	STEAM (M.T.)	POWER (K.W.H.)	STEAM (M.T.)
1. SUGAR (TANUKU)	QTL.	39	0.48	38	0.47
2. ALCOHOL	KL.	144	2.20	161	2.06
3. ETHANOL	KL.	74	0.72	73	0.74
4. ACETIC ACID /ANHYDRIDE MIX	MT.	257	2.51	465	4.07
5. ETHYL ACETATE	MT.	0	0.00	586	6.00
6. ASPIRIN	MT.	2992	15.19	3366	16.66
7. U.H. 25	MT.	7308	147.35	7844	138.77
8. M.M.H	MT.	24803	514.03	22190	517.85
9. H.T.P.B	MT.	2166	18.94	1841	19.67
10. POTASSIUM CARBONATE	MT.	295	0.08	272	0.14
11. CAUSTIC POTASH LYE AT KOVVUR	MT.	1813	2.30	1872	3.09
12. CAUSTIC SODA LYE AT SAGGONDA	MT.	2318	0.92	2289	0.95
13. CAUSTIC POTASH FLAKES AT KOVVUR	MT.	104	1.42	98	1.25
14. CAUSTIC SODA FLAKES AT SAGGONDA	MT.	113	0.95	170	1.21
15. LIQUID CHLORINE AT KOVVUR	MT.	246	--	297	--
16. LIQUID CHLORINE AT SAGGONDA	MT.	192	--	222	--
17. HYDROCHLORIC ACID AT KOVVUR	MT.	14	--	13	--
18. HYDROCHLORIC ACID AT SAGGONDA	MT.	16	--	20	--
19. SULPHURIC ACID AT KOVVUR	MT.	70	0.33	71	0.33
20. SULPHURIC ACID AT SAGGONDA	MT.	78	0.30	75	0.30
21. SUPERPHOSPHATE AT KOVVUR	MT.	31	--	32	--
22. SUGAR (TADUVAI)	QTL.	21	0.44	24	0.48
23. SUGAR (BHIMADOLE)	QTL.	39	0.58	37	0.52
24. POLY ALUMINIUM CHLORIDE AT SAGGONDA	MT.	23	--	33	--
25. HYDROGEN BOTTLING AT SAGGONDA	MT.	3912	--	3845	--
26. LIQUID HYDROGEN AT SAGGONDA	MT.	15552	--	20053	--
27. SODIUM HYPOCHLORITE AT KOVVUR	MT.	42	--	23	--
28. SODIUM HYPOCHLORITE AT SAGGONDA	MT.	12	--	20	--

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 technology for new products and processes, Technology upgradation, Development of expertise and knowledge in related fields, Testing & Certification of products for conformity to various International Standards, Development of methods and controls to minimise waste to reduce environmental pollution, introduction of modern methods in Sugarcane management.

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

The continuous R&D activities of your Company have helped in improving the quality, yield and economics of currently manufactured products, preparedness to counter competition and explore new markets, increased capacity utilisation of Plants and improved Sugar recovery.

3. Future plan of action:

Your Company will continue to utilise the existing R&D capabilities to upgrade the process technologies, development of new products, maximise production capacity at optimum cost.

4. Expenditure on R&D	(Rupees in lakhs)
a) Capital	: 191.42
b) Recurring	: 349.92
c) Total	: 541.34
d) Total R&D expenditure as percentage of total turnover	: 0.75%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1. Efforts, in brief, made towards technology absorption, adaptation and innovation
- a) Monitoring of crystallisation in the true seed pan in real time with Digital Video Microscope to ensure uniform crystal quality.

b) New syrup sulphitation system is introduced to improve the reaction efficiency of syrup with SO₂.

c) Studies on improving the yield of sugar along with energy saving, using LLT clarifier.

d) Sugar Cane varietal development.

e) Mechanisation of Sugar Cane Cultivation and Harvesting.

f) New pumping system for unloading Butadiene is introduced successfully in HTPB Plant.

g) Modified the existing UDMH/MMH synthesis process.

h) Introduced Caustic Lye successfully in place of Caustic Flakes in the final distillation of MMH.

i) Evaluation and implementation of suitable technology for recovery of DMA, Ammonia and MMA from the effluents of UDMH/MMH Plants is in progress.
2. Benefits derived as a result of above efforts e.g. product improvement, cost reduction, product development, import substitution etc.:
- a) Monitoring of crystallisation in true seed pan in real time with Digital Video Microscope helps to ensure a uniform crystal formation, thereby preventing secondary crystal generation and promoting efficient centrifugation. Sugar is produced with higher performances and better profitability.

b) The new Sulphitation system will help in economy with respect to thermal and electrical. This system will also reduce the consumption of Sulphur and reduce the SO₂ level in the final product.

c) The LLT clarifier will help to decrease the inversion losses along with energy savings.

d) Development of new Sugar Cane varietal would help in high yield of Sucrose per unit area, higher cane yield, higher fibre content for energy generation, better Sucrose per unit area, for resistant to pest and disease, adopted to various ecological condition with lower water and nutrient input and good milling qualities and low impurity.

e) Implementation of mechanical cultivation and harvesting would help to our farmers by relieving the harvest labour situation.

f) Introduction of new pumping system for Butadiene helped in saving of raw material and energy conservation.

g) Modification of synthesis process of UDMH/MMH using new static mixing system helped in reducing impurities and improving yield.

h) Introduction of Caustic Lye in place of Caustic Flakes helped in reducing the evolution of toxic vapours into the atmosphere.

i) Implementation of suitable treatment measures will help in meeting statutory norms.
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

b) Year of import

c) Has technology been fully absorbed

d) If not fully absorbed, areas where this has not been taken place, reasons thereof.

}NIL

Information Pursuant to Listing Agreement with Stock Exchanges

Equity Shares of the Company are listed on the Stock Exchanges as stated below and the annual listing fees has been paid to the Exchanges 1 & 2 below.

Name of the Stock Exchange	Address
1. Madras Stock Exchange Limited	Exchange Building, Post Box No. 183, 11, Second Line Beach, Chennai - 600 001.
2. National Stock Exchange of India Limited	Exchange Plaza, 5th Floor, Plot No. C/1 G. Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.

ANNEXURE TO DIRECTORS' REPORT

CORPORATE GOVERNANCE

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.

Your Company is engaged in the manufacture and sale of Sugar, Organic and Inorganic Chemicals Plants located at Tanuku, Kovvur, Taduvai, Saggonda and Bhimadole. Non-conventional Wind Power is being generated at one location in Andhra Pradesh and twelve locations in Tamil Nadu.

SUGAR INDUSTRY:

Sugar is manufactured at Sugar Unit-I (Tanuku), Sugar Unit-II (Taduvai) and Sugar Unit-III (Bhimadole). Molasses which is a bye product from these Sugar Plants is the raw material for your Company's Distillery located at Tanuku. Industrial Alcohol and Ethanol are produced at this Distillery. Industrial Alcohol is the raw material for Ethanol and other Organic Chemicals manufactured at the Chemical Plants at Tanuku. Bagasse which is a residue at the Sugar Plants after extraction of juice is being used to fuel the Co-generation operation. Carbondioxide which is a bye product of fermentation at the Distillery is purified and used as one of the raw materials to produce Salicylic Acid which goes into the manufacture of Aspirin.

A year back, sugar sector was decontrolled to enable the Sugar Mills to operate in free environment without any restrictions of Government on price and release. However its benefits are yet to be fully realised. There is a need for Government of India to address the cane price fixation in proper perspective. A Committee formed by Government of India has suggested linkage of sugarcane price fixation with revenue realisation from bye products of sugarcane. Some of the states have shown their readiness to adopt this formula. This formula requires to be introduced uniformly in all the states so as to do away with the dual cane price fixation so that the farmers as well as the mills are benefited. Another area of concern for the sugar mills has been the regulatory hurdles in respect of quantity and movement restrictions of bye products like Molasses & Ethanol. Removal of this restriction would enable the sugar mills to support the Ethanol Oil blending programme in a big way with a firm commitment of supply of Ethanol to OMCs. It is essential for the OMCs to firm up their Procurements & Price policies or else the sugar mills will have to look for better opportunities elsewhere. Imposition of VAT on Sugar by State Government, shortage of labour for cane cultivation, diversion to alternative remunerative crops, power shortages, labour problems, availability of high yield and high sugar cane variety continue to be the concerns of Sugar Industry.

With the cane availability dwindling, your Company has recognised the importance of improving yield per acre for which the following measures have been undertaken.

- i) As a part of Farm Mechanisation, Mechanical Planters i.e., Double Disc Chop Planter and Water Wheel Planter were developed and tested at our R&D farm and found successful. During this planting season, wide row space planting has been taken in all there Units, suitable for Mechanical Harvesters, in order to motivate the farmers to bring additional area under cultivation.
- ii) The Harvesters available in India are not appropriate for needs and sugar cane field size. Your Company has procured suitable small Compact Cane Harvesters from Australia and carried out the modifications with guidance and support from Australian Harvester Experts. Trials were undertaken in farmer fields during the 2013-14 season. A New Holland 4000+ Harvester which is the only small size harvester in the market has also been procured.

With the guidance of Australian Harvester Experts, the Cane Harvesters and Planters built by us are being assessed and improved to give us the performance needed with minimum field losses.

- iii) Under Cane R&D programme, evaluation and multiplication of suitable varieties, is being carried out at the existing R&D farm. Out of the trials under test, 10 varieties are close to commercialisation and under multiplication to start providing to farmers.

- iv) A Bio Control Lab has been established and started production of Trichogramma and Tetrastichus.
- v) Efforts are being made to increase planting during June to July, 2014. The expected cane area for 2014-15 season will be 6,000 acres which including plant, ratoon and short crop and expecting 1.62 lakhs MTs of sugar cane.
- vi) Efforts are being made to improve the recovery % cane by having close watch at the field level and with strict control of cane preparation.
- vii) A new Sulphitation System for syrup has been installed.

Keeping in view the interest of the farmers, your Company has been paying a Cane price higher than the "Fair Remunerative Price" in addition to Incentives and Subsidies to ensure that farmers see cane farming as remunerative as other commercial crops.

CHLOR-ALKALI PRODUCTS:

Your Company has an integrated Inorganic Chemicals Complex at Kovvur and Saggonda.

Power constitutes the major "input cost" in the manufacture of Caustic Soda. Power supply restrictions and steep increase in Power Tariffs continue to have major impact on the operations & performance of Chemical Plants at these locations. Keeping this in mind your Company has gone in for Energy Efficient Chemical Plants. Disposal of Chlorine, which is a bye product at Caustic Soda Plant, remains a challenge as the end users have gone in for Chlorine free Technology in their manufacturing process. To overcome this bottleneck, your Company has put up Chlorine based Plants in order to enable the running of Caustic Soda Plant to full capacity.

OTHER OPPORTUNITIES:

As domestic price realisation of Aspirin is not encouraging, export of Aspirin is seen as a better business opportunity. As most of your Company's products serve as an input to Pharma Products, Pharma is considered as a business line. Your Company's Aspirin facility has been upgraded to meet the International Standards (CGMP). Required Audit Certificates have been received from USFDA and EDQM. Aspirin Plant has received ISO Certification which would facilitate the Company to move ahead with optimism for establishing a firm base in the International market. Several overseas Multinational Companies have evinced interest in our product with whom long-term contracts are proposed to be developed to cater to their requirement. Our products are in registration stage with International clients as per USFDA & EDQM norms which are expected to show commercial results in the current Financial Year. Steps are being taken to obtain regulatory approvals for expanding the Plant. In the coming years our focus would be to widen the International client base.

POWER:

Your Company's major segment is the Chlor-Alkali Division, which is a Power intensive operation. Restricted Power supply from the State Electricity Board and steep increase in Power tariff has become a serious concern to the Chlor-Alkali operations. This has necessitated your Company to explore the Power availability at a competitive price from various sources. As an equity Investor in Andhra Pradesh Gas Power Corporation Limited (APGPCL), a Company running a Gas based Power Plant at Vijjeswaram, your Company has an entitlement to 41.06 MW of Power. The power availed from this source is cheaper compared to the power of State Electricity Board and the Power purchased from Power Exchange. This advantage in Power Tariff enables your Company to remain competitive in the Chlor-Alkali sector. Keeping in mind the dismal Power supply scenario your Company has already implemented steps for establishing a Coal Based Power Project at Saggonda Chemical Complex and a Solar Power Project at Kovvur. These Power Projects would ensure the Power requirements to Chemical Plants without interruption.

At Tanuku 8.90 MW Turbo Generator set has been successfully synchronised with State Electricity Board Grid. No objection Certificate has been received for wheeling Power to our Saggonda Chemical Complex which is a Power intensive unit.

In the years to come your Company's focus would be to achieve self-sufficiency in power.

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.

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. 139.26 Crores (before interest and depreciation) against Rs. 197.51 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 31.3.2014 is Rs.901.25 Crores compared to Rs. 887.59 Crores during the previous year 2012 -13. Your Company has a net worth of Rs. 563.63 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 31.3.2014 your Company's employees strength stands at 2,266.

CAUTIONARY STATEMENT :

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. The Company assumes no responsibility in respect of these forward-looking statements that may be amended or modified later, on the basis of subsequent developments, information or events and in view of the changes brought by the Government Rules and Regulations.

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 stakeholders in the Company. ASL affirms 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 stakeholders including Shareholders, Employees, Customers, Suppliers, Lenders, Government and other parties having association with ASL.

2. BOARD OF DIRECTORS :

a) As on 31.3.2014, 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 P. Narendranath Chowdary Managing Director Sri M. Narendranath Joint Managing Director Sri M. Thimmaraja Joint Managing Director Sri P. 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 Dr. Alapaty Appa Rao* Sri P.A. Chowdary, I.R.S.(Retd.)

* Ceased to be Director with effect from 30.04.2014.

Inter se relationship among Directors (as per Section 6 of the Companies Act, 1956)

Dr. B.B. Ramaiah – Sister's Husband of Sri P. Narendranath Chowdary & Sri P. Achuta Ramayya
Sri P. Narendranath Chowdary – Daughter's Husband of Dr. B. B. Ramaiah
Sri P. Narendranath Chowdary & Sri P. Achuta Ramayya – Brothers
Sri M. Narendranath & Sri M. Thimmaraja – Brothers

- b) Non-Executive Directors 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 Committees of each Director in various companies:

The Andhra Sugars Limited

Name of the Director	Attendance Particulars		Directorship, Chairmanship, Committee Membership and Chairmanship in other companies			
	Board Meetings	Last AGM	Other Directorship	Chairman	*Committee Membership	*Committee Chairmanship
Dr. B. B. Ramaiah	4	Yes	3	--	--	--
Sri P. Narendranath Chowdary	4	Yes	3	4	--	2
Sri M. Narendranath	3	No	3	--	--	--
Sri M. Thimmaraja	3	Yes	2	--	3	--
Sri P. Achuta Ramayya	3	Yes	--	--	--	--
Sri P.S.R.V.K. Ranga Rao	2	No	1	--	--	--
Sri A. Ranga Rao	4	No	--	--	--	--
Justice G. Ramanujam (Retd.)#	-	No	--	--	--	--
Dr. A.V. Rama Rao	4	No	--	--	--	--
Dr. P. Kotaiah	4	No	9	--	2	5
Sri V.S. Raju	4	Yes	2	--	1	1
Dr. Alapaty Appa Rao ##	1	No	--	--	--	--
Dr. A. Ramakrishna ###	2	No	--	--	--	--
Sri P.A. Chowdary, I.R.S.(Retd.)	4	No	--	--	--	--

Sri V.S.Raju, Member 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 & Investors Grievance Committee of other Public Limited Companies.
- # Retired at the 66th Annual General Meeting held on 26.08.2013.
- ## Ceased to be Director consequent upon his sad demise on 30.04.2014.
- ### Ceased to be Director consequent upon his sad demise on 20.08.2013.

d) NUMBER OF BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2013-14 AND THE DATES ON WHICH HELD

Sl.No.	Date of Board Meeting
1	27.05.2013
2	27.07.2013
3	26.10.2013
4	27.01.2014

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. 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 Audit Committee meeting the requirements as stipulated in the Clause 49 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 Clause 49 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 in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
 - 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.

- c) NUMBER OF AUDIT COMMITTEE MEETINGS HELD DURING THE FINANCIAL YEAR 2013 - 14 AND THE DATES ON WHICH HELD

Sl. No.	Dates of Audit Committee Meeting
1	27.05.2013
2	27.07.2013
3	26.10.2013
4	27.01.2014

- d) ATTENDANCE OF THE MEMBERS OF THE AUDIT COMMITTEE AT ITS MEETINGS HELD DURING THE FINANCIAL YEAR 2013-14.

Name of the Director	No. of Meetings attended
Sri A. Ranga Rao	4
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.

Company Secretary acts as a Secretary to the Committee.

- e) The Audit Committee considers periodically statement of Related Party Transactions at its meetings.

5. **SUBSIDIARIES :**

- a) The Company does not have any material non-listed Indian subsidiary as defined in Clause 49 of the Listing Agreement regarding Corporate Governance.
- b) Company has two unlisted subsidiary companies.
- c) Minutes of the Board Meeting of the unlisted companies are placed before the Board Meeting of the holding company.

6. **REMUNERATION COMMITTEE, POLICY, DETAILS :**

- The need for a Remuneration Committee did not arise during the year.
- 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.

Details of the remuneration paid / payable to the Directors during the year 2013-14 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	47,49,197	1,48,12,718	1,95,61,915
Sri P. Narendranath Chowdary	Nil	63,77,183	1,48,12,718	2,11,89,901
Sri M. Narendranath	Nil	33,95,869	92,57,949	1,26,53,818
Sri M. Thimmaraja	Nil	31,89,809	92,57,949	1,24,47,758
Sri P. Achuta Ramayya	Nil	23,73,894	92,57,949	1,16,31,843
Sri P.S.R.V.K. Ranga Rao	Nil	17,96,216	55,54,768	73,50,984
Sri A. Ranga Rao	1,60,000	Nil	Nil	1,60,000
Justice G. Ramanujam (Retd.)	Nil	Nil	Nil	Nil
Dr. A.V. Rama Rao	80,000	Nil	Nil	80,000
Dr. P. Kotaiah	1,60,000	Nil	Nil	1,60,000
Sri V. S. Raju	1,60,000	Nil	Nil	1,60,000
Dr. Alapaty Appa Rao	20,000	Nil	Nil	20,000
Dr. A. Ramakrishna	40,000	Nil	Nil	40,000
Sri P.A. Chowdary, I.R.S.(Retd.)	1,60,000	Nil	Nil	1,60,000

- 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, 1956. The Company enters into an agreement with the Managing Directors / Whole-time Directors relating to their appointment / re-appointment. There is no severance fee.

7. SHAREHOLDING OF NON-EXECUTIVE DIRECTORS :

As on 31.03.2014 Sri A. Ranga Rao holds 200 Equity Shares in the Company. No other Non-Executive Director holds any Equity Shares in the Company. During the year 2013-14 Company has not issued any convertible instruments.

8. MANAGEMENT:

- Management Discussion and Analysis forms part of the Annual Report.
- Disclosure by the Management to the Board : Please refer Point No. 12.

9. CEO / CFO CERTIFICATION :

In accordance with the requirements of Clause 49(V) 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.

10. SHAREHOLDERS' / INVESTORS' GRIEVANCES COMMITTEE :

- a) The Board has constituted Shareholders' / Investors' Grievances 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 Shareholders' complaints like Transfer of Shares, non-receipt of Balance Sheet, non-receipt of declared Dividend and other related matters. Justice G. Ramanujam (Retd.) ceases to be Member & Chairman of the Committee consequent upon his retirement as Director with effect from 26.08.2013.
- b) The Board has designated Sri M. Palachandra, Company Secretary, as the Compliance Officer.
- c) During the year 2013-14, four Committee Meetings were held on dates viz., 27.05.2013, 27.07.2013, 26.10.2013 and 27.01.2014. The Company received a total number of 14 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 31.3.2014 no Share Transfers were pending and there were no pending complaints which have since been resolved.
- d) ATTENDANCE OF DIRECTORS AT THE SHAREHOLDERS GRIEVANCE COMMITTEE MEETING HELD DURING FINANCIAL YEAR 2013-14.

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

11. 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
2010-2011	Registered Office VENKATARAYAPURAM, TANUKU - 534 215 (A.P.)	24-9-2011	3:00 p.m.
2011-2012	-- do --	27-9-2012	3:00 p.m.
2012-2013	-- do --	26-8-2013	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
24-09-2011	--	--
27-09-2012	10	Appointment of Chairman & Managing Director, Managing Director re-appointment of Whole-time Directors, Payment of enhanced managerial remuneration to Managing Directors/Whole-time Directors.
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

12. OTHER DISCLOSURES :

- 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 301 of the Companies Act, 1956 and the same is placed at every Board Meeting for the information of the Directors. Further, necessary approvals have also been obtained from the Central Government under Section 297 of the Companies Act, 1956 with regard to specific contracts requiring the approval of the Central Government.

- 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.
- Company does not have any Whistle Blower Policy.
- Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement.
- Details regarding Non-Mandatory requirements are enumerated under Point No. 14.

13. MEANS OF COMMUNICATION :

- Quarterly Results are not sent to each household of shareholders, since they are being published in leading newspapers.
- Quarterly, Half-yearly and Annual Results are published in "The Hindu Business Line" and "Eenadu".
- The Company displays its periodical results on the Company's Website, "www.theandhrasugars.com" as required by the Listing Agreement.
- 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

:

Wednesday, 10th September, 2014 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

:

Monday, 1st September, 2014 to
Wednesday, 10th September, 2014
(both days inclusive)
- (iv)

Dividend payment date

:

17th September, 2014
- (v)

Listing on Stock Exchanges

:

Madras Stock Exchange
National Stock Exchange
- (vi)

Stock code

:

MSE CODE - ASR
NSE CODE - ANDHRSUGAR
- (vii)

Stock Market Data

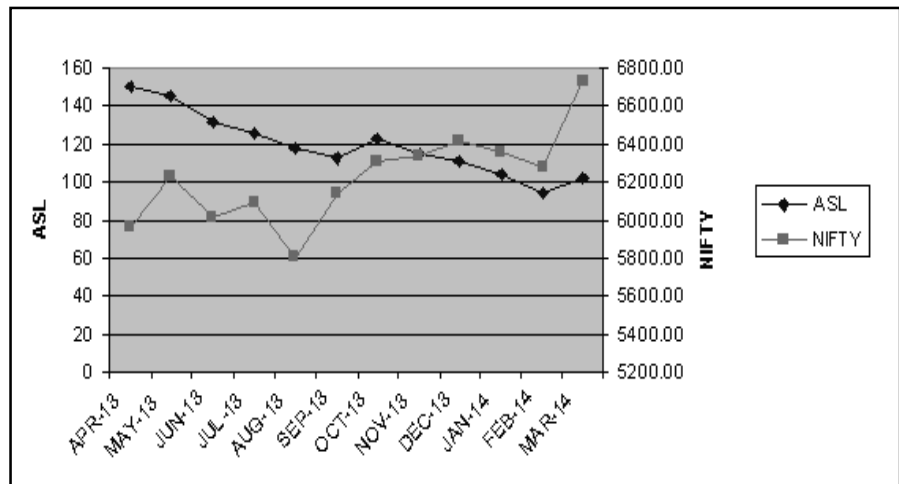
:

National Stock Exchange

Month	High	Low
	Rs.	Rs.
April, 2013	150.00	126.65
May, 2013	144.95	125.00
June, 2013	131.90	122.00
July, 2013	125.80	110.40
August, 2013	117.90	95.10
September, 2013	112.90	97.65
October, 2013	123.00	98.00
November, 2013	114.80	101.00
December, 2013	111.00	101.05
January, 2014	104.45	91.55
February, 2014	94.50	86.50
March, 2014	102.50	87.00

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

EQUITY SHARE PRICE CHART (NSE)



- (ix) Registrars & Share Transfer Agents : Company has not appointed any Share Transfer Agent. The share transfer work is carried out in-house at the Company's Registered Office, Venkatarayapuram, Tanuku – 534 215, West Godavari Dist. (A.P.)
Telephone Nos. 224911 (8 lines) Fax No. 224168
Email : info.tnk@theandhrasugars.com
- (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 of fifteen days. The Board of Directors have delegated the power of approving transfer of Shares severally to Managing Director and one Joint Managing Director. The Board has also constituted a Share Transfer Committee which has been assigned the task of approving splitting of Shares, Issue of duplicate Share Certificates, consolidation of Share Certificates, change of status of a shareholder and other allied matters. With regard to Shares in demat mode, the procedure is adopted as per the provisions of Depositories Act, 1996.

- (xi) (a) Shareholding pattern as on 31st March, 2014 :

Category	No. of Shares held	% of Shareholding
Promoters	12599651	46.48
Institutions, Mutual Funds and Banks	208429	0.77
FII's / OCB's	--	--
NRI's	454848	1.68
Bodies Corporate, Trusts and Clearing Members	2087950	7.70
Public	11756200	43.37
Total	27107078	100.00

The Andhra Sugars Limited

(b) Distribution of Shareholding as on 31st March, 2014 :

Shareholding of Nominal value of Rs.	No. of Shareholders	% to Total	Share Amount in Rs.	% to Total
Upto 5000	11,842	82.534	21672640	7.995
5001 to 10000	1,006	7.011	10599380	3.910
10001 to 20000	620	4.321	11985640	4.422
20001 to 30000	263	1.833	9080890	3.350
30001 to 40000	116	0.808	5098590	1.881
40001 to 50000	108	0.753	9063710	3.344
50001 to 100000	189	1.317	22827050	8.421
100001 onwards	204	1.422	180742880	66.677
Total	14,348	100.000	27,10,70,780	100.000

(xii) Dematerialisation of Equity Shares and liquidity:

Company’s Equity Shares are listed on Madras and National Stock Exchanges 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 to establish electronic connectivity with the Depositories viz., NSDL and CDSL. The ISIN No. is INE715B01013. As on 31.3.2014, 43.90% 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, West Godavari 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, Tirunelveli District, Tamilnadu.
(c) Kundadam Village, Tamilnadu
(d) Palladam Village, Tamilnadu

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

14. NON-MANDATORY REQUIREMENTS :

Mandatory requirements of Clause 49 of the Listing Agreement have been complied with by the Company. Adoption of non-mandatory requirements are as hereunder :

1. The Board

The Company has an Executive Chairman. Ceiling on the tenure of the Independent Director of the Company as mentioned is not adopted.

2. Remuneration Committee

The Company has not constituted any Remuneration Committee since the need for such a Committee has not arisen so far.

3. Shareholders Rights

The quarterly, Half-yearly and Annual Results are published in leading English newspapers having circulation all over India and also in Telugu newspapers circulating in the District and are also posted on the Company's website. Therefore the same are not sent to the Shareholders individually.

4. Audit Qualification

There are no qualifications proposed by the Auditors in their Report for the year ending 31st March, 2014 as per the information received from them.

5. Training of Board Members

In the opinion of the Board, its Members are all business professionals having considerable experience and expertise in their respective fields and industry.

6. Mechanism for evaluating Non-Executive Board Members

As the Non-Executive Directors are professionals, no such mechanism exists.

7. Whistle Blower Policy

There is no Whistle Blower Policy. However the Company recognises the importance of reporting to the Management by employee at any level about unethical behaviour or suspected fraud in violation of the Company's Code of Conduct or any other point of concern.

DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

As provided under Clause 49 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, 2014.

Place : TANUKU
Date : 26-05-2014

Dr. B.B. RAMAIAH
Chairman & Managing Director

CERTIFICATE

To
The Shareholders of
The Andhra Sugars Limited
Tanuku

We have examined the compliance of conditions of Corporate Governance by The Andhra Sugars Limited for the year ended on 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

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 Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

The Chairman of the Audit Committee could not attend the 66th Annual General Meeting of the Company held on 26th August, 2013, in view of the reason explained in the report on the Corporate Governance; however, one member of the Audit Committee was present.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement, except as stated in Para 3 above.

We state that in respect of investor grievances received during the year ended 31st March, 2014, no investor grievances were pending against the Company as per the records maintained by the Company and presented to the Shareholders/Investors Grievances Committee.

We further state that such compliance is not an assurance either to the future viability of the Company or the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Camp: TANUKU
Date : 26th May, 2014

For BRAHMAYYA & CO.
Chartered Accountants
(Firm Regn. No. 000513S)
T.V. RAMANA
Partner
(ICAI Memb. No. 200523)

INDEPENDENT AUDITORS' REPORT

To
The Members of The Andhra Sugars Limited
Tanuku

Report on the Financial Statements:

We have audited the accompanying financial statements of The Andhra Sugars Limited, Tanuku which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, read with the General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014
- b. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date and
- c. in the case of the Cash Flow Statement, of the 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, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

The Andhra Sugars Limited

2. As required by Section 227(3) of the Act, we report that:

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
- c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- e. On the basis of written representations received from the Directors as on March 31, 2014 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2014 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under Section 441A of the Companies Act, 1956 nor has it issued any Rules under the said Section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Camp: Tanuku
Date: 26th May, 2014

For BRAHMAYYA & CO.
Chartered Accountants
Firm Registration Number: 000513S
(T.V. Ramana)
Partner
Membership Number: 200523

Annexure to the Independent Auditors' 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 for the year ended 31 March, 2014. We report that :

- 1.1 According to the information and explanations furnished to us, the Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets except in the case of furniture and fixtures.
- 1.2 According to the information and explanations furnished to us, the Company has informed us that it has adopted a phased programme of verification of its fixed assets. In our opinion such a programme is reasonable and adequate in relation to the nature and location of the Fixed Assets. In accordance with the said programme of physical verification of fixed assets, during the year the management has verified all fixed assets of Sugar divisions located at Tanuku, Taduvai and Bhimadole except furniture & fixtures. No material discrepancies were noticed on such physical verification.
- 1.3 According to the information and explanations furnished to us, the Company has not disposed of a substantial part of its fixed assets during the year as to affect the going concern assumption in preparing the financial statements under report.
- 2.1 According to the information and explanations furnished to us, during the year under report the Company has physically verified its inventories of Raw Materials, Finished Goods & Stores and Spares, situated at Kovvur, Taduvai, Bhimadole and Saggonda. In our opinion, the frequency of such verification to the extent carried out is reasonable.
- 2.2 In our opinion, the procedures of physical verification of inventories, as followed by the management in respect of such verification carried out during the year are reasonable and adequate in relation to the size of the Company and the nature of its business.
- 2.3 According to the information furnished to us, the Company is maintaining proper records of its inventory. The discrepancies, if any, noticed on verification of Raw Materials, Finished Goods & Stores and Spares between the physical stocks to the extent verified during the year and the book records were not material, and have been properly dealt with in the books of account.
- 3.1 According to the information and explanations furnished to us, the Company has granted unsecured loans to two companies for an amount of Rs. 1100 lacs (Aggregate Maximum balance of Rs.1000 lacs), covered in the Register maintained under Section 301 of the Companies Act, 1956 and the same was repaid by those companies during the year under report.
- 3.2 According to the information and explanations furnished to us, the rate of interest and terms and conditions given by the Company are not prima facie prejudicial to the interest of the Company and the Company is in receipt of principal amount and interest thereon as per the stipulations mentioned in the agreement.
- 3.3 According to the information and explanations furnished to us, the Company has taken Fixed deposits/ inter-corporate loans aggregating at the date of the Balance Sheet to Rs.11148.25 lakhs from thirty six parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- 3.4 In our opinion, the rate of interest and other terms and conditions on which loans/deposits have been taken by the Company from parties covered in the Register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
- 3.5 According to the information and explanations furnished to us, the Company has been regular in repaying the principal and interest amounts as stipulated on the loans taken by it from the parties covered in the Register maintained under Section 301 of the Companies Act, 1956.

The Andhra Sugars Limited

4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and with regard to the sale of goods and services. Further, during the course of our audit, we have not come across any instances of major weaknesses in the internal control system, that in our opinion, require correction but have so continued without correction.
- 5.1 Based on the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the Register required to be maintained under that Section.
- 5.2 In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements that have been entered in the Register referred to in Section 301 of the Companies Act have been made at prices which are reasonable having regard to prevailing market prices and other terms of business with such parties, at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A, 58AA and other relevant provisions of the Act and Companies (Acceptance of Deposits) Rules, 1975 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 58A, 58AA of the Companies Act, 1956.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of Cost Records under Section 209 (1) (d) of the Companies Act, 1956, wherever prescribed, and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we are not required to and have not carried out a detailed audit of the same.
- 9.1 According to the information furnished to us, the Company has been generally regular in depositing with the appropriate authorities, the undisputed statutory dues including Provident Fund, Investors Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it; and the following undisputed statutory dues were outstanding, as at the date of the 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, 2014	16.17 (Interest on above)	Pending receipt of demand by the Company

- 9.2 According to the information furnished to us, at the date of the Balance Sheet, there were no amounts of Sales Tax, Customs Duty, Excise Duty, Cess, Income Tax, Wealth Tax and Service Tax that were disputed by the company and hence were not remitted to the concerned authorities, except the following:

Sl.No.	Name of the statute	Nature of the Dues	Amount Rs. in lakhs	Forum where dispute is pending
1	Water (Prevention and control of Pollution) Cess Act , 1977	Cess	0.50	Appellate Committee of the Govt. of AP
2	Sales Tax laws in different States	Sales Tax	106.77	Different appellate authorities
3	Income Tax Act, 1961	Income Tax	31.35	Commissioner of Income Tax, Appeals
4	Central Excise Act, 1944	Excise Duty	4177.24	Different departmental appellate authorities
5	Service Tax Law	Service Tax	32.16	Commissioner of Service Tax

10. According to the information and explanations furnished to us, the Company had no accumulated losses at the end of the year under report and it did not incur cash losses during the said year or in the immediately preceding Financial Year.
11. In our opinion and according to the information and explanations furnished to us by the Company, there were no defaults in repayment of its dues to financial institutions, banks or debenture holders at the date of the Balance Sheet.
12. According to the information furnished to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures, and other securities.
13. 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 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company during the year under report.
14. According to the information furnished to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the requirements of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. According to the information furnished to us, the Company has not given any guarantees for loans taken by others from any banks or financial institutions, except in respect of repayment, out of its cane price dues to its sugarcane suppliers, the agricultural loans taken by them from banks, the terms and conditions of which, in our opinion are not prima facie prejudicial to the Company.
16. In our opinion, and according to the information and explanations furnished to us, the term loans obtained by the Company have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that considering the internal accruals of the Company during the year under report, funds raised by the Company on short-term basis have prima facie not been used for long-term investment.
18. According to the information and explanations furnished to us, the Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. According to the information and explanations given to us, the Company has not issued any debentures during the year under report.

The Andhra Sugars Limited

20. The Company has not raised any moneys through public issue of its securities during the year and the question of end use of such moneys does not arise during the year.
21. During the course of our examination of the accounts of the Company in accordance with generally accepted auditing practices, we have not come across any instances of fraud on or by the Company, nor have we been informed by the management, of any such instance being noticed or reported during the year.

Camp: Tanuku
Date: 26th May, 2014

For BRAHMAYYA & CO.
Chartered Accountants
Firm Registration Number: 000513S
(T.V. Ramana)
Partner
Membership Number: 200523

1. ACCOUNTING POLICIES

1.1 GENERAL

The Accounts are prepared under the historical cost convention and in accordance with generally accepted accounting practices.

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 upto the date of commissioning of assets are capitalised. Revenue expenses incidental to new projects are capitalised.

1.3 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 capitalised as part of cost of such assets. All other borrowing costs are charged to revenue.

1.4. 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.

1.5. 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.

1.6. SALES :

- a) Revenue from sales is recognised 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.

1.7. 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.

1.8. EMPLOYEE BENEFITS

a) Short-term Employee Benefits :

Short-term employee benefits are recognised 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 recognised 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 thereunder is reduced from the gross plan obligation, to recognise the obligation on net basis.

The incremental expense thereon for each year is arrived at as per actuarial valuation and is recognised and charged to the Statement of Profit and Loss in the year in which the employee has rendered service.

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

1.9. EXPENDITURE :

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

1.10. DEPRECIATION :

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

- On part of Buildings, Main Plant and Machinery and Electrical Installations of Caustic Soda, Aspirin, Wind Power at Ramagiri, Wind Power at Tamilnadu, Power Generation and Sugar Units at Taduvai and Bhimadole and all Buildings, Plant and Machinery, Electrical Installations, Weigh Bridges and Scales and Workshop Equipment of Cotton and Oil Products unit and Sulphuric Acid unit at Saggonda under Straight Line 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.

1.11. 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 recognised.

- In respect of forward exchange contracts in the nature of hedges
 - a) Premium or discount on the contract is amortised over the term of the contract,
 - b) Exchange differences on the contract are recognised as profit or loss in the period in which they arise.

1.12. 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 Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

1.13. CONTINGENT LIABILITIES :

Contingent liabilities are not recognised in the accounts, but are disclosed after a careful evaluation of the concerned facts and legal issues involved.

1.14. INTANGIBLE ASSETS :

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

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.

1.15. 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 recognised 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 recognised only if there is a reasonable certainty of realisation.

1.16. 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.

1.17. MISCELLANEOUS EXPENDITURE :

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

BALANCE SHEET AS AT 31ST MARCH, 2014

<u>EQUITY AND LIABILITIES</u>		Notes	As At 31st March 2014	(Rs. in Lakhs) As At 31st March 2013
Shareholders Funds				
Share Capital	2		2711.01	2711.01
Reserves and Surplus	3		53652.31	49733.89
			-----	-----
			56363.32	52444.90
			-----	-----
Non-Current Liabilities				
Long-term Borrowings	4		15831.51	13640.49
Deferred Tax Liability (Net)	5		8484.17	8788.73
Other Long-term liabilities	6		5915.81	6249.27
Long-term Provisions	7		724.07	727.14
			-----	-----
			30955.56	29405.63
			-----	-----
Current Liabilities				
Short-term Borrowings	8		7090.88	6138.31
Trade Payables	9.1		1342.49	899.84
Other Current Liabilities	9.2		12679.40	10599.06
Short-term Provisions	7		12717.64	11611.20
			-----	-----
			33830.41	29248.41
			-----	-----
TOTAL			121149.29	111098.94
			-----	-----
ASSETS				
Non-Current Assets				
Fixed Assets				
Tangible Assets	10.1		46652.60	49417.04
Intangible Assets	10.2		41.09	46.29
Capital Work-in-Progress			2576.04	671.32
			-----	-----
			49269.73	50134.65
			-----	-----
Non-current Investments	11		10306.12	7804.27
Long-term Loans and Advances	12		1203.57	1142.34
			-----	-----
			11509.69	8946.61
			-----	-----
Current Assets				
Inventories	14		35846.45	28906.35
Trade Receivables	13.1		9099.75	9094.10
Cash and Bank Balances	15		2256.03	2589.44
Short-term Loans and Advances	12		13078.06	11346.32
Other Current Assets	13.2		89.58	81.47
			-----	-----
			60369.87	52017.68
			-----	-----
TOTAL			121149.29	111098.94
			-----	-----
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	For and on behalf of the Board of Directors of The ANDHRA SUGARS LTD, Dr. B.B. Ramaiah A. Ranga Rao M. Palachandra P.V.S. Viswanadha Kumar	Chairman & Managing Director Director Company Secretary G.M.(Finance) & Asst. Secretary
Camp: TANUKU Date: 26.05.2014	TANUKU 26.05.2014	

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS	Notes	Current Reporting Period 2013-14	(Rs. in Lakhs) Previous Reporting Period 2012-13
Income			
Revenue from operations (Gross)	16	78379.05	88968.07
Less:Excise duty		5762.48	5767.76
		-----	-----
Revenue from operations (Net)		72616.57	83200.31
Other Income	17	1300.88	1373.57
		-----	-----
Total Revenue		73917.45	84573.88
		-----	-----
Expenses			
Cost of raw materials and components consumed	18	30818.42	31453.82
Purchase of Traded goods		--	163.26
[Increase]/ Decrease in Inventories of Finished goods, Work-in-Progress and Traded goods	19	(6966.88)	788.51
Employee Benefits Expense	20	7694.26	7430.75
Depreciation and Amortisation Expense	21	4325.93	4119.29
Finance Costs	22	1977.68	1930.48
Other Expenses	23	28445.58	24986.54
		-----	-----
Total Expenditure		66294.99	70872.65
		-----	-----
Profit Before Exceptional Items and Tax		7622.46	13701.23
Less: Exceptional Item (Electricity FSA Charges Relating to Earlier Years)		--	1764.15
Profit Before Tax		7622.46	11937.08
Add : Income Tax Excess Provision Credited Back		85.30	--
Income Tax Refund Received		86.96	7.61
Less: Short Provision of Income Tax		--	72.42
Less : Tax Expenses			
Current Tax		2645.00	3800.00
Deferred Tax		(304.56)	587.35
		-----	-----
Total Tax Expense		2340.44	4387.35
		-----	-----
Profit for the year		5454.28	7484.92
		-----	-----
Basic Earning Per Share		20.12	27.61
Diluted Earning Per Share		20.12	27.61

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

For and on behalf of the Board of Directors
of The ANDHRA SUGARS LTD,
Dr. B.B. Ramaiah
A. Ranga Rao
M. Palachandra
P.V.S. Viswanadha Kumar
Chairman & Managing Director
Director
Company Secretary
G.M.(Finance) & Asst. Secretary

Camp: TANUKU
Date: 26.05.2014

TANUKU
26.05.2014

Notes Forming Part of Accounts

(Rs. in Lakhs)
Note -2

Share Capital

As at 31st
March, 2014

As at 31st
March, 2013

Authorised Shares :

28750000 (31 st March, 2013: 28750000) Equity Shares of Rs.10 /- each	2875.00	2875.00
30000(31 st March, 2013:30000) 9.5% First Cumulative Redeemable Preference Shares of Rs 100/- each	30.00	30.00
95000 (31 st March, 2013:95000) 9.5% Second Cumulative Redeemable Preference Shares of Rs 100/- each	95.00	95.00
	-----	-----
Total	3000.00	3000.00
	-----	-----

Issued Shares :

27113091 (31 st March, 2013: 27113091) Equity Shares of Rs.10 /- each	2711.31	2711.31
	-----	-----
Total	2711.31	2711.31
	-----	-----

Subscribed and fully paid-up shares :

27107078 (31 st March, 2013: 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 period

As at 31st March, 2014
No. Rs.

As at 31st March, 2013
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% shares

As at 31st
March, 2014

As at 31st
March, 2013

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

Nil

Nil

Notes Forming Part of Accounts

(Rs. in Lakhs)
Note -3**RESERVES AND SURPLUS**

As at 31st March, 2014	As at 31st March, 2013
---------------------------	---------------------------

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	38722.74	33722.74
Add : Amount transferred from Surplus Balance in the Statement of Profit And Loss	490.00	5000.00

Closing Balance

39212.74	38722.74
----------	----------

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

Balance as per the last Financial Statements	9836.45	9212.84
Profit for the year	5454.28	7484.92

15290.73	16697.76
----------	----------

Less : **Appropriations**

Proposed Final Equity Dividend	1355.35	1626.42
Tax on Distributed Profits	180.51	234.89
Transfer to General Reserve	490.00	5000.00

Total Appropriations

2025.86	6861.31
---------	---------

Net Surplus In Statement of Profit And Loss

13264.87	9836.45
----------	---------

Total Reserves And Surplus Taken To Balance Sheet

53652.31	49733.89
----------	----------

Note: ** 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, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
Term Loans				
Indian rupee Term Loan from banks (secured)	424.49	--	405.00	260.20
Interest Subvention Loan (Secured)	2193.47	--	--	--
	-----	-----	-----	-----
	2617.96	--	405.00	260.20
	-----	-----	-----	-----
Other Loans and advances:				
Deferred Sales Tax Loan (Unsecured)	3957.85	4195.34	--	346.80
Deposits (unsecured)				
Deposits from Directors/Related Parties (Refer Note No. 41 (e))	7044.65	7216.05	3560.85	2733.80
Others	2141.30	2198.10	1244.20	1216.20
Deposits from Hidustan Allied Chemicals Ltd. (Subsidiary) (Refer Note No. 41 (e))	69.75	31.00	22.00	4.00
	-----	-----	-----	-----
	13213.55	13640.49	4827.05	4300.80
	-----	-----	-----	-----
Total Amount	15831.51	13640.49	5232.05	4561.00
	-----	-----	-----	-----
The above amount includes				
Secured borrowings	2617.96	--	405.00	260.20
Unsecured borrowings	13213.55	13640.49	4827.05	4300.80
Amount disclosed under the head “Other current liabilities”(Note No. 9.2)	--	--	5232.05	4561.00
	-----	-----	-----	-----
Net Amount	15831.51	13640.49	--	--
	-----	-----	-----	-----

Term Loans as on 31.03.2014 From Banks Comprises :

	Interest Subvention Loan	3MW Solar Power Plant Loan
a) Loan Sanctioned	Rs. 2194.00 Lakhs	Rs.1484.00 Lakhs
b) Loan Aailed	Rs. 2193.47 Lakhs	Rs. 829.49 Lakhs
c) No. of Installments	36 Monthly Installments after 2 years Moratorium Period.	11 Quarterly Installments
d) Installments commencing from	February, 2016	July, 2014
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.
f) Installment Amount	Rs.60.95 Lakhs	Rs. 135.00 Lakhs
g) Lending Bank	Andhra Bank	Andhra Bank
h) Security	Pari Passu Second Charge on Fixed Assets of the Company.	Exclusive First Charge on Assets created out of the loan.

Notes Forming Part of Accounts

(Rs. in Lakhs)

Note -5

Deferred Tax Liability (Net)**As at 31st
March, 2014****As at 31st
March, 2013****Deferred Tax Liability**

Fixed Assets: Difference between Tax depreciation and depreciation/amortisation charged for the financial reporting

Others

9188.90

9493.48

--

--

Gross Deferred Tax Liability**9188.90**

9493.48

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

Provision for doubtful debts and advances

Others

694.32

692.63

10.41

12.12

--

--

Gross Deferred Tax Asset**704.73**

704.75

Net Deferred Tax Liability**8484.17**

8788.73

OTHER LONG-TERM LIABILITIES:**As at 31st
March, 2014****Note -6
As at 31st
March, 2013**

Trade payables

--

--

Total**Others**

Trade Deposits

123.06

117.07

Staff Security Deposit

16.08

14.75

Outstanding Liabilities for Others

5776.67

6117.45

Total**5915.81**

6249.27

Note -7**PROVISIONS****Long-Term****Short-Term****As at 31st
March, 2014****As at 31st
March, 2013****As at 31st
March, 2014****As at 31st
March, 2013****Provision for employee benefits:**

Provision for Gratuity

520.81

542.35

255.89

218.12

Provision for leave benefits

203.26

184.79

315.89

317.77

724.07

727.14

571.78

535.89

Other Provisions:

Provision for Wealth tax

15.00

14.00

Provision for Income tax

10595.00

9200.00

Proposed Equity Dividend

1355.35

1626.42

Provision for Tax on Distributed Profits

180.51

234.89

The Andhra Sugars Limited

Notes Forming Part of Accounts

(Rs. in Lakhs)
Note -8

SHORT-TERM BORROWINGS

	As at 31st March, 2014	As at 31st March, 2013
Cash credit from Banks (secured) @	6576.23	4551.80
Foreign currency loan from banks-Buyers Credit (secured) @	--	505.56
Short-term Loan from HDFC Bank (unsecured)	--	1000.00
Deposits (unsecured)		
Deposits from Directors/Related Parties (Refer Note No. 41 (e))	451.00	
from Others	63.65	80.95
	7090.88	6138.31

The above amount includes

Secured borrowings	6576.23	5057.36
Unsecured borrowings	514.65	1080.95

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 and Wind Power divisions in Tamilnadu and Ramagiri, ranking pari passu among the members of the consortium of working capital lending banks. Foreign Currency Buyers Credit Exposure that are not hedged by derivative instruments as on 31st March, 2014 is amounting to Rs. NIL (as at 31st March, 2014 Rs. 505.56 Lakhs).

	As at 31st March, 2014	Note -9 As at 31st March, 2013
OTHER CURRENT LIABILITIES :		
9.1 Trade payables	1342.49	899.84
	1342.49	899.84
9.2 Other Liabilities:		
Current maturities of long-term borrowings (Refer Note No. 4.2)	5232.05	4561.00
Project related Payables	457.34	--
Interest accrued but not due on borrowings	334.80	320.10
Interest accrued and due on borrowings	--	12.56
Advance from Customers	223.56	208.68
Unpaid Dividend	106.64	108.61
Unpaid matured deposits and interest accrued thereon	48.13	50.17
Accrued Salaries and Benefits	641.63	594.33
Directors Remuneration Payable (Refer Note No. 41)	638.04	1118.50
Staff Security Deposits	7.36	5.17
Statutory Dues	1241.81	1291.29
Others	3748.04	2328.65
	12679.40	10599.06
Total	14021.89	11498.90

FIXED ASSETS

(Rs. in lakhs)
Note - 10

	GROSS BLOCK				DEPRECIATION BLOCK				IMPAIRMENT BLOCK				NET BLOCK	
	Cost as at 31-3-13	Additions during the year	Deductions during the year	Cost as at 31-3-14	Dep. upto 31-3-13	Dep. for 13-14**	Dep on Dedn	Dep up to 31-03-14	Impairment upto 31-3-2013	Additions during the year	Deductions during the year	Impairment upto 31-3-2014	WDV AS AT 31-3-14	WDV AS AT 31-3-13
10.1.Tangible Assets:														
1) LAND	3220.43	256.17	--	3476.60	--	--	--	--	--	--	--	--	3476.60	3220.43
2) FACTORY BUILDINGS *	5743.84	33.30	--	5777.14	2195.25	152.21	--	2347.46	--	--	--	--	3429.68	3548.59
3) PLANT AND MACHINERY	66521.69	778.61	5.62	67294.68	31999.10	3310.68	4.34	35305.44	226.68	--	20.91	205.77	31783.47	34295.92
4) TRANSPORT EQUIPMENT	2972.64	447.63	160.83	3259.44	1554.78	360.55	146.69	1768.64	--	--	--	--	1490.80	1417.86
5) FURNITURE & FITTINGS	159.96	4.71	--	164.67	127.60	6.19	--	133.79	--	--	--	--	30.88	32.36
6) OFFICE EQUIPMENT	657.38	54.54	43.09	668.83	354.72	55.96	42.03	368.65	--	--	--	--	300.18	302.66
7) TRAMWAYS & RAILWAY SIDING	734.33	--	--	734.33	355.90	33.58	--	389.48	--	--	--	--	344.85	378.43
8) RENEWABLE ENERGY PLANT: WIND	8748.95	--	--	8748.95	2528.15	424.66	--	2952.81	--	--	--	--	5796.14	6220.80
Total:	88759.22	1574.96	209.54	90124.64	39115.50	4343.83	193.06	43266.27	226.68	--	20.91	205.77	46652.60	49417.05
Previous Year Total:	84059.72	4919.15	219.65	88759.22	35147.48	4135.47	167.45	39115.50	247.59	--	20.91	226.68	49417.04	48664.66
10.2. Intangible Asset	52.01	--	--	52.01	5.72	5.20	--	10.92	--	--	--	--	41.09	46.29

* 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. 20.91 Lakhs/- and depreciation capitalised to the extent of Rs.2.20 Lakhs/-.

Notes Forming Part of Accounts

(Rs. in Lakhs)

Note -11

Non-Current Investments		As at 31st March, 2014	As at 31st March, 2013
A) Trade Investments - Quoted			
1	<u>Investment in Subsidiary</u> 48,86,500 (31st March 2013: 48,86,500) fully paid Equity Shares of Rs.10/- each in JOCIL Ltd.,	441.79	441.79
2	<u>Investments in Associate</u> 2,80,86,613 (31st March 2013: 2,80,86,613) fully paid Equity Shares of Rs.10/- each in The Andhra Petrochemicals Ltd.,	3660.56	3660.56
3	<u>Investments in Other Companies</u>		
a)	1,40,000 (31st March 2013: 1,40,000) fully paid Equity Shares of Rs.10/-each in Sree Akkamamba Textiles Ltd.	1.75	1.75
b)	25,052 (31st March 2013: 25,052) fully paid Equity Shares of Rs.10/- each in Andhra Bank	4.31	4.31
B) Trade Investments - Unquoted			
1	<u>Investment in Subsidiaries</u>		
a)	3,28,760 (31st March 2013: 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 2013: 3,45,700) fully paid Equity Shares of Rs.10/- each in The Andhra Farm Chemicals Corpn.Ltd.,(Unquoted)	34.57	34.57
2	<u>Investments in Other Companies</u> 1,10,04,080 (31st March 2013: 96,64,080) fully paid Equity Shares of Rs.10/- each in Andhra Pradesh Gas Power Corporation Ltd., (Unquoted)	6158.59	3656.74
C) Other Investments			
1	1391 (31st March 2013: 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)	0.54	0.54
		10306.12	7804.27
All the above investments are long-term investments.			
Aggregate Amount of unquoted investments		6196.44	3696.34
Aggregate Amount of quoted investments		4109.68	4107.93
		10306.12	7804.27
Aggregate Market value of quoted investments		7080.52	7691.02

Notes Forming Part of Accounts

(Rs. in Lakhs)

Note -12

Loans and advances

	Non-current		Current	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
Capital Advances				
Secured, considered good	--	--	--	--
Unsecured, considered good	45.52	59.31	--	--
	-----	-----	-----	-----
(A)	45.52	59.31	--	--
	-----	-----	-----	-----
Security Deposit				
Secured, considered good	--	--	--	--
Unsecured, considered good	1149.53	1070.09	84.87	83.38
Doubtful	--	--	--	--
	-----	-----	-----	-----
	1149.53	1070.09	84.87	83.38
	-----	-----	-----	-----
Provision for doubtful security deposit	--	--	--	--
	-----	-----	-----	-----
(B)	1149.53	1070.09	84.87	83.38
	-----	-----	-----	-----
Loans and advances to related parties (note 41)				
Unsecured, considered good	--	--	--	100.00
	-----	-----	-----	-----
(C)	--	--	--	100.00
	-----	-----	-----	-----
Advances recoverable in cash or kind				
Secured, considered good	--	--	--	--
Unsecured, considered good	--	--	1384.95	1279.70
Doubtful	--	--	20.62	20.62
	-----	-----	-----	-----
	--	--	1405.57	1300.32
Provision for doubtful advances	--	--	20.62	20.62
	-----	-----	-----	-----
(D)	--	--	1384.95	1279.70
	-----	-----	-----	-----
Other Loans and Advances				
Excise Duty paid in advance (including CENVAT credit pending utilisation)	--	--	265.79	438.08
Advance payment of Direct Taxes	--	--	11089.39	9224.54
Income Tax deducted at source	--	--	131.17	109.97
Income Tax Refund Receivable	--	--	0.96	0.96
Prepaid expenses	8.52	12.94	118.95	107.71
Balances with statutory/ 'government authorities	--	--	1.98	1.98
	-----	-----	-----	-----
(E)	8.52	12.94	11608.24	9883.24
	-----	-----	-----	-----
Total [A+B+C+D+E]	1203.57	1142.34	13078.06	11346.32
	-----	-----	-----	-----

Notes Forming Part of Accounts

(Rs. in Lakhs)

Note -13.1

13.1 Trade receivables

	Non-current		Current	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
Secured, considered good	--	--	8.44	4.26
Unsecured, considered good	--	--	--	--
Less than 6 Months from the due date for Payment:	--	--	9008.16	8871.35
More than 6 Months from the due date for Payment:	--	--	83.15	218.49
Doubtful	--	--	10.02	15.02
	-----	-----	-----	-----
	--	--	9109.77	9109.12
Provision for doubtful receivables	--	--	10.02	15.02
	-----	-----	-----	-----
	--	--	9099.75	9094.10
	-----	-----	-----	-----
Total	--	--	9099.75	9094.10
	-----	-----	-----	-----

Note -13.2

13.2 Other Current Assets

	Non-current		Current	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
Non-current bank balances	-----	-----	-----	-----
[A]	--	--	--	--
	-----	-----	-----	-----
Unamortised expenditure				
	-----	-----	-----	-----
(B)	--	--	--	--
	-----	-----	-----	-----
Others				
Interest accrued on Deposits	--	--	89.58	81.47
Interest accrued on investments	--	--	--	--
Others	--	--	--	--
	-----	-----	-----	-----
[C]	--	--	89.58	81.47
	-----	-----	-----	-----
Total [A+B+C]	--	--	89.58	81.47
	-----	-----	-----	-----

Note -14

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

	As at 31st March, 2014	As at 31st March, 2013
Raw materials and components at Cost	2349.72	2718.42
Work-in-progress		
: At Cost	135.17	161.94
: At Estimated Realisable Value	105.89	101.32
Finished goods		
: At Cost	4526.58	10231.28
: At Estimated Realisable Value	24366.71	11672.93
Stores and spares at Cost (includes in transit Rs.16.47 lakhs) (31 st March 2013: Rs .76.32 Lakhs)	4291.50	3957.88
Loose tools	39.15	34.82
Others	31.73	27.76
	-----	-----
Total	35846.45	28906.35
	-----	-----

Notes Forming Part of Accounts

(Rs. in Lakhs)

Note -15

CASH AND BANK BALANCES

Non-current

Current

Cash and Cash Equivalents :As at 31st
March, 2014As at 31st
March, 2013As at 31st
March, 2014As at 31st
March, 2013

Balances with Banks:

On current accounts

--

--

1161.27

1280.45

Deposits with original maturity of
less than 3 months

--

--

--

--

Cheques/drafts on hand

--

--

433.60

849.13

Cash on hand

--

--

15.98

12.50

--

--

1610.85

2142.08

Other Bank Balances :Deposits with original maturity for
more than 12 months

--

--

--

--

For more than 3 months but less than 12 months

--

--

130.81

104.70

On unpaid dividend account

--

--

106.64

108.61

Earmarked Balances with Banks

(15% Liquidity on Fixed Deposits held
u/s 58A of the Companies Act, 1956)

--

--

132.96

49.80

Margin money deposit

--

--

274.77

184.25

--

--

645.18

447.36

--

--

--

--

Total

--

--

2256.03

2589.44

Note -16

Revenue from Operations

This Year

Previous Year

Sale of products:

Finished goods

76363.77

85450.64

Traded goods

--

247.46

Sale of services

59.12

32.25

Other operating revenue

Freight and Sales Expenses Recovered

879.70

1843.14

Subsidy Received on Superphosphate Sales

927.69

1073.69

Export Premium on Sugar

--

70.25

Status Holder Incentive Scrips

13.75

--

Minimum Offtake Commitment income from ISRO

134.58

249.93

Processing and Job Work income

0.44

0.71

Revenue from operations (gross)

78379.05

88968.07

Less: Excise Duty

5762.48

5767.76

Revenue from operations (net)

72616.57

83200.31

Notes Forming Part of Accounts

(Rs. in Lakhs)

Note -16.1

Details of Products Sold

This Year

Previous Year

Finished goods sold

Sugar	11396.47	26461.04
Molasses	--	282.17
Industrial Alcohol & Ethanol	3170.80	2159.81
Acetic Acid	65.10	85.48
Acetic Anhydride	260.28	112.33
Ethyl Acetate	--	0.73
Aspirin	1031.18	710.12
Caustic Soda	33077.35	30562.35
Caustic Potash	6024.55	4333.28
Chlorine	1128.91	617.62
Hydrochloric Acid	3246.29	1695.43
Sodium Hypochlorite	2051.30	1761.10
Hydrogen Gas	939.19	1085.60
Sulphuric Acid	5619.87	7220.78
Superphosphate	1748.09	1888.28
UH25	976.15	167.69
Mono Methyl Hydrazine	380.22	341.37
HTPB	763.97	880.28
Wind Power	829.83	1076.87
Cattle Feed	779.45	694.12
Potassium Carbonate	820.70	1534.47
Poly Aluminium Chloride	782.92	536.34
Liquid Hydrogen	626.07	332.61
Others	645.08	910.77

76363.77

85450.64

Traded goods sold

--

247.46

Details of services rendered

59.12

32.25

Note -17

Other Income

This Year

Previous Year

Interest Income on

Bank deposits	119.26	172.25
Others	118.90	132.56

Dividend income on

Investments in Subsidiary (Jocil Ltd.)	293.19	244.32
Investments in Associate (The Andhra Petrochemicals Ltd.)	--	123.93
Long-term Investments	4.49	2.88
Rent received	99.77	91.52
Net gain on Sale of Long-term Investments	--	--
Net gain on Sale of Current Investments	52.25	11.79
Net gain on Sale of Assets	33.02	59.60
Other non-operating income #	580.00	534.72

1300.88

1373.57

Notes Forming Part of Accounts

(Rs. in Lakhs)

Other Non-operating Income includes :

	This Year	Previous Year
Excess Provision In Earlier Years Credited Back	365.18	28.86
Claims Received	6.92	4.74
Income Not Relating to This year	--	0.34
Income From Agriculture (Net)	5.28	--
Misc. Scrap Sales	186.90	475.79
Excise Duty Recovery-Scrap Sale	5.64	3.46
Other Misc. Receipts	10.08	21.53
	-----	-----
Total	580.00	534.72
	-----	-----

Note -18

Cost of Raw Material consumed

	This Year	Previous Year
Inventory at the beginning of the year	2718.42	3671.97
Add: Purchases	30449.72	30500.27
	-----	-----
	33168.14	34172.24
Less: Inventory at the end of the year	2349.72	2718.42
	-----	-----
Cost of Raw Material Consumed	30818.42	31453.82
	-----	-----

Details of Raw Material consumed

	This Year	Previous Year
Sugar Cane	14620.49	15156.38
Phenol	594.98	553.55
Sulphur	3922.04	5658.36
Rockphosphate	1836.56	2145.50
Salt	3987.10	3478.35
Potassium Chloride	3109.09	2731.81
Alumina Hydride	534.43	413.23
Extractions for Cattle feed	448.40	395.88
Other Raw Materials	1765.33	920.76
	-----	-----
Total	30818.42	31453.82
	-----	-----

Details of Inventory

	This Year	Previous Year
Raw Materials		
Sugar Cane	--	--
Phenol	24.09	33.54
Sulphur	1261.70	1057.13
Rockphosphate	570.55	1012.16
Salt	105.29	443.40
Potassium Chloride	199.90	0.21
Alumina Hydride	53.82	66.60
Extractions for Cattle feed	31.00	32.28
Other Raw Materials	103.37	73.10
	-----	-----
Total	2349.72	2718.42
	-----	-----

Notes Forming Part of Accounts		(Rs. in Lakhs)	
		Note -19	
(Increase)/ Decrease in Inventories	This Year	Previous Year	(Increase)/ Decrease
Inventories at the end of the year			2013-14
Work-in-progress	241.06	263.26	22.20
Finished Goods	28893.29	21904.21	(6989.08)
	-----	-----	-----
	29134.35	22167.47	(6966.88)
	-----	-----	-----
Inventories at the Beginning of the year			2012-2013
Work-in-progress	263.26	279.73	16.47
Finished Goods	21904.21	22676.25	772.04
	-----	-----	-----
	22167.47	22955.98	788.51
	-----	-----	-----
Details of Purchase of Traded goods	This Year	Previous Year	
Acetic Anhydride	--	163.26	
Details of Inventory	This Year	Previous Year	
Work-in-progress			
Sugar	116.68	132.88	
Molasses	1.13	0.75	
Sulphuric Acid	38.13	51.75	
Caustic Potash	36.33	1.39	
Caustic Soda	13.38	15.28	
Aspirin	16.49	46.12	
Potassium Carbonate	14.47	15.09	
Others	4.45	--	
	-----	-----	
Total	241.06	263.26	
	-----	-----	
Finished goods			
Sugar	25281.94	19204.59	
Molasses	882.73	400.70	
Sulphuric Acid	94.65	188.43	
Superphosphate	858.89	636.09	
Caustic Soda	212.28	572.41	
Caustic Potash	115.00	181.43	
Chlorine	3.48	2.13	
Sodium Hypochlorite	3.14	2.30	
Hydrochloric Acid	4.22	3.05	
Industrial Alcohol& Ethanol	143.85	30.61	
Acetic Acid	0.28	0.05	
Acetic Anhydride	10.75	17.01	
Ehyl Acetate	--	1.19	
Aspirin	68.82	189.22	
Organic Derivatives of Hydrazine or of Hydroxyl Amine	428.44	334.10	
HTPB	45.58	14.09	
Hydrogen Gas	1.03	0.68	
Potassium Carbonate	382.90	37.75	
Poly Aluminium Chloride	29.74	14.81	
Others	325.57	73.57	
	-----	-----	
Total	28893.29	21904.21	
	-----	-----	

Notes Forming Part of Accounts

(Rs. in Lakhs)

Note -20

Employee Benefit Expense	This Year	Previous Year
Salaries, Wages and Bonus	6404.89	6398.28
Contribution to Provident and other fund	640.77	605.15
Gratuity Expense	302.68	137.89
Staff Welfare Expenses	345.92	289.43
	-----	-----
Total	7694.26	7430.75
	-----	-----

Note -21

Depreciation and Amortisation Expense	This Year	Previous Year
Depreciation of Tangible assets	4320.73	4114.09
Amortisation of Intangible Assets	5.20	5.20
	-----	-----
Total	4325.93	4119.29
	-----	-----

Note -22

Finance Costs	This Year	Previous Year
Interest	1779.78	1837.42
Difference in Exchange treated as Finance Cost	142.95	45.18
Other Borrowing Costs	54.95	47.88
	-----	-----
Total	1977.68	1930.48
	-----	-----

Notes Forming Part of Accounts		(Rs. in Lakhs)
		Note -23
Other Expenses	This Year	Previous Year
Consumption of Stores and Spares	1696.29	1896.78
Increase/(Decrease) of Excise Duty on Inventory	160.56	(169.98)
Power and Fuel	15233.12	13542.23
Insurance	121.18	111.92
Sugarcane Development Expenses	142.50	130.04
Rent	30.35	15.42
Rates and Taxes	591.37	733.51
Repairs and maintenance		
Plant and machinery	3840.15	3039.88
Buildings	283.64	339.37
Others	855.20	622.10
Advertising and sales promotion	18.11	106.08
Handling, Transport & Expenses at Sales Depots	3877.32	2943.48
Sales Commission	49.35	57.68
Donations	150.50	205.30
Directors' sitting fees	7.80	8.40
Payment to auditors (Refer details below)	29.38	22.81
Exchange differences (net)	209.37	250.14
Bad debts/advances written off	--	0.09
Provision for doubtful debts and advances	--	8.80
Excess Offtake charges to ISRO	32.44	39.63
Net Loss on Sale of Long-term Investments	--	15.24
Loss from Agriculture (Net)	--	4.68
Bank Charges	77.79	77.18
Assets Written off	2.85	16.63
Stores & Spares Written off	--	52.42
Miscellaneous Expenses	1036.31	916.71
	-----	-----
Total	28445.58	24986.54
	-----	-----
Payment to Auditors	This Year	Previous Year
As Auditor	12.50	11.50
For Taxation Matters	4.50	2.00
For Limited review & Other Certifications	6.27	4.93
For Reimbursement of expenses	1.18	1.29
As Cost Auditors	4.00	1.90
Fee for Certification	0.61	0.75
For Reimbursement of expenses	0.32	0.44
	-----	-----
Total	29.38	22.81
	-----	-----

Notes Forming Part of Accounts

(Rs. in Lakhs)

	As at 31-3-2014	As at 31-3-2013
24. Estimated amount of contracts remaining to be executed on Capital Account and not provided for	1143.54	64.93
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	3730.08	5313.81
26. Claims against the Company not acknowledged as debts relating to the following areas :		
i) Excise	4177.24	4075.73
ii) Service Tax	32.16	29.78
iii) Sales Tax	146.03	150.50
iv) Income Tax	31.35	79.92
v) State Levies	203.97	198.09
vi) Suppliers and Service Contract	221.59	351.04
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	2032.95	1894.28
(b) On Letter of Credit opened with banker for purchase of Material	1580.39	1333.13
(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 2008-09 by Govt India, New Delhi, against payment of buffer stock subsidy dues, which was protested by the Company.		
28. Exceptional item in 2012-13 represents Liability of the Company towards Fuel Surcharge Adjustment Charge payable to Eastern Power Distribution Company of Andhra Pradesh Ltd., for the years 2010-11 and 2011-12 as per the orders of APERC.		
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.		

Notes Forming Part of Accounts

(Rs. in Lakhs)

30. Disclosures on payments and dues to “suppliers” as defined in Micro, Small and Medium enterprises Development Act, 2006 (“The Act”).

1.	Amount remaining unpaid, beyond the appointed / agreed date at the end of the year 31.3.2014.	
	(a) Principal amount of bills to be paid	--
	(b) Interest due thereon	--
2.	(a) Payments made to suppliers, during the year, but beyond appointed / agreed by	42.19
	Interest thereon in terms of Section 16 of the Act	0.32
	(b) Interest paid along with such payments during the year	0.005
	(c) Interest due and payable at the end of the year, on such payments made during the year	0.005
3.	Amount of interest, for the year, under Section 16 of the Act, including that accrued and remaining unpaid, at the end of the year	0.32
4.	Total amount of interest, under Section 16 of the Act, including that arising in earlier years, accrued and remaining unpaid at the end of the year	0.32

Note : For the purpose of the above, details of the status of the suppliers 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 Clause 32 of the Listing Agreement is Rs. Nil as on 31.3.2014. (Maximum balance outstanding during the year is Rs. 0.64 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 the 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	8553.84	28	9694.52	31
Indigenous	21764.58	72	21759.30	69
	-----	-----	-----	-----
	30318.42	100	31453.82	100
	-----	-----	-----	-----

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	398.96	7	339.86	6
Indigenous	5511.53	93	5571.19	94
	-----	-----	-----	-----
	5910.49	100	5911.05	100
	-----	-----	-----	-----

Note - 35

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

	This year	Previous Year
Capital Goods	67.86	1281.01
Components and spare parts	632.61	254.75
Raw Materials	7559.69	6985.92
	-----	-----
	8260.16	8521.68
	-----	-----

Note - 36

	This year	Previous Year
Earnings in foreign exchange on FOB basis:	343.03	95.06

Note - 37

Expenditure incurred in foreign currency:

	This year	Previous Year
Books, Periodicals & Subscriptions	18.60	26.42
Foreign travel (excluding tickets purchased in India)	50.43	39.08
Delegation fee	2.49	1.20
Professional charges	--	0.26
Consultation Fee	29.33	16.43
Sales Expenses	10.03	5.40
Bank Charges	2.04	1.19
Interest paid	16.13	73.27
Managerial remuneration (Medical expenses to Whole-time Directors)	--	--

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	70.91	78.57
b) Revenue Expenditure (charged to appropriate heads)	292.88	158.74
<u>General R & D</u>		
a) Capital Expenditure	120.51	--
b) Revenue Expenditure (charged to appropriate heads)	57.04	103.83
	-----	-----
	541.34	341.14
	-----	-----

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	74.50	83.23
Contribution to Provident, Gratuity and other funds	7.61	6.84
Workmen and Staff Welfare Expenses	3.99	4.73
Power and Fuel	4.25	4.49
Insurance	0.04	0.02
Repairs to Buildings	3.21	0.20
Repairs to Plant & Machinery	1.20	3.27
Miscellaneous Expenses	0.62	0.15
Depreciation	2.20	0.46
	-----	-----
	97.62	103.39
	-----	-----

(B) Unallocated Capital Expenditure capitalised during the year

Staff salaries & wages	4.82	11.32
Power & Fuel	--	10.50
Raw Material consumption	--	2.96
Processing Fee & other Bank Charges	28.12	4.13
Commission	--	0.63
Project Approval Fees & Certifications	2.74	1.20
Travel expenses	0.10	0.42
Service charges	--	0.05
	-----	-----
	35.78	31.21
Less: Interest received from banks	0.19	26.76
	-----	-----
Net unallocated expenditure capitalised during the year:	35.59	4.45
	-----	-----

(C) Foreign Exchange Gain on account of Capital Equipment purchased, transferred to Cost of the Asset. -- 42.55

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 the beginning of year	2443.63	502.56
Interest Cost	195.49	31.03
Current Service Cost	173.58	105.06
Benefits paid	(213.71)	(162.78)
Actuarial loss /(gain) on obligation	96.36	43.28
Present value of obligations as at the end of year	2695.35	519.15
b) <u>Reconciliation for Fair Value of Plan Assets</u>		
Fair value of plan assets at the beginning of year	1683.16	
Expected return on plan assets	162.75	
Contributions	286.45	
Benefits paid	(213.71)	
Actuarial gain on plan assets	--	
Fair value of plan assets at the end of year	1918.65	
c) <u>Expenses Recognised in Statement of Profit & Loss</u>		
Current Service cost	173.58	105.06
Interest Cost	195.49	31.03
Expected return on plan assets	162.75	--
Net Actuarial loss/(gain) recognised in the year	96.36	43.28
Expenses to be recognised in the Statement of Profit & Loss	302.68	179.37
d) <u>Net Liability Recognised in the Balance Sheet</u>		
Present value of obligations as at the end of year	2695.35	519.15
Fair value of plan assets as at the end of the year	1918.65	--
Funded status	776.70	--
Net Liability recognised in the Balance Sheet	776.70	519.15
e) <u>Actuarial Assumptions</u>	31/03/2014	31/03/2014
Discount Rate	8.00%	9.40%
Salary Escalation	8.00%	6.00%
Attrition rate	2.00%	2.00%
Expected return on plan assets	8.85%	--
Mortality	LIC 94-96	IAL (2006-08)
	Mortality Rates	Mortality Rates

**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

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. Ethirajulu Ramalakshmi	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 Ananthalakshmi	Sister of Sri P.Narendranath Chowdary
Kum. Pendyala Ananthalakshmi Satyavathi Devi	Daughter of Sri P.Narendranath Chowdary
Smt. Jayaraman Ananthalakshmi	Sister of Sri M.Narendranath
Smt. Kosaraju Ramalakshmi	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 Atchamamba	Daughter of Sri P.Achuta Ramayya
Smt. Pendyala Shruthi Rajeshwari	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 have significant influence

Andhra Pradesh Gas Power Corporation Limited
Jaya Industries
Jayalakshmi Chemical Enterprises Pvt. Limited
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 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, 2013)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relative of Key Management Personnel
Purchase of Goods from	122.84	5879.69	0.00	23.15	12.95
	(96.99)	(5037.55)	(0.00)	(21.80)	(10.75)
The Andhra Farm Chemicals Corporation Limited	110.63				
JOCIL Limited	12.21				
Dr. B.B.Ramaiah				19.08	
Sri Pendyala Achuta Ramayya				3.89	
Royal Printing Works				0.18	
Andhra Pradesh Gas Power Corporation Limited		5029.34			
Jaya Industries		263.57			
Sree Mullapudi Venkataramanamma Memorial Hospital		0.98			
Sri Sarvaraya Sugars Limited		138.90			
Sree Akkamamba Textiles Limited		2.70			
Sree Satyanarayana Spinning Mills Limited		1.39			
Jayalakshmi Chemicals Enterprises Pvt. Limited		18.34			
Vibhas Polymers Pvt. Limited		424.47			
Sri Pendyala Venkata Krishna Rao					1.02
Smt. Pendyala Jhansi Jayalakshmi					2.37
Smt. Pendyala Sujatha					3.69
Smt. Sri Balusu Ranganayaki alias Radhika					3.47
Sri B.V.V.S.Ramesh Kumar					2.40
Purchase of Fixed Assets from	0.00	0.00	0.00	0.00	0.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Inter-Corporate Loans given to	0.00	100.00	1000.00	0.00	0.00
	(200.00)	(0.00)	(0.00)	(0.00)	(0.00)
The Andhra Petrochemicals Limited			1000.00		
Sree Akkamamba Textiles Limited		100.00			
Inter-Corporate Loans re-payment from	0.00	100.00	1000.00	0.00	0.00
	(200.00)	(400.00)	(0.00)	(0.00)	(0.00)
The Andhra Petrochemicals Limited			1000.00		
Sree Akkamamba Textiles Limited		100.00			
Fixed Deposits Received from :	91.75	1.00	0.00	4404.80	7656.10
	(9.00)	(0.00)	(0.00)	(965.40)	(1354.90)
Dr. B.B. Ramaiah				630.00	
Sri Mullapudi Narendranath				705.40	
Sri Mullapudi Thimmaraja				840.75	
Sri P.S.R.V.K. Ranga Rao				200.00	
Sri Pendyala Achuta Ramayya				283.60	
Sri Pendyala Narendranath Chowdary				1740.05	
Royal Printing Works				5.00	
Dr. B.B. Ramaiah (HUF)					10.00
Smt. Ethirajulu Ramalakshmi					5.55
Smt. Gaddipati Anuradha					81.10

Notes Forming Part of Accounts

(Rs. in Lakhs)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relative of Key Management Personnel
Smt. Goli Devi					115.10
Smt. Goli Jayashree					90.50
Smt. Jayaraman Ananthalakshmi					113.00
Smt. Jujjavarapu Usha Rani					570.90
Smt. Kosaraju Ramalakshmi					266.35
Smt. Maddipoti Kamala Devi					610.45
Sri Mullapudi Mrutyumjaya Prasad					172.60
Smt. Mullapudi Narayanamma					217.65
Smt. Mullapudi Renuka					454.05
Sri Mullapudi Vikram Prasad					134.95
Smt. Nidadavolu Venkata Ramanamma					425.70
Smt. Nutakki Ananthalakshmi					10.00
Sri P.S.R.V.K. Ranga Rao (HUF)					336.75
Kum. Pendyala Anantha Lakshmi Satyavathi Devi					814.40
Sri Pendyala Achuta Ramayya (HUF)					309.15
Smt. Pendyala Divya Atchamamba					137.50
Smt. Pendyala Jhansi Jayalakshmi					651.95
Kum. Pendyala Meghana Sri Sai Sujatha					50.95
Sri Pendyala Narendranath Chowdary (HUF)					273.35
Chy. Pendyala Prithvi Sri Narendra Rayudu					36.70
Smt. Pendyala Sesha Shailaja					231.00
Smt. Pendyala Shruthi Rajeshwari					236.15
Smt. Pendyala Sujatha					886.60
Smt. Sri Balusu Ranganayaki alias Radhika					364.70
Smt. Yelamarthy Narayanamma					49.00
Hindustan Allied Chemicals Limited	91.75				
Sugarfield Constructions Pvt. Limited		1.00			
Fixed Deposits repaid on maturity/cancellation	0.00	0.00	0.00	728.90	276.50
	(2.00)	(0.00)	(0.00)	(501.50)	(307.35)
Dr. B.B. Ramaiah				170.00	
Sri Mullapudi Narendranath				230.90	
Sri Mullapudi Thimmaraja				20.00	
Sri P.S.R.V.K. Ranga Rao				200.00	
Sri Pendyala Achuta Ramayya				50.00	
Sri Pendyala Narendranath Chowdary				58.00	
Smt. Jayaraman Ananthalakshmi					35.75
Smt. Kosaraju Ramalakshmi					93.70
Smt. Nidadavolu Venkata Ramanamma					7.80
Kum. Pendyala Meghana Sri Sai Sujatha					2.45
Chy. Pendyala Prithvi Sri Narendra Rayudu					0.75
Smt. Sri Balusu Ranganayaki alias Radhika					136.05
Services Rendered by	0.00	13.91	0.00	23.31	1.71
	(0.23)	(6.60)	(0.00)	(19.55)	(1.71)
Sri Mullapudi Thimmaraja				4.11	
Sri Mullapudi Mrutyumjaya Prasad					1.71
Royal Printing Works				19.20	
Sree Mullapudi Venkataramanamma Memorial Hospital		8.54			
Sree Mullapudi Venkatarayudu Memorial Medical Trust		4.50			

Notes Forming Part of Accounts

(Rs. in Lakhs)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relative of Key Management Personnel
Mullapudi Venkatarayudu Eye Centre		0.19			
Sree Mullapudi Venkataraya Memorial Polytechnic		0.68			
Sale of Goods to	259.34	1186.06	29.27	3.26	0.00
	(1280.58)	(1264.00)	(60.73)	(4.37)	(0.00)
JOCIL LIMITED	214.40				
The Andhra Farm Chemicals Corporation Limited	44.94				
The Andhra Petrochemicals Limited			29.27		
Sree Mullapudi Venkataramanamma Memorial Hospital		1.07			
Sree Mullapudi Venkataraya Memorial Polytechnic		0.44			
Sree Rangaraya Estates		1.65			
Jayalakshmi Fertilisers		1180.03			
Sri Sarvaraya Sugars Limited		2.81			
Vibhas Polymers Pvt. Limited		0.06			
Sri Mullapudi Narendranath				3.26	
Sale of Fixed Assets to	0.05	0.00	0.00	0.00	0.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
JOCIL Limited	0.05				
Services Rendered to	0.06	0.21	0.91	0.00	0.00
	(0.27)	(0.00)	(1.40)	(0.00)	(0.00)
JOCIL Limited	0.06				
The Andhra Petrochemicals Limited			0.91		
Vibhas Polymers Limited		0.21			
Interest Paid on Fixed Deposits	5.80	0.11	0.00	359.35	748.41
	(3.24)	(0.11)	(0.00)	(334.50)	(664.67)
Dr. B.B. Ramaiah				25.20	
Sri Mullapudi Narendranath				61.26	
Sri Mullapudi Thimmaraja				82.49	
Sri P.S.R.V.K. Ranga Rao				3.29	
Sri Pendyala Achuta Ramayya				27.09	
Sri Pendyala Narendranath Chowdary				159.50	
Royal Printing Works				0.52	
Dr. B.B. Ramaiah (HUF)					1.05
Smt. Ethirajulu Ramalakshmi					0.58
Smt. Gaddipati Anuradha					7.99
Smt. Goli Devi					11.50
Smt. Goli Jayashree					9.09
Smt. Jayaraman Ananthalakshmi					10.69
Smt. Jujjavarapu Usha Rani					52.81
Smt. Kosaraju Ramalakshmi					24.81
Smt. Maddipoti Kamala Devi					59.91
Sri Mullapudi Mrutyumjaya Prasad					17.51
Smt. Mullapudi Narayanamma					21.28

Notes Forming Part of Accounts

(Rs. in Lakhs)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relative of Key Management Personnel
Smt. Mullapudi Renuka					46.59
Sri Mullapudi Vikram Prasad					13.31
Smt. Nidadavolu Venkata Ramanamma					41.31
Smt. Nutakki Ananthalakshmi					1.05
Sri P.S.R.V.K. Ranga Rao (HUF)					32.33
Kum. Pendyala Anantha Lakshmi Satyavathi Devi					81.14
Sri Pendyala Achuta Ramayya (HUF)					30.41
Smt. Pendyala Divya Atchamamba					13.57
Smt. Pendyala Jhansi Jayalakshmi					63.67
Kum. Pendyala Meghana Sri Sai Sujatha					5.05
Sri Pendyala Narendranath Chowdary (HUF)					26.83
Chy. Pendyala Prithvi Sri Narendra Rayudu					3.72
Smt. Pendyala Sesha Shailaja					22.66
Smt. Pendyala Shruthi Rajeshwari					24.04
Smt. Pendyala Sujatha					86.43
Smt. Sri Balusu Ranganayaki alias Radhika					33.97
Smt. Yelamarthy Narayanamma					5.10
Hindustan Allied Chemicals Limited	5.80				
Sugarfield Constructions Pvt. Limited		0.11			
Remuneration (including Comm.) paid to	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	848.09 (1327.69)	7.35 (6.11)
Dr. B.B.Ramaiah				195.62	
Sri Pendyala Narendranath Chowdary				211.90	
Sri Mullapudi Narendranath				126.54	
Sri Mullapudi Thimmaraja				124.48	
Sri Pendyala Achuta Ramayya				116.12	
Sri P.S.R.V.K.Ranga Rao				73.43	
Sri Mullapudi Vikram Prasad					7.35
Donations Paid to	0.00 (0.00)	150.00 (205.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Sree Mullapudi Venkatarayudu Memorial Medical Trust		125.00			
Sree Mullapudi Venkatarayudu Memorial Educational Trust		5.00			
Sri Pendyala Venkata Krishna Rangaraya Memorial Trust		10.00			
Mullapudi Kamala Devi Cardiovascular Centre		10.00			
Dividend Paid to	0.00 (0.00)	92.59 (108.02)	0.00 (0.00)	224.50 (261.92)	414.98 (490.58)
Dr. B.B.Ramaiah				15.05	
Sri Pendyala Narendranath Chowdary				25.01	
Sri Mullapudi Narendranath				69.06	
Sri Mullapudi Thimmaraja				48.88	
Sri Pendyala Achuta Ramayya				28.05	
Sri P.S.R.V.K.Ranga Rao				38.45	
Sri Mullapudi Thimmaraja (HUF)					12.27

Notes Forming Part of Accounts

(Rs. in Lakhs)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relative of Key Management Personnel
Sri Mullapudi Narendranath (HUF)					1.24
Smt. Jayaraman Ananthalakshmi					17.20
Smt. Nidadavolu Venkata Ramanamma					7.41
Smt. Yelamarthy Narayanamma					19.41
Sri B.V.V.S.Ramesh Kumar					3.66
Smt. Pendyala Jhansi Jayalakshmi					42.61
Sri Pendyala Venkata Krishna Rao					12.86
Smt. Sri Balusu Ranganayaki alias Radhika					25.49
Smt. Ethirajulu Ramalakshmi					5.58
Smt. Jujjavarapu Usha Rani					34.40
Smt. Maddipoti Kamala Devi					34.43
Smt. Mullapudi Satyanarayanamma					22.46
Smt. Nutakki Ananthalakshmi					3.32
Kum. Pendyala Ananthalakshmi Satyavathi Devi					31.22
Smt. Mullapudi Narayanamma					15.88
Smt. Gaddipati Anuradha					5.69
Smt. Goli Jayashree					2.02
Sri Mullapudi Vikram Prasad					10.29
Smt. Mullapudi Renuka					29.65
Smt. Goli Devi					5.06
Sri Mullapudi Mrutyumjaya Prasad					7.24
Smt. Pendyala Sesha Shailaja					12.79
Smt. Pendyala Divya Atchamamba					2.23
Smt. Pendyala Shruthi Rajeshwari					0.86
Smt. Pendyala Sujatha					48.85
Smt. Pendyala Usha Lakshmi					0.48
Kum. Pendyala Meghana Sri Sai Sujatha					0.26
Chy. Pendyala Prithvi Sri Narendra Rayudu					0.12
Sree Akkamamba Textiles Limited		18.12			
Sree Mullapudi Venkataramanamma Memorial Hospital		53.42			
Jayalakshmi Chemical Enterprises Pvt. Limited		0.06			
The Mullapudi Investment & Finance company Pvt. Limited		7.71			
Thimmaraja Investment & Finance Company Pvt. Limited		6.81			
Sree Harischandra Prasad Investment & Finance Company Limited		6.47			
Dividend Received from	293.19	2.80	0.00	0.00	0.00
	(244.33)	(1.40)	(123.94)	(0.00)	(0.00)
JOCIL Limited	293.19				
Sree Akkamamba Textiles Limited		2.80			
Interest Received on IC Loan	0.00	3.37	6.41	0.00	0.00
	(8.52)	(47.19)	(0.00)	(0.00)	(0.00)
Sree Akkamamba Textiles Limited		3.37			
The Andhra Petrochemicals Limited			6.41		

Notes Forming Part of Accounts

(Rs. in Lakhs)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relative of Key Management Personnel
C) Balances as at 31-03-2014:					
a) Share Capital held by the Company in	479.10	6160.34	3660.56	0.00	0.00
	(479.10)	(3658.49)	(3127.47)	(0.00)	(0.00)
JOCIL Limited	441.79				
The Andhra Farm Chemicals Corporation Limited	34.57				
Hindustan Allied Chemicals Limited	2.74				
The Andhra Petrochemicals Limited			3660.56		
Sree Akkamamba Textiles Limited		1.75			
Andhra Pradesh Gas Power Corporation Limited		6158.59			
b) RECEIVABLES					
TRADE DUES :	0.00	160.22	0.00	0.00	0.00
	(11.61)	(90.11)	(0.00)	(0.00)	(0.00)
Jayalakshmi Fertilisers		159.01			
Sree Mullapudi Venkataramanamma Memorial Hospital		1.20			
Sree Rangaraya Estates		0.01			
Loans / Inter-Corporate loans	0.00	0.00	0.00	0.00	0.00
	(0.00)	(100.00)	(0.00)	(0.00)	(0.00)
c) Share Capital of the Company held by	0.00	154.31	0.00	374.37	691.83
	(0.00)	(154.31)	(0.00)	(374.17)	(691.62)
DR. B.B.Ramaiah				25.08	
Sri Pedyala Narendranath Chowdary				41.68	
Sri Mullapudi Narendranath				115.10	
Sri Mullapudi Thimmaraja				81.47	
Sri Pendyala Achuta Ramayya				46.75	
Sri P.S.R.V.K.Ranga Rao				64.29	
Sri Mullapudi Thimmaraja (HUF)					20.45
Sri Mullapudi Narendranath (HUF)					2.06
Smt. Jayaraman Ananthalakshmi					28.66
Smt. Nidadavolu Venkata Ramanamma					12.35
Smt. Yelamarthy Narayanamma					32.36
Sri B.V.V.S.Ramesh Kumar					6.10
Smt. Pendyala Jhansi Jayalakshmi					71.01
Sri Pendyala Venkata Krishna Rao					21.43
Smt. Sri Balusu Ranganayaki					42.48
Smt. Ethirajulu Ramalakshmi					9.30
Smt. Jujjavarapu Usha Rani					57.34
Smt. Maddipoti Kamala Devi					57.38
Smt. Mullapudi Satyanarayanamma					37.43
Smt. Nuthakki Ananthalakshmi					5.54
Kum. Pendyala Ananthalakshmi Satyavathi Devi					52.03
Smt. Mullapudi Narayanamma					26.47

Notes Forming Part of Accounts (Rs. in Lakhs)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relative of Key Management Personnel
Smt. Gaddipati Anuradha					9.48
Smt. Goli Jayashree					3.37
Sri Mullapudi Vikram Prasad					17.15
Smt. Mullapudi Renuka					49.41
Smt. Goli Devi					8.43
Sri Mullapudi Mrutyumjaya Prasad					12.07
Smt. Pendyala Sesha Shailaja					21.32
Smt. Pendyala Divya Atchamamba					3.72
Smt. Pendyala Shruthi Rajeshwari					1.43
Smt. Pendyala Sujatha					81.41
Smt. Pendyala Usha Lakshmi					0.80
Kum. Pendyala Meghana Sri Sai Sujatha					0.53
Chy. Pendyala Prithvi Sri Narendra Rayudu					0.32
Jayalakshmi Chemical Enterprises Pvt. Ltd.		0.11			
Sree Akkamamba Textiles Limited		30.19			
Sree Mullapudi Venkataramanamma Memorial Hospital		89.03			
The Mullapudi Investment & Finance Company Pvt. Ltd.		12.85			
Thimmaraja Investment & Finance Company Pvt. Ltd.		11.35			
Sree Harischandra Prasad Invest & Fin. Co. Ltd.		10.78			
d) Loans/ Inter-Corporate 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 :	91.75	1.00	0.00	3675.90	7379.60
	(35.00)	(1.00)	(0.00)	(3266.80)	(6685.55)
Dr. B.B. Ramaiah				460.00	
Sri Mullapudi Narendranath				474.50	
Sri Mullapudi Thimmaraja				820.75	
Sri Pendyala Achuta Ramayya				233.60	
Sri Pendyala Narendranath Chowdary				1682.05	
Royal Printing Works				5.00	
Dr. B.B. Ramaiah (HUF)					10.00
Smt. Ethirajulu Ramalakshmi					5.55
Smt. Gaddipati Anuradha					81.10
Smt. Goli Devi					115.10
Smt. Goli Jayashree					90.50
Smt. Jayaraman Ananthalakshmi					77.25
Smt. Jujavarapu Usha Rani					570.90
Smt. Kosaraju Ramalakshmi					172.65
Smt. Maddipoti Kamala Devi					610.45
Sri Mullapudi Mrutyumjaya Prasad					172.60
Smt. Mullapudi Narayanamma					217.65
Smt. Mullapudi Renuka					454.05
Sri Mullapudi Vikram Prasad					134.95
Smt. Nidadavolu Venkata Ramanamma					417.90
Smt. Nutakki Ananthalakshmi					10.00

Notes Forming Part of Accounts

(Rs. in Lakhs)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relative of Key Management Personnel
Sri P.S.R.V.K. Ranga Rao (HUF)					336.75
Kum. Pendyala Ananthalakshmi Satyavathi Devi					814.40
Sri Pendyala Achuta Ramayya (HUF)					309.15
Smt. Pendyala Divya Atchamamba					137.50
Smt. Pendyala Jhansi Jayalakshmi					651.95
Kum. Pendyala Meghana Sri Sai Sujatha					48.50
Sri Pendyala Narendranath Chowdary (HUF)					273.35
Chy. Pendyala Prithvi Sri Narendra Rayudu					35.95
Smt. Pendyala Sesha Shailaja					231.00
Smt. Pendyala Shruthi Rajeshwari					236.15
Smt. Pendyala Sujatha					886.60
Smt. Sri Balusu Ranganayaki alias Radhika					228.65
Smt. Yelamarthy Narayanamma					49.00
Hindustan Allied Chemicals Limited	91.75				
Sugarfield Constructions Pvt. Limited		1.00			
- Trade dues :	15.61 (0.00)	261.35 (349.89)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
The Andhra Farm Chemicals Corporation Limited	15.61				
Sree Mullapudi Venkataramanamma Memorial Hospital		1.44			
Sree Mullapudi Venkatarayudu Memorial Medical Trust		1.44			
Andhra Pradesh Gas Power Corporation Limited		258.47			
- Interest on Fixed Deposits :	2.53 (0.82)	0.02 (0.02)	0.00 (0.00)	83.20 (76.02)	168.07 (156.55)
Dr. B.B. Ramaiah				9.72	
Sri Mullapudi Narendranath				11.00	
Sri Mullapudi Thimmaraja				19.02	
Sri Pendyala Achuta Ramayya				5.45	
Sri Pendyala Narendranath Chowdary				37.91	
Royal Printing Works				0.10	
Dr. B.B. Ramaiah (HUF)					0.22
Smt. Ethirajulu Ramalakshmi					0.13
Smt. Gaddipati Anuradha					1.83
Smt. Goli Devi					2.48
Smt. Goli Jayashree					2.23
Smt. Jayaraman Ananthalakshmi					1.80
Smt. Jujavarapu Usha Rani					11.97
Smt. Kosaraju Ramalakshmi					4.02
Smt. Maddipoti Kamala Devi					13.96
Sri Mullapudi Mrutyumjaya Prasad					3.80
Smt. Mullapudi Narayanamma					4.97
Smt. Mullapudi Renuka					10.30
Sri Mullapudi Vikram Prasad					3.19
Smt. Nidadavolu Venkata Ramanamma					9.46
Smt. Nutakki Ananthalakshmi					0.23
Sri P.S.R.V.K. Ranga Rao (HUF)					7.78
Kum. Pendyala Ananthalakshmi Satyavathi Devi					18.69

Notes Forming Part of Accounts

(Rs. in Lakhs)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relative of Key Management Personnel
Sri Pendyala Achuta Ramayya (HUF)					7.17
Smt. Pendyala Divya Atchamamba					3.20
Smt. Pendyala Jhansi Jayalakshmi					14.89
Kum. Pendyala Meghana Sri Sai Sujatha					1.13
Sri Pendyala Narendranath Chowdary (HUF)					6.32
Chy. Pendyala Prithvi Sri Narendra Rayudu					0.84
Smt. Pendyala Sesha Shailaja					5.27
Smt. Pendyala Shruthi Rajeshwari					5.47
Smt. Pendyala Sujatha					20.27
Smt. Sri Balusu Ranganayaki alias Radhika					5.30
Smt. Yelamathy Narayanamma					1.15
Hindustan Allied Chemicals Limited	2.53				
Sugarfield Constructions Pvt. Limited		0.02			
- Remuneration (including Commission) :	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	638.04 (1118.50)	0.40 (0.37)
Dr. B.B.Ramaiah				149.71	
Sri Pendyala Narendranath Chowdary				148.97	
Sri Mullapudi Narendranath				94.10	
Sri Mullapudi Thimmaraja				95.47	
Sri Pendyala Achuta Ramayya				93.28	
Sri P.S.R.V.K.Ranga Rao				56.51	
Sri Mullapudi Vikram Prasad					0.40

42. The Ministry of Corporate Affairs, Government of India, vide General Circular Nos. 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 subsidiaries 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.

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 A. Ranga Rao M. Palachandra P.V.S. Viswanadha Kumar	Chairman & Managing Director Director Company Secretary G.M.(Finance) & Asst. Secretary
Camp: TANUKU Date: 26.05.2014	TANUKU 26.05.2014	

CASH FLOW STATEMENT FOR THE YEAR 2013 - 14**(Rs. in lakhs)**

PARTICULARS	2013-14	2012-13
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	7622.46	11937.08
Adjustments for		
Depreciation/amortisation on continuing operation	4325.93	4119.29
Impairment/other write off on tangible/intangible assets	2.85	0.61
Loss/(profit) on sale of fixed assets	(33.02)	(59.60)
Wealth Tax	5.00	3.76
Net (gain)/Loss on sale of non - current investments	--	15.24
Net gain on sale of current investments	(52.24)	(11.79)
Interest expense	1977.68	1930.48
Interest income	(238.16)	(304.81)
Dividend income	(297.68)	(371.13)
	-----	-----
Operating profit before working capital changes	13312.82	17259.13
	-----	-----
<u>Movements in working capital:</u>		
Increase/(decrease) in trade payables	442.65	(1285.01)
Increase/(decrease) in long-term provisions	(3.07)	(484.95)
Increase/(decrease) in short-term provisions	35.89	62.73
Increase/(decrease) in other current liabilities	2122.35	315.01
Increase/(decrease) in other long-term liabilities	(333.46)	1670.73
Decrease/(increase) in trade receivables	(5.65)	(41.93)
Decrease/(increase) in inventories	(6940.10)	1234.67
Decrease/(increase) in long-term loans and advances	(75.02)	(506.68)
Decrease/(increase) in short-term loans and advances	154.31	1011.14
Decrease/(increase) in other current assets	(8.11)	(44.96)
Cash generated from/(used in) operations	8702.61	19189.88
Direct taxes paid (net of refunds)	3009.81	4104.92
	-----	-----
Net cash flow from/(used in) operating activities (A)	5692.80	15084.95
	-----	-----
<u>Cash flows from investing activities</u>		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(3463.69)	(4380.37)
Proceeds from sale of fixed assets	46.64	111.17
Proceeds of non-current investments	--	185.86
Purchase of non-current investments	(2501.85)	(533.10)
Purchase of current investments	(5450.00)	(1575.00)
Proceeds from sale/maturity of current investments	5502.25	1586.79
Interest received	238.16	304.81
Dividends received from subsidiary company	293.19	244.32
Dividends received from long-term investments	4.49	126.81
	-----	-----
Net cash flow from/(used in) investing activities (B)	(5330.81)	(3928.70)
	-----	-----

The Andhra Sugars Limited

	2013 - 14	2012 - 13
Cash flows from financing activities		
Proceeds from long-term borrowings	2191.02	27.90
Repayment of long-term borrowings	--	--
Proceeds from short-term borrowings	952.57	(6717.63)
Interest paid	(1977.68)	(1930.48)
Dividends paid on Equity Shares	(1626.42)	(1897.50)
Tax on equity dividend paid	(234.89)	(276.11)
	-----	-----
Net cash flow from/(used in) in financing activities (C)	(695.40)	(10793.82)
	-----	-----
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(333.41)	362.43
Cash and cash equivalents at the beginning of the year	2589.44	2227.01
	-----	-----
Cash and cash equivalents at the end of the year	2256.03	2589.44
	-----	-----
Components of cash and cash equivalents		
Cash on hand	15.98	12.50
Cheques/drafts on hand	433.60	849.13
With banks on current account	1425.04	1434.95
Margin Money deposit accounts	274.77	184.25
Unpaid dividend accounts	106.64	108.61
	-----	-----
Total cash and cash equivalents (Note-15)	2256.03	2589.44
	-----	-----

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 A. Ranga Rao M. Palachandra P.V.S. Viswanadha Kumar	Chairman & Managing Director Director Company Secretary G.M.(Finance) & Asst. Secretary
Camp: TANUKU Date: 26.05.2014	TANUKU 26.05.2014	

Statement Pursuant to Section 212 of the Companies Act, 1956.

JOCIL LIMITED

1. The Andhra Sugars Limited held 48,86,500 Equity Shares of Rs.10/- each fully paid-up out of the total paid-up shares of 88,81,150 amounting to Rs. 8,88,11,500/-.
2. The subsidiary company earned a profit of Rs.11,32,53,257/- for the year ended 31st March, 2014 and no part of this was dealt with in the holding company's Accounts.

THE ANDHRA FARM CHEMICALS CORPORATION LIMITED

1. The Andhra Sugars Limited held 3,45,700 Equity Shares of Rs.10/- each fully paid-up out of the total subscribed shares of 4,50,000.
2. The subsidiary company incurred a loss of Rs.54,88,106/- for the year ended 31st March, 2014 and no part of this was dealt with in the holding company's Accounts.

HINDUSTAN ALLIED CHEMICALS LIMITED

1. The Andhra Sugars Limited held 3,28,760 Equity Shares of Rs.2.50 ps per share called and paid-up out of the total subscribed shares of 4,25,012 of Rs.10/- each.
2. The subsidiary company earned a profit of Rs.4,96,804/- for the year ended 31st March, 2014 and no part of this was dealt with in the holding company's Accounts.

Since the accounting year of the subsidiary companies coincide with that of the holding company, furnishing of information relating to material changes of subsidiary companies, does not arise.

TANUKU
26-05-2014

For and on behalf of the Board of Directors
of The Andhra Sugars Limited
Dr. B. B. Ramaiah
A. Ranga Rao
M. Palachandra
P.V.S. Viswanadha Kumar

Chairman & Managing Director
Director
Company Secretary
G.M. (Finance) & Asst. Secretary

INDEPENDENT AUDITORS' REPORT

To
The Board of Directors of
The Andhra Sugars Limited
Tanuku

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of The Andhra Sugars Limited (the "Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
4. An audit involves performing procedure to obtain audit evidence about the amounts and 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 control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidences we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the financial statements of the subsidiaries and associates as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of the Consolidated Balance Sheet, of the statement of affairs of the Group as at March 31, 2014.
 - b) In the case of the Consolidated Statement of Profit and Loss, of the profit of the Group of the year ended on that date and
 - c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Camp: TANUKU
Date :26th May 2014

for BRAHMAYYA & CO.,
Chartered Accountants
Firm Regn. No. 000513S
(T.V. Ramana)
Partner
(ICAI Membership No.200523)

BALANCE SHEET AS AT 31st MARCH, 2014

	Notes	As at 31st March, 2014	(Rs.in Lakhs) As at 31st March, 2013
EQUITY AND LIABILITIES			
Shareholder Funds			
Share Capital	2	2711.01	2711.01
Reserves and Surplus	3	64204.23	60863.92
		66915.24	63574.93
Minority Interest		6702.99	6485.63
Non-Current Liabilities			
Long-term Borrowings	4	15761.76	13609.49
Deferred Tax Liability (Net)	5	9428.92	9900.55
Other Long-term liabilities	6	5925.93	6265.01
Long-term Provisions	7	827.12	827.82
		31943.73	30602.87
Current Liabilities			
Short-term Borrowings	8	8301.72	9707.45
Trade Payables	9.1	3347.41	1943.11
Other Current Liabilities	9.2	13944.93	11655.48
Short-term Provisions	7	17064.20	15866.06
		42658.26	39172.10
TOTAL		148220.22	139835.53
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10.1	54082.11	57648.43
Intangible Assets	10.2	43.19	49.09
Capital Work-in-Progress		2625.63	859.12
		56750.93	58556.64
Non-Current Investments	11.1	12901.15	11327.75
Long-term Loans and Advances	12	1489.28	1383.74
Other Non-current assets	13.2	17.97	17.97
		14408.40	12729.46
Current Assets			
Current Investments	11.2	5.03	--
Inventories	14	41998.22	34745.49
Trade Receivables	13.1	13572.01	14700.39
Cash and Bank Balances	15	3002.43	3172.70
Short-term Loans and Advances	12	18391.71	15845.68
Other Current Assets	13.2	91.49	85.17
		77060.89	68549.43
TOTAL		148220.22	139835.53
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

For and on behalf of the Board of Directors
of The ANDHRA SUGARS LD.,
Dr. B.B. Ramaiah
A. Ranga Rao
M. Palachandra
P.V.S. Viswanadha Kumar

Chairman & Managing Director
Director
Company Secretary
G.M. (Finance) & Asst. Secretary

Camp : TANUKU
Date : 26.05.2014

TANUKU
26.05.2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014 (Rs. in Lakhs)

PARTICULARS	Notes	Current Reporting Period 2013-14	Previous Reporting Period 2012-13
Income			
Revenue from operations (Gross)	16	120187.01	134180.97
Less: Excise duty		10280.83	10958.55
Revenue from operations (Net)		109906.18	123222.42
Other Income	17	1493.94	1531.13
Total Revenue		111400.12	124753.55
Expenses			
Cost of raw materials consumed	18	57518.93	58909.51
Purchase of traded goods		--	163.26
(Increase)/Decrease in Inventories of finished goods, Work-in-progress and traded goods	19	(7590.80)	778.18
Employee Benefits expense	20	9687.17	9495.57
Depreciation and amortisation expense	21	5361.16	5131.24
Finance Costs	22	2145.04	2315.45
Other expenses	23	35096.33	32004.08
Total Expenses		102217.83	108797.29
Profit/(Loss) Before Exceptional items & Tax		9182.29	15956.26
Less: Exceptional items (Electricity FSA Charges)		--	1774.65
Profit/(Loss) Before Tax		9182.29	14181.61
Profit from Associate		(878.63)	95.81
Add : Income Tax Refund		86.97	7.62
Add : Income Tax Excess Provision Credited Back		94.78	--
Less : Income Tax of earlier years		--	73.45
Less : Tax expenses			
Current Tax		3297.25	4651.75
Deferred Tax		(471.63)	551.16
Total Tax Expense		2825.62	5202.91
Profit/(Loss) for the year		5659.79	9008.68
Less :			
Minority Interest		497.71	649.15
Profit/(Loss) After Minority Interest		5162.08	8359.53
Basic Earning Per Share		19.04	30.84
Diluted Earning Per Share		19.04	30.84

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 and on behalf of the Board of Directors
For Brahmayya & Company	of The ANDHRA SUGARS LD.,
Chartered Accountants	Dr. B.B. Ramaiah
Firm Regn. No. 000513S	A. Ranga Rao
T.V. Ramana	M. Palachandra
Partner	P.V.S. Viswanadha Kumar
Membership No. 200523	Chairman & Managing Director
	Director
	Company Secretary
	G.M. (Finance) & Asst. Secretary

Camp : TANUKU

Date : 26.05.2014

TANUKU

26.05.2014

NOTES FORMING PART OF THE GROUP CONSOLIDATED ACCOUNTS

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 upto the same reporting date as that of the parent company i.e., year ended 31st March, 2014.

1.1 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.

1.2 Minority Interest:

Subsidiary companies	% Voting power held as at 31 st March, 2014
a. JOCIL	44.97
b. The Andhra Farm Chemical Corporation Limited	23.17
c. Hindustan Allied Chemicals Limited	22.64

1.3 Associates :

The Andhra Sugars Limited (ASL) 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 31.3.2014. Therefore APL is treated as an associate, and investment in it is recognised 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, 2014.

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

	Rs. in lakhs
Gross cost of the investment in Associate company - (including goodwill of Rs. 88.43 lacs)	3783.49
Less: Dividend received	556.17
	<hr/>
	3227.32
Add: Share of post-acquisition reserves and surplus	3494.70
	<hr/>
Carrying value of investment in associate company	6722.02
	<hr/>

1.4 Major components of deferred tax assets and liabilities arising on account of timing differences are:

(Rs. in lakhs)		
Particulars	Assets	Liabilities
1. Depreciation		10410.54
2. Amounts disallowed u/s 43 B of Income Tax Act, 1961	903.50	
3. Provision for Doubtful debts	17.85	
4. Loss as per Income Tax to be carried forward	60.27	
	-----	-----
	981.62	10410.54
	-----	-----
Net deferred tax liability :		9428.92

1.5 CONTINGENT LIABILITIES NOT PROVIDED FOR	As at 31-3-2014	As at 31-3-2013
a) Estimated amount of contracts remaining to be executed in capital account.	2901.38	2821.20
b) Uncalled liability on partly paid shares held as investments	24.66	24.66
c) Liability on account of membership in Alkali Manufacturers Association of India, a company limited by guarantee	0.01	0.01
d) Other commitments in respect of Sale Contracts	3730.08	5313.81
e) Guarantees issued for obligations arising out of events occurred at the Balance Sheet date	2032.95	1894.28
f) On letter of credit opened with banker for purchase of Material	1580.39	1333.13
g) Claims not acknowledged by the Company relating to the following area		
i) Income Tax	160.14	410.65
ii) Excise	4298.33	4244.01
iii) Service Tax	32.16	29.78
iv) Sales Tax	146.03	150.50
v) State Levies	449.56	424.18
vi) Suppliers and Service contract	221.59	351.04
vii) Labour related	5.00	5.00
viii) Others	3.72	3.60

1.6 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.

1.7 Foreign Exchange Earnings on Exports during the year calculated on FOB Basis **Rs. 355.37 Lakhs** (Previous Year Rs. 225.57 Lakhs).

1.8 Segment information:
Particulars disclosed pursuant in Accounting Standard -17 “Segment Reporting” are given in Annexure-II.

1.9 General:
Figures have been rounded off to the nearest thousand.
Previous year figures have been regrouped wherever necessary.

Notes Forming Part of Consolidated Accounts

(Rs.in Lakhs)

Share Capital

Note-2

	As at 31st March, 2014	As at 31st March, 2013
Authorised Shares :		
28750000 (31st March 2013: 28750000) Equity Shares of Rs.10 /- each	2875.00	2875.00
30000(31st March 2013: 30000) 9.5% First Cumulative Redeemable Preference Shares of Rs. 100/- each.	30.00	30.00
95000 (March 2013: 95000) 9.5% Second Cumulative Redeemable Preference Shares of Rs. 100/- each.	95.00	95.00
	3000.00	3000.00
Issued Shares :		
27113091 (31st March 2013: 27113091) Equity Shares of Rs.10 /- each	2711.31	2711.31
	2711.31	2711.31
Subscribed and fully paid-up shares :		
27107078 (31st March 2013: 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 (Nos.)		
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

Capital Reserves

	As at 31st March, 2014	As at 31st March, 2013
Capitalisation of Bonus Shares	52.35	52.35
Capital Redemption Reserve	3.84	3.84
Forfeited Denbentures	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	44731.47	39456.32
Add : Amount transferred from Surplus Balance in the Statement of Profit and Loss	765.15	5275.15
Closing Balance	45496.62	44731.47

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, 2014	As at 31st March, 2013
Balance as per the last Financial Statements	14448.44	13568.45
Profit/(Loss) for the year	6040.71	8263.72
Profit/(Loss) from Associate	(878.63)	95.81
Less : Appropriations		
Proposed Final Equity Dividend	1599.72	1919.66
Tax on Distributed Profits	222.04	284.73
Transfer to General Reserve	765.15	5275.15
Dividend from Associate	--	--
Total Appropriations	2,586.91	7,479.54
Net Surplus in Statement of Profit and Loss	17,023.61	14448.44
Total Reserves and Surplus taken to Balance Sheet	64204.23	60863.92

Note-4

LONG-TERM BORROWINGS:	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
	4.1 Long - Term		4.2 Current Maturity	
Term Loans				
Indian Rupee Loans from banks (Secured)	2617.96	--	405.00	260.20
	2617.96	--	405.00	260.20
Other Loans and Advances:				
Deferred sales tax loan (unsecured)	3957.85	4195.34	--	346.80
Deposits (unsecured)				
Deposits from Directors / Related Parties	7044.65	7216.05	3560.85	2733.80
Deposits from Others	2141.30	2198.10	1244.20	1216.20
	13143.80	13609.49	4805.05	4296.80
Total Amount	15761.76	13609.49	5210.05	4557.00
The above amount includes				
Secured borrowings	2617.96		405.00	260.20
Unsecured borrowings	13143.80	13609.49	4805.05	4296.80
Amount disclosed under the head "Other current liabilities"(Note No. 9.2)	--	--	5210.05	4557.00
Net Amount	15761.76	13609.49	--	--

Notes Forming Part of Consolidated Accounts

(Rs.in Lakhs)

	Note-5	
Deferred Tax Liability (Net)	As at 31st March, 2014	As at 31st March, 2013
Deferred Tax Liability		
Fixed Assets : Difference Between Tax Depreciation and Depreciation / Amortisation charged for the Financial reporting	10410.54	10841.54
Gross Deferred tax Liability	10410.54	10841.54
Deferred Tax Assets		
Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purpose on payment basis	903.50	880.86
Provision for doubtful Debts and advances	17.85	19.56
Loss as per Income Tax to be carried forward	60.27	40.57
Gross Deferred Tax Asset	981.62	940.99
Net Deferred Tax Liability /(Asset)	9428.92	9900.55

	Note-6	
OTHER LONG-TERM LIABILITIES:	As at 31st March, 2014	As at 31st March, 2013
Trade payables	--	--
Others		
Outstanding Liabilities for others	5777.76	6123.92
Staff Security Deposits	16.08	14.75
Trade Deposits	132.09	126.34
Total	5925.93	6265.01

	Note-7			
PROVISIONS	Long-Term		Short-Term	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
Provision for employee benefits:				
Provision for gratuity	563.73	574.50	255.89	218.12
Provision for leave benefits	263.39	253.32	336.80	340.30
	827.12	827.82	592.69	558.42
Other Provisions :				
Provision for Wealth tax	--	--	15.00	14.00
Provision for Income tax	--	--	14634.75	13089.25
Proposed equity dividend	--	--	1599.72	1919.66
Provision for tax on Distributed Profits	--	--	222.04	284.73
	--	--	16471.51	15307.64
Total	827.12	827.82	17064.20	15,866.06

Notes Forming Part of Consolidated Accounts

(Rs.in Lakhs)

SHORT-TERM BORROWINGS
**As at 31st
March, 2014**
Note-8
As at 31st
March, 2013

Cash credit from Banks (Secured)	7103.03	7018.22
Foreign Currency loan from banks - Buyers Credit (Secured)	--	505.56
Short-term Loan from HDFC-unsecured	--	1000.00
Deposits (unsecured)		
: from Directors/Related Parties	568.35	107.07
: from Others	630.34	1076.60
Total	8301.72	9707.45

The above amount includes

Secured borrowings	7103.03	7523.78
Unsecured borrowings	1198.69	2183.67

Note-9
Other Current Liabilities:
**As at 31st
March, 2014**

As at 31st
March, 2013

9.1 Trade payables	3347.41	1943.11
Total	3347.41	1943.11

9.2 Other Liabilities:

Current maturities of long-term borrowings	5210.05	4557.00
Project Related Payables	457.34	--
Interest accrued but not due on borrowings	358.54	369.14
Interest accrued and due on borrowings	--	12.56
Advance from customers	485.24	250.09
Unpaid dividend	124.82	126.72
Unpaid matured deposits and interest accrued thereon	48.13	50.17
Accrued Salaries and Benefits	771.15	739.08
Directors Remuneration Payable	644.75	1123.93
Staff Security Deposits	7.36	5.17
Statutory Dues	2064.84	2064.85
Others	3772.71	2356.77
	13944.93	11655.48
Total	17292.34	13598.59

FIXED ASSETS

(Rs. in lakhs)
Note - 10

	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	Cost as at 31-3-13	Additions during the year	Deductions during the year	Cost as at 31-3-14	Dep. upto 31-3-13	Dep. for 13-14	Dep. Dedn. for 13-14	Dep. upto 31-3-14	WDV AS AT 31-3-14	WDV AS AT 31-3-13
10.1.Tangible Assets:										
1) Land	3308.39	256.17	--	3564.56	--	--	--	--	3564.56	3308.39
2) Buildings	6930.21	85.62	--	7015.83	2778.97	202.85	--	2981.82	4034.01	4151.24
3) Plant and Equipment Vehicles and Materials	82444.81	949.00	45.09	83348.72	40720.21	4266.28	63.85	44922.64	38426.08	41724.60
4) Handling Equipment	3183.77	447.66	169.30	3462.13	1721.57	373.81	155.07	1940.31	1521.82	1462.20
5) Furniture & Fittings	383.30	7.01	3.14	387.17	314.15	15.82	3.08	326.89	60.28	110.24
6) Office Equipment	652.04	65.33	46.92	670.45	318.42	62.87	45.21	336.08	334.37	292.53
7) Tramways and Railway Sidings	734.33	--	--	734.33	355.90	33.58	--	389.48	344.85	378.43
8) Renewable Energy Plant: Wind Farm	8748.95	--	--	8748.95	2528.15	424.66	--	2952.81	5796.14	6220.80
TOTAL	106385.80	1810.79	264.45	107932.14	48737.37	5379.87	267.21	53850.03	54082.11	57648.43
10.2. Intangible Assets:	58.75	--	--	58.75	9.660	5.90	--	15.56	43.19	49.09
GRAND TOTAL	106444.55	1810.79	264.45	107990.89	48747.03	5385.77	267.21	53865.59	54125.30	57697.52
Previous year (Rupees in lakhs)	100726.15	6049.25	330.84	106444.56	43888.44	5154.40	295.80	48747.04	57697.52	56837.72

Notes Forming Part of Consolidated Accounts

(Rs. in Lakhs)

		Note-11
Non-current Investments	As at 31st March, 2014	As at 31st March, 2013
A) Trade Investment — Quoted		
1) Investment in Associate		
2,90,94,594 (31 st March 2013 : 2,90,94,594) fully paid Equity Shares of Rs.10/- each in The Andhra Petrochemical Ltd.	6722.02	7600.65
2) Investment in Other Companies		
a) 1,40,000 (31 st March 2013: 1,40,000) fully paid Equity Shares of Rs.10/- each in Sree Akkamamba Textiles Ltd.	1.75	1.75
b) 38,704 (31 st March 2013: 38,704) fully paid Equity Shares of Rs.10/- each in Andhra Bank	7.48	7.48
B) Trade Investment — Unquoted		
1,10,04,080 (31 st March 2013 : 96,64,080) fully paid Equity Shares of Rs.10/- each in Andhra Pradesh Gas Power Corporation Ltd.	6158.59	3656.74
C) Other Investments		
1) 1391 (31 st March 2013: 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	9.23	9.23
D) Investment in Govt. Securities :-		
a) National Plan Saving Certificates (lodged with Govt. Department towards Security)	0.76	0.58
b) 500 Bonds of Rural Electrification Corporation Ltd.	--	50.00
Subtotal	12901.14	11327.75
Current Investments	As at 31st March, 2014	As at 31st March, 2013
II. Current Investments (Quoted & Non-Trade)		
Investments in HDFC Liquid Fund-Dividend-Daily Reinvest (49368 Units@ Rs.10.192/-each)	5.03	--
Subtotal	5.03	--
Total	12906.17	11327.75
Aggregate amount of unquoted Investments	6161.14	3694.63
Aggregate amount of quoted Investments	6745.03	7633.12
Total	12906.17	11327.75
Aggregate Market Value of quoted Investments	7197.31	7833.86
Aggregate amount of Diminution in Value of Investment	--	--

Notes Forming Part of Consolidated Accounts

(Rs. in Lakhs)

Note-12

Loans and advances	Non - Current		Current	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
Capital Advances				
Secured, considered good	--	--	--	--
Unsecured, considered good	45.52	81.40	--	--
	-----	-----	-----	-----
(A)	45.52	81.40	--	--
	-----	-----	-----	-----
Security Deposit				
Secured, considered good	--	--	--	--
Unsecured, considered good	1173.43	1103.28	85.89	84.38
Doubtful	--	--	--	--
	-----	-----	-----	-----
(B)	1173.43	1103.28	85.89	84.38
	-----	-----	-----	-----
Loans and advances to related parties				
Unsecured, considered good	--	--	--	100.00
	-----	-----	-----	-----
(C)	--	--	--	100.00
	-----	-----	-----	-----
Advances recoverable in cash or kind				
Secured, considered good	--	--	--	--
Unsecured, considered good	--	--	1391.93	1286.51
Doubtful	--	--	20.62	20.62
	-----	-----	-----	-----
Provision for doubtful advances	--	--	(20.62)	(20.62)
	-----	-----	-----	-----
(D)	--	--	1391.93	1286.51
	-----	-----	-----	-----
Other Loans and Advances				
Excise Duty Paid in Advance (Including Cenvat Credit Pending Utilisation)	--	--	986.48	584.21
Advances to Trade Payables	--	--	251.72	277.51
MAT Credit	--	--	7.11	7.97
Advance Income Tax	74.69	87.68	15309.94	13168.49
Income Tax Deducted at Source	--	--	131.17	109.97
Income Tax Refund Receivable	--	--	0.96	0.96
Prepaid expenses	8.52	12.94	177.32	178.01
Balances with Statutory/Government Authorities	187.12	98.44	6.78	4.00
Others	--	--	42.41	43.67
	-----	-----	-----	-----
(E)	270.33	199.06	16913.89	14374.79
	-----	-----	-----	-----
Total [A+B+C+D+E]	1489.28	1383.74	18391.71	15845.68
	-----	-----	-----	-----

Notes Forming Part of Consolidated Accounts

(Rs. in Lakhs)

Note-13.1

Trade receivables	Non - Current		Current	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
Secured, considered good	--	--	8.44	4.26
Unsecured, considered good				
Less than 6 Months from the due date for payment	--	--	8994.93	8877.89
More than 6 Months from the due date for payment	--	--	137.41	440.84
Doubtful			31.91	36.91
			9172.69	9359.90
Provision for doubtful receivables			(31.91)	(36.91)
(A)	--	--	9140.78	9322.99
Other receivables				
Secured, considered good	--	--	--	--
Unsecured, considered good	--	--	4431.23	5377.40
Doubtful	--	--	--	--
Provision for doubtful receivables				
(B)	--	--	4431.23	5377.40
Total [A+B]	--	--	13572.01	14700.39

Note-13.2

Other Assets	Non - Current		Current	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
Unsecured, considered good unless stated otherwise				
Non-current bank balances				
[A]	--	--	--	--
Unamortised expenditure				
Unamortised Preliminary Expenses	0.94	0.94	--	--
(B)	0.94	0.94	--	--
Others				
Interest accrued on fixed deposits	--	--	90.92	84.60
IT Refund Receivable	17.03	17.03	--	--
Others	--	--	0.57	0.57
(C)	17.03	17.03	91.49	85.17
Total [A+B+C]	17.97	17.97	91.49	85.17

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, 2014	As at 31st March, 2013
Raw materials and components at Cost	3816.88	4478.53
Work-in-progresss		
: At Cost	2020.64	1413.97
: At Estimated Realisable Value	109.79	101.32
Finished goods		
: At Cost	6201.40	11891.06
: At Estimated Realisable Value	24384.11	11718.80
Traded goods		
Stores and spares at Cost	5377.68	5061.57
Loose tools	53.69	50.68
Others	34.03	29.56
Total	41998.22	34745.49

Note-15

Cash and bank balances

	Non - Current		Current	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
Cash and Cash Equivalents :				
Balances with Banks:				
On current accounts	--	--	1722.53	1749.88
Cheques/drafts on hand	--	--	433.60	849.13
Cash on hand	--	--	17.73	14.06
[A]	--	--	2173.86	2613.07
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	--	--	130.81	104.70
On unpaid dividend account	--	--	124.99	126.88
Earmarked Balances with Banks (15% Liquidity on Fixed Deposits held u/s 58A of the Companies Act, 1956)	--	--	132.96	49.80
Margin money deposit	--	--	439.81	278.26
[B]	--	--	828.57	559.64
Total	--	--	3002.43	3172.71

MINORITY INTEREST

	As at 31st March, 2014	As at 31st March, 2013
Share Capital	412.32	412.32
Add: Share in		
General Reserve	5016.24	4791.39
Capital Reserve	19.00	19.00
Securities Premium	352.45	352.45
Provision for dividend (including tax)	233.63	280.35
Statement of Profit and Loss	669.35	630.12
Total	6702.99	6485.63

Notes Forming Part of Consolidated Accounts

(Rs. in Lakhs)
Note-16

Revenue from operations	This Year	Previous Year
Sale of products:		
Finished goods	117878.19	129710.51
Traded goods	--	247.46
Sale of services	59.74	405.95
Other operating revenue		
Freight & Sale Expenses Recovered	879.70	1843.14
Subsidy Received on Superphosphate Sales	927.69	1073.69
Export Premium on Sugars	--	70.25
Status Holder Incentive Scrips	13.75	--
Minimum offtake Commitment income from ISRO	134.58	249.93
Processing & Job Work Income	293.36	580.04
	-----	-----
Revenue from operations (gross)	120187.01	134180.97
Less: Excise Duty	10280.83	10958.55
	-----	-----
Revenue from operations (net)	109906.18	123222.42
	-----	-----

Note-17

Other Income	This Year	Previous Year
Interest income on		
Bank deposits	246.36	249.47
Others	121.55	127.68
Dividend income on		
Long-term investments	299.03	377.09
Rent received	101.19	92.73
Net gain on sale of Assets	33.74	62.06
Net gain on Sale of Current Investment	52.25	12.79
Other non-operating income #	639.82	609.31
	-----	-----
Total	1493.94	1531.13
	-----	-----

# Other non-operating income includes :	This Year	Previous Year
Credit balances Written Back	0.05	5.66
Excess Provision In Earlier Years Credited Back	374.83	28.86
Claims Received	13.04	14.22
Difference in Exchange (Net)	--	0.61
Weighment Charges Received	3.77	4.46
Income not relating to this year	--	0.34
Income from Agriculture (Net)	5.28	--
Misc.Scrap Sales	226.54	529.95
Excise Duty Recovery-Scrap Sales	5.64	3.46
Misc. Receipts	10.67	21.75
	-----	-----
Total	639.82	609.31
	-----	-----

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	4478.53	4969.42
Add: Purchases	57089.27	59284.05
Less: Sale of raw material	231.99	865.43
Less: Inventory at the end of the year	3816.88	4478.53
	<hr/>	<hr/>
Total	57518.93	58909.51
	<hr/>	<hr/>

Note-19

(Increase)/decrease in inventories	This Year	Previous Year
Inventories at the end of the year		
Traded goods	--	--
Work-in-progress	(615.14)	115.16
Finished goods	(6975.66)	663.02
	<hr/>	<hr/>
	(7590.80)	778.18
	<hr/>	<hr/>

Inventories at the beginning of the year		
Traded goods	--	--
Work-in-progress	115.16	139.80
Finished goods	663.02	(5724.58)
	<hr/>	<hr/>
	778.18	(5584.78)
	<hr/>	<hr/>

Details of purchase of traded goods	This Year	Previous Year
Acetic Anhydride	--	163.26
	<hr/>	<hr/>
Total	--	163.26
	<hr/>	<hr/>

Note-20

Employee benefit expense	This Year	Previous Year
Salaries, wages and bonus	8088.29	8058.26
Contribution to provident and other fund	899.85	937.86
Gratuity expense	313.81	157.62
Staff welfare expenses	385.22	341.83
	<hr/>	<hr/>
Total	9687.17	9495.57
	<hr/>	<hr/>

Note-21

Depreciation and amortisation expense	This Year	Previous Year
Depreciation of tangible assets	5355.26	5125.34
Amortisation of intangible assets	5.90	5.90
	<hr/>	<hr/>
Total	5361.16	5131.24
	<hr/>	<hr/>

Notes Forming Part of Consolidated Accounts

(Rs. in Lakhs)

Note-22

Finance Costs	This Year	Previous Year
Interest	1937.09	2207.79
Difference in Exchange treated as Finance Cost	142.95	45.18
Other Borrowing Costs	65.00	62.48
	-----	-----
Total	2145.04	2315.45
	-----	-----

Note-23

Other expenses	This Year	Previous Year
Consumption of stores and spares	4138.08	4184.16
Increase/(decrease) of Excise Duty on inventory	187.18	(182.62)
Power and fuel	17600.62	16056.60
Sugarcane development Expenses	142.50	130.04
Rent	48.25	30.69
Rates and taxes	623.27	780.11
Insurance	194.16	184.46
Repairs and maintenance		
Plant and machinery	4356.67	3634.72
Buildings	349.99	418.80
Others	863.69	630.21
Advertising and sales promotion	25.53	112.97
Handling Transport & Expenses	4371.18	3392.94
Sales commission	341.48	705.06
Bank Charges	77.79	77.18
Travelling Expenses	0.86	2.65
Legal and professional fees	0.19	0.25
Directors' sitting fees	14.50	16.56
Payment to auditors (Refer details below)	35.75	27.78
Exchange differences (net)	214.10	250.14
Donations	225.65	280.35
Assets written off	4.42	21.07
Stores & Spare written off	6.00	60.26
Provision for doubtful debts and advances	--	30.69
Bad Debts written off	--	0.50
Excess off take charges to ISRO	32.44	39.63
Net loss on Sale of long-term Investments	--	15.24
Loss from Agriculture(Net)	--	4.68
Miscellaneous expenses	1242.03	1098.96
	-----	-----
Total	35096.33	32004.08
	-----	-----

Payment to Auditors	This Year	Previous Year
As Auditor	15.07	13.85
For Taxation Matters	5.84	3.21
For Limited Review & Other Certification	7.50	5.32
For Reimbursement of Expenses	1.21	1.31
As Cost Auditors	5.20	2.90
Fee for Certification	0.61	0.75
For Reimbursement of Expenses	0.32	0.44
	-----	-----
Total	35.75	27.78
	-----	-----

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 Achuta Ramayya
Sri P.S.R.V.K.Ranga Rao

JOCIL Limited

Sri Jagarlamudi Murali Mohan

The Andhra Farm Chemicals Corporation Limited

Sri Pendyala Venkata Krishna Rao

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
Kum. Pendyala Ananthalakshmi Satyavathi Devi	Daughter of Sri P.Narendranath Chowdary
Smt. Sri Balusi Ranganayaki alias Radhika	Sister of Sri P.Narendranath Chowdary
Smt. Ethirajulu Ramalakshmi	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 Ananthalakshmi	Sister of Sri P.Narendranath Chowdary
Smt. Jayaraman Ananthalakshmi	Sister of Sri M.Narendranath
Smt. Kosaraju Ramalakshmi	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. Gaddipati Anuradha	Daughter of Sri M.Narendranath
Smt. Goli Jayashree	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 Mrutyumjaya 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

The Andhra Sugars Limited - Group Consolidated Financial Statements

Sri Pendyala Ravi	Son of Sri P.V.Krishna Rao
Smt. Pendyala Sesha Shailaja	Wife of Sri P.Achuta Ramayya
Smt. Pendyala Divya Atchamamba	Daughter of Sri P.Achuta Ramayya
Smt. Pendyala Shruthi Rajeshwari	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
Smt. Jagarlamudi Gangabhavani	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
Kum. 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 Chemical Enterprises Pvt. Limited
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 Constructions 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 March, 2013)

(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	5879.69 (5037.56)	0.00 (0.00)	23.15 (21.80)	12.95 (10.75)
Inter Corporate Loans given to	100.00 (0.00)	1000.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Inter Corporate Loans re-payment from	100.00 (400.00)	1000.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Fixed Deposits Received from	1.00 (0.00)	0.00 (0.00)	4522.14 (1072.47)	7851.37 (1521.13)
Fixed Deposits re-paid on maturity	0.00 (0.00)	0.00 (0.00)	728.90 (501.50)	276.50 (307.35)
Services Rendered by	13.91 (6.60)	0.00 (0.00)	23.31 (19.55)	2.28 (2.28)
Sale of Goods to	1186.06 (1264.00)	29.27 (60.73)	3.26 (4.37)	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	0.21 (0.00)	0.91 (1.40)	0.00 (0.00)	0.00 (0.00)
Interest Paid on Fixed Deposits	0.11 (0.11)	0.00 (0.00)	371.47 (342.06)	767.58 (681.52)
Interest Received on IC Loan	3.37 (47.19)	6.41 (0.00)	0.00 (0.00)	0.00 (0.00)
Remuneration (including Commission) paid to	0.00 (0.00)	0.00 (0.00)	947.69 (1450.68)	7.35 (6.11)
Donations Paid to	150.00 (205.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Dividend Paid to	92.59 (108.02)	0.00 (0.00)	224.65 (262.80)	417.15 (491.51)
Dividend Received from	2.80 (1.40)	0.00 (123.94)	0.00 (0.00)	0.00 (0.00)
Balances as at 31-03-2014				
a) Share Capital held by the Company in	6160.34 (3658.49)	3660.56 (3660.56)	0.00 (0.00)	0.00 (0.00)
b) Receivables-				
- Trade dues from	160.22 (90.11)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
- Loans/Inter-corporate loans	0.00 (100.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
c) Share Capital of the Company held by	154.31 (154.31)	0.00 (0.00)	375.03 (376.58)	697.78 (695.83)
d) Payables : -				
- Trade dues	261.35 (349.89)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
- Fixed Deposits	1.00 (1.00)	0.00 (0.00)	3675.90 (3373.87)	7379.60 (6851.78)
- Interest on Fixed Deposits	0.02 (0.02)	0.00 (0.00)	83.20 (76.02)	168.07 (156.55)
- Remuneration (including Commission)	0.00 (0.00)	0.00 (0.00)	665.18 (1158.04)	0.40 (0.37)

ANNEXURE - II													
(RS.IN LAKHS)													
STATEMENT SHOWING SEGMENT WISE ANALYSIS AS ON 31.03.2014													
Description	SUGARS		CAUSTIC SODA		POWER GENERATION		INDUSTRIAL CHEMICALS		SOAP		OTHERS		ELIMINATIONS
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	
REVENUE:													
External sales	11043.85	25942.20	43178.34	36882.52	1877.60	2119.14	28878.05	29589.23	19898.19	23196.28	5030.15	5493.05	
Inter-segment sales	3054.41	2698.09	2064.87	3223.47	4184.21	4370.50	14066.28	16453.92	--	--	52.44	46.06	--
Total revenue	14098.26	28640.29	45243.21	40105.99	6061.81	6489.64	42944.33	46043.15	19898.19	23196.28	5082.59	5539.11	109906.18
RESULT:													
Segment result before Interest, Extra-ordinary items	(2133.55)	3427.52	10611.65	9108.57	788.82	944.67	4592.13	5422.93	707.63	1096.57	1047.62	1078.40	15614.30
Unallocated corporate expenses less Income													
Operating Profit													4654.89
Interest expenses													10959.41
Interest income													2145.04
Profit before tax													367.92
Provision for current and deferred tax													9182.29
Net profit after tax													14181.61
OTHER INFORMATION:													
Segment Assets	37803.70	31605.80	34825.56	36208.31	14158.90	14977.83	16585.04	15222.65	4497.38	6367.59	4316.07	4203.98	112186.65
Unallocated Corporate Assets											36033.57	31249.37	36033.57
Total Assets													148220.22
Segment Liabilities	9115.79	5720.89	9315.37	9875.43	1565.20	680.90	2375.18	1358.01	248.99	82.78	275.09	790.24	22895.62
Unallocated Corporate Liabilities											26515.70	27756.68	26515.70
Total Liabilities													49411.32
Capital expenditure	927.16	1142.00	1074.55	3616.59	1671.80	150.31	127.70	1017.16	17.37	129.08	279.50	478.95	4098.08
Depreciation	929.45	877.07	2192.34	2037.93	995.48	1020.22	729.54	674.71	204.59	227.00	311.27	296.09	5361.16
Non-cash Expenditure other than depreciation													1.78
													--

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 Fertilisers, 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.

The Andhra Sugars Limited-Group Consolidated Financial Statements

GROUP CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2013-14

	2013-14	(Rs.in Lakhs) 2012-13
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and extraordinary items	9182.29	14181.61
ADJUSTMENTS FOR:		
Depreciation	5361.16	5131.24
Assets written off	4.42	5.05
Interest (Net)	1767.08	1830.66
Profit/Loss on sale of assets(Net)	(33.74)	(62.06)
Profit/Loss on sale of investments	(52.24)	2.45
Dividends received	(299.03)	(377.09)
Wealth Tax	5.00	3.76
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	15934.94	20715.62
Trade and other receivables	479.33	(895.78)
Inventories	(7252.76)	645.06
Trade payables	1628.54	(1485.71)
Other current liabilities & provisions	1825.39	2005.47
Short-term loans & other current assets	80.95	460.13
CASH GENERATED FROM OPERATIONS	12696.39	21444.79
Direct taxes paid	3837.94	5091.29
NET CASH FROM OPERATING ACTIVITIES.... A	8858.45	16353.50
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets (Including Capital Work-in-progress, unallocated capital expenditure)	(3539.22)	(5232.72)
Sale of Fixed assets	48.97	114.73
Sale of investments	--	196.86
Purchase of Non-current investments	(2452.01)	(533.10)
Purchase of Current Investments	(5455.03)	(1575.00)
Interest received	367.92	377.13
Sale of current investments	5502.25	1586.79
Deposits/Withdrawal of Inter-corporate advances	(56.75)	(7.00)
Dividends received	5.84	132.77
NET CASH USED IN INVESTING ACTIVITIES....B	(5578.03)	(4939.54)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings/loans	785.29	(6128.61)
Dividends paid	(2100.99)	(2373.35)
Interest paid	(2135.00)	(2207.78)
NET CASH FROM FINANCING ACTIVITIES.....C	(3450.70)	(10709.74)
INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(170.28)	704.22
Cash and Cash equivalents as on 01.4.2013	3172.71	2468.49
Cash and Cash equivalents as on 31.3.2014	3002.43	3172.71
	(170.28)	704.22

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
A. Ranga Rao
M. Palachandra
P.V.S. Viswanadha Kumar

Chairman & Managing Director
Director
Company Secretary
G.M. (Finance) & Asst. Secretary

Camp : TANUKU
Date : 26.05.2014

TANUKU
26.05.2014

STATEMENT REGARDING SUBSIDIARY COMPANIES AS ON 31-03-2014

(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	13310.55	217.57	92.18
3. Total Assets	24181.04	362.04	105.18
4. Total Liabilities	10122.93	99.47	2.37
5. Investments	140.59	0.03	--
6. Total Income	37702.12	160.78	7.81
7. Profit before Taxation	1630.46	(79.42)	7.27
8. Provision for Tax	497.93	24.54	2.30
9. Profit after Taxation	1132.53	(54.88)	4.97
10. Proposed Dividend	444.06	--	--



THE ANDHRA SUGARS LIMITED

Regd. Office : Venkatarayapuram, TANUKU - 534215

CIN : L15420AP1947PLC000326 Telephone : 08819-224911

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

NOTICE TO SHAREHOLDERS

Notice is hereby given that the SIXTY SEVENTH Annual General Meeting of THE ANDHRA SUGARS LIMITED will be held at the Registered Office of the Company, Venkatarayapuram, Tanuku - 534 215 on Wednesday, 10th September, 2014 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, 2014 and the Balance Sheet as at that date together with the Reports of Board of Directors and Auditors thereon.
2. To declare Dividend for the year 2013-14.
3. To appoint a Director in place of Sri M.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 appoint Statutory Auditors of the Company for a term of three Financial Years viz., 2014-15, 2015-16, 2016-17 and to fix their remuneration. Present Auditors M/s. Brahmayya & Co., (Firm Registration No. 000513S) retire at this Annual General Meeting and offer themselves for re-appointment.

SPECIAL BUSINESS:

6. To consider and if thought fit to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION:**
"RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder including any statutory modification(s) or re-enactment thereof for the time being in force read with Schedule IV to the Companies Act, 2013, Sri A. Ranga Rao (DIN: 00089664), Director of the Company, whose period of office was liable to retirement by rotation under the erstwhile Companies Act, 1956, who retires at this Annual General Meeting and offers himself for re-appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from the conclusion of 67th Annual General Meeting, not liable to retirement by rotation."
7. To consider and if thought fit to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION:**
"RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder including any statutory modification(s) or re-enactment thereof for the time being in force read with Schedule IV to the Companies Act, 2013, Dr. P. Kotaiah (DIN: 00038420), Director of the Company, whose period of office was liable to retirement by rotation under the erstwhile Companies Act, 1956, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from the conclusion of 67th Annual General Meeting, not liable to retirement by rotation."
8. To consider and if thought fit to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION:**
"RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder including any statutory modification(s) or re-enactment thereof for the time being in force read with Schedule IV to the Companies Act, 2013, Sri V.S.Raju (DIN: 00101405), Director of the Company, whose period of office was liable to retirement by rotation under the erstwhile Companies Act, 1956, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from the conclusion of 67th Annual General Meeting, not liable to retirement by rotation."
9. To consider and if thought fit to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION:**
"RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder including any statutory modification(s) or re-enactment thereof for the time being in force read with Schedule IV to the Companies Act, 2013,

Dr. A. V. Rama Rao (DIN: 01341232), Director of the Company, whose period of office was liable to retirement by rotation under the erstwhile Companies Act, 1956, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from the conclusion of 67th Annual General Meeting, not liable to retirement by rotation."

10. To consider and if thought fit to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION:**

"RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder including any statutory modification(s) or re-enactment thereof for the time being in force read with Schedule IV to the Companies Act, 2013, Sri P.A.Chowdary (DIN: 002936505), Director of the Company, whose period of office was liable to retirement by rotation under the erstwhile Companies Act, 1956, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from the conclusion of 67th Annual General Meeting, not liable to retirement by rotation."

11. To consider and if thought fit to pass with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Sections 73 and 76 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Acceptance of Deposits) Rules, 2014, the consent of the Members be and is hereby accorded to the Board of Directors of the Company to invite and accept Fixed Deposits from the Public and Members, within 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 authorised thereof be and is hereby authorised 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."

12. To consider and if thought fit to pass with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION:**

"RESOLVED that in supersession of the Resolution adopted by the Company at the 66th Annual General Meeting held on 26th August, 2013 with respect to the borrowing powers of the Board of Directors, consent of the Company be and is hereby accorded to the Board of Directors of the Company pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Act") or any statutory modification or re-enactment thereof and the rules made thereunder, to borrow any sum(s) of money or moneys from time to time notwithstanding that the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the Paid-up Share Capital of the Company and its Free Reserves, as the Board may, from time to time, deem necessary for the purpose of the Company, provided however the total amount so borrowed and outstanding at any one time shall not exceed Rs. 1,000 crores (Rupees One thousand crores only)."

13. To consider and if thought fit to pass with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION:**

"RESOLVED that the consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Act"), or any statutory modification or re-enactment thereof and the rules made thereunder, to the Board of Directors to mortgage and/or Charge (by way of first, second or other subservient Charge as may be agreed between the Company and the lenders and/or Debenture Trustees), all the immovable and movable properties, present and future, pertaining to the undertaking of the Company, whose properties are agreed to be mortgaged and/or Charged in certain events, to or in favour of any Financial Institutions, Banks and other lending Institutions or Funds, Debenture Trustees, to secure their respective Rupee and/or Foreign Currency Loans or other financial assistance lent, granted and advanced or agreed/hereafter agreed to be lent, granted and advanced to the Company or the Debentures, Bonds or other financial instruments as may be issued and allotted by the Company and/or agreed to be subscribed to by such Institutions/Banks/Funds, or any other person, for such amount(s) not exceeding Rs. 1,000 crores (Rupees One thousand crores only) in the aggregate on account of principal together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Trustees, costs, charges and other moneys payable by the Company to the respective Financial Institutions, Banks and other lending institutions and Debenture holders and/or Trustees under the Loan/Subscription Agreement(s) entered into/to be entered into by the Company in respect of the said Loans, Debentures or other financial instruments or assistance."

“RESOLVED FURTHER that the Board of Directors of the Company or any person authorised by the Board thereof, be and is hereby authorised to finalise with the Financial Institutions, Banks and other lending Institutions or funds or Debenture Trustees the documents for creating mortgage(s) and/or Charge(s) as aforesaid and to do all acts, deeds and things in connection therewith and incidental thereto.”

14. To consider and if thought fit to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Section 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/- (Rupees Four lakhs only) per annum to M/s. Narasimha Murthy & Co., (Firms Registration No. 000042) Cost Accountants, Hyderabad, who were appointed as Cost Auditors by the Board at its meeting held on 26.05.2014 for conducting the Cost Audit for the Financial Year 2014-15 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 Fertilisers and Chemicals-Plastics Polymers.”

(BY ORDER OF THE BOARD)

Venkatarayapuram
TANUKU – 534 215
26.5.2014

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

SPECIFIC ATTENTION OF SHAREHOLDERS

Sub : Furnishing of Bank Account details for printing on Dividend Warrants

Shareholders :

Physical Mode : Bank Account details be furnished to the Company at the earliest in the format enclosed.

Demat Mode : Bank Account details be furnished to the Depository Participant (DP) with whom demat account has been opened and not to the Company. **The Company cannot act on any request received directly from the Members holding shares in Demat Mode for Bank Account Mandates.**

Sub: Furnishing of E-mail ID

Members are requested to provide their e-mail IDs so as to enable the Company to send documents like notice calling general meetings, audited financial statements, Directors' report, Auditors' report etc., by way of e-mail.

Shareholders :

Physical Mode: E-mail ID be furnished to the Company in the format enclosed.

Electronic / Demat Mode: E-mail ID be furnished to the DP with whom demat account has been opened and not to the Company. The Company cannot act on e-mail IDs received directly from the Members holding shares in Demat Mode for registration of e-mail IDs.

NOTES :

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
2. 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. A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person cannot act as a proxy for any other person or Shareholder.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 1st September, 2014 to Wednesday, 10th September, 2014 (both days inclusive).
4. The dividend recommended by Directors, if approved at the Meeting, will be paid to the Shareholders whose names are on the Register of Members as on 10th September, 2014. In respect of the shares held in Demat Mode, the above dividend will be paid on the basis of beneficial ownership as at the end of business hours of 31st August, 2014 as per the details furnished by the Depositories for this purpose.
5. Shareholders in Physical Mode are requested to notify their change of address, if any, to the Company.
6. Shareholders in physical mode are requested to furnish their Bank Account Number in order to enable the Company to print their Bank Account Number on the Dividend Warrants.

7. As per the provisions of Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, the unclaimed Dividend in respect of Dividend for the year 2005-06 has been transferred to Investor Education and Protection Fund as envisaged in Section 205C of the Companies Act, 1956. **Shareholders who have not encashed their Dividend Warrants may make a request to the Company for the payment of unencashed Dividend amount in respect of Dividend declared from the years 2006-07 onwards in order to enable the Company to proceed with their request in case the Dividend Warrants remain unencashed.**
8. **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.**
9. Information about the Directors seeking re-appointment at the 67th Annual General Meeting as required under Corporate Governance:

Sri M. 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 M. Thimmaraja has been the Whole-time Director of the Company since 1978. Sri M. 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 Shareholders/ Investors Grievance Committee of JOCIL Limited, Shareholders/ Investors Grievance Committee of The Andhra Petrochemicals Limited and Share Transfer Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee constituted by the Board of your Company.
10. Shareholders at the 66th Annual General Meeting of the Company held on 26th August, 2013 approved the re-appointment of Sri P.S.R.V.K. Ranga Rao as Executive Director for a period of five years with effect from 1st May, 2014.

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 assists 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. His other directorships includes Sugar Field Constructions Pvt. Ltd. and PUL Enterprises Pvt. Ltd.

ANNEXURE TO NOTICE

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

ITEM NO. 6:

Sri A. Ranga Rao joined as Director on the Board on 18.11.1991.

Sri A. Ranga Rao is a Law Graduate and an Industrialist with considerable experience. He has been on the Board of your Company for more than two decades. He is the Managing Director of Akin Laboratories Pvt. Ltd. He is the Chairman of the Audit Committee and also Member of Nomination and Remuneration Committee constituted by the Board of the Company.

Sri A. Ranga Rao holds 200 Equity Shares in the Company.

The office of Sri A. Ranga Rao is subject to retirement by rotation at the Annual General Meeting under the applicable provisions of the erstwhile Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Sri A. Ranga Rao being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director to hold office for a term of five consecutive years upto the 72nd Annual General Meeting.

In the opinion of the Board, Sri A. Ranga Rao fulfils the conditions specified in the Act and the rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Necessary declaration as required under Companies Act, 2013 has been received from him. Draft of appointment letter proposed to be issued to him is open for inspection on any working day before Annual General Meeting from 9 a.m. to 11 a.m. and 3 p.m. to 5 p.m. at the Registered Office. Considering his vast knowledge and experience and that his continued association would be of immense benefit to the Company, it is desirable to continue to avail the services of Sri A. Ranga Rao as an Independent Director.

As such the Board recommends the Resolution in relation to appointment of Sri A. Ranga Rao as an Independent Director, for the approval by the Members of the Company.

Except Sri A. Ranga Rao, the appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is/are concerned or interested in the Resolution.

ITEM NO. 7:

Dr. P.Kotaiah joined as Director on the Board on 27.04.2001.

Dr. P. Kotaiah, former Chairman of NABARD, has rich financial background and industrial experience of more than three and a half decades. He holds Directorships on the Board of many companies viz., Lanco Infratech Ltd., Blossom Industries Ltd, Pridvi Asset Reconstruction and Securitisation Co. Ltd., Lanco Kondapalli Power Ltd., Nuziveedu Seeds Ltd., Lanco Babandh Power Ltd., Lanco Power Ltd., Lanco Thermal Ltd., and NSL Sugars Limited. He is also a Member of the Audit Committee constituted by the Board of the Company.

No Equity Shares are held by Dr. P. Kotaiah in the Company.

The office of Dr. P. Kotaiah is subject to retirement by rotation at the Annual General Meeting under the applicable provisions of the erstwhile Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Dr. P. Kotaiah being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director to hold office for a term of five consecutive years upto the 72nd Annual General Meeting.

In the opinion of the Board, Dr. P. Kotaiah fulfils the conditions specified in the Act and the rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Necessary declaration as required under Companies Act, 2013 has been received from him. Draft of appointment letter proposed to be issued to him is open for inspection on any working day before Annual General Meeting from 9 a.m. to 11 a.m. and 3 p.m. to 5 p.m. at the Registered Office. Considering his vast knowledge and experience and that his continued association would be of immense benefit to the Company, it is desirable to continue to avail the services of Dr. P. Kotaiah as an Independent Director.

As such the Board recommends the Resolution in relation to the appointment of Dr. P. Kotaiah as an Independent Director, for the approval by the Members of the Company.

Except Dr. P. Kotaiah, the appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is/are concerned or interested in the Resolution.

ITEM NO. 8:

Sri V.S.Raju joined as Director on the Board on 29.10.2003.

Sri V.S.Raju is former Registrar of Companies, Andhra Pradesh, Hyderabad and Karnataka, Bangalore. He also held the positions of Deputy Secretary and Secretary in the Department of Company Affairs, New Delhi. He is practising as an Advocate at Hyderabad and is eminent in Company Law matters. He was the President of the Federation of AP Chamber of Commerce for the year 2011-12. He is a Director on the Board of the Companies viz., JOCIL Ltd., Gangavaram Port Ltd. He is the Chairman of the Audit Committee constituted by the Board of JOCIL Ltd. and Member of Audit Committee constituted by the Board of Gangavaram Port Ltd. He is also a Member of the Audit Committee, Corporate Social Responsibility Committee and Nomination and Remuneration Committee constituted by the Board of the Company.

He does not hold any Equity Shares in the Company.

The office of Sri V.S.Raju is subject to retirement by rotation at the Annual General Meeting under the applicable provisions of the erstwhile Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Sri V.S.Raju being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director to hold office for a term of five consecutive years upto the 72nd Annual General Meeting.

In the opinion of the Board, Sri V.S.Raju fulfils the conditions specified in the Act and the rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Necessary declaration as required under Companies Act, 2013 has been received from him. Draft of appointment letter proposed to be issued to him is open for inspection on any working day before Annual General Meeting from 9 a.m. to 11 a.m. and 3 p.m. to 5 p.m. at the Registered Office. Considering his vast knowledge and experience and that his continued association would be of immense benefit to the Company, it is desirable to continue to avail the services of Sri V.S.Raju as an Independent Director.

As such the Board recommends the Resolution in relation to appointment of Sri V.S.Raju as an Independent Director, for the approval by the Members of the Company.

Except Sri V.S.Raju, the appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is/are concerned or interested in the Resolution.

ITEM NO. 9:

Dr. A.V.Rama Rao joined as Director on the Board on 27.04.2001.

The Andhra Sugars Limited

Dr. A.V. Rama Rao is an eminent Scientist. He was former Director of Indian Institute of Chemical Technology and has considerable experience and expertise in the field of Chemical Technology. He is the Chairman & Managing Director of Avra Laboratories Pvt. Ltd. and Avra Synthesis Pvt. Ltd.

No Equity Shares are held by Dr. A. V. Rama Rao in the Company.

The office of Dr. A.V.Rama Rao is subject to retirement by rotation at the Annual General Meeting under the applicable provisions of the erstwhile Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Dr. A.V.Rama Rao being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director to hold office for a term of five consecutive years upto the 72nd Annual General Meeting.

In the opinion of the Board, Dr. A.V.Rama Rao fulfils the conditions specified in the Act and the rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Necessary declaration as required under Companies Act, 2013 has been received from him. Draft of appointment letter proposed to be issued to him is open for inspection on any working day before Annual General Meeting from 9 a.m. to 11 a.m. and 3 p.m. to 5 p.m. at the Registered Office. Considering his vast knowledge and experience in Chemicals & Industrial field and that his continued association would be of immense benefit to the Company, it is desirable to continue to avail the services of Dr. A.V.Rama Rao as an Independent Director.

As such the Board recommends the Resolution in relation to appointment of Dr. A.V.Rama Rao as an Independent Director, for the approval by the Members of the Company.

Except Dr. A.V.Rama Rao, the appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is/are concerned or interested in the Resolution.

ITEM NO. 10:

Sri P.A.Chowdary joined as Director on the Board on 24.04.2010.

Sri P.A.Chowdary, I.R.S.(Retd.) is a retired Chief Commissioner of Income Tax and has vast experience and has held various positions in Income Tax Department. He is also Chairman of the Stakeholders Relationship Committee and Member of Nomination & Remuneration Committee constituted by the Board of the Company.

Sri P.A. Chowdary, I.R.S. (Retd.) does not hold any Equity Shares in the Company.

The office of Sri P.A.Chowdary is subject to retirement by rotation at the Annual General Meeting under the applicable provisions of the erstwhile Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Sri P.A.Chowdary being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director to hold office for a term of five consecutive years upto the 72nd Annual General Meeting.

In the opinion of the Board, Sri P.A.Chowdary fulfils the conditions specified in the Act and the rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Necessary declaration as required under Companies Act, 2013 has been received from him. Draft of appointment letter proposed to be issued to him is open for inspection on any working day before Annual General Meeting from 9 a.m. to 11 a.m. and 3 p.m. to 5 p.m. at the Registered Office. Considering his vast knowledge and experience and that his continued association would be of immense benefit to the Company, it is desirable to continue to avail the services of Sri P.A.Chowdary as an Independent Director.

As such the Board recommends the Resolution in relation to appointment of Sri P.A.Chowdary as an Independent Director, for the approval by the Members of the Company.

Except Sri P.A.Chowdary, the appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is/are concerned or interested in the Resolution.

ITEM NO. 11:

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 which would enable the Company to augment its financial resources 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 the event they place Fixed Deposits with the Company.

ITEM NO. 12:

The Company at its 66th Annual General Meeting held on 26th August, 2013, authorised the Board of Directors of the Company by way of Ordinary Resolution under Section 293(1)(d) of the erstwhile Companies Act, 1956 to borrow for the purpose of the Company's business moneys in excess of aggregate of the paid-up capital of the Company and its free reserves provided the sum or sums so borrowed and remaining outstanding at any point of time shall not exceed Rs. 1,000 crores (Rupees One thousand crores only).

However, pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 the Board can exercise such borrowing powers only with the approval of Members of the Company by way of Special Resolution. The Resolution is recommended for approval as a Special Resolution with no change in the borrowing power limit of Rs.1,000 crores as approved by the Shareholders under the provisions of erstwhile Companies Act, 1956.

Your Directors therefore recommend the Resolution for your approval.

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

ITEM NO. 13:

Earlier Shareholders approval was sought by way of Ordinary Resolution under Section 293(1)(a) of the erstwhile Companies Act, 1956, to create mortgage and/or Charge on the immovable and movable properties of the Company in favour of the lenders to secure their financial assistance as mentioned in the said Resolution.

However, pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 the Board can exercise such power to create Mortgage and/or Charge on the immovable and movable properties only with the approval of Members of the Company by way of Special Resolution.

Your Directors therefore recommend the Special Resolution for your approval.

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

ITEM NO. 14:

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, 2015 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 2014-15 by way of Ordinary Resolution is being sought from the members as set out at Item No.14 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.

Inspection of Documents

Documents referred in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company from 9 a.m. to 11 a.m. and 3 p.m. to 5 p.m. on any working day prior to the date of the Annual General Meeting.

(BY ORDER OF THE BOARD)

Venkatarayapuram
TANUKU – 534 215
26.5.2014

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

**Addendum to Notice dated 26.5.2014 convening 67th Annual General Meeting
to be held on 10th September, 2014.**

SPECIAL BUSINESS:

ITEM NO.15

To consider and if thought fit to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT Dr. Dasari Manjulata, who was appointed by the Board as an Additional Director of the Company with effect from 28.7.2014 pursuant to Article 116 of the Articles of Association of the Company who holds office upto the date of 67th Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a Member of the Company under Section 160 of the Companies Act, 2013 proposing her Candidature for the Office of Director of the Company, be and is hereby appointed as Director.”

“RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder including any statutory modification(s) or re-enactment thereof for the time being in force read with Schedule IV to the Companies Act, 2013, Dr. Dasari Manjulata (DIN: 02788338), Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from the conclusion of 67th Annual General Meeting, not liable to retirement by rotation.”

Annexure to Addendum to Notice

Dr. Dasari Manjulata was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 28.7.2014 pursuant to Article 116 of the Articles of Association of the Company and Section 161 of the Act. In terms of the said Section Dr. Dasari Manjulata holds office upto the ensuing Annual General Meeting of the Company.

Dr. Dasari Manjulata is Phd. from Osmania University, Hyderabad in Telugu. She is a senate member of Potti Sreeramulu Telugu University, Hyderabad & Krishna University, Machilipatnam. She also served as Vice Chancellor of Potti Sreeramulu Telugu University, Hyderabad. Her administrative experience spans over 37 years in different capacity. She hold 21,500 equity shares in the Company. She is a Director on the Board of Sri Jayalakshmi Growth Fund Pvt. Ltd.

Nomination and Remuneration Committee after reviewing her profile and other credentials at its meeting held on 27.7.2014 has recommended her appointment as Independent Director.

In the opinion of the Board, Dr. Dasari Manjulata fulfils the conditions specified in the Act and the rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management. Draft of appointment letter proposed to be issued to her is open for inspection on any working day before Annual General Meeting from 9 a.m. to 11 a.m. and 3 p.m. to 5 p.m. at the Registered Office. Considering her vast knowledge and experience and that her association as Director would be of immense benefit to the Company, it is desirable to appoint Dr. Dasari Manjulata as an Independent Director. This would also enable the Company to fulfill the provisions of Listing Agreement and Companies Act, 2013 with regard to the appointment of a Woman Director on the Board of the Company.

As such the Board recommends the Resolution in relation to the appointment of Dr. Dasari Manjulata as an Independent Director, for the approval of the Members of the Company.

Except Dr. Dasari Manjulata, the appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is/are concerned or interested in the Resolution.

(BY ORDER OF THE BOARD)

Hyderabad
28.7.2014

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



THE ANDHRA SUGARS LIMITED

Regd. Office : Venkatarayapuram, TANUKU - 534 215

CIN : L15420 AP1947 PLC 000326

Website : www.theandhrasugars.com, Email : info.tnk@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 67th Annual General Meeting of the Company to be held on Wednesday, 10th September, 2014 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 Financial Statements for the year ended 31 st March, 2014		
2.	Approval of dividend for 2013-14		
3.	Re-appointment of Sri M. 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.	Appointment of M/s. Brahmayya & Co. Chartered Accountants as auditors and fixing their remuneration;		
	Special Business		
6.	Appointment of Sri A. Ranga Rao as Independent Director		
7.	Appointment of Dr. P. Kotaiah as Independent Director		
8.	Appointment of Sri V.S. Raju as Independent Director		
9.	Appointment of Dr. A.V. Rama Rao as Independent Director		
10.	Appointment of Sri P.A. Chowdary as Independent Director		
11.	Acceptance of Fixed Deposits		
12.	Approval for Borrowing Power		
13.	Creation of Charge / Mortgage		
14.	Ratification of remuneration of Cost Auditors		

Signed this day of 2014

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 67th 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.



THE ANDHRA SUGARS LIMITED

Regd. Office : Venkatarayapuram, TANUKU - 534 215

CIN : L15420AP1947PLC000326

Website : www.theandhrasugars.com, Email : info.tnk@theandhrasugars.com

Phone : 08819-224911, Fax : 08819-224168

PROXY FOR THE ITEM NO. 15 MENTIONED IN ADDENDUM TO NOTICE 26.5.2014 CONVENING 67TH ANNUAL GENERAL MEETING TO BE HELD ON WEDNESDAY, 10TH SEPTEMBER, 2014 AT REGD. OFFICE: VENKATARAYAPURAM, TANUKU - 534 215.

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 67th Annual General Meeting of the Company to be held on Wednesday, 10th September, 2014 at 3.00 p.m. at Regd. Office : Venkatarayapuram, Tanuku and at any adjournment thereof in respect of Resolution as indicated below :

Resolution No.	RESOLUTION	Optional	
	Special Business	For	Against
15.	Appointment of Dr. Dasari Manjulata as Independent Director		

Signed this day of 2014

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 67th 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.

THE ANDHRA SUGARS LIMITED
E-MAIL REGISTRATION FORM
(exclusively for Shareholders holding shares in physical form)

To
Company Secretary
The Andhra Sugars Limited
Venkatarayapuram
TANUKU – 534215
West Godavari District
Andhra Pradesh

Dear Sir,

Sub: **Registration of E-mail**

Regd. Folio No. :

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Name of First Shareholder : _____

Name(s) of Joint Shareholder(s) : _____

E-mail ID to be registered : _____

Date:

Signature of the first named Shareholder : _____

- Note:
1. On registration of e-mail, all the communications, including the Annual Reports, will be sent at the said registered e-mail.
 2. Shareholders are requested to keep the Company informed of any change in their e-mail ID.

BANK PARTICULARS

To
The Company Secretary,
The Andhra Sugars Limited,
Venkatarayapuram
TANUKU – 534215

Date :

FOR OFFICE USE ONLY
Ref. No. :
Date :

Dear Sir,

Sub : Payment of Dividend (Year 2013-2014) (Electronic Clearing Service / Bank Particulars)

ECS MANDATE

* I wish to participate in the Electronic Clearing Service and give below the details of my bank account, to which you may electronically credit the payment due to me against the reference folio number mentioned below:

1. Name of the First Holder (In Block Letters) :

2. Regd. Folio No. :

3. Bank, Branch Name & Address :

4. Account Number :
(As appearing on your Cheque Book)

5. Ledger Folio Number :
(As appearing on your Cheque Book)

6. Account Type :
(Saving Bank / Current / Cash Credit A/c)

7. 9 Digit Code number of the Bank & Branch :
appearing on the MICR Cheque issued by the
Bank (Please attach a photocopy of cheque
for verifying the accuracy of the MICR
Code Number)

BANK MANDATE

* I do not wish to opt for ECS facility and therefore request the following Bank details to be incorporated on the Dividend Warrant.

Bank Name

:

Branch Name & Address

:

A/c Type (SB / Current / Cash Credit)

:

A/c Number (as mentioned in Cheque Book)

:

(*Stike out which is not applicable)

I hereby declare that the particulars given above are correct and complete. I undertake to inform of any subsequent changes in the above particulars. If the ECS payment transaction is delayed or not effected for any reasons beyond the control of the Company, I would not hold the Company responsible.

Signature of the first named shareholder :

Name

:

Address

:

Note: In case of shares held in demat form, the above particulars for ECS facility / bank particulars have to be provided to your Depository Participant (DP), quoting your Client ID No. to them.



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 67th Annual General Meeting to be held on Wednesday, 10th September, 2014 at 3.00 p.m. at the Registered Office of the Company. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide e-voting facility. 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
140808028			

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 procedure and instructions for e-voting:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “THE ANDHRA SUGARS LIMITED” from the drop down menu and click on “SUBMIT”
- (iv) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) 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	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/ Depository Participant are requested to use the Sequence Number in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly 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 our Notice dated 26.5.2014 and Addendum to Notice 28.7.2014.
- (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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

The voting period **begins on 4th September, 2014 from 9.00 a.m. and ends on 5th September, 2014 at 5.30 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 **30th June, 2014**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

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.

Yours faithfully,
For THE ANDHRA SUGARS LIMITED,

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

Place: Tanuku
Date: 11th August, 2014