



**75<sup>th</sup> ANNUAL REPORT 2021 - 2022**

**THE ANDHRA SUGARS LIMITED**

# FOUNDERS OF THE ANDHRA SUGARS LIMITED



**SRI PENDYALA SRIRAMACHANDRA  
VENKATA KRISHNA RANGA RAO**



**DR. MULLAPUDI HARISCHANDRA PRASAD**



# THE ANDHRA SUGARS LIMITED

Regd. Office: Venkatarayapuram, Tanuku – 534215

CIN: L15420AP1947PLC000326

Ph : 08819-224911, Fax : 08819-224168

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

## BOARD OF DIRECTORS :

**Sri P. Narendranath Chowdary**, B.Sc.  
Chairman and Managing Director

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

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

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

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

**Dr. P. Kotaiah**  
Independent Director

**Sri V. S. Raju**  
Independent Director

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

**Dr. (Smt.) D. Manjulata**  
Independent Director

**Sri P. Venkateswara Rao** (From 26.4.2021)  
Independent Director

**Sri P.V.S.Viswanadha Kumar**, F.C.A., F.C.M.A., A.C.S.  
Vice President (Finance) & Addl. Secretary,  
CFO & Compliance Officer

## BANKERS :

Union Bank of India  
State Bank of India

## STATUTORY AUDITORS :

M/s. K.S. Rao & Co.,  
Chartered Accountants, Plot No. 505,  
Golden Green Aparts, Erramanzil Colony,  
Hyderabad - 500 082

## COST AUDITORS :

M/s. Narasimha Murthy & Co.  
Cost Accountants  
104, Pavani Estate, 3-6-365,  
Himayat Nagar, Hyderabad - 500029

## SECRETARIAL AUDITORS :

M/s. Nekkanti S.R.V.V. Satyanarayana & Co.  
Plot No. 29, 2nd Floor, Gafoor Nagar,  
Madhapur, Hyderabad - 500 081

## REGISTERED OFFICE :

Venkatarayapuram, Tanuku - 534 215  
West Godavari District, Andhra Pradesh

## REGISTRAR & SHARE TRANSFER AGENTS:

XL Softech Systems Ltd.,  
3, Sagar Society, Road No. 2  
Banjara Hills, Hyderabad - 500 034

<b>CONTENTS</b>	<b>PAGE NOS.</b>
Management	1
Contents	2
Directors' Report	3
Auditors' Report	53
Balance Sheet	63
Statement of Profit & Loss	65
Cash Flow Statement	66
Accounting Policies	68
Notes forming part of Accounts	81

**CONSOLIDATED FINANCIAL STATEMENTS :**

Auditors' Report	136
Consolidated Balance Sheet	146
Consolidated Statement of Profit & Loss	148
Consolidated Cash Flow Statement	149
Accounting Policies	151
Notes forming part of Consolidated Accounts	158
Statement regarding Subsidiary Companies	199
Notice to Shareholders	201
Proxy Form	218

**DIRECTORS REPORT**

To

The Shareholders

Your Directors have pleasure in presenting this SEVENTY FIFTH ANNUAL REPORT along with the Audited Statement of Accounts for the year ending 31st March, 2022.

**Financial Results:**

(Rupees in lakhs)

Particulars	This Year	Last Year
Sales	121728.74	94972.12
Other Income	3805.04	2519.80
	<b>125533.78</b>	97491.92
Profit for the year	27048.19	19420.43
Depreciation	5714.06	5563.31
Profit after depreciation	21334.13	13857.12
Add: Income Tax Refund received	3.41	369.76
Excess Provision of last year	(3.75)	(165.67)
Less:		
Provision for Current Tax	5575.00	3745.00
Provision for Deferred Tax	(403.69)	(515.29)
Profit after Tax	16169.98	10209.39
Add: Balance brought forward from last year	28015.02	27805.63
Profit available for utilisation	44185.00	38015.02
DEDUCTIONS		
Equity Dividend for 2020-21	2710.71	—
Transfer to General Reserve	10000.00	10000.00
Balance carried forward to next year	31474.29	28015.02
<b>TOTAL:</b>	<b>44185.00</b>	<b>38015.02</b>

**PERFORMANCE:**

Your Directors are glad to report that for the year 2021-22, your Company made a Profit of Rs.213.34 Crores (before tax) against a Profit of Rs. 138.57 Crores made last year, which reflect another year of consistent performance. The Net Profit (After Tax) was Rs.161.70Crores against Rs. 102.09 Crores made last year.

**DIVIDENDS:**

Your Directors are glad to recommend a Dividend of Rs. 4/- per Equity Share (Face Value of Rs.2/-) normal dividend Rs. 2/- (100%) and Diamond Jubilee dividend Rs. 2/- (100%) for the year 2021-22. With this Dividend, if approved, your Company would have the distinction of rewarding its Shareholders continuously for the past 6 decades. The outflow towards Dividend payment would be Rs. 54.21 Crores.

The url link of Dividend Distribution Policy is <https://theandhrasugars.com/wp-content/uploads/didividend-distribution-policy.pdf>

**CAPITAL & RESERVES:****Authorised and Paid Up Capital:**

As on 31.3.2022, the Authorised Capital of the Company is Rs.30.00 Crores and the Paid-up Capital is Rs. 27.11 Crores.

## The Andhra Sugars Limited

### Reserves:

With the transfer of Rs. 100.00 Crores during the year under report, the total Reserves as on 31.3.2022 stands at Rs. 893.30 Crores against Rs. 793.30 Crores on 31.3.2021.

### REVIEW OF OPERATIONS:

#### SUGAR UNITS:

The Sugar Unit-II crushed in aggregate 278328.660 M.T. of cane during the 2021-22 season against 2,91,037.458 M.T. crushed last year. The crushing operations and cane price paid to cane suppliers for the 2021-22 Season are:

	SUGAR UNIT – II TADUVAI	
	Fin. Year 2021-22	Fin. Year 2020-21
<b>(A) Crushing details:</b>		
Total cane crushed (MT)	<b>278328.660</b>	291037.458
Total No. of days crushed	<b>89</b>	95
Total Sugar produced(MT)	<b>27773</b>	29426
Average Recovery	<b>9.98%</b>	10.11%
<b>(B) Cane price:</b>		
Fair & Remunerative price (per M.T.)	<b>2932</b>	2870
Cane price paid (per M.T)*	<b>3246.47</b>	3121.53

\*Includes Transport Subsidy.

- Crushing Operations for the Season 2021-22 have been lower compared to Season 2020-21 due to non-availability of Cane.
- Operations of Sugar Unit-I and Sugar Unit-III were suspended for the Crushing Season 2021-22.
- To encourage farmers to plant cane, your Company opted to pay a cane price higher than the Fair Remunerative Price fixed by the Government.

During the year under report the Co-generation Unit at Taduvai generated 1,56,88,300 Units of Power.

#### PERFORMANCE OF CHEMICAL DIVISION:

During the year under report the performance of Caustic Soda Division at Saggonda was good. Turnover of Rs.680.80 Crores was achieved, Profit after depreciation achieved this year was Rs. 185.27 Crores against Rs. 86.91 Crores in the last year.

Sulphuric Acid divisions at Kovvur and Saggonda performed impressively by posting a Profit of Rs.46.82 Crores as against 27.84 Crores in the last year.

#### POWER UNITS:

The Net Power generated at Ramagiri Wind Mills during this year is 12,90,142 Units KWH.

The Net Power generation at the Tamil Nadu Wind Mills during the year under report is 2,77,86,281 Units. This Power is being fed into the Tamil Nadu State Electricity Board grid.

The Power generated by 33 MW Coal Based Captive Power Plant put up by the Company at Saggonda during this year is 17,62,93,000 KWH. The entire Power is being used at our Chemical Plants at Saggonda.

Being 100% captive, operations of 33MW Coal Based Power Plant have been grouped into Chlor-Alkali segment in Segment Reporting.

## **PROJECTS:**

Demand for Caustic Soda is on the rise. Our Major customers in Private and Public Sectors have been consistently lifting their commitments. As a part of ongoing market programme efforts are directed towards widening the customer base. Keeping this in mind, your Company is going for Expansion from existing 500 Tonnes per day to 600 Tonnes per day Membrane Cell Caustic Soda facility at Chemical Complex, Saggonda. This Expansion is based on the latest generation of Environment friendly and Energy-efficient Membrane Cell Technology supplied by M/s. Thyssenkrupp Industrial Solutions India Ltd., a renowned International organization having expertise and experience in establishing Chemical Plants. The Plant is based on the latest 6th Generation Membrane Technology. This process has the lower production cost, simple operations, Energy Efficient & Environmental friendly. Salt and Power constitute two main inputs for production of Caustic Soda. As your Company is already in the production of Caustic Soda, procurement of Salt can be sourced from the existing vendors. Power, another major input, can be availed from 33 MW Coal based Captive Power Plant in operation. Environmental Clearance and Consent for Establishment was obtained by the Company for a capacity of 800 TPD. The estimated Project Cost of Rs.100.00 Crores is being met by internal accruals. The Plant is expected to commence operations by December, 2022.

Sulphuric Acid is widely used in Pharmaceutical, Fertilizer and Water Treatment Industries causing the increase in demand of this product.

Your Company is setting up a 500 TPD Sulphuric Acid Plant at Chemical Complex, Saggonda with an estimated cost of Rs.100.00 Crores being met by internal accruals. Consent for Establishment is obtained. The Plant is expected to commence operations by December, 2022.

Your Company is setting up a Project at J.N. Pharmacy, Parawada, Visakhapatnam in non-SEZ area to manufacture 100 TPD Sodium Hypochlorite. Required statutory approvals are obtained for setting up the Plant. The estimated project cost was about Rs.17.00 Crores. The required raw materials viz., Sodium Hydroxide and Chlorine gas can be supplied from our Chemicals Division, Saggonda.

Sodium Hypochlorite has its applications in Bulk Drugs / Pharmaceuticals, Fine Chemicals, Water treatment and Sea Food Industries. Most of the Civil construction works are completed. All the bought-out components required for this project have already been procured. Fabrication of all the process equipments and main storage tanks are completed. Fabrication and erection of pipe racks / bridges are also completed. Equipment erection was done partly.

We have planned to utilize the site (42.28 acres) completely in a phased manner and we have also obtained CFE from APCCB for setting up a Chlor-alkali project.

Meanwhile, APIIC had issued cancellation orders for the allotted site of 42.28 acres, stating that your Company has not fulfilled the terms and conditions of the original tri-party agreement entered into between APIIC, RPCIL and ASL and the project was not implemented. Your Company has filed a writ petition in the Hon'ble High Court of Andhra Pradesh against APIIC to suspend the site cancellation orders given by APIIC. The High Court has ordered Status Quo and the matter is adjourned for final hearing in the month of October, 2022.

Under the present circumstances, your Company is not pursuing with the construction and commissioning activities of the Sodium Hypochlorite project till the disposal of the matter by the Hon'ble High Court.

## **DEMATERIALIZATION OF EQUITY SHARES:**

As of 31st March, 2022 Equity Shares representing 54.17% of the Share Capital have been dematerialised.

## **AUDITORS:**

M/s K.S. Rao & Co., Chartered Accountants, Hyderabad, the present Auditors were appointed as Statutory Auditors at 70th Annual General Meeting held on 23.09.2017 for a term of five (5) years from the conclusion of the 70th Annual General Meeting till the conclusion of 75th Annual General Meeting. The Audit Committee and the Board at their meeting held on May 28, 2022 approved the appointment of M/s. Brahmaya & Co., Chartered Accountants as Statutory Auditors for a period of five 5 years i.e. from conclusion of the 75th Annual General Meeting till the conclusion of 80th Annual General Meeting. The necessary resolution(s) seeking your approval for their appointment as statutory auditors are included in the notice of the ensuing Annual General Meeting.

Their remuneration for the Financial Year 2022-23 for Rs. 19,00,000/- is being sought for your approval at the ensuing Annual General Meeting.

## **The Andhra Sugars Limited**

### **COST AUDITORS:**

For the year 2021-2022 M/s Narasimha Murthy & Co., Cost Accountants, Hyderabad were the Cost Auditors of the Company for the Products, which are subject to Cost Audit. For the year ended 2022-23, your Board of Directors have approved the appointment of M/s. Narasimha Murthy & Co., Hyderabad as Cost Auditors and recommended to Shareholders to ratify the remuneration of Rs. 6,00,000/- as fixed by the Board on the recommendation of Audit Committee.

### **CORPORATE GOVERNANCE:**

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

As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, requirement by top 1000 listed Companies based on the Market Capitalization, Business Responsibility Report is annexed.

### **COMPLIANCE CERTIFICATE OF THE AUDITORS:**

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

### **AUDIT COMMITTEE:**

Audit Committee comprises of Three Non-Whole time, Independent Directors and One Whole-time Director Dr. P. Kotaiah, Sri V.S. Raju, Sri P.A.Chowdary and Sri P. Achuta Ramayya respectively. Dr. P. Kotaiah is the Chairman of this Committee.

### **DIRECTORS AND KMP:**

Sri P. Venkateswara Rao is appointed as an Independent Director on 26.04.2021 for a period of five (5) years.

Directors Sri Mullapudi Thimmaraja and Sri P. S.R.V.K. Ranga Rao retire by rotation at the ensuing 75th Annual General Meeting and being eligible, offer themselves for re-appointment.

Statements of declaration as per Section 149(6) of the Companies Act, 2013 have been given by the Independent Directors.

Sri P. Narendranath Chowdary, Chairman and Managing Director and Sri P.V.S. Viswanadha Kumar, Vice President (Finance) & Addl. Secretary have been designated as Key Managerial Personnel.

### **COMPLIANCE UNDER COMPANIES ACT, 2013**

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

### **DIRECTORS' RESPONSIBILITY STATEMENT:**

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

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



#### **BOARD MEETINGS:**

The Board of Directors met 6 times during the financial year 2021-2022 on 26.04.2021, 30.06.2021, 11.08.2021, 13.11.2021, 31.12.2021 and 12.02.2022.

#### **INDEPENDENT DIRECTORS MEETING:**

A Meeting of the Independent Directors was held on 25th March, 2022. The Independent Directors have evaluated the performance of the Non-independent Directors, the Board as a whole and Chairman of the Board. The Board was briefed by Lead Independent Director on the deliberations made at the Independent Directors Meeting.

#### **FAMILIARISATION PROGRAMME:**

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

#### **FORMAL ANNUAL EVALUATION OF THE BOARD**

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

Measured and appropriate contribution by the Directors to the discussions on the Agenda Items,

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

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

#### **VIGIL MECHANISM:**

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

#### **NOMINATION AND REMUNERATION COMMITTEE:**

As required by the Provisions of the Companies Act, 2013 and Listing Agreement, a Nomination and Remuneration Committee comprising of Independent Directors Sri V.S. Raju (Chairman), Sri P.A. Chowdary and Dr. Manjulata was constituted by the Board.

This Nomination and Remuneration Committee has formulated Nomination and Remuneration Policy which has been approved by the Board. This Nomination & Remuneration Policy has laid down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in the industry. Appointment of Managing Director / Whole-time Director / KMP and Functional Heads are placed before Nomination and Remuneration Committee for its consideration and recommendation to the Board.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR):**

As required by the Provisions of the Companies Act, 2013, a Corporate Social Responsibility (CSR) Committee has been constituted by the Board of the Company with Sri P.Narendranath Chowdary, Managing Director is Chairman of the Committee, Sri Mullapudi Thimmaraja, Joint Managing Director and Sri V.S. Raju, Independent Director are Members of the Committee. This Committee has formulated a CSR Policy which has been approved by the

## **The Andhra Sugars Limited**

Board. This Policy envisages CSR Activities to be taken up, amount of expenditure to be incurred and monitoring of CSR Activities from time to time.

This Policy aims to achieve the CSR objectives by undertaking one or more of the activities to be in alignment with Schedule VII of the Companies Act, 2013 either on own or through any Trust / Society or any other recognized implementary Agency.

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

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

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

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

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

### **RISK MANAGEMENT COMMITTEE:**

As required by the Provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 the Board constituted Risk Management Committee on 30.06.2021.

1. Sri Mullapudi Narendranath - Member (Executive Director)
2. Sri P. Achuta Ramayya - Member (Executive Director)
3. Sri P. Venkateswara Rao - Chairman (Non-Executive and Independent Director)
4. Sri P.S.R.V.K. Ranga Rao - Member (Executive Director)

### **RISK MANAGEMENT POLICY**

This Risk Management Committee has formulated a Risk Management Policy which has been approved by the Board, which envisages the following

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

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

The major aspects of concern for the Sugar Sector are:

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

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

Chlor Alkali segment is power intensive where Power constitute a major input cost. Restricted power supply and increased power cost have become a cause of concern. To mitigate this impact, a Solar Power Plant has been commissioned at Kovvur. At Saggonda a 33 MW Coal Based Captive Power Plant has been commissioned. This would improve the power availability to the Chemical Plants at Saggonda.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

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

**CREDIT RATING:**

During the year the Credit Rating Agency ICRA has re-affirmed the credit rating for various facilities as detailed hereunder.

S.No.	Nature of Facilities	Rating Affirmed
1.	Fund Based Facilities on Long Term Scale (Rs.100 Crores)	[ICRA] A+ (Stable)
2.	Non- Fund Based Facilities on Short Term Scale (Rs.60 Crores)	[ICRA] A1+
3.	Fixed Deposits Programme (Rs.125 Crores)	[ICRA] MAA- (Stable)

**OUT LOOK :**

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

**INDUSTRIAL RELATIONS:**

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

**PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE POLICY:**

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

**SAFETY, HEALTH AND ENVIRONMENT:**

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

**ANNUAL RETURN:**

As required by Section 92 of the Companies Act, 2013 and relevant rules, an Extract of Annual Return in MGT-7 is placed on the Company's website. You can find the same on [www.theandhrasugars.com](http://www.theandhrasugars.com)

**RELATED PARTY TRANSACTIONS:**

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

**SECRETARIAL AUDIT REPORT:**

As required by Provisions of Companies Act, 2013, Secretarial Audit Report as provided by Nekkanti S R V V Satyanarayana & Co., Hyderabad, Company Secretaries in practice is annexured to this Report.

**PARTICULARS OF EMPLOYEES:**

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

**RATIO OF REMUNERATION OF EACH DIRECTOR:**

Details of ratio of Remuneration of each Director to the median employee's remuneration is enclosed.

## The Andhra Sugars Limited

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

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

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

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

### FIXED DEPOSITS:

As required by the Companies Act, 2013 the details of Fixed Deposits as on 31.3.2022 is given hereunder.

		2021-2022	2020-21
(a)	Accepted during the year.	NIL	NIL
(b)	Remained unpaid or unclaimed as at the end of the year.	25,00,000	33,75,000
(c)	Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved.	NO	NO
i)	at the beginning of the year	NOTAPPLICABLE	NOTAPPLICABLE
ii)	maximum during the year	-do-	-do-
iii)	at the end of the year	-do-	-do-
(d)	Details of deposits which are not in compliance with the requirements of Chapter V of the Act.	NIL	NIL

### TRANSFERS TO I.E.P.F:

During the year 11,604 no. of shares of 47 Shareholders have been transferred to I.E.P.F Authority. Unclaimed dividend amounting to Rs 13,26,225/- of 1115 Shareholders for the year 2013-14 has been transferred to I.E.P.F Account.

### CONSOLIDATED ACCOUNTS:

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

The Accounts of the Subsidiary Companies for the year 2021-22 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 our Subsidiary Companies.

### SUBSIDIARIES AND ASSOCIATE:

#### JOCIL LIMITED:

For the Financial Year ending 31.3.2022 your subsidiary Company, JOCIL Ltd., posted a profit of Rs. 957.85 lakhs (before taxation) against Rs. 1542.87 lakhs (before taxation) last year. The Board of Directors of this Company has recommended a Dividend of Rs. 2/- per Share to Shareholders for the Financial Year 2021-22.

#### THE ANDHRA FARM CHEMICALS CORPORATION LIMITED:

The Company earned a loss of Rs. 5,617/- (before tax) against the profit of Rs. 37.00 lakhs last year.

#### HINDUSTAN ALLIED CHEMICALS LIMITED:

Directors are on the look out for the suitable projects to be taken.

**THE ANDHRA PETROCHEMICALS LIMITED:**

The Company achieved sales of Rs. 96538.01 lakhs against Rs. 56606.74 lakhs last year and earned profit (before Tax) of Rs. 30107.98 lakhs against Rs. 11794.48 lakhs last year. The Board of Directors of this Company has recommended an Interim Dividend of Rs.1.50/- per Share to Shareholders for the Financial Year 2021-2022.

**INTERNAL CONTROL SYSTEM:**

Your Company conducts a periodical review of the financial and operating controls of the various Units. The Internal Control System of your Company is commensurate with its size and nature of business. The Board has also laid down a policy on Internal Financial Control as required by the provisions of the Companies Act, 2013. The same has been posted on Company's Website [www.theandhrasugars.com](http://www.theandhrasugars.com)

**LISTING ON STOCK EXCHANGE:**

Company's Equity Shares are listed on National Stock Exchange and Annual Listing Fee for the Financial Year 2022-23 has been paid.

**ACKNOWLEDGEMENT:**

Your Directors wish to place on record their appreciation for the co-operation extended by the State & Central Government authorities, Banks, Farmers and all the concerned associated with the Company in its Business process. They also express their appreciation to the employees at all levels for the successful working of the Company.

TANUKU  
28.05.2022

For and on behalf of the Board  
P.NARENDRANATH CHOWDARY  
Chairman and Managing Director

## REPORT ON CORPORATE GOVERNANCE

### A) MANDATORY REQUIREMENTS:

#### 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 affirm that healthy Corporate Governance leads to the operations and actions which serve the underlying goal of continuously enhancing the value that the Company can create for the stakeholders including Shareholders, Employees, Customers, Suppliers, Lenders, Government and other parties having association with ASL.

#### 2. BOARD OF DIRECTORS

a) As on 31.3.2022, the Board of Directors consisted of 10 Directors.

COMPOSITION AND CATEGORY OF DIRECTORS IS AS FOLLOWS:

Category	Name of the Director
Promoter/Executive Directors	Sri P. Narendranath Chowdary Chairman and Managing Director
	Sri Mullapudi Narendranath Joint Managing Director
	Sri Mullapudi 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	Dr. P. Kotaiah
	Sri V.S. Raju
	Sri P.A. Chowdary, I.R.S. (Retd.)
	Dr. D. Manjulata Sri P.Venkateswara Rao (from 26.04.2021)

#### Inter-se Relationship among Directors

Sri P. Narendranath Chowdary & Sri P. Achuta Ramayya - Brothers

Sri Mullapudi Narendranath & Sri Mullapudi Thimmaraja - Brothers

- b) Non-Executive Directors remuneration : Non-Executive Directors are paid remuneration by way of sitting fees. They are paid sitting fees for each meeting of the board or Committee thereof. For the details of sitting fees paid to them during the year 2021-22 please refer point No. 5

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

Name of the Director	Attendance Particulars		Directorship, Committee Membership and Chairmanship in other Companies			
	Board Meetings	Last AGM	Other Directorship	Chairman	*Committee Membership	*Committee Chairmanship
Sri P.Narendranath Chowdary	6	Y	7	4	3	2
Sri Mullapudi Narendranath	5	Y	3	-	-	-
Sri Mullapudi Thimmaraja	4	N	2	-	3	1
Sri P. Achuta Ramayya	6	Y	-	-	-	-
Sri P.S.R.V.K. Ranga Rao	6	Y	1	-	-	-
Dr. P. Kotaiah	6	N	5	1	5	1
Sri V.S. Raju	6	Y	3	-	3	1
Sri P.A. Chowdary, I.R.S.(Retd.)	6	N	1	-	-	-
Dr. D. Manjulata	6	N	2	-	3	-
Sri P.Venkateswara Rao	5	N	1	-	-	-

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 & Stakeholders Relationship Committee of other Public Limited Companies.
- Names of listed entities where the person is a Director and Category of Directorship

Name of Director	Name of Listed Company	Category of Directorship
Sri P.Narendranath Chowdary	Jocil Limited	Promoter, Non-Executive, Non-Independent Director
	The Andhra Petrochemicals Limited	Promoter, Executive
Sri Mullapudi Thimmaraja	Jocil Limited	Promoter, Non-Executive, Non-Independent Director
	The Andhra Petrochemicals Limited	Promoter, Non-Executive, Non-Independent Director
Dr. P. Kotaiah	The Andhra Petrochemicals Limited	Non-Executive, Independent Director
Sri V.S. Raju	Jocil Limited	Non-Executive, Independent Director
	NCL Industries Limited	Non-Executive, Independent Director
Dr. D. Manjulata	Jocil Limited	Non-Executive, Independent Director
	The Andhra Petrochemicals Limited	Non-Executive, Independent Director

A certificate from Nekkanti S R V V SATYNARAYANA & CO., Company Secretaries, Hyderabad, has been received stating that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director of Companies for the Financial Year ended on March 31, 2022 by Securities and Exchange Board of India (SEBI) or Ministry of Corporate Affairs (MCA) or any such Statutory Authority. The same form part of this Report.

## The Andhra Sugars Limited

### d) BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2021-22, AND ATTENDENCE OF DIRECTORS

Name of the Director	26.04. 2021	30.06. 2021	11.08. 2021	13.11. 2021	31.12. 2021	12.02. 2022
Sri P. Narendranath Chowdary	✓	✓	✓	✓	✓	✓
Sri Mullapudi Narendranath	x	✓	✓	✓	✓	✓
Sri Mullapudi Thimmaraja	✓	✓	x	x	✓	✓
Sri P. Achuta Ramayya	✓	✓	✓	✓	✓	✓
Sri P.S.R.V.K. Ranga Rao	✓	✓	✓	✓	✓	✓
Dr. P. Kotaiah	✓	✓	✓	✓	✓	✓
Sri V.S. Raju	✓	✓	✓	✓	✓	✓
Sri P.A. Chowdary, I.R.S.(Retd.)	✓	✓	✓	✓	✓	✓
Dr. D. Manjulata	✓	✓	✓	✓	✓	✓
Sri P.Venkateswara Rao	NA	✓	✓	✓	✓	✓

#### Information given to the Board:

The Company provides the information as set out in Regulation 17(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the Board and Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of agenda papers in advance of the meeting or by way of presentations and disclosures during the meeting.

#### Post Meeting Mechanism:

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

#### Familiarisation Programme for Directors:

Whenever a new Director is appointed, the said Director is apprised in detail the compliance required under the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant Regulations and his / her affirmation is taken with respect to the same. The Managing Director also familiarises him / her with the Company's Operations. The details of the familiarisation programmes undertaken by the Company are provided in the website of the Company at the weblink: <https://theandhrasugars.com/wp-content/uploads/2017/03/Familiarisation-Programme-to-Independent-Directors.pdf>

#### Independent Directors:

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

Orientation Programme to Independent Directors is organised at the Plant premises to familiarise them about the Plant Operations of the Company. All the Directors participated in the Programme and acquainted themselves with the entire Operations of the Company.



Chart or a matrix setting out the skills / expertise / competence of the Board of Directors specifying the following:

SI. No.	Policy	Policy development	Ability to identify key issues and opportunities for the Company within the industry and develop appropriate policies to define the parameters within which the organisation should operate.
1	Finance	Financial performance	Qualifications and experience in accounting and/or finance and the ability to: <ul style="list-style-type: none"> <li>analyse key financial statements;</li> <li>critically assess financial viability and performance;</li> <li>contribute to strategic financial planning;</li> <li>oversee budgets and the efficient use of resources; and oversee funding arrangements and accountability.</li> </ul>
2	Risk	Risk and compliance oversight	Ability to identify key risks to the organization in a wide range of areas including legal and regulatory compliance, and monitor risk and compliance management frameworks and systems.
3	Leadership		Extended leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning, and risk management. Demonstrated strengths in developing talent, planning succession, and driving change and long-term growth.
4	Board service and governance		Service on a public company board to develop insights about maintaining Board and Management accountability, protecting shareholder interests, and observing appropriate governance practices.
5	Sales and Marketing		Experience in developing strategies to grow sales and market share, build brand awareness and equity and enhance enterprise reputation.

#### Skills Identified , area(s) of core experience of the members of the Board

1.	Sri P.Narendranath Chowdary	Administration, Strategic Planning, Policy Development, Leadership & Finance
2.	Sri Mullapudi Narendranath	Sugar Technology, Leadership, Entrepreneurship Strategic Planning and administration
3.	Sri Mullapudi Thimmaraja	Entrepreneurship, Administration, Strategic Planning, Board Service and Governance
4.	Sri P. Achuta Ramayya	Sales and Marketing, Strategic Planning, Finance
5.	Sri P.S.R.V.K. Ranga Rao	Technology, Leadership, Administration
6.	Dr. P. Kotaiah	Finance, Policy Development and Risk Management
7.	Sri V.S. Raju	Board Service, Governance and Leadership
8.	Sri P.A. Chowdary	Finance, Leadership, Board Service and Governance
9.	Dr.(Smt.) D. Manjulata	Policy Development, Leadership, Board Service and Governance
10.	Sri P.Venkateswara Rao	Technology, Leadership, Board Service and Governance

**3. CODE OF CONDUCT:**

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

**4. AUDIT COMMITTEE**

- a) A qualified and Independent Audit Committee, meeting the requirements as stipulated in the Regulation 18 of SEBI (LODR) Regulations, 2015 has been constituted. Audit Committee consists of 4 Members i.e., 3 Non-Executive Independent Directors Dr. P. Kotaiah, Sri V.S. Raju and Sri P. A. Chowdary and 1 Executive Non Independent Director Sri P. Achuta Ramayya. Dr. P. Kotaiah is Chairman of the Committee. All the Members of the Committee are financially literate and have Accounting or related Financial Management experience.
- b) The terms of reference of the Audit Committee as detailed hereunder are in terms of Regulation 18 of the Listing Agreement:
  - i) Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
  - ii) Recommending to the Board the appointment, re-appointment and if required the replacement or removal of the Statutory Auditor and fixation of audit fees.
  - iii) Approval of payment to the Statutory Auditors for any other services rendered by them.
  - iv) Review with the management the annual financial statements and auditor's report thereon before submission to the Board for approval with particular reference to :
    - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report
    - b) Changes, if any, in the accounting policies and practices and reasons for the same.
    - c) Major accounting entries involving estimates based on exercise of judgement by management
    - d) Significant adjustments made in the financial statements arising out of audit findings.
    - e) Compliance with listing and other legal requirements relating to financial statements.
    - f) Disclosure of any Related Party Transaction.
    - g) Modified Opinion(s) 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 of 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.
  - xiii) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

- a. Management Discussion and Analysis of Financial condition and results of operations;
- b. Statement of Significant Related Party Transactions (as defined by the Audit Committee)
- c. Management Letters / Letters of Internal Control Weakness issued by the Statutory Auditors;
- d. Internal Audit Reports relating to Internal Control Weaknesses
- e. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

c) **AUDIT COMMITTEE MEETINGS HELD DURING THE FINANCIAL YEAR 2021-22 AND ATTENDANCE OF DIRECTORS**

S.No.	Directors Present	Date of Audit Committee Meeting				
		12.06. 2021	30.06.2021	11.08.2021	13.11.2021	12.02.2022
1.	Dr. P. Kotaiah	✓	✓	✓	✓	✓
2.	Sri V.S. Raju	✓	✓	✓	✓	✓
3.	Sri P.A. Chowdary	✓	✓	✓	✓	✓
4.	Sri P. Achuta Ramayya	✓	✓	✓	✓	✓

V.P.(Fin.) & Addl. Secretary, Statutory Auditors, Addl. G.M. (Fin.) - Internal Audit and Cost Auditors whenever required also attended the Audit Committee Meetings to answer the queries raised by the Committee Members.

V.P.(Fin) & Addl. Secretary acts as Secretary to the Committee.

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

**5. NOMINATION AND REMUNERATION COMMITTEE**

- a) A Nomination and Remuneration Committee meeting the requirements as stipulated in the Regulation 19 of the Listing Regulations has been constituted. Nomination and Remuneration Committee consists of 3 Non-Executive Independent Directors Sri V.S. Raju, Sri P.A. Chowdary and Dr. D. Manjulata. Sri V.S. Raju is Chairman of the Committee.
- b) The Company does not remunerate nor the Company has any pecuniary relationship with the non-Executive Directors except for the payment of sitting fees for attending each Meeting of the Board or Committee thereof.
- c) The terms of reference of the Nomination and Remuneration Committee as detailed hereunder are in terms of Regulation 19 of the SEBI (LODR) Regulations, 2015:
  - Identify persons who are qualified to be Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal
  - Carry out evaluation of every Director's performance
  - Formulate the criteria for determining qualifications, positive attributes and independence of a Director and
  - Recommend to the Board a Policy relating to the remuneration of the Directors, Key Managerial Personnel (KMP) and employees one level below the KMP.

While formulating the said Policy the Committee should ensure that

- a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully
- b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and

**The Andhra Sugars Limited**

- c. Remuneration to Directors, Key Managerial Personnel and employees one level below the KMP involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

**Performance Evaluation:**

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

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

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

**NOMINATION AND REMUNERATION COMMITTEE MEETINGS HELD DURING THE FINANCIAL YEAR 2021-22 AND ATTENDENCE OF DIRECTORS.**

S.No.	Directors Present	Dates of Nomination and Remuneration Committee Meetings				
		26.04.2021	30.06.2021	11.08.2021	13.11.2021	12.02.2022
1.	Sri V.S. Raju	✓	✓	✓	✓	✓
2.	Sri P.A. Chowdary	✓	✓	✓	✓	✓
3.	Dr. D. Manjulata	✓	✓	✓	✓	✓

Details of the remuneration paid / payable to the Directors during the year 2021-22 are as hereunder:-

Name of Director	Remuneration paid / payable to the Directors				
	Sitting Fees	Salaries & Allowances	Benefits & Perquisites	Commission	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Sri P. Narendranath Chowdary	Nil	36,00,000	70,33,375	6,09,74,292	7,16,07,667
Sri Mullapudi Narendranath	Nil	27,00,000	9,25,968	4,18,96,555	4,55,22,523
Sri Mullapudi Thimmaraja	Nil	27,00,000	24,59,290	4,03,63,233	4,55,22,523
Sri P. Achuta Ramayya	Nil	18,00,000	28,18,343	4,07,69,180	4,53,87,523
Sri P.S.R.V.K. Ranga Rao	Nil	18,17,003	13,73,466	2,35,19,141	2,67,09,610
Dr. P. Kotaiah	4,15,000	–	–	–	4,15,000
Sri V.S. Raju	6,25,000	–	–	–	6,25,000
Sri P.A. Chowdary, I.R.S.(Retd.)	6,60,000	–	–	–	6,60,000
Dr. D. Manjulata	4,15,000	–	–	–	4,15,000
Sri P. Venkateswara Rao	2,70,000	–	–	–	2,70,000

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

**6. Corporate Social Responsibility (CSR) Committee:**

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

The terms of reference of the CSR Committee broadly comprises:

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

**Meeting and attendance:**

S.No.	Directors Present	Date of Meeting
		11.08.2021
1.	Sri P. Narendranath Chowdary	✓
2.	Sri Mullapudi Thimmaraja	X
3.	Sri V.S. Raju	✓

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

**7. Risk Management Committee:**

As per the provisions of Regulation 21 (5) of SEBI (LODR) Regulations, 2015 hitherto, only Top 500 Listed Companies shall constitute a Risk Management Committee. The Top 500 Listed Companies are determined on the basis of their Market Capitalization as at end of the immediate previous Financial Year.

SEBI, vide its Notification dated 5.5.2021, has amended the aforesaid Regulation and made it applicable to the Top 1,000 Listed Companies.

Accordingly, in terms of the aforesaid amended SEBI Listing Regulation, the Company constituted a Risk Management Committee. The Committee comprises Whole-time Directors Sri Mullapudi Narendranath, Sri P. Achuta Ramayya, Sri P. S.R. V.K. Ranga Rao and Independent Director Sri P. Venkateswara Rao. Sri P. Venkateswara Rao is the Chairman of the Committee.

The role of the committee shall, inter alia, include the following:

- (1) To formulate a detailed risk management policy which shall include:
  - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - (c) Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

## The Andhra Sugars Limited

- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

### RISK MANAGEMENT COMMITTEE MEETINGS HELD DURING THE FINANCIAL YEAR 2021-22 AND ATTENDENCE OF DIRECTORS.

S.No.	Directors Present	Date of Stakeholders' Relationship Committee Meeting	
		11.8.2021	12.02.2022
1.	Sri Mullapudi Narendranath	✓	✓
2.	Sri P. Achuta Ramayya	✓	✓
3.	Sri P. Venkateswara Rao	✓	✓
4.	Sri P. S.R.V.K. Ranga Rao (from 12.2.2022)	-	-

#### 8. Independent Directors Meeting:

The Independent Directors met on 25th March, 2022, inter alia, to discuss:

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

Evaluation of the Quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties. Details of Familiarisation Programme for Independent Directors is placed at weblink: [www.theandhrasugars.com](http://www.theandhrasugars.com)

#### 9. SUBSIDIARIES:

- a) The Company does not have any material non-listed subsidiary as defined in Regulation 24 of the Listing Regulations regarding Corporate Governance.
- b) Company has one Listed and two Unlisted Subsidiary Companies.
- c) Minutes of the Board Meeting of the Unlisted Subsidiary Companies are placed before the Board Meeting of the Holding Company.

#### 10. SHAREHOLDING OF NON-EXECUTIVE DIRECTORS:

As on 31.03.2022 Dr. D. Manjulata holds 1,07,500 Equity Shares in the Company. No other Non-Executive Director holds any Equity Shares in the Company. During the year 2021-22 Company has not issued any convertible instruments.

#### 11. MANAGEMENT

- a) Management Discussion and Analysis forms part of the Annual Report.
- b) Disclosure by the Management to the Board : Please refer Point No. 15

#### 12. CEO / CFO CERTIFICATION

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

**13. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

- a) The Board has constituted Stakeholders' Relationship Committee comprising Sri P.A. Chowdary, (Chairman of the Committee - Non-Executive & Independent Director), Sri P. Narendranath Chowdary Chairman and Managing Director of the Company and Sri Mullapudi Thimmaraja Executive and Non-Independent Director as Members of the Committee. The Committee looks into redressal of the Stakeholders' complaints like Transfer of Shares, non-receipt of Annual Report, non-receipt of declared Dividend and other related matters.
- b) During the year 2021-22, two Committee Meetings were held on 11.08.2021 and 12.02.2022. The Company received a total number of 3 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 31.3.2022, there were no pending complaints.
- c) ATTENDANCE OF DIRECTORS AT THE STAKEHOLDERS RELATIONSHIP COMMITTEE MEETING HELD DURING THE FINANCIAL YEAR 2021-22.

S.No.	Directors Present	Date of Stakeholders' Relationship Committee Meeting	
		11.8.2021	12.02.2022
1.	Sri P.A. Chowdary	✓	✓
2.	Sri P.Narendranath Chowdary	✓	✓
3.	Sri Mullapudi Thimmaraja	X	X

**14. ANNUAL GENERAL MEETINGS**

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

Financial Year - 1 <sup>st</sup> April to 31 <sup>st</sup> March			
FINANCIAL YEAR	VENUE	DATE	TIME
2018 - 2019	Registered Office, VENKATARAYAPURAM, TANUKU-534 215 (A.P.)	26-09-2019	3.00 P.M.
2019 - 2020	- do -	26-09-2020	3.00 P.M.
2020 - 2021	- do -	23-09-2021	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:

Financial Year - 1 <sup>st</sup> April to 31 <sup>st</sup> March		
DATE OF AGM	NO. OF SPECIAL RESOLUTIONS	SUBJECT MATTER
26-09-2019	7	Appointment of Independent Directors and Remuneration of Whole-Time Directors exceeding 5% of Net Profit
26-09-2020	1	Appointment of Managing Director
23-09-2021	4	Appointment of Independent Director, Splitting of Face Value of Equity Shares, Alteration of Memorandum and Articles of Association.

15. OTHER DISCLOSURES

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

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

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

In respect of the fines imposed by National Stock Exchange in the matter of delay in appointing Compliance Officer and passing Special Resolution within a period of 3 Months for the appointment of Independent Director above the age of 75 years, the Company has paid fine of Rs.4,89,700/- under protest and filed an appeal before Securities Appellate Tribunal.

- iii) Whistle Blower Policy:

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

- iv. Details regarding Non-Mandatory requirements are enumerated under Point No. 17.

**Affirmations and Disclosures:**

- i) **Compliance with governance frame work:**

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

- ii) **Related Party Transactions:**

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the Financial Year were in the ordinary course of business and on arm's length basis and do not attract the provisions of the Section 188 of the Companies Act, 2013. There were no materially significant transactions with



the Related Parties during the Financial Year. Related Party Transactions have been disclosed under the Note No.45 of the Financial Statements in accordance with Ind AS-24. A statement in summary form of transactions with Related Parties in the ordinary course of business and on arm's length basis, is periodically placed before the Audit Committee for review and recommendation to the Board.

As required under Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company formulated a Policy for dealing with Related Party Transactions. The Policy is available on the website of the Company (weblink: <https://theandhrasugars.com/wp-content/uploads/2017/03/Policy-on-Related-Party-Transactions.pdf>)

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

iii) Disclosure of Accounting Treatment:

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

iv) Risk Management:

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

v) M/s. K.S.Rao & Co., Chartered Accountants are the Statutory Auditor of the Company. Total fees paid for the year ended 31.03.2022 by the Company and its subsidiaries, on a Consolidated basis to the Statutory Auditors including all entities in their network firm/entity of which they are a part is given below:

Particulars	Amount (Rs.in Lakhs)
As Auditor	17.00
For Limited Review & Other Certification	7.64
For Re-imburement of Expenses	0.71
Total	25.35

## 16. MEANS OF COMMUNICATION

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

### v. General Shareholder Information

- (i) Annual General Meeting: : 26th September, 2022  
Date & Time : at 3.00 P.M.
- Venue : Registered Office  
Venkatarayapuram, Tanuku - 534 215  
West Godavari Dist. (A.P.)

**The Andhra Sugars Limited**

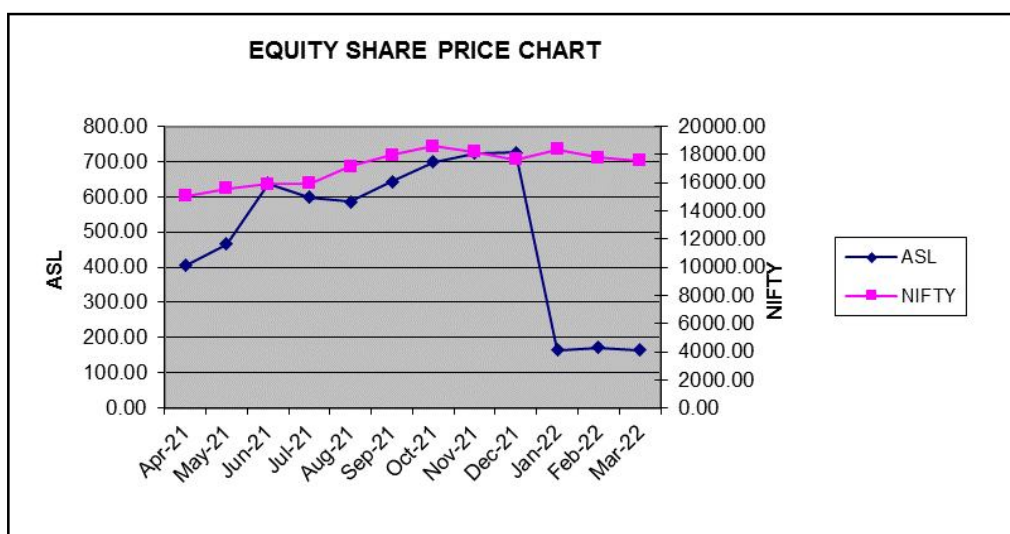
- (ii) Financial Year : The Company follows April to March as its Financial Year. The results of every Quarter beginning from April are declared within the time limit prescribed by the provisions of the Listing Regulations.
- (iii) Date of book closure : 17th September, 2022 to 26th September, 2022 (both days inclusive)
- (iv) Dividend payment date : 29<sup>th</sup> September, 2022
- (v) Listing on Stock Exchanges at : National Stock Exchange
- (vi) Stock code : NSE-CODE-ANDHRSUGAR

(vii) Stock Market Data : National Stock Exchange

Month	High	Low
	Rs.	Rs.
April, 2021	404.00	292.25
May, 2021	466.55	390.25
June, 2021	638.00	407.25
July, 2021	598.00	533.00
August, 2021	585.50	489.05
September, 2021	643.00	520.00
October, 2021	698.90	610.20
November, 2021	724.00	573.20
December, 2021	726.55	134.00
January, 2022	165.50	125.65
February, 2022	171.05	121.65
March, 2022	164.70	135.10

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

**EQUITY SHARE PRICE CHART (NSE)**



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

(x) Share Transfer System Effective 1.4.2019, transfer of shares of a listed Company can only be effected in dematerialised form in terms of SEBI (LODR) Regulations, 2015. Shareholders holding shares in the certificate form are therefore requested to dematerialise their shares in their own interest. The Company obtains through its Registrars and Share Transfer Agent from a Practising Company Secretary annually a certificate of compliance with the Share Transfers, Transmissions and Issue of Duplicate Share certificates formalities as required under Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files through electronic filing a copy of the said certificate with the National Stock Exchange.

(xi) (a) Shareholding pattern as on 31st March, 2022

Category	No. of Shares held	% of Shareholding
Promoters	63617830	46.94
Financial Institutions, Mutual Funds and Banks	4020	0.00
FII's / OCB's	3845409	2.84
NRIs	1159007	0.86
Bodies Corporate, Trusts and Clearing Members	10931589	8.06
HUF	3875872	2.86
Public	52101663	38.44
<b>Total</b>	<b>135535390</b>	<b>100.00</b>

(b) Distribution of Shareholding as on 31st March, 2022

Shareholding of Nominal value of Rs.	No. of Shareholders	% to Total	Share Amount in Rs.	% to Total
Upto 5000	35474	82.58	8115528	2.99
5001 to 10000	2715	6.32	4507872	1.66
10001 to 20000	1650	3.84	5029714	1.86
20001 to 30000	880	2.05	4493934	1.66
30001 to 40000	360	0.84	2579608	0.95
40001 to 50000	461	1.07	4425664	1.63
50001 to 100000	568	1.32	8488298	3.13
100001 onwards	850	1.98	233430162	86.11
<b>Total</b>	<b>42958</b>	<b>100.000</b>	<b>271070780</b>	<b>100.000</b>

## The Andhra Sugars Limited

- (xii) Dematerialisation of Equity Shares and liquidity:  
The ISIN No. is INE715B01021. As on 31.3.2022, 54.17% 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 District, Andhra Pradesh  
2. KOVVUR, East Godavari District, Andhra Pradesh  
3. SAGGONDA, Gopalapuram Mandal, East Godavari District, Andhra Pradesh  
4. TADUVAI, Jangareddygudem Mandal, Eluru District, Andhra Pradesh  
5. BHIMADOLE, Eluru District, Andhra Pradesh  
6. PERECHERLA, GUNTUR, Andhra Pradesh  
**Wind Power Units:**  
7. RAMGIRI, Ananthapur Dist., Andhra Pradesh  
8. (a) Kurichampatti Village,  
(b) Surandai Village, Veeranam Region, Thirunalvelli District, Tamil Nadu.  
(c) Kundadam Village, Tamil Nadu  
(d) Palladam Village, Tamil Nadu
- (xv) Address for correspondence for all matters including Shares. : Registered Office:  
VENKATARAYAPURAM  
Tanuku - 534 215  
West Godavari Dist., Andhra Pradesh  
Email: investors@theandhrasugars.com

### 17. NON-MANDATORY / DISCRETIONARY REQUIREMENTS:

Mandatory requirements of the Listing Agreement have been complied with by the Company. Adoption of non-mandatory / Discretionary requirements under Regulations 27(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations as hereunder:

#### 1. The Board

The Company has an Executive Chairman.

#### 2. Shareholders Rights

The Quarterly and Half-Yearly 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 and therefore the same are not sent to the Shareholders individually.

#### 3. Audit Qualification

There are no qualifications proposed by the Auditors in their Report for the year ending 31st March, 2022 as per the information received from them.

### 18. DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

As provided under Regulation 34(3) and para D of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Board Members and Senior Management Personnel have affirmed the compliance with The Andhra Sugars Limited Code of Conduct for the Board of Directors and Senior Management Personnel as applicable, for the year ended 31st March, 2022.

Place : TANUKU  
Date : 28.05.2022

P. NARENDRANATH CHOWDARY  
Chairman and Managing Director

## Independent Auditor's Certificate on Corporate Governance

To

The Members of The Andhra Sugars Limited

1. We have examined the compliance of the conditions of corporate governance by The Andhra Sugars Limited (the 'Company') for the year ended 31st March 2022, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations").

### Management's Responsibility

2. The compliance of conditions of corporate governance is the responsibility of the management along with Board of Directors, including preparation and maintenance of all relevant supporting documents and records. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure the compliance with the conditions of corporate governance as stipulated in the SEBI Listing Regulations.

### Auditors' Responsibility

3. Pursuant to the requirements of Listing Regulations, our responsibility is limited to examining the procedures and implementation thereof, adopted by the company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
4. We have examined the books of accounts and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have examined the relevant records of the company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the 'ICAI'), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the standard on Quality Control (SQC) 1, Quality Control for Firms that performs Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representation provided by the Management. We certify that the company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations during the year ended 31st March, 2022 except
  - a) Delay of 150 days in passing of special resolution pursuant to Regulation 17(1A) of SEBI (LODR) Regulations, 2015 for appointment of Mr. Parvathaneni Venkateswara Rao as a non-executive and independent director of the company who attained 75 years of age, which resulted in the company conducting two of its meetings of Board dated 26th April 2021 and 11th August 2021, during the period of said non-compliance.
8. We state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place : Tanuku  
Date : 28.05.2022

FOR K.S.RAO & CO  
Chartered Accountants  
Firm Regn.No.0031109S  
K.VAMSI KRISHNA  
Partner  
(Membership No. 238809)  
UDIN - 22238809AJUZJR1329

## MANAGEMENT DISCUSSION AND ANALYSIS

### SUGAR :

Sugar Industry is an important Agro-based Industry that impact the rural livelihood of 50 Million farmers and around 5 lakh workers directly employed in Sugar Mills. This also generates indirect employment like transport services, trade servicing of machinery and supply of Agricultural inputs.

Sugar Industry continues be in a difficult situation which has culminated into a crisis. The Cane Pricing Policy of the Central and State Governments without linking to the Sugar price has been detrimental to the financial health of Sugar Industry. This has made many Sugar Mills sick in view of the mounting arrears of cane payments. In such dismal scenario, there is an urgent need for the Government to ensure parity of cane price payable by Mills to farmers and the sale price realisation to the Mills which would enable the Mills to ensure prompt payment to the farmers without any arrears. Mounting cane arrears has become a worrying factor for the Industry. Further, the land available for planting Sugarcane crop is coming down year by year due to low yield of Sugarcane per hectare and also in view of farmers opting to grow other crops where they can get quick realisation of cash. High cost of production specially increasing labour cost and un-scientific method of cane price fixation has severally impacted the financial health of the Mills.

At present the focus of the Government should be to provide incentives for development of high yielding and high sucrose content varieties of cane and also to ensure that diseases and pest do not damage the Sugarcane crop. In view of the slow movement of Sugar stocks in domestic market, there is also a need for Government to continue export subsidies. It is welcoming that to give encouragement to Mills to step-up Ethanol production, a significant step has been taken by the Government permitting production of Ethanol directly from Sugarcane juice. This will facilitate the Mills in creating new Ethanol capacities. This would also give impetus to the Government's Ethanol Fuel Blending Programme. However, it is important that the price paid by Oil Manufacturing Companies matches the efforts and cost of production of Ethanol.

Restrictions on movement due to COVID-19, the off-take of Industrial Users have come down. This has made difficult for the Sugar Mills to dispose of their stocks and consequently the price realisation of Sugar Mills has been hit hard. Sugar Mills are not even able to recover Fair Remunerative Price, fixed by Government of India. This is making difficult for Sugar Mills to meet the cane payment obligation. Measures such as Rural Employment Guarantee Scheme which is being offered by the Government of India requires to be introduced for cane harvesting labour also so as to be helpful to the cane growers. Arranging Awareness Programmes by State and Central Governments is very much needed to motivate the Cane Growers to realise the benefits of Mechanisation in Sugarcane farming, good ratoon crop management and adopting of other new agricultural practices to improve the yield.

### CHLOR ALKALI:

Your Company has an Integrated Chemical Complex at Saggonda manufacturing Caustic Soda, Chlorine and other Allied Products. A 500 TPD Caustic Soda Plant is in operation at Saggonda village of Gopalapuram Mandal and a 25 TPD Caustic Potash Plant at Kovvur, West Godavari District, Andhra Pradesh.

During the year 2021-22, Caustic Soda market scenario has got fluctuated in domestic markets, owing to the following reasons :

- During the year 2021-22, Caustic Soda Imports were declined by 36.28%, compared to previous year.
- Major Caustic Soda Units in USA went under shut, due to severe power crisis and raw material shortages. Similarly, Caustic Soda Units in China had been badly hit, owing to severe crisis of Coal and Power. Since China and USA are the major supplier of Caustic Soda, exports of Caustic Soda from these countries had been restricted substantially.
- Due to decline in Caustic Soda imports, availability of the product is not enough as against the genuine demand in domestic markets. Moreover, some of the manufacturers prefer to Export Caustic Soda to other Countries, with a view to attain better realizations rather than domestic prices. All these factors show the way to increase the prices consistently in domestic markets.
- With the demand being strong from the downstream and the economy reviving from the corona virus related lockdowns, price stabilization seems far away in the upcoming period."
- To catch hold the flourished conditions, indigenous manufacturers have utilized production capacities at optimum level. In addition, enhanced production capacities come into existence, which lead to accumulation of stocks of co-products of Chlorine and HCL. Owing to power holiday and raw materials shortage,

some of the Pharma Units as well as medium scale industrial segments reduced their production capacities by 30 to 40%. All these factors have adversely influenced on domestic manufacturers in terms of disposal of Chlorine and HCL.

- Power which is a major input for the production of Caustic Soda is required to be available at an economical price. There is a need for the Government to classify this Industry under "Energy Intensive Industry" in order to get the benefit of availing Power at a concession rate.
- Despite the market constraints are prevailed, consequent upon long lasting association, your Company has been getting consistent support from the bulk Customers and Traders who have been honoring their off-takes. This has given an advantage to your Company to produce Caustic Soda as per the Production and Marketing Plans perceived.

#### **ASPIRIN:**

In the year 2018-19 there was a great amount of consolidation in the number of manufacturers of Aspirin formulations at the premium end, with the brands of Novartis, Sandoz and Pfizer all being consolidated under one single umbrella of GSK Consumer Health. Due to this reason, our volumes of exports are lower than the FYs 2019-20 & 2020-21. However, we are working on to increase the Global business particularly in Regulatory Markets, as our Company's Aspirin Plant is meeting the international standards under the current Good Manufacturing Practices (cGMP) and has been audited and approved by USFDA, EDQM and TGA. Apart from this, we have obtained US DMF, EU DMF / CEP, WHO GMP (local) certificate and Written Confirmation (WC), issued by concerned International and National level Regulatory Authorities for facilitating our customers to register their product in their respective Regulatory markets.

To fill the gap, we have developed the indigenous business. Many of the customers, overseas and Indian, have initiated their validation process as we have been able to supply the product meeting their requirements with the required documentation, these are likely to be commercialized in coming years.

To address the large pool of generic FDF manufacturers as well as to make use of the current anti-Chinese sentiment in the US market we are trying to be competitive by utilising the expanded capacity of our Aspirin Plant. Also, we have started development of Aspirin Starch Granules to meet the global demand, as we have been getting enquiries for this grade from our existing as well as prospective customers.

We are concentrating on the generic toll manufacturers in the US and sampled 2 companies and are in process of getting validated with them. Their combined capacity, usage is around 1,500 MT per annum. Formulation and processing validation is in progress at our end to match these customers requirements, for which we are expecting the orders for next calendar year.

In the coming years, the focus would be on to widen our Overseas and Indigenous client base.

#### **POWER:**

Your Company operates Chlor Alkali Plants which are Power Intensive with Power constituting a major input cost. Therefore, it is essential for your Company to ensure the availability of quantity and quality of Power to be self-sufficient in production and remain competitive. Keeping this in view, your Company established a 33 MW Captive Generation Thermal Plant at Saggonda. This is in addition to Solar Power Plant in operation at Kovvur. These two Plants will ensure adequate Power for Chemical Plants. Apart from this, the Company as a Shareholder avails Power from Andhra Pradesh Gas Power Corporation Limited (APGPCL), a Gas based Power Generation Company. The Power availed from this source is cheaper compared to State Electricity Board Power. As and when required, the Company also opts to avail Open Access Power in order to ensure that the Power is obtained at an economical rate. This would facilitate in augmenting the Power requirements of Chemical Plants.

#### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

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

As per the provisions of the Companies Act, 2013 the Statutory Auditors have annexed a Report on Internal Control System to the Independent Auditors Report pertaining to Financial Year 2021-22.

#### **OPPORTUNITIES AND THREATS**

Chlor-Alkali, Chemicals and Pharmaceutical products offer scope for expansion. Accordingly, the company is planning for expansion and development of new products in these areas. The proposed expansion of 100 TPD Caustic Soda Plant and 500 TPD Sulphuric Acid Plant are expected to be operational during the last quarter of the

## The Andhra Sugars Limited

financial year 2022-23 to cater the market demand.

Non-availability of Sugar Cane in the Sugar Segment and availability of Power and its Cost in the Chlor-Alkali segment are the threats. Volatility in the prices of Imported Raw materials, is a matter of concern for Industrial Chemicals segment.

### OUTLOOK

Performance of the Chlor-Alkali and other units during the Current Financial Year 2022-23 is expected to be reasonably good with the prevailing market conditions. Cane availability is likely to be more than the previous year.

### RISKS AND CONCERNS

Availability of sufficient cane and sugar selling price is a matter of concern.

Volatility in the market price and power availability at economical cost pose risks in the Chlor-Alkali segment.

Raw material prices continues to be a matter of concern for Industrial Chemicals

### SEGMENT-WISE PERFORMANCE

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

#### Details of Significant changes in key financial ratios:

Ratio	2021-22	2020-21	Change %	Explanation for change
1) Debtors Turnover	8.13	7.13	14.03	--
2) Inventory Turnover	3.45	2.65	30.19	Increase in Production
3) Interest Coverage Ratio	17.68	6.35	178.42	Reduction in Debt
4) Current Ratio	4.00	3.15	26.98	Reduction in Debt
5) Debt Equity Ratio	0.04	0.14	71.42	Reduction in Debt
6) Operating Profit Margin (%)	23.27	23.18	0.39	--
7) Net Profit Margin (%)	13%	11%	18.18	--

#### Details of change in Return on Net worth:

Ratio	2021-22	2020-21	Change %	Explanation for change
Return on net Worth.	11.95%	9.25%	29.19%	Increase in Net worth due to higher profitability

### FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Your Company has earned a Gross Profit of Rs. 283.27 Crores (before interest and depreciation) against Rs.210.59 Crores (before interest and depreciation) in last year.

The gross Fixed Assets of your Company as on 31.3.2022 is Rs. 1008.93 Crores compared to Rs. 959.60 Crores during the previous year 2021-22. Your Company has a net worth of Rs.1363.97 Crores.

As on 31.03.2022 the Fund based working capital limits is Rs.78.00 Crores and Non-fund based working capital limits is Rs.46.80 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 31.3.2022 your Company's employee's strength stands at 2,035.

### CAUTIONARY STATEMENT

The Statements and Assumptions made by the Company are generally forward looking. Actual results may differ / vary from the Assumptions / Estimations. However the Company closely monitors all events affecting the performance of the Company.



## ANNEXURE "II A" TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31-03-2022

Statement showing particulars of employees of the Company as required under Section 197 of the Companies Act, 2013, read with Companies (Particulars of Employees) Rules, 1975 as amended and forming part of Report of the Board of Directors for the period from 01-04-2021 to 31-03-2022.

Sl. No.	Name	Designation	Qualification	Experience (Years)	Date of commencement of employment in the Company	Gross Remuneration Rs.	Age (Years)	Particulars of Last Employment (Name of the Concern, Designation and Period)
1)	Sri P.Narendranath Chowdary	Chairman and Managing Director	B.Sc.	55	12-01-1976	7,16,07,667	74	Director, The Andhra Sugars Ltd., 8 Years
2)	Sri Mullapudi Narendranath	Joint Managing Director	B.Sc., (Ag.)	48	01-01-1998	4,55,22,523	73	Managing Director Sree Satyanarayana Spinning Mills Ltd., Tanuku, 24 Years
3)	Sri Mullapudi Thimmaraja	Joint Managing Director	B. Tech., M.B.A. (Florida)	47	01-08-1978	4,55,22,523	71	Director The Andhra Sugars Ltd., 21½ Years
4)	Sri P. Achuta Ramayya	Joint Managing Director	B.Com., M.B.A. (New York)	39	01-08-1983	4,53,87,523	67	First Appointment
5)	Sri P.S.R.V.K. Ranga Rao	Executive Director	B.Com.	23	01-05-1999	2,67,09,610	52	Director The Andhra Sugars Ltd., 1½ Years

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

**FORM B**

**RESEARCH & DEVELOPMENT (R&D)**

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

Your company has focused on R&D activities, which enable us to increase the productivity of our company while simultaneously reducing cost of production. R&D continued its focus on developing innovative processes for reduction of pollution, which not only contributes to cleaner environment and also conserving the valuable natural resources. Your company maintains constant thrust towards implementation of Modern Methods in Sugarcane farming, Sugarcane Harvesting and Sugar Processing. Development of New analytical methods for exact quantification of in-process samples is being continued.

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

Your company's R&D efforts helped to improve the quality of the existing products to meet the needs of our customers. Implementation of various technologies developed by R&D for treatment of effluents helped in reducing the effluent generation and hence the pollution. New analytical techniques were used in development of various new innovative processes by R&D. One more line multiplied and distributed to cane growers for on farm trials and the farmer's feedback of the variety are encouraging.

**3. Future plan of Action:**

Your Company will continue its efforts towards capacity building of the existing R&D capabilities for better performance and delivery of desired outputs. Implementation of innovative technologies for Development of New Products, New Processes and Improvement of the existing process will be continued to compete in the prevailing market situations. Constant efforts will be made to reduce the effluents further to achieve cleaner environment. Your company will continue its efforts towards development of High yield Sugar Cane varieties and Mechanization of Sugar Cane farming and harvesting.

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**

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

- a) New instrumental methods (HPLC & UV) were developed for estimation of Salicylic acid and its derivatives, by products, etc.
- b) Product identification, technology feasibility assessment was made to build a new Multi-Product (Pharma Intermediates and APIs) facility by modifying existing Acetic Acid unit.
- c) Process optimizations were made in Compaction and Granulation of Aspirin powder and Aspirin DC granules.
- d) Development of New Sugarcane varieties suited for The Andhra sugars zones: Testing of Cane Lines under different phases is underway and 2 lines have been provided to farmers.
- e) Biological Management of Sugarcane Pest & Diseases: It is mainly to assess the damage status of Root Grub in the Sugarcane field and implementation of control measures both curative and preventive for possible spread of the pest.
- f) Sugarcane Farming Mechanization: The land prepared with Reversible disc plough, Power harrowing, formation of Ridges & Furrows with GPS Enabled Tractors (wider rows), planting with ASL make water wheel planter.
- g) Sugarcane harvester design and development: Under R & D Program Design and Development of Sugarcane Harvester was taken up due to shortage of harvesting labour to harvest the cane, The object is to Design and Build a compact cane harvester suitable for Indian Farm conditions with minimum cane loss and giving cane as clean as hand cut cane.
- h) Lamella Juice clarifier at a Cane Sugar Plant: The object of the Lamella Juice Clarifier is to bring down the Juice retention time to 7 minutes from 37 minutes without compromising juice quality. Low retention

time not only reduced inversion loss, but also reduced heat loss in the clarifiers, ultimately creating a more energy efficient equipment.

- i) True Seed Pan: The object of the True Seed Pan is to make better Quality Seed for B & C massecuites and for good control of crystallization process to minimize sugar losses, minimize conglomeration and to improve sugar quality.

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

- a) Newly developed analytical methods will result in accurate quantification of Sodium Salicylate & Salicylic acid in in-process samples. This will help in optimizing the process parameters.
- b) New product portfolio will be added to the existing products like Drug Intermediates / API's through batch manufacturing in multipurpose Batch Plant.
- c) Aspirin crystals and Aspirin DC granules capabilities were enhanced to compete in various regulatory & semi-regulatory markets.
- d) Development of New Sugarcane varieties suited for The Andhra sugars zones: One more line multiplied and distributed to cane growers for on farm trials and the farmer's feedback of the variety are encouraging. Other pipeline varieties are under evaluation for further testing at our cane R & D farms.
- e) Biological Management of Sugarcane Pest & Diseases: This will help to gain confidence of the cane growers for biological management of Root Grub.
- f) Sugarcane Farming Mechanization: Looking at different steps in mechanizing sugarcane farming, we started designing and development of Implements for land preparation, planting, irrigation, weed control, harvesting and finally cane transport.
- g) Sugarcane harvester design and development: A Proto Type Sugarcane Harvester was built at our Workshop and Tested at our Farms. The machine productivity and cane cleaning efficiency was found to be good with cane loss much lower than with other Harvesters now available in our Country.
- h) Lamella Juice clarifier at a Cane Sugar Plant: Under R & D Program the Lamella Juice Clarifier was built, installed and trails conducted during the 2019-2020 crushing season at Sugar Unit-II. Fine tuning trails has been continued during the 2021-22 crushing season. Results are encouraging and promising.
- i) Under R & D Program a True Seed Pan of 30 MT capacity was Designed, Built and Erected at Sugar Unit-II, Taduvai. This equipment was commissioned during 2020-2021 crushing season. Pan Boiling is fast and vigorous. Grain is uniform and free from joints. Results are encouraging.

**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:**

<ul style="list-style-type: none"> <li>a) Technology imported</li> <li>b) Year of import</li> <li>c) Has technology been fully absorbed</li> <li>d) If not fully absorbed, areas where this has not been taken place, reasons there of.</li> </ul>	<p><b>NIL</b></p>
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**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022**

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

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

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

Based on our verification of the The Andhra Sugars Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2022 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 and made available to us, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (v) Other laws applicable specifically to the Company, namely:
  - (a) Sugarcane Control Order, 1966
  - (b) Sugar Cess Act, 1982
  - (c) Sugar Development Fund Act, 1982
  - (d) The Andhra Pradesh Sugarcane (Regulation of Supply & Purchase) Act, 1961
  - (e) The Hazardous Wastes (Management, Handling and Transboundary Movement) Rule, 2008
  - (f) Drugs & Cosmetics Act, 2002 and rules made thereunder
  - (g) Legal Metrology Act, 2009 and rules made thereunder
  - (h) Arms Act and Rules, 1962
  - (i) Andhra Pradesh Electricity Act
  - (j) The Environmental Protection Act, 1986
  - (k) The Indian Electricity Act
  - (l) Indian Explosives Act
  - (m) Petroleum Act
  - (n) The Indian Telegraph Act
  - (o) Andhra Pradesh Petroleum Products Order, 1980
  - (p) The Andhra Pradesh Panchayat Raj Act, 1994

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

We report that, during the year under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines and Standards mentioned above except

- (a) filling up the vacancy of Company Secretary till 30th June, 2021 and accordingly, the Company has not complied with the provisions of Section 203(1) of the Companies Act, 2013 read with Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 6(1) of SEBI (LODR) Regulations, 2015.
- (b) Delay in passing of special resolution pursuant to Regulation 17(1A) of SEBI (LODR) Regulations, 2015 for appointment of Mr. Parvataneni Venkateswara Rao as a non-executive and independent Director of the Company who attained 75 years of age.

We further report that, there were no events / actions in pursuance of:

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009); and
- (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (g) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings

We further report that:

The compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by the statutory financial auditors, tax auditors, and other designated professionals.

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

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

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that, based on the information provided and the representation made by the Company and also on the review of the compliance certificates / reports taken on record by the Board of Directors of the Company, in our opinion, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines

We further report that, during the audit period, there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines etc. having major bearing on the Company's affairs except sub-division of equity shares of the Company from the nominal value of Rs.10/- (Rupees ten only) each to Rs.2/- (Rupees two only) each from 31st December, 2021 (record date)

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

**Company Secretaries**

ICSI Unique Code: S2009AP122301

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

Proprietor

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

ICSI UDIN:F007157D000351237

Date : 20<sup>th</sup> May, 2022

Place : Hyderabad

**Note:**

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

**The Andhra Sugars Limited**

**ANNEXURE - A**

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

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

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

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

**Company Secretaries**

ICSI Unique Code: S2009AP122301  
(NEKKANTI S.R.V.V.S. NARAYANA)

Proprietor

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

Date : 20<sup>th</sup> May, 2022

Place : Hyderabad

**ANNEXURE - V**

Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Name of Directors and Key Managerial Personnel	Designation	Ratio of Remuneration to Median Remuneration of all Employees	Increase in Remuneration over Last Year (%)
Sri P. NarendranathChowdary	Executive Director	246.04	63.28
Sri MullapudiNarendranath	Executive Director	156:41	63.90
Sri MullapudiThimmaraja	Executive Director	156.41	63.90
Sri P. AchutaRamayya	Executive Director	155:95	63.41
Sri P. S. R. V. K. Ranga Rao	Executive Director	91:77	46.15
Dr. P. Kotaiah	Independent Director	1.43 : 1	–
Sri V.S. Raju	Independent Director	2.15: 1	–
Sri P. A. Chowdary	Independent Director	2.27: 1	–
Dr. D. Manjulata	Independent Director	1.43: 1	–
Sri P. Venkateswara Rao	Independent Director	0.93: 1	–
Sri P.V.S. Viswanadha Kumar	VP (Finance) & Addl. Secretary (CFO) & Compliance Officer	17.30:1	25.28

@ Only Sitting Fees was paid to Independent Directors and there was no change in Sitting Fees per Meeting in the Financial Year under report.

**Notes:**

- 1) The number of Permanent Employees as on 31st March, 2022 was 2,035.
- 2) Compared to 2020-21, the figures for 2021-22 reflect that.
  - (i) Median remuneration of Employees - Increased by 5.72%
  - (ii) Average remuneration of Employees - Increased by 8.82%
  - (iii) Average remuneration of Employees excluding Key Managerial Personnel (KMPs) - Increased by 8.82%.
  - (iv) Remuneration of KMPs - increased by 60.09% due to increase of Remuneration of whole-time directors based on profitability
- 3) Remuneration of Directors, KMPs and other Employees is in accordance with the Company's Remuneration Policy.

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI**  
**(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

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

We have examined the following documents:

- i) Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');
- ii) Disclosure of concern or interests as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents') as submitted by the Directors of **The Andhra Sugars Limited**, having CIN L15420AP1947PLC000326 and having registered office at Venkatarayapuram, Tanuku, West Godavari District, Andhra Pradesh - 534215 to the Board of Directors of the Company ('the Board') for the financial year 2021-22 and relevant registers, records, forms and returns maintained by the Company and as made available to us for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of SEBI (LODR) Regulations, 2015. We have considered non-disqualification to include non-debarment by Regulatory/Statutory Authorities.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act.

Ensuring the eligibility for appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)), in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorised representatives, we hereby certify that none of the Directors on the Board of the Company, as listed hereunder for the financial year ended 31st March, 2022, have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

Sl. No.	Name of Director	DIN	Date of appointment in Company
1.	Pendyala Narendranath Chowdary	00015764	12th January, 1976
2.	Mullapudi Narendranath	00016764	1st January, 1998
3.	Mullapudi Thimmaraja	00016711	1st August, 1978
4.	Pendyala Achuta Ramayya	00015065	1st August, 1983
5.	Pendyala Sreeramachandra Venkata Krishna Ranga Rao	00015795	1st May, 1999
6.	Pamidi Kotaiah	00038420	27th April, 2001
7.	Vuppalapati Sitarama Raju	00101405	29th October, 2003
8.	Dasari Manjulatha	02788338	28th July, 2014
9.	Popuri Adeyya Chowdary	02936505	24th April, 2010
10.	Venkateswara Rao Parvataneni	06387165	26th April, 2021

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the financial year ended 31st March, 2022.

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

**Company Secretaries**

ICSI Unique Code: S2009AP122301

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

Proprietor

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

ICSI UDIN: F007157D000370465

Date : 23<sup>rd</sup> May, 2022

Place : Hyderabad



[Annexure -VI]

**Format For The Annual Report on CSR Activities to be Included in the Board's Report  
For Financial Year Commencing on or After 1st Day of April, 2020**

1. Brief outline on CSR Policy of the Company.  
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, Ophthalmology, Orthopedic, Obstetrics, Gynecological and Dental Care. Your Company helped to provide education by helping in setting up two Schools and a Polytechnic and helped in setting up a modern Library and a Cultural Centre with a 1000 seat Indoor Auditorium and an Outdoor Auditorium.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Sri P.Narendranath Chowdary	Chairman	1	1
2.	Sri Mullapudi Thimmaraja	Member	1	--
3.	Sri V.S. Raju	Member	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company - <https://theandhrasugars.com/wp-content/uploads/2018/04/CSR-POLICY1.pdf>
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

Sl. No.	Financial Year	Amount available for set-off from preceding Financial Years (in Rs.)	Amount required to be set-off for the financial year, if any (in Rs)
1.	2019-20	NIL	NIL
2.	2020-21	NIL	NIL
3.	2021-22	NIL	NIL

6. Average net profit of the company as per section 135(5): Rs.1,95,62,66,533/-
7. (a) Two percent of average net profit of the company as per section 135(5) : Rs.3,91,25,331/-  
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL  
(c) Amount required to be set off for the financial year, if any: --  
(d) Total CSR obligation for the financial year (7a+7b-7c):Rs.3,91,25,331/-
8. (a) CSR amount spent for the financial year: Rs.3,94,46,778/-

Total Amount Spent for the Financial Year (in Rs.) 2021-22	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5).		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
Rs.3,94,46,778/-	NIL	Not Applicable	Not Applicable	Not Applicable	Not Applicable

(b) Details of Corporate Social Responsibility amount spent against ongoing projects for the Financial Year : NIL

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Project duration	(7) Amount allocated for the project (in Rs.)	(8) Amount spent in the current financial Year (in Rs.)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	(10) Mode of Implementation - Direct (Yes/No)	(11) Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number

## (c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount allocated for the project (in Rs.)	Amount spent in the current financial year (in Rs.)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
1.	Providing Health Care Activity	Health Care	Local Area	A.P.	West Godavari	3,20,00,000	No	Sree Mullapudi Venkatarayudu Memorial Medical Trust, Tanuku	CSR00006765
2.	Providing Education	Education	Yes	-Do-	-Do-	54,00,000	No	Sree Mullapudi Venkatarayudu Memorial Educational Trust, Tanuku	CSR00007006
3.	Developing Municipal Park	Environmental	Yes	-Do-	-Do-	15,02,958	No	Spent by Company Direct	--
4.	Public Drinking Water maintenance	Safe Drinking water	Yes	-Do-	-Do-	4,29,604	No	Spent by Company Direct	--
5.	Plantation of Saplings	Environmental	Yes	-Do-	-Do-	56,200	No	Spent by Company Direct	--
6.	Hand Sanitizer & Sodium Hypo to Govt. Authorities	Health Care	Yes	-Do-	-Do-	58016	No	Spent by Company Direct	--

**The Andhra Sugars Limited**

- (d) Amount spent in Administrative Overheads
- (e) Amount spent on Impact Assessment, if applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e)
- (g) Excess amount for set off, if any

SI.No.	Particulars	Amount in (Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	3,91,25,331
(ii)	Total amount spent for the Financial Year	3,94,46,778
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3,21,447
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	3,21,447

9. (a) Details of Unspent CSR amount for the preceding three financial years:

SI. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.	2018-19	NIL					NIL
2.	2019-20	NIL					NIL
3.	2020-21	NIL					NIL
	Total						

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
SI. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed / Ongoing.
1.				NIL				
2.				NIL				
3.				NIL				
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable
- (a) Date of creation or acquisition of the capital asset(s).
  - (b) Amount of CSR spent for creation or acquisition of capital asset.
  - (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
  - (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Sd/-  
P. Narendranath Chowdary  
Chairman and Managing Director  
Chairman Corporate Social Responsibility Committee

**ANNEXURE-VII**  
**Form No. AOC-2**

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

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

- 1. Details of contracts or arrangements or transactions not at arm's length basis: NIL**
- (a) Name(s) of the related party and nature of relationship:
  - (b) Nature of contracts/arrangements/transactions:
  - (c) Duration of the contracts / arrangements/transactions:
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
  - (e) Justification for entering into such contracts or arrangements or transactions
  - (f) Date(s) of approval by the Board:
  - (g) Amount paid as advances, if any:
  - (h) Date on which the special resolution was passed in general meeting as required under first provision to section 188:
- 2. Details of material contracts or arrangement or transactions at arm's length basis: NIL**
- (a) Name(s) of the related party and nature of relationship:
  - (b) Nature of contracts/arrangements/transactions:
  - (c) Duration of the contracts / arrangements/transactions:
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
  - (e) Date(s) of approval by the Board, if any:
  - (f) Amount paid as advances, if any:

TANUKU  
28.05.2022

P.NARENDRANATH CHOWDARY  
Chairman and Managing Director

## BUSINESS RESPONSIBILITY REPORT

The Andhra Sugars Limited ("the Company") is pleased to present this Business Responsibility Report for the Financial Year (F.Y.) 2021-22 in accordance with sub-regulation (2) of Regulation-34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Circular No.CIR/CFD/CMD/10/2015 dated November 4, 2015, issued by the Securities and Exchange Board of India (SEBI), to describe the initiatives taken by the Company from an environmental, social and governance perspective.

This Business Responsibility Statement encompassing Nine (9) Principles is viewed by the Company as of paramount importance in the context of ensuring Value Addition to all Stakeholders namely Shareholders, Customers, Vendors, Employees, Fixed Deposit Holders and others associated with the Company.

### ABOUT US:

The Andhra Sugars Limited came into existence at Tanuku at a time when there was no Electricity. With the help of a Generator a Workshop was established and a small Sugar Unit of 600 M.T. of Sugar Cane was set up which became operational in the early 1950s. This Venture has blossomed over the years into a Multi-Product Conglomerate which largely helped transforming the very face of Tanuku. Beginning with the Fertiliser, Superphosphate, which was at that time required for the farmers of that Area, the Chemicals & Fertilisers Division at Kovvur came into operation and developed a Product Range there that was largely responsible for the Growth and Development of the now existing Pharmaceutical Hub at Hyderabad, beginning from the yester years of Indian Drugs and Pharmaceuticals Limited (IDPL). Recognising the need to go in for expansion of capacity of Caustic Soda, the Company established a Chemical Complex at Saggonda in West Godavari. The Plant at this Complex is highly energy efficient based on the latest technology of Membranecell obtained from recognised International Supplier.

Over the years from the By-product Molasses of the Sugar Industry, Industrial Alcohol and its Allied Products came out of Tanuku location, which today encompasses an US FDA approved Aspirin Unit and also the prestigious Liquid and Solid Propellants for the Space Programme of our Country which has put Tanuku on to the World Map.

Added were other Divisions at Taduvai and Bhimadole to Sugar Production and the Cotton & Oil Products Division at Perecherla, Guntur. Also promoted were the Companies JOCIL Limited and The Andhra Petrochemicals Limited (APL) at Dokiparru, Guntur and Visakhapatnam respectively making the foray into Fatty Acids & Toilet Soaps, and the only Unit in India making Oxo-Alcohols respectively.

The Company's major operations are power intensive. Therefore recognising the need to be self-sufficient in meeting power requirement, the Company made entry into Power Sector by putting up Solar, Wind and Coal Based Power Plants.

### CORPORATE SOCIAL RESPONSIBILITY:

Since its inception in 1947, the Company is dedicated to the betterment of the Rural Masses in the areas of its operations. Way back in the 1950s, well before there was the thought of "Corporate Social Responsibility", the 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. The details of CSR Expenditure for the Year 2021-22 can be seen in the Annual Report.

## BUSINESS RESPONSIBILITY REPORT

### SECTION - A :

#### GENERAL INFORMATION ABOUT THE COMPANY :

1. Corporate Identity Number(CIN) : L15420AP1947PLC000326
2. Name of the Company : The Andhra Sugars Limited
3. Year of Incorporation : 1947
4. Regd.Office Address : Venkatarayapuram,  
TANUKU - 534 215  
West Godavari District.  
Andhra Pradesh.
5. Corporate Address : Same as above
6. Website : www.theandhrasugars.com
7. E-mail ID : info.tnk@theandhrasugars.com
8. Telephone : 08819-224911
9. Financial Year reported : 2021-22
10. Name of the Stock Exchange where shares are listed : National Stock Exchange (NSE)
11. Sector(s) that the Company is engaged in / List of three key products / services that the Company manufactures/provides (as in the Balance Sheet, industry activity code wise) : Sugar, Chlor Alkali  
Organic & Inorganic Chemicals  
Power Generation.

Sl. No.	Name and Description of Main Products	National Industrial Classification (NIC) Code of the Product (as per NIC 2008)
1.	Sugar	107
2.	Caustic Soda	201
3.	Sulphuric Acid	201

12. Total Number of Locations where Business Activity is undertaken by the Company:

Number of National Locations	Tanuku, Taduvai, Bhimadole, Kovvur, Saggonda and Guntur.
Number of International Locations	NIL.

13. Markets served by the Company (Local/State/National/International):

The Company mainly caters to Indian Market only.

### SECTION - B :

#### FINANCIAL DETAILS OF THE COMPANY :

Financial Year (F.Y) 2021-22	Amount
Paid-up Capital (Rs. In Crore)	27.11
Total Turnover (Rs. In Crore)	1217.29
Net Profit After Tax (Rs. in Crore)	161.70
Total Spending on Corporate Social Responsibility(CSR) (Rs. in Crore)	3.94



## SECTION - C

### OTHER DETAILS:

#### 1. Subsidiary Companies:

Our Company has Three Subsidiaries - JOCIL Limited, The Andhra Farm Chemical Corporation Ltd., and Hindustan Allied Chemicals Ltd.,

- (i) JOCIL Limited is located at Dokiparru in Guntur District. This Company contributes to Soap Industry, Production of Fatty Acids, Glycerine and Toilet Soaps using Non-edible Oils.

Further, it has a Stearic Acid Plant producing Stearic Acid - an Intermediary for Soap Manufacture as this Plant produces Toilet Soaps using Stearic Acid.

- (ii) The Andhra Farm Chemicals Corporation Ltd., was established in the year 1968 at Kovvur. This Company was once the largest manufacturer of Hydrazine Hydrate in India, using technology provided by RRL, Hyderabad which was improved upon by us.

- (iii) The Company also promoted The Andhra Petrochemicals Ltd., at Visakhapatnam which uses technology from Davy McKee (London). This Plant manufactures 2-Ethyl Hexanol, n-Butanol, i-Butanol - ingredients for the Plastic Industry.

## SECTION - D

### CORPORATE SOCIAL RESPONSIBILITY (CSR):

As required by the Provisions of the Companies Act, 2013, a Corporate Social Responsibility (CSR) Committee has been constituted by the Board of the Company with Sri P.Narendranath Chowdary, Chairman and Managing Director, Sri Mullapudi Thimmaraja, Joint Managing Director and Sri V.S. Raju, Independent Director as members of the Committee. This Committee has formulated a CSR Policy which has been approved by the Board. This Policy envisages CSR Activities to be taken up, amount of expenditure to be incurred and monitoring of CSR Activities from time to time.

This Policy aims to achieve the CSR objectives by undertaking one or more of the activities to be in alignment with Schedule VII of the Companies Act, 2013 either by the Company on its own or through any Trust / Society or any other recognized Agency.

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

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

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

Allocation of the Annual Budget for CSR activities in any given year would be as per the provisions of the Companies Act, 2013 and Rules made thereunder as amended from time to time.

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

#### (b) Business Responsibility Head:

Name : Sri P.Narendranath Chowdary  
 Designation : Chairman & Managing Director  
 Telephone No. : 08813 - 2321597.  
 E-mail id : info.kvr@theandhrasugars.com

## SECTION E:

### PRINCIPLE-WISE PERFORMANCE:

The following are the updates for the Company on each of the Principles stated in the National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business issued by the Ministry of Corporate Affairs (MCA).

#### PRINCIPLE - 1

##### **BUSINESS SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY:**

The Andhra Sugars Limited was incorporated in the Year 1947. Since Inception, Company's emphasis has been on pursuing high standards of Ethics in its Business Process. The Company strictly believes in maintaining high standards of Corporate Governance, Transparency in disclosures, regulatory compliance, good operational practices, strong internal controls, integrity with all its Stakeholders namely Shareholders, Customers, Suppliers, Employees, Farmers, Regulatory Authorities and Public at large. Company is of view that as a responsible corporate citizen, all re-regulatory disclosures are made in a transparency manner.

Company's Board of Directors is headed by Chairman and Managing Director, assisted by Four (4) Whole-time Directors. Besides this, Board comprises of Five (5) Independent Directors, who provide guidance and support to the Management in laying down the Policies to be followed in pursuit of its goals.

The Board has constituted following Committees.

- i) **Audit Committee**
- ii) **Nomination and Remuneration Committee**
- iii) **Stakeholders Relationship Committee**
- iv) **Corporate Social Responsibility Committee**
- v) **Risk Management Committee**

The above Committees perform as per the well defined Scope & Terms of reference and recommend to the Board the matters considered by them. The Company has also Whistle Blower Policy / Vigil Mechanism in place. This Policy envisages the right of any employee irrespective of his position in the Organisation hierarchy to report to the Management or Chairman of the Audit Committee any unethical practice, wrong doings prevailing in the Company. This Policy provides adequate safeguard against victimisation against the person who is a Whistle Blower.

Shareholders and other Stakeholders grievances are also addressed with utmost earnestness to resolve the grievance, if any, to their satisfaction.

It is uppermost endeavour of the Company to encourage all the Stakeholders to maintain high ethical standards in dealing with the Company.

#### PRINCIPLE - 2

##### **BUSINESS SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE:**

The Company is in the manufacturing of Sugar and various Chemicals which go into the production of Pharma Products. In this context, the Company's focus has always been to provide Quality Products to endusers. Company effectively monitors the production process to bring about improvement in production quality by adopting new technology emerging from time to time. Company highly values environmental sustainability. In spite of being in the manufacturing of Hazardous Chemicals, it ensures that the Chemical Plants are highly energy sustainable with lower emission of gasses. Caustic Soda Plant is energy efficient. Pollution Control Board Norms are strictly adhered to in discharge of effluents. Company strive to adopt latest technology to ensure the substanceability of environment.

Company started its advent with the manufacture of Sugar at a place Tanuku, then a mofussil locality in the State of Andhra Pradesh. Two more Sugar Units were added, one at Taduvai and another one at Bhimadole in West Godavari District of Andhra Pradesh. Due to unviability of operations, the Sugar Plants at Tanuku and Bhimadole have been shut down. Ever since the first Crushing Operations in the Year 1950 Sugarcane farming community

has been very dear to the Company. Farmers also place lot of confidence in the Company due to high ethical standard set and strictly adhering to the Norms of Statutory governing supply. Payments are made within the statute due dates. Interaction with the Farmers are made with personal touch. All efforts are being made to make farmers realise the benefits of Mechanisation through demonstration in the farmers' fields. Company is also maintaining Agricultrual Research Farm to improve the quality of Cane Seed to improve yield per Acre.

**PRINCIPLE - 3**

**BUSINESSES SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES:**

Management firmly believes and considers Employees of the Company as HUMAN ASSETS. One of our Founders Dr. Mullapudi Harischandra Prasad, the then Chairman & Managing Director always used to address the employees at our internal gathering as "Family Members". Employee relationship has always been amicable. We report with pride that since incorporation in the Year 1947 till date, there has been no instances of any Strike or Lockout. This is testimony to the fact about the fruitful bondage between the Employer and Employees. Constant and concerted effort is made to create an atmosphere of Employee Development from time to time taking into account the age and experience of an Employee. In case a need arises, outside Consultants are called to impart in house training to the Employees to enable them to acquaint themselves with latest developments concerning their area of operations. In certain cases, Employees are sponsored to attend Seminars and get Outside Training with a view to help to develop their skill and be better equipped to meet their organisational commitments. Equally important for the Company is Health and Safety of the Employees, Staff and Workers have regular health check-up at Hospital supported by our Company, located in the vicinity of Plants located at Tanuku. In respect of Safety of Employees, utmost care is taken to ensure that all required safety gadgets are provided to Workers on Plant. Safety trainings are conducted periodically to emphasise the importance of safety awareness at work place. As one of the important aspects of HR Policy, the Company does not discriminate against any Employee on the basis of Caste, Creed, Colour or gender etc. For the Company, Merit and Contribution are the only criteria to judge the upgradation of an Employee. Management of the Company would like to place on record the sincere efforts and unstinted support of Employees at all levels for their valuable efforts put in which has been instrumental in making Company scale greater heights.

**Given hereunder the Particulars :**

**31.03.2022**

1.	Total number of employees	2710
2.	Total number of employees hired on temporary/contractual/Casual basis.	675
3.	Number of permanent women employees.	3
4.	Number of permanent employees with disabilities	3
5.	Employee association that is recognized by management?	Yes
6.	Percentage of your permanent employees is members of this recognized employee association?	75%

7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sl.No.	Category	No. of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	0	NA
2.	Sexual Harassment	0	NA
3.	Discriminatory employment	0	NA

## The Andhra Sugars Limited

8. Percentage of our under mentioned employees who were given safety&skill Up-gradation training in the last year ?

a) Permanent Employees	75%
b) Permanent Women Employees	80%
c) Casual/Temporary/Contractual Employees	80%
d) Employees with Disabilities	100%

### PRINCIPLE - 4

#### **BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE, TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED.**

Company values every Stakeholder and there is a reciprocal relationship valuing and respecting each other's sentiments. Considering the fact that Company started its Business Venture with Sugar Business. Company identifies Farming Community as a Key Stakeholder. In the present difficult period, in which the Sugar Industry is passing through the Sugarcane Farming Community is unfavourably placed. Our Company's Focus is on to encourage the farmers to be in Sugarcane farming. To this end, we have been paying Cane Price more than the Fair Remuneration Price fixed by the Central Government. Apart from this, we provide Incentives in kind to ensure that the Sugarcane Farming Community comes out with best quality of Sugarcane. In addition, with personal interaction, farmers are given demonstration of benefits of Mechanisation in their fields to overcome labour problem besides rendering Advisory Services as per their requirement. In general, the needs and concerns of every Stakeholder, be it Shareholder, Fixed Deposit holder, farmer, customer, employee and anyone connected with the Company in any manner whatsoever, are viewed in proper perspective to come out with solutions to the mutual satisfaction.

### PRINCIPLE - 5

#### **BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS:**

Company strongly believes that respecting Human Rights is Corporate's sacred duty. It has always been the earnest endeavour of the Company to treat people with dignity in the course of dealings. Company respects and promotes Human Rights and in this context, Company sincerely endeavours to give prime importance to aspects like diversity, anti-discrimination, equal opportunities, compliance with regulatory matters with a highest integrity thus contributing to promotion of Human Rights. Stern disciplinary action is taken against the employee who disregards the Human Rights in course of his employment.

### PRINCIPLE - 6

#### **BUSINESSES SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT:**

The Policy covers the Company only. The company has taken up a few initiatives to address global environmental issues as outlined below:

- Use of Solar Energy, wherever feasible (A 2.50 MW Solar Power Plant has been installed at Kovvur complex and solar water heating system for Boiler feed water at Tanuku complex).
- Replacement of R-22 refrigerant gas with eco-friendly refrigerant gases (like R-32 Refrigerant) in Air conditioning refrigeration systems.
- Use of Wind Energy, wherever feasible (We installed wind mills with a total capacity of 16.6MW in the states of Andhra Pradesh and Tamil Nadu).

Potential environmental risks in our operations are identified and appropriate measures are taken to mitigate the risks with a view to minimize the environmental impact. Presently there is no Project related to Clean Development Mechanism.

The Company has taken up some initiatives on clean technologies, energy efficiency and renewable energy which include:

- Absorption of eco-friendly technologies like Membrane Cell Technology for the production of Caustic soda/ Chlorine, in place of Mercury cell electrolyzers.

- Process technology improvements in the process Plants with respect to reduction of waste generation, adopting 'Reduce, Reuse and Recycle' concepts (aimed at waste minimization and conservation of process water & cooling water) wherever possible and adopting the Zero Liquid Discharge systems as per the guidelines of Pollution Control Boards.
- Replacement of old & less energy efficient electric motors with increased energy efficient electric motors as per IE-2 class and IE-3 class.
- Use of Biogas (Non-conventional Energy) generated from Distillery Effluents in place of Coal for Steam generation.

Emissions/ waste generated by the Company is within the permissible limits given by CPCB/ SPCB and there are no Show-Cause Notices received from CPCB/ SPCB.

#### **PRINCIPLE - 7**

#### **BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER:**

For any Policy advocacy Company recognises the importance of being extremely responsible & highly ethical while taking the matters with relevant Government bodies. The Company is Member of Federation of Andhra Pradesh Chamber of Commerce and Industry Confederation of Indian Industry (CII). It is also Member of ISMA, SISMA, AMAI. As and when it is felt necessary, the Company makes representation to these relevant bodies to seek solutions to the problems faced by various sectors of business thus ensuring that the business operations are in right direction.

#### **PRINCIPLE - 8**

#### **BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT:**

Company was incorporated in the Year 1947 with its 1st Sugar Factory at Tanuku, then a Mofussil area. Since then, Company strongly believed that benefits of Industrialisation should percolate to the community around.

In this regard, our Commitment to Rural Development began way back in the early 1950. We founded various Educational Institutions and Medical Institutions of Excellence. To this end:

- Company helped to set up a Medical College in Kakinada in 1958 through the portals of which Doctors of Distinction passed out.
- In view of Industrialisation in the Area and the need for qualified technical staff, Company helped to set up a well-equipped Polytechnic in 1958 with full-fledged labs including Operating Models of Aircraft Engines along with hostels & playground facilities.
- In view of the need for providing the Rural Population with the much needed modern and specialized Medical Care that was available only in distant cities, we helped set up a Medical Centre at Tanuku in 1980. Subsequently, a Cardiovascular Centre and Eye Centre (first affiliate of LVPEI) were added to widen the Health Care base providing much needed Cardiac and Eye Care for the Rural Population.
- To ensure that local lads do not lag behind in their education, we support High Schools at Tanuku and Dommeru, a small Village in West Godavari District, Andhra Pradesh.
- Set up a modern Library and Cultural Center at Tanuku with a 850 Seater Air-conditioned Auditorium to meet the cultural needs of the Community.
- With concerted efforts, we could bring about social transformation of Rural Areas in our Region and economic prosperity, besides providing large-scale employment to the people of our Region and thereby helping in improving the standard of living. To this end, Company has been providing Direct Employment to the people in and around the local area and has also been supporting Sugarcane farmers by providing them field advisory services to improve the quality of Sugarcane crop.
- Recognising the importance of providing protected drinking water to the Rural Population, Company supported Drinking Water Schemes of RVWS Programme of Andhra Pradesh Government. In the past, Chlorine was supplied free of cost to Tirumala Tirupati Devasthanam and Sree Satya Sai Organisations for Drinking Water Programmes in Rural Areas.

## The Andhra Sugars Limited

- To facilitate better communication and more efficient agricultural operations not only for the farmers but also for the rural public at large Black-top Roads and Gravel Roads were developed under Sugarcane Development Schemes.

### PRINCIPLE - 9

#### **BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER:**

The Company highly values the Customers' loyalty. To achieve this, Company focus has always been to ensure that the Company is committed to give its Customers Best Product, Best Price and committed Delivery Schedule. Marketing Personnel work closely with the Customers and closely interact with them to understand their changing needs in respect of various attributes of the products. R & D is committed to look into and work upon the change and successfully implement the same. The products go through tight Quality Control Procedure before entering the Customers' Godown. Products are packed in the required Packing Containers and bear Labels as per the Regulatory Mandate. The Company never indulge in any kind of misleading Advertisements. During the preceding Five Financial Years, one case is filed regarding anti-competitive trade practice. National Company Law Appellate Tribunal(NCLAT) on Appeal filed has granted a Stay. Final Judgment is yet to be pronounced.

#### **2. Business Responsibility Policies:**

Though the Company does not have Policies other than mandated by Statute, it has adopted and follow the best Business Policies with all Stakeholders interest uppermost in view. Policies mandated by Statute are displayed on Company's Website: <https://theandhrasugars.com/wp-content/uploads/business-responsibilitypolicy.pdf>

Reporting of Business Responsibility is applicable to the Company for the first time from the Financial Year 2019-20, The Chairman & Managing Director and other Four (4) Whole-time Directors monitor and review the matters relating to Business Responsibility periodically to ensure that the Business activities are monitor in Right Direction. Every Business function is reviewed in detail and if required, corrective measures are taken by Statutory Auditors, Cost Auditors so as to ascertain that there are no financial irregularities. Emphasis is placed on following best Corporate Governance.

## Independent Auditor's Report

To the members of **THE ANDHRA SUGARS LIMITED, TANUKU**

### **Report on Standalone Financial Statements:**

#### **Opinion**

We have audited the accompanying financial statements of THE ANDHRA SUGARS LIMITED ("the company"), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the Standalone financial statements")

In our opinion and to the best of our information and according to the explanations given to us the accompanying financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2022, and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's responsibility for the Audit of Financial Statements section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### **Key Audit Matters**

Key Audit matters are those matters that in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

#### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Management's Responsibility for the Standalone Financial Statements:**

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India.

## The Andhra Sugars Limited

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone financial statements, the Board of Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter



should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Companies Act, 2013 we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014;
  - e) on the basis of written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act;
  - f) with respect to the adequacy of internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B", Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls with reference to financial statements;
  - g) With respect to Managerial Remuneration to be included in the Auditor's report under Section 197(16) In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
  - h) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 31 & 32 to the standalone Ind AS financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
    - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any

**The Andhra Sugars Limited**

person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in Note 12(3) to the Standalone financial statements

(a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Companies Act, 2013 as applicable.

(b) The Board of Directors of the Company have proposed 200 percent dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Companies Act, 2013 as applicable.

Camp : Tanuku  
Date : 28-05-2022

For M/s K.S RAO & Co.,  
Chartered Accountants  
Firm Registration No. 003109S  
K.VAMSI KRISHNA  
Partner  
ICAI Membership No:238809  
UDIN-22238809AJUYPH2138

**ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1 of our 'Report on Other Legal and Regulatory Requirements' section to the Members of The Andhra Sugars Limited of even date)

We report that:

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets
- a. (A) The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- (B) The company does not have any intangible assets as on 31st March 2022 and hence reporting under this clause is not required.
- b. The Property, Plant and Equipment and right-of-use assets are physically verified by the management according to a phased program designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program, during the year under report the management has physically verified its Property, Plant and Equipment and no material discrepancies have been noticed on such verification.
- c. Based on our examination of the property tax receipts, lease agreements for land, and registered sale deed/transfer deed/conveyance deed in respect of Free hold lands on which buildings were constructed, provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date except the following (Refer note No. 3 of Standalone Financial Statements)

Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period Held	Reason for not being held in the name if company
Land (Plot no. 20, JNPC, Parawada-Visakhapatnam)	Rs.2096.07 lakhs	–	No	2009 to till date	Agreement for sale was executed in favour of the Company on 28th March 2009. However, final registration will be done on successful completion of the project.

- d. The company has not revalued any Property, Plant & Equipment (including right-of-use assets) and intangible assets during the year and hence reporting under this clause is not applicable to that extent.
- e. No proceedings have been initiated during the year or are pending against the Company as at 31st March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) According to the information and explanation given to us the inventory has been physically verified by the management at reasonable intervals. During such verification the discrepancies noticed as compared to book records have been properly dealt with in the books of account. The discrepancies in each class of inventory does not exceed 10% of aggregate of each class of inventory.
- (b) The company has been sanctioned working capital limits in excess of Rs.5 crore, in aggregate from banks or financial institutions on the basis of security of current assets and the quarterly returns filed by the company are generally in agreement with the books of accounts.
- (iii) During the year the Company has not made investments in, granted any loans or advance in the nature of loans, guarantee or security, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties. Therefore, the provisions of clause 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) & 3(iii)(f) of the said Order are not applicable for the year under report.

## The Andhra Sugars Limited

- (iv) In our opinion and according to the information and explanations given to us, the company has not granted any loans, guarantees and security in accordance with the provisions of section 185 of the Companies Act 2013. The company has complied with the provisions of Section 186 of the Companies Act 2013, in respect of loans and investments made by the company.
- (v) In our opinion the company has complied with the provisions of section 73 to 76 and other applicable provisions of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 with regard to the deposits accepted from the public or amounts which are deemed to be deposits. According to the information furnished to us, no Order has been passed on the company by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for non-compliance with the provisions of Sections 73 to 76 of the Companies Act 2013.
- (vi) We have broadly reviewed the books of account and records maintained by the company at its Sugar units, Caustic Soda division, Caustic Potash division, Sulphuric acid divisions, Superphosphate division and Rectified Spirit of Distillery division pursuant to the Rules made by the Central Government for the maintenance of Cost Records under section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, in our opinion, the Company is regular in depositing with the appropriate authorities, the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Sales tax, Service Tax, Customs duty, Excise Duty, Value added Tax, Cess and other statutory dues applicable to it with appropriate authorities; and

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Sales tax, Service Tax, Customs duty, Excise Duty, Value added Tax, Cess and other statutory dues applicable to it were in arrears as at 31st March 2022 for a period of more than six months from the date they became payable, except

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 2022	19.60 (Interest on above)	Pending receipt of demand by the Company

(b) According to the information and explanations given to us, there were no amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Sales tax, Service Tax, Customs duty, Excise Duty, Value added Tax, Cess and other statutory dues applicable to it as at 31st March 2022, that have been disputed by the company, and hence, were not remitted to the concerned authorities at the date of the Balance Sheet under report, except the dues mentioned hereunder

Sl. No.	Name of the statute	Nature of dues	Period	Amount (Rs. In lakhs)	Forum where the dispute is pending
1	Water (Prevention and control of Pollution Cess Act, 1977)	Cess	01-04-78 to 1990-91	0.50	Appellate Committee the Govt. of A.P
2	Sales Tax laws in different states	Sales Tax	2009-10 to 2017-18	127.22	Different Appellate Authorities
3	Goods and Service Tax Act, 2017	Goods and Service Tax	2017-18 to 2018-19	48.05	Appellate Joint Commissioner, Vijayawada
4	Income Tax Act, 1961	Income Tax	2017-18 to 2019-20	32.73	Commissioner of Income Tax, Appeals
5	Central Excise Act, 1944	Excise Duty	2004-05 to 2017-18	798.27	Different Departmental Appellate Authorities

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Hence, reporting under clause 3(viii) is not applicable.
- (ix) (a) According to the records of the company examined by us, and the information and explanations given to us, there were no defaults in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year under report.
- (b) The company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) The Company has not raised any new term loans during the year. Also, there are no term loans outstanding at the beginning of the year. Hence, reporting under clause 3(ix)(c) is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the company, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, associate or joint venture. Hence, the reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence, reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence, reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) No fraud by the company and no fraud on the company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and up to the date of this report), while determining the nature, timing and extent of our audit procedures.
- (xii) The company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

**The Andhra Sugars Limited**

- (xiii) In our opinion, the Company is in compliance with section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion the company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion during the year the company has not entered into non-cash transactions with directors or persons connected with its directors, and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) ad (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and accordingly reporting under 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) There are no ongoing projects, and hence no unspent amount required to be transferred to special account in compliance with the provision of sub-section 6 of section 135 of the Companies Act, 2013.

Camp : Tanuku  
Date : 28-05-2022

For M/s K.S RAO & Co.,  
Chartered Accountants  
Firm Registration No. 003109S  
K.VAMSI KRISHNA  
Partner  
Membership No:238809  
UDIN-22238809AJUYPH2138

## **Annexure - B to the Independent Auditors' Report**

**(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of The Andhra Sugars Limited of even date)**

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

We have audited the internal financial controls with reference to financial statements of The Andhra Sugars Limited ("the Company") as of 31st March 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls with reference to Financial Statements**

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

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

**Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2022, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Camp : Tanuku  
Date : 28-05-2022

For M/s K.S RAO & Co.,  
Chartered Accountants  
Firm Registration No. 003109S  
K.VAMSI KRISHNA  
Partner  
Membership No:238809  
UDIN-22238809AJUYPH2138



## BALANCE SHEET AS ON 31ST MARCH 2022

(Rupees in lakhs)

Particulars	Notes	As At 31st March 2022	As At 31st March 2021
<b>ASSETS</b>			
<b>Non current Assets</b>			
Property, Plant and Equipment	2	66510.51	66798.54
Capital Work in Progress	3	6828.84	4614.70
Investment property	2	3.40	4.04
Other Intangible assets	2	-	4.68
<b>Financial Assets</b>			
Investments	4	14917.44	13074.55
Loans		-	-
Other Financial Assets	5	1008.05	5.89
Other Non Current Assets	7	4221.05	2489.51
<b>Current Assets</b>			
Inventories	8	35993.07	34624.84
<b>Financial assets</b>			
Investments	4.1	12548.21	15593.71
Trade Receivables	9	16598.95	13364.39
Cash and Cash Equivalents	10	1450.60	972.38
Other Bank Balances	10	1530.23	637.43
Loans		-	0.00
Other Financial Assets	5	141.52	98.99
Current Tax Assets	6	610.21	845.84
Other Current Assets	7	1916.51	2122.11
Non Current Assets Classified as Held for Sale		219.12	443.69
<b>TOTAL</b>		<b>164497.71</b>	<b>155695.29</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	11	2711.01	2711.01
Other Equity	12	124570.39	109460.96
<b>Deferred Government grant</b>	17.1	<b>179.66</b>	<b>272.18</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	13	848.65	4920.87
Lease liabilities		13.67	32.57
Trade Payables			
Total Outstanding dues of Micro Enterprise and Small Enterprise "Total Outstanding dues of creditors other than Micro Enterprise and Small Enterprise"	15.1	7016.08	5625.16
Other financial liabilities	15.2	234.79	242.62
Provisions	16	3078.14	2165.19
Deferred Tax Liability (Net)	20	8087.25	8510.32
Other non-current liabilities	17	34.76	15.15
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	14	4168.49	10748.01
Lease liabilities		39.01	37.20
Trade Payables			
Total Outstanding dues of Micro Enterprise and Small Enterprise	18.1	86.99	0.03
Total Outstanding dues of creditors other than Micro Enterprise and Small Enterprise	18.1	5841.24	4901.04
Other financial Liabilities	18.2	3788.89	3163.96
Other current liabilities	19	3108.54	2151.49
Provisions	16.1	690.15	737.53
Current tax liabilities			
<b>TOTAL</b>		<b>164497.71</b>	<b>155695.29</b>
Summary of Significant Accounting Policies	1.1		

**The Andhra Sugars Limited**

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

As per our report of even date  
for K.S. Rao & Co.,  
Chartered Accountants  
Firm Regn. No. 003109S  
K. Vamsi Krishna  
Partner  
Membership No: 238809  
UDIN-22238809AJUYPH2138

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

P. Narendranath Chowdary      Chairman & Managing Director

P.Kotaiah      Director

P.V.S. Viswanadha Kumar      V.P.(Finance) & Addl.Secretary

Tanuku

Date: 28.05.2022

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

(Rs. in Lakhs)

PARTICULARS	Notes	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Income</b>			
I Revenue from Operations	21	121728.74	94972.12
II Other Income	22	3805.04	2519.80
<b>III Total Income (I + II)</b>		<b>125533.78</b>	<b>97491.92</b>
<b>IV Expenses</b>			
Cost of Materials Consumed	23	36348.54	28837.79
Purchase of Traded Goods		298.27	---
'Changes in Inventories of Finished Goods,	24	1972.43	3,062.81
Employee Benefits Expense	25	13879.97	11994.15
Depreciation and Amortization Expense	26	5714.06	5563.31
Finance Costs	27	1278.79	2592.38
Power and Fuel		28585.35	19024.92
Other Expenses	28	16122.24	12559.44
<b>Total Expenses (IV)</b>		<b>104199.65</b>	<b>83634.80</b>
<b>V Profit Before Exceptional Items and Tax (III-IV)</b>		<b>21334.13</b>	<b>13857.12</b>
<b>VI Exceptional Items</b>	28(a)	-	953.45
<b>VII Profit Before Tax (V-VI)</b>		<b>21334.13</b>	<b>12903.67</b>
<b>VIII Tax</b>			
Add: Income Tax Refund		3.41	369.76
Less : Tax Expenses			
Short/ (Excess) provision of Tax of Earlier years		(3.75)	(165.67)
Current Tax		5575.00	3745.00
Deferred Tax		(403.69)	(515.29)
<b>Total Tax Expense</b>		<b>5164.15</b>	<b>2694.28</b>
<b>IX Profit for the year after tax from continuing operations (VII-VIII)</b>		<b>16169.98</b>	<b>10209.39</b>
<b>X Other comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss	28(b)	1630.79	955.07
(ii) Income tax relating to items that will not be reclassified to profit or loss		19.37	16.64
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss			
Total Comprehensive Income for the period (IX+X) (comprising profit (loss) for the period and other comprehensive income)		17820.14	11181.10
Basic Earning Per Share	28(c)	11.93	7.53
Diluted Earning Per Share		11.93	7.53
Summary of Significant Accounting Policies	1.1		

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

As per our report of even date  
for K.S. Rao & Co.,  
Chartered Accountants  
Firm Regn. No. 003109S  
K. Vamsi Krishna  
Partner  
Membership No: 238809  
UDIN-22238809AJUYPH2138  
Tanuku  
Date: 28.05.2022

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

P. Narendranath Chowdary Chairman & Managing Director

P. Kotaiah Director

P.V.S. Viswanadha Kumar V.P.(Finance) & Addl. Secretary

Tanuku  
Date: 28.05.2022

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022** (Rupees in lakhs)

Particulars	For the Year Ended '31st March 2022	For the Year Ended '31st March 2021
Profit before tax from continuing operations	21334.13	12903.67
<b>Adjustments for</b>		
Net gain on sale of current investments	(173.37)	(432.75)
Net gain on revaluation of current investments	(295.80)	(338.72)
Interest expense	1278.79	2592.38
Interest income	(185.32)	(571.38)
Dividend income	(989.23)	(146.60)
Loss Allowance provided/gain	12.56	(6.36)
Government Grant amortised	(92.52)	(173.55)
Depreciation/amortization on continuing operation	5714.06	5563.31
Provision for impairment	-	347.38
Loss/[profit] on sale of fixed assets	(46.70)	(1.42)
Assets written off	280.43	214.77
Remeasurement of defined benefit plans	(212.10)	(49.95)
<b>Operating profit before working capital changes</b>	<b>26624.93</b>	<b>19900.78</b>
<b>Movements in working capital:</b>		
Increase/[decrease] in trade payables	2418.07	1660.99
Increase/[decrease] in long-term provisions	912.95	353.23
Increase/[decrease] in short-term provisions	(47.38)	21.67
Increase/[decrease] in other financial liabilities (current)	807.52	(726.43)
Increase/[decrease] in other liabilities	957.05	224.48
Increase/[decrease] in other financial liabilities (non-current)	(7.83)	7.03
Increase/[decrease] in other liabilities (non-current)	19.61	1207.99
Decrease/[increase] in trade receivables	(3247.12)	(72.04)
Decrease/[increase] in inventories	(1368.23)	2345.73
Decrease/[increase] in other non-current assets	(340.60)	8.82
Decrease/[increase] in other current assets	205.60	(321.23)
Decrease/[increase] in other financial assets	(1002.16)	(0.97)
Decrease/[increase] in other Bank balances (current)	(892.80)	850.80
<b>Cash generated from/[used in] operations</b>	<b>25039.61</b>	<b>25460.85</b>
Income tax paid [net of refunds]	5332.21	2117.29
<b>Net cash flow from/[used in] operating activities (A)</b>	<b>19707.40</b>	<b>23343.56</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(9094.34)	(8263.81)
Proceeds from sale of fixed assets	80.41	2.81
Purchase of current investments	(23650.00)	(32207.61)
Proceeds from sale/maturity of current investments	27164.68	28162.97
Interest received	142.79	637.30
Dividends received from subsidiaries	146.60	146.60
Dividends received from Associate	842.60	-
Dividends received from Long- Term investments	0.03	-
<b>Net cash flow from/[used in] investing activities (B)</b>	<b>(4367.23)</b>	<b>(11521.74)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	(10651.74)	(9672.36)
Inter-corporate loan to Sree Akkamamba Textiles Ltd	0.00	250.00
Interest paid	(1466.69)	(2764.48)
Lease Rents paid on Finance Lease	(45.50)	(52.72)
Dividends paid	(2698.02)	-
<b>Net cash flow from/[used in] in financing activities [C]</b>	<b>(14861.95)</b>	<b>(12239.56)</b>
Net increase/[decrease] in cash and cash equivalents (A+B+C)	478.22	(417.74)
Cash and cash equivalents at the beginning of the year	972.38	1390.12
<b>Cash and cash equivalents at the end of the year</b>	<b>1450.60</b>	<b>972.38</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	27.42	19.58
Cheques/drafts on hand	----	----
With banks Accounts	1024.28	554.80
Deposits with Maturity less than 3 Months	398.90	398.00
<b>Total cash and cash equivalents (Note 10)</b>	<b>1450.60</b>	<b>972.38</b>

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

As per our report of even date  
for K.S. Rao & Co.,  
Chartered Accountants  
Firm Regn. No. 003109S  
K. Vamsi Krishna  
Partner  
Membership No: 238809  
UDIN-22238809AJUYPH2138  
Tanuku  
Date: 28.05.2022

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

P. Narendranath Chowdary      Chairman & Managing Director

P. Kotaiah      Director

P.V.S. Viswanadha Kumar      V.P.(Finance) & Addl.Secretary

## The Andhra Sugars Limited

### 1. CORPORATE INFORMATION

#### Brief description of the Company

The Andhra Sugars Limited ('the company') is a leading manufacturers' of Sugar, Industrial Alcohol, & Chlor Alkali Products, Aspirin, Sulphuric Acid, Liquid & Solid Propellants, and also generating power through renewable and non-renewable resources.

The company is a public limited company incorporated and domiciled in India and has its registered office at Tanuku, Andhra Pradesh, India. The securities of the company were listed in National Stock Exchange of India Limited.

#### 1.1 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies mentioned herein are relating to the standalone financial statements of the Company.

##### a) Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and guidelines issued by the Securities and Exchange Board of India (SEBI).

These financial statements are prepared under the historical cost convention except for certain class of financial assets/ liabilities and net liability for defined benefit plans that are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

##### b) Current and Non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. In respect of other assets, it is treated as current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- expected to be realized within twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- it is expected to be settled in the normal operating cycle
- it is held primarily for the purpose of trading
- it is due to be settled within twelve months after the reporting period, or
- there is no un conditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

##### c) Use of estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future period.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

**d) Significant Estimates and judgements**

The areas involving critical estimates or judgments are:

- i) Estimation of fair value of unlisted securities-
- ii) Defined benefit obligation -
- iii) Estimation of useful life of Property, Plant and Equipment -
- iv) Estimation and evaluation of provisions and contingencies relating to tax litigations.
- v) Estimation of uncertainties relating to the global health pandemic from COVID-19

The COVID -19 pandemic is an evolving human tragedy declared as global pandemic by the World Health Organization with adverse impact on economy and business. In light of these circumstances, the company has considered the possible effects, if any, that may result from Covid-19 on the carrying amounts of financial assets, inventory, receivables, advances, etc., as well as liabilities accrued. Based on the assessment of current indicators of future economic conditions, the management does not envisage any significant impact on its financial results and its financial position as on 31st March 2022. In developing the assumptions and estimates relating to the uncertainties as the Balance sheet date in relation to the recoverable amounts of these assets, the management has considered the global economic conditions prevailing as at the date of approval of these financial results and has used the internal and external sources of information to the extent determined by it. The actual outcome of these assumptions and estimates may vary in future due to the impact of the pandemic.

**e) Amendments to Schedule III of the Companies Act, 2013**

Ministry of Corporate Affairs (MCA) issued notifications dated 24th March, 2021 to amend Schedule III of the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1st April, 2021 and applied to the standalone financial statements:

- a. Lease liabilities separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- b. Certain additional disclosures in the standalone Statement of Changes in Equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- c. Additional disclosure for shareholding of promoters.
- d. Additional disclosure for ageing schedule of trade receivables, trade payables, capital work-in-progress.
- e. Specific disclosure such as title deeds of immovable property not held in the name of the Company.
- f. Additional disclosures relating to Corporate Social Responsibility (CSR) and undisclosed income.

**f) Property, Plant and Equipment**

Freehold Land is carried at historical cost. All other items of Property Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation / amortization and impairment, if any. Cost includes purchase price, taxes and duties, labour cost and directly attributable overheads incurred upto the date the asset is ready for its intended use. However, cost excludes Excise Duty, Value Added Tax and Service Tax, to the extent credit of the duty or tax is availed of.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is de-recognized when replaced. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred.

## The Andhra Sugars Limited

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

### Depreciation and amortization

- i) Depreciation on tangible fixed assets is charged over the estimated useful life of the asset,
  - On part of buildings, Main plant and machinery and Electrical Installations of Caustic Soda division, Aspirin, Wind Power at Ramagiri, Wind Power 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 & Oil Products unit, Sulphuric Acid unit at Saggonda Coal based Power Plant at Saggonda and Solar Power Plant at Kovvur under Straight Line Method.
  - On the remaining assets of the above units and all assets of other units, under Written Down value method.
  - In respect of Inter unit Transfer of Assets, Depreciation is computed on the same basis as in the Transferor unit.
  - In respect of the following assets, the useful life has been estimated by the technical personnel which is different from the life given under Part C of Schedule II of the Companies Act, 2013 as detailed here under:
    - Boilers, Chlorine storage Tank, MS Storage Tank, HCL Plant, DM Water plant, Diesel Generator set, ET Plant Pond, Turbines, Rectifiers, Cell Plant, Shell, Evaporation Plant, Fusion Plant, Sulphur Melting Station, Rotary Ball Mill, Bagassee Handling System, Centrifugal Machinery - 20 years.
    - MS Pipe lines, Refrigeration Plant, Distributed Control System, ET Plant, Brass Tubes, Bearings, Process Plant, Sodium Sulphate Recovery Plant - 15 years.
    - Cooling Towers, Instrumentation, Air Compressors, Chains - 10 years
    - Solar Plant - 25 years.
- ii) Residual values and useful lives are reviewed, and adjusted, if appropriate, for each reporting period.
- iii) Advances paid towards the acquisition of Property, Plant and Equipment outstanding at each Balance Sheet date is classified as Capital advances under other Non-current assets and the cost of assets not put to use before such date are disclosed under Capital Work-in-Progress.
- iv) Assets to be disposed off are reported at the lower of carrying value or fair value less cost to sell.

### g) Capital work-in-progress

Projects under commissioning and other Capital work-in-progress are carried at cost comprising of direct and indirect costs, related incidental expenses and attributable interest. Depreciation on Capital work-in-progress commences when assets are ready for their intended use and transferred from Capital work-in-progress Group to Tangible Fixed Assets Group.

### h) Investment Property:

Investment properties are measured initially at cost, including transactions costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of the property are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

The company depreciates building component of investment property over 30 years from the date of original purchase.

Though the company measures investment property using cost based measurement the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.



Investment properties are de-recognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

**i) Intangible assets**

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. In respect of approved Research and Development programme, expenditure of capital nature is included in the fixed assets and other expenditure is charged off to revenue in the year in which such expenditure is incurred.

**j) Impairment**

**i. Financial Assets:**

The company recognizes loss allowances using Expected Credit Loss (ECL) model for the financial assets which are not fair valued through Profit and Loss. Loss allowance for trade receivables is measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

**ii. Non-financial assets:**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are compared at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**k) Foreign currency translation**

**(i) Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). i.e in Indian rupee (INR) and all values are rounded off to nearest lakhs except where otherwise indicated.

**(ii) Transactions and balances**

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.

i) Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates.

ii) Non-monetary items denominated in foreign currency such as investments, fixed assets, etc., are valued at the exchange rate prevailing on the date of transaction.

iii) Exchange differences arising on settlement of transactions and translation of monetary items are recognized as income or expense in the year in which they arise.

**l) Investment in Subsidiaries and Associates:**

Investments in subsidiaries are measured at cost as per Ind AS 27 - Separate Financial statements.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the company's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the

## The Andhra Sugars Limited

investment and is not tested for impairment individually. An excess of the company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment is recognized directly in equity as capital reserve in the period in which the investment is acquired.

### **m) Inventories**

Inventories are stated at the lower of cost and net realizable value. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and cost necessary to make the sale.

- i) Cost of raw materials, components, stores, spares and work-in-process are valued at cost, determined on a first-in-first-out basis except stores & spares which are valued at weighted average cost.
- ii) Materials and supplies held for use in production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost. Slow and non-moving material, obsolesces, defective inventories are duly provided for.
- iii) By-products and scrap are valued at net realizable value and it is reduced from cost of the main product.
- iv) Excess/ shortages, if any, arising on physical verification are absorbed in the respective consumption accounts.
- v) The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

### **n) Cash and Cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions/banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

### **o) Cash flow statement:**

Cash flows are reported using the indirect method, whereby the profit for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

### **p) Financial instruments**

Financial assets and financial liabilities are recognized when company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

### **q) Financial assets**

All regular way purchases or sales of financial assets are recognized and de-recognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets

### **For the impairment policy on financial assets - refer Para No. j (i).**

#### **1) Classification of financial assets**

Debt instruments that meet the following conditions are subsequently measured at amortized cost

(except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognized in profit or loss for FVTOCI debt instruments. For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income and accumulated under the heading of 'investment Revaluation reserve' through other comprehensive income'. When the investment is disposed of the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value through Profit and loss.

## 2) Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the "Other income" line item.

## 3) Investments in equity instruments at FVTOCI

On initial recognition, the company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the 'investment Revaluation Reserve' through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit-making; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

The company has equity investments which are not held for trading. The company has elected the FVTOCI irrevocable option for both of these investments. Fair value is determined in the manner described in Para No t.

Dividends on these investments in equity instruments are recognized in profit or loss when the company's

right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognized in profit or loss are included in the 'Other income' line item.

#### **4) Financial assets at fair value through profit or Loss (FVTPL)**

Investments in equity instruments are classified as at FVTPL, unless the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading .

Debt instruments that do not meet the amortized cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortized cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortized cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognized when the company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

#### **5) De-recognition of financial assets**

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

#### **6) Foreign exchange gain and losses**

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognized in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognized in other comprehensive income.
- For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FTVOCI financial assets are recognized in other comprehensive income.

### **Financial liabilities and equity instrument**

#### **1) Classification as debt or equity**

Debt and equity instruments issued by a company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument

## 2) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognized at the proceeds received, net of direct issue costs.

Re-purchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

## 3) Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

### (i) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies, maybe designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the company is being provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognized in profit or loss. The remaining amount of change in the fair value of liability is always recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognized in profit or loss.

Fair value is determined in the manner described in Para - t.

### (ii) Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at

amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

#### De-recognition of financial liabilities

The Company de-recognizes financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability de-recognized and the consideration paid and payable is recognized in profit or loss.

#### **r) Borrowings**

Borrowing cost incurred in connection with the funds borrowed for acquisition/erection of assets that necessarily take substantial period of time to get ready for intended use, are capitalized as part of such assets. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. All other borrowing costs are charged to revenue.

#### **s) Provisions and contingent liabilities**

##### **i) Provision:**

A provision is recorded when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. The estimated liability for product warranties is recorded when products are sold based on technical evaluation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are discounted when time value of money is material. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expenses.

##### **ii) Contingent liabilities:**

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

##### **iii) Contingent assets:**

Wherever there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed when the inflow of economic benefit is probable.

**t) Fair value measurement:**

In determining the fair value of its financial instruments, the company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value resulting general approximation of value, and such value may never actually be realized.

**u) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and net of returns, trade allowances rebates and amounts collected on behalf of third parties. It excludes Goods and Services Tax.

Sale of products:

As per Ind AS 115, "Revenue from contracts with customers" Revenue from sale of products is recognized, when the performance obligation is satisfied, by transferring promised goods to the customer. An asset is transferred when (or as) the customer obtains control to the Asset, as per the terms of contract and it is probable that the economic benefits associated with the transaction will flow to the Company.

Internal Transfers from one unit to the other unit are recognized at Market value of the Product/Service at the Time of Transfer.

Interest Income:

Interest income from debt instruments is recognized using the effective interest rate method and is accrued on a time basis. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

Dividends:

Dividends are recognized in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be reliably measured.

**v) Government Grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Grants related to revenue items are presented as part of profit or loss under general heading such as other income or they are deducted in reporting the related expenses.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognized in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

**Exceptional Items**

An item of income or expense which by its size, nature, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed as such in the financial statements.

**w) Employee benefits**

i) Short term obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii) Other long-term employee benefit:

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee upto the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

iii) Post-employment obligation:

The Company operates the following post-employment schemes:

- a) Defined benefit plans such as gratuity for its eligible employees,
- b) Defined contribution plans such as provident fund and
- c) Superannuation

*Gratuity obligation:*

The liability or asset recognized in the balance sheet in respect of defined benefit pension and gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government Bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net-off deferred tax). They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

**Provident Fund and Employees' state Insurance Scheme:**

Eligible employees of The Andhra Sugars Limited receive benefits from a provident fund and Employees' State Insurance scheme which is a defined benefit plan. Both the eligible employee and the company make monthly contributions to the Provident Fund and Employees' State Insurance equal to a specified percentage of the covered employee's salary.

**Superannuation:**

Certain employees of The Andhra Sugars Limited are participants in a defined contribution plan. The Company has no further obligations to the Plan beyond its monthly contributions which are periodically contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India.



**x) Taxes on income:**

Tax expense comprises of current and deferred taxes. The income tax expense (income) for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax is the amount of income taxes payable in respect of the taxable profit (tax loss) for a period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Where the Company's entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure (the Research and Development or other investment allowances), the Company accounts for such allowances as tax credits, which means that the allowance reduce income tax payable and current tax expense. A deferred tax asset is recognized for unclaimed tax credits that are carried forward as deferred tax assets.

**y) Leases**

The Company has adopted Ind AS 116-Leases effective from 1st April, 2019, using the modified retrospective method. The company has applied the standard to its lease with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated.

The Company's lease asset consists of lease for Building. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any

## The Andhra Sugars Limited

initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### **z) Dividend:**

Final dividends on shares are recorded as liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's board of directors.

#### **aa) Expenditure on approved Research and Development Programme:**

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

#### **ab) Segment reporting**

Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance, the company's chief operating decision maker is the Chairman and Managing Director.

The company has identified business segments (industry practice) as reportable segments. The business segments comprise 1) Sugars, 2) Chlor Alkali, 3) Power Generation, 4) Industrial Chemicals and 5) Others such as bulk drug, UH 25 and MMH, Liquid Hydrogen, HTPB.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly attributable to each reporting segment have been allocated on the basis of associated revenue of the segment. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as un-allocable. Property, Plant and equipment that are used interchangeably among segments are not allocated to reportable segments.

**A. Equity Share Capital Statement of Changes in Equity for the year ended 31st March 2022**

**1) Current reporting period**

(Rs.in Lakhs)	
Balance at the beginning of the current reporting period	2711.01
Changes in Equity Share Capital due to prior period errors	
Restated balance at the beginning of the current reporting period	2711.01
Changes in equity share capital during the current year	
Balance at the end of the current reporting period	2711.01

**2) Previous reporting period**

(Rs.in Lakhs)	
Balance at the beginning of the previous reporting period	2711.01
Changes in Equity Share Capital due to prior period errors	
Restated balance at the beginning of the previous reporting period	2711.01
Changes in equity share capital during the previous year	
Balance at the end of the previous reporting period	2711.01

**B. Other Equity**

(Rs.in Lakhs)

Particulars	Reserves and Surplus				Other Items of Other Comprehensive Income			Total	
	Capital Reserve	Forfeited Debentures	Securities Premium	Other Reserves (General reserve)	Retained Earnings	Equity instruments through Other Comprehensive Income	Actuarial Gains/losses		Deferred Tax on OCI Items
<b>Balance at the end of reporting period - 31st March 2020</b>		0.30	1129.40	69329.64	27805.63	760.65	(759.87)	14.11	98279.86
Total Comprehensive Income for the year				0.00	10209.39	1005.02	-49.95	16.64	11181.10
Transfer from General Reserve				10000.00	(10000.00)				
Final Dividends									
Dividend Distribution Tax									
<b>Balance at the end of Reporting Period - 31st March 2021</b>		0.30	1129.40	79329.64	28015.02	1765.67	(809.82)	30.75	109460.96
<b>Total Comprehensive Income for the year</b>					16169.98	1842.89	(212.10)	19.37	17820.14
Transfer from General Reserve				10000.00	(10000.00)				
Interim Dividend									
Final Dividends					(2710.71)				(2710.71)
Dividend Distribution Tax									
<b>Balance at the end of Reporting period - 31st March 2022</b>	-	0.30	1129.40	89329.64	31474.29	3608.56	(1021.92)	50.12	124570.39

## The Andhra Sugars Limited

As per our report of even date  
for K.S. Rao & Co.,  
Chartered Accountants  
Firm Regn. No. 003109S  
K. Vamsi Krishna  
Partner  
Membership No: 238809  
UDIN-22238809AJUYPH2138  
Tanuku  
Date: 28.05.2022

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

P.Narendranath Chowdary      Chairman & Managing Director

P. Kotaiah      Director

P.V.S. Viswanadha Kumar      V.P.(Finance) & Addl.Secretary

**PROPERTY, PLANT AND EQUIPMENT SCHEDULE FOR THE FINANCIAL YEAR 2021-22**

**Note - 2**

Description of the Asset	Gross Block			Depreciation Block				Impairment Block			Net Block			
	Cost as on 31.03.2021	Additions	Deduction	Cost as on 31.03.2022	Dep. Upto 31.03.2021	Dep. for the year 2022	Dep.on deductions	Dep. upto 31.03.2022	Impairment as on 31.03.21	Additions	Deduction	Impairment as on 31.03.22	WDV as on 31.03.2022	WDV as on 31.03.2021
LAND	5297.38	21.85	-	5319.23	-	-	-	-	-	-	-	-	5319.23	5297.38
BUILDINGS	7035.65	130.18	4.14	7161.69	1622.86	312.07	1.84	1933.09	-	-	-	-	5228.60	5412.79
PLANT AND MACHINERY	76735.39	4859.59	629.92	80965.06	23742.99	4791.63	355.81	28178.81	347.38	-	30.92	316.46	52469.79	52645.02
TRANSPORT EQUIPMENT	6361.67	533.68	69.60	6825.75	3117.06	533.69	61.86	3588.89	-	-	-	-	3236.86	3244.61
FURNITURE & FITTINGS	529.76	144.45	53.29	620.92	394.69	66.37	50.33	410.73	-	-	-	-	210.19	135.07
<b>Total:</b>	<b>95959.85</b>	<b>5689.75</b>	<b>756.95</b>	<b>100892.65</b>	<b>28877.60</b>	<b>5703.76</b>	<b>469.84</b>	<b>34111.52</b>	<b>347.38</b>	<b>-</b>	<b>30.92</b>	<b>316.46</b>	<b>66464.67</b>	<b>66734.87</b>
Previous year	90617.81	7076.26	1734.22	95959.85	24434.50	5522.93	1079.83	28877.60	-	347.38	-	347.38	66734.87	66183.31

Depreciation for the year 2021-22 includes Depreciation on Impaired Assets to the extent of Rs.30.92 lakhs at Bhimadole and Dep. Capitalised on MM Division to the extent of Rs.2.92 lakhs

**Right of use Assets (Lease Ind AS 116)**

Description of the Asset	Cost as on 31.03.2021	Additions	Deduction	Cost as on 31.03.2022	Dep. Upto 31.03.2021	Dep. for the year 2022	Dep.on deductions	Dep. upto 31.03.2022	Impairment as on 31.03.21	Additions	Deduction	Impairment as on 31.03.22	WDV as on 31.03.2022	WDV as on 31.03.2021
LAND	66.58	21.01	9.54	78.05	34.93	18.61	9.54	44.00	-	-	-	-	34.05	31.65
BUILDINGS	71.74	-	34.66	37.08	39.72	20.23	34.66	25.29	-	-	-	-	11.79	32.02
<b>Total:</b>	<b>138.32</b>	<b>21.01</b>	<b>44.20</b>	<b>115.13</b>	<b>74.65</b>	<b>38.84</b>	<b>44.20</b>	<b>69.29</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45.84</b>	<b>63.67</b>
Previous year	82.52	55.80	0.00	138.32	36.59	38.06	-	74.65	-	-	-	-	63.67	45.93

**Intangible Assets**

Description of the Asset	Cost as on 31.03.2021	Additions	Deduction	Cost as on 31.03.2022	Dep. Upto 31.03.2021	Dep. for the year 2022	Dep.on deductions	Dep. upto 31.03.2022	Impairment as on 31.03.21	Additions	Deduction	Impairment as on 31.03.22	WDV as on 31.03.2022	WDV as on 31.03.2021
Free Access Rights	35.89	-	-	35.89	31.21	4.68	-	35.89	-	-	-	-	-	4.68
Previous year	35.89	-	-	35.89	26.01	5.20	-	31.21	-	-	-	-	4.68	9.88

**Investment property**

Description of the Asset	Cost as on 31.03.2021	Additions	Deduction	Cost as on 31.03.2022	Dep. Upto 31.03.2021	Dep. for the year 2022	Dep.on deductions	Dep. upto 31.03.2022	Impairment as on 31.03.21	Additions	Deduction	Impairment as on 31.03.22	WDV as on 31.03.2022	WDV as on 31.03.2021
LAND	1.49	-	-	1.49	-	-	-	0.00	-	-	-	-	1.49	1.49
BUILDINGS	14.09	-	-	14.09	11.54	0.64	-	12.18	-	-	-	-	1.91	2.55
<b>Total:</b>	<b>15.58</b>	<b>-</b>	<b>-</b>	<b>15.58</b>	<b>11.54</b>	<b>0.64</b>	<b>-</b>	<b>12.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.40</b>	<b>4.04</b>
Previous year	15.58	-	-	15.58	10.70	0.84	-	11.54	-	-	-	-	4.04	4.88

Note: Fair Value of Investment property with regard to Land as on 31.03.2022 is Rs.51.82 lakhs and Building value is Rs.180.71 lakhs.

Particulars	Rs.in Lakhs	
	Cost as on 31.03.2022	Cost as on 31.03.2021
Capital Work -in-progress	6828.84	4614.70

Capital Work In Progress Ageing Schedule  
Ageing of capital work in progress as on 31st March 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Projects in progress	4212.39	803.37	15.36	56.27	5087.39
Projects temporarily suspended	75.27	33.60	81.24	1551.34	1741.45

Note: In respect of Projects temporarily suspended - Sodium Hypo chloride Plant at Parawada, APIIC has issued a cancellation order for resumption of allotted land. The Company has filed a writ petition No. 25815 of 2021, before Hon'ble High Court of Andhra Pradesh and the High Court admitted the writ petition and has ordered for status quo. As the implementation of the project is based on the outcome of the writ petition (next hearing on 15th June 2022), the expenditure incurred on this project is shown under projects temporarily suspended.

Capital work in progress whose completion is overdue or has exceeded the cost as per original plan

CWIP	To be completed in				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
1. New HTPB Expansion Project	60.00	-	-	-	60.00
2. Sodium Hypo chloride Plant at Parawada	100.00	100.00	-	-	200.00

Note: 1. Due to Covid-19 Pandemic, the erection works of New 125 TPA HTPB Project got slightly affected and also necessary Approvals were delayed. The original Project completion activity, that was scheduled in the August 2021 was extended and scheduled in the FY 2022-23.

2. Though project has been started in the year 2010, with an estimated cost of Rs.1000.00 lakhs, in view of frequent disturbances at the site, delay in approvals from statutory authorities, Hud-Hud cyclone and Covid-19 Pandemic for the last two years have resulted in the time overrun of the project and increased project cost thereon.

Ageing of capital work in progress as on 31st March 2021

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Projects in progress	2,442.31	156.68	346.35	1,669.36	4,614.70
Projects temporarily suspended	-	-	-	-	-

Capital work in progress whose completion is overdue or has exceeded the cost as per original plan

CWIP	To be completed in				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Sodium Hypo chloride Plant at Parawada	125.00	150.00	-	-	275.00

Title Deeds of Immovable Property not held in the name of the Company

In respect of the 42.28 acres of land allotted to the company at Plot no 20, JNPC, Parawada - Visakhapatnam Dist., agreement for sale was executed in favour of the Company on 28.03.2009. However, final registration of the land will be done on successful completion of the project proposed there at.

Notes Forming Part of Accounts  
Note -4

Rs. in Lakhs)

Non-Current Investments	As at 31st March 2022	As at 31st March 2021
<b>A. Investments measured at cost</b>		
(i) Investments in equity instruments (Quoted)		
<b>Investment in Subsidiary</b> 48,86,500 (31st March 2021: 48,86,500 ) fully paid Equity shares of Rs.10/- each in JOCIL LTD.	<b>441.79</b>	441.79
<b>Investments in Associate</b> 2,80,86,613 ( 31st March 2021: '2,80,86,613) fully paid Equity Shares of Rs.10/- each in The Andhra Petrochemicals Ltd.,	<b>3660.56</b>	3660.56
(ii) Investments in equity instruments (Unquoted)		
<b>Investment in Subsidiary</b> 3,28,760 ( 31st March 2021: 3,28,760 ) partly paid Equity shares of Rs.10/- each (Rs.2.50 per share paid up) in Hindustan Allied Chemicals Ltd.,(Unquoted)	<b>2.74</b>	2.74
3,45,700 ( 31st March 2021: 3,45,700) fully paid Equity shares of Rs.10/- each in The Andhra Farm Chemicals Corpn.Ltd.,(un quoted)	<b>34.57</b>	34.57
<b>B. Investments at fair value through other comprehensive income</b>		
(i) Investments in equity instruments (Quoted)		
8141 ( 31st March 2021: 8141 )fully paid equity shares of of Rs.10/- each in Union Bank of India	<b>3.15</b>	2.77
1391 ( 31st March 2021: 1391 )Equity Shares of Rs.10/- each, fully paid up in Indian Bank (Quoted)	<b>2.14</b>	1.61
(ii) Investments in equity instruments (Unquoted)		
a) '1,15,40,080 ( 31st March 2021: 1,15,40,080 ) fully paid Equity Shares of Rs.10/- each in Andhra Pradesh Gas Power Corporation Ltd.,	<b>10600.49</b>	8758.50
b) '1,40,000 ( 31st March 2021: 1,40,000 ) fully paid Equity Shares of Rs.10/-each in Sree Akkamamba Textiles Ltd.,	<b>171.26</b>	171.26
<b>Other Investments</b> Investments in Govt Securities: National Plan Saving Certificates (lodged with Govt. Departments towards security)	<b>0.74</b>	0.74
	<b>14917.44</b>	13074.55

All the above investments are long term investments.

Aggregate Amount of unquoted investments

10809.80

8967.81

Aggregate Amount of quoted investments

4107.64

4106.74

14917.44

13074.55

Aggregate Market value of quoted investments

35412.08

24372.21

Aggregate Book value of quoted investments (cost)

4107.93

4107.93

Aggregate amount of impairment in value of investments

-

-

## Details of Associates

Name of the associate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/voting rights	
			As at 31st March 2022	As at 31st March 2021
The Andhra Petrochemicals Limited	Manufacturers of Oxo Alcohols	India	33.05	33.05

Pursuant to a shareholding agreement, the company has the right to cast 33.05% of the votes at shareholders meeting of The Andhra Petrochemicals Ltd.

## Notes Forming Part of Accounts

## Details of Subsidiaries

(Rs. in Lakhs)

Name of the Subsidiaries	Principal activity	Place of Incorporation and principal place of business	Proportion of ownership interest/voting rights	
			As at 31st March, 2022	As at 31st March, 2021
1. Jocil Limited	Manufacturers of Fatty acids & Generation of Power	India	55.03	55.03
2. The Andhra farm Chemicals Corporation Limited	Manufacturers of Hydrazine Hydrate	India	76.83	76.83
3. Hindustan Allied Chemicals Limited	NIL	India	77.36	77.36

## Note -4.1

(Rs. in Lakhs)

Current Investments	As At 31st March 2022	
	No of Units	(Rs. in Lakhs)
<b>Investment in Liquid / Debt Mutual Funds</b>		
HDFC Ultra Short Term Fund	<b>3368827.89</b>	418.17
Birla Low Duration Fund	<b>308837.60</b>	1786.19
Birla Savings Fund	<b>158988.07</b>	708.00
SBI Short Term Fund	<b>2491734.78</b>	648.99
SBI Low Duration Fund	<b>67409.19</b>	1919.22
SBI Overnight Fund	<b>5988.70</b>	205.13
SBI Savings Fund	<b>1188439.47</b>	400.42
Nippon Money Market Fund	<b>36023.00</b>	1206.97
Nippon India Corporate Bond Fund	<b>861776.99</b>	427.00
Nippon India Overnight Fund	<b>439595.27</b>	501.66
UTI Money Market Fund	<b>18363.33</b>	457.39
UTI Ultra Short Term Fund	<b>8352.36</b>	304.54
Canara Robeco Saving Fund	<b>2208215.43</b>	769.53
Canara Robeco Short Term Fund	<b>1430584.57</b>	320.89
ICICI Floating Rate Interest Fund	<b>83614.94</b>	301.57
Bnp Paribas Low Duration	<b>868796.49</b>	305.63
Union Liquid Fund	<b>47277.55</b>	960.95
Union Corporate Bond Fund	<b>2407877.41</b>	301.18
L&T Ultra Short Term Fund	<b>1661909.79</b>	604.78
<b>TOTAL</b>		12548.21



(Rs. in Lakhs)

Current Investments	As At 31st March 2021	
	No of Units	(Rs. in Lakhs)
Investment in Liquid / Debt Mutual Funds		
HDFC Ultra Short Term Fund	5046387.04	602.51
HDFC Low Duration Fund	1060743.32	504.65
Birla Low Duration Fund	461710.65	2,548.97
Birla Savings Fund	229225.69	978.42
SBI Short Term Fund	2491734.78	623.49
SBI Low Duration Fund	18190.77	500.32
SBI Saving Fund	7992727.38	2,603.32
SBI Corporate Bond Fund	1655258.61	200.00
Nippon India Liquid Fund	5404.83	272.03
Nippon Money Market Fund	51131.44	1,646.82
Nippon India Corporate Bond Fund	861776.99	404.09
UTI Liquid Fund	19399.54	653.86
UTI Money Market Fund	46822.15	1,121.47
Canara Robeco Saving Fund	6300907.19	2,118.29
Canara Robeco Short Term Fund	1430584.57	308.54
Baroda Banking & PSU Fund	2030949.47	203.45
Union Liquid Fund	15436.29	303.50
<b>TOTAL</b>		15,593.71

## Category Wise Investments - as per Ind AS 107 classification

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Financial assets carried at fair value through profit or loss(FVTPL)</b>		
Mandatorily measured at FVTPL	12548.21	15593.71
<b>Financial assets carried at amortised cost</b>		
Debt/equity instrument	-	-
<b>Financial assets measured at FVTOCI</b>		
Debt/equity instrument	14917.44	13074.55
<b>Total</b>	<b>27465.66</b>	<b>28668.26</b>

## Reasons for classification of financial assets as per Ind AS 107:

- The company has classified all the current investments under fair value through profit or loss as they are held for trading.
- For Non current investments which are not held primarily for trading, the company has elected an irrevocable option of classifying them as fair value through other comprehensive income.
- Accounting for investments in Subsidiaries and Associates are mentioned in policy i of note:1.1

## Note -5

(Rs. in Lakhs)

Other Financial Assets	Non-Current		Current	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Interest accrued on Deposits	-	-	141.52	98.99
Bank deposits with more than 12 months maturity	1008.05	5.89		
<b>Total</b>	<b>1008.05</b>	<b>5.89</b>	<b>141.52</b>	<b>98.99</b>

## Note -6

(Rs. in Lakhs)

Current Tax Assets (Net)	As at 31st March 2022	As at 31st March, 2021
<b>Current Tax Assets</b>		
Advance payment of Direct Taxes	14520.00	9506.25
Income Tax deducted at source	301.53	85.91
Income Tax Refund Receivable	408.68	408.68
	15230.21	10000.84
<b>Less: Current Tax Liabilities</b>		
Provision for Income tax	14620.00	9155.00
	14620.00	9155.00
<b>Current tax Asset/(Liability) net</b>	<b>610.21</b>	<b>845.84</b>

## Note -7

(Rs. in Lakhs)

Other Current Assets	Non-Current		Current	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
<b>Capital Advances</b>	1517.00	126.06	--	--
<b>Security Deposit</b>	2617.41	2308.86	118.85	115.55
<b>Other Advances</b>	--	--	1447.13	1635.94
Less :Provision for doubtful advances			(21.97)	(21.97)
	--	--	1425.16	1613.97
Prepaid expenses	86.64	54.59	363.46	386.70
Balances with statutory/ 'government authorities	--	--	9.04	5.89
	86.64	54.59	372.50	392.59
<b>Total</b>	<b>4221.05</b>	<b>2489.51</b>	<b>1916.51</b>	<b>2122.11</b>

## Note -8

(Rs. in Lakhs)

Inventories (valued at lower of cost and net realizable value)	As at 31st March, 2022	As at 31st March, 2021
Raw materials and components at Cost (includes in transit Rs. 37.74 lakhs) (31 March 2021: Rs .13.58 Lakhs)	6800.49	3333.55
Work-in-progress		
: At Cost	398.29	295.03
: At Estimated Realisable Value	67.00	35.97
Finished goods		
: At Cost (includes in transit Rs.217.63 lakhs) (As on 31.03.2021 Rs.155.81 lakhs)	2274.87	2040.65
: At Estimated Realisable Value	19040.76	21381.69
Stores and spares at Cost (includes in transit Rs.563.07 lakhs) (31 March 2021: Rs .170.85 Lakhs)	7358.34	7487.84
Loose tools	49.26	44.55
Others	4.06	5.56
<b>Total</b>	<b>35993.07</b>	<b>34624.84</b>

## The Andhra Sugars Limited

The cost of inventories recognized as an expense during the year in respect of continuing operations was Rs. 40939.71 Lakhs for the year ended 31st March 2022 and Rs. 33571.85 Lakhs for the year ended 31st March 2021.

The amount of write-down of inventories to net realisable value recognised as an expense was Rs.2546.07 Lakhs for the year ended 31st March 2022 and Rs.2679.79 Lakhs for the year ended 31st March 2021.

The amount of goods in transit is Rs.818.44 lakhs (Rs. 340.24 lakhs for previous year)

The mode of valuation of inventories has been stated in note "m" in significant accounting policies.

### Note -9

(Rs. in Lakhs)

<b>Trade receivables</b>	<b>As at 31st March, 2022</b>	As at 31st March, 2021
a) Considered good- Secured	<b>292.65</b>	261.42
b) Considered good - Unsecured	<b>15982.76</b>	13126.14
c) Trade Receivables which have significant increase in Credit Risk ;	<b>349.13</b>	-
d) Trade Receivables - Credit impaired	<b>31.45</b>	10.02
	<b>16655.99</b>	13397.58
Less: Provision for doubtful receivables	<b>(31.45)</b>	(10.02)
Less :Provision for Loss allowance	<b>(44.78)</b>	(32.22)
Unbilled Revenue	<b>19.19</b>	9.05
<b>Total</b>	<b>16598.95</b>	13364.39

Trade Receivables ageing as on 31st March 2022 (Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Current Year						
	Not Yet Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	10,737.95	4,323.95	555.15	520.76	7.75	72.28	16,217.84
(ii) Undisputed Trade Receivables — which have significant increase in credit risk			349.13				349.13
(iii) Undisputed Trade Receivables — credit impaired					21.44		21.44
(iv) Disputed Trade Receivables — considered good						57.57	57.57
(v) Disputed Trade Receivables — which have significant increase in credit risk						10.01	-
(vi) Disputed Trade Receivables — credit impaired							10.01
<b>Total</b>	<b>10,737.95</b>	<b>4,323.95</b>	<b>904.28</b>	<b>520.76</b>	<b>29.19</b>	<b>139.86</b>	<b>16,655.99</b>

Less: Provision for doubtful receivables

Less: Provision for loss allowance

(vii) Unbilled dues

**Total Trade Receivables**

(31.45)

(44.78)

19.19

**16,598.95**

89

Trade Receivables ageing as on 31st March 2021 (Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Previous Year						
	Not Yet Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	7702.34	4460.46	253.8	449.26	411.69	52.44	13,329.99
(ii) Undisputed Trade Receivables — which have significant increase in credit risk							-
(iii) Undisputed Trade Receivables — credit impaired							-
(iv) Disputed Trade Receivables — considered good						57.57	57.57
(v) Disputed Trade Receivables — which have significant increase in credit risk						10.02	-
(vi) Disputed Trade Receivables — credit impaired							10.02
<b>Total</b>	<b>7,702.34</b>	<b>4,460.46</b>	<b>253.80</b>	<b>449.26</b>	<b>411.69</b>	<b>120.03</b>	<b>13,397.58</b>

Less: Provision for doubtful receivables

Less: Provision for loss allowance

(vii) Unbilled dues

**Total Trade Receivables**

(10.02)

(32.22)

9.05

**13,364.39**

The Andhra Sugars Limited

Ageing	Expected credit loss %
Within the credit period	Nil
Up to 60 days past due	0.25
60-90 days past due	0.50
more than 90 days past due	1.00

Note -10

(Rs. in Lakhs)

Cash and bank balances	As At 31st March 2022	As At 31st March 2021
<b>Cash and Cash Equivalents :</b>		
Balances with Banks:		
On current accounts	1024.28	554.80
Deposits with original maturity of less than 3 months	398.90	398.00
Cheques/drafts on hand	–	–
Cash on hand	27.42	19.58
	<b>1450.60</b>	<b>972.38</b>
<b>Other Bank Balances :</b>		
Deposits with original maturity for more than 12 months	–	–
For more than 3 months but less than 12 months	1205.72	106.14
On unpaid dividend account	157.31	170.00
Earmarked Balances with Banks(20 % Liquidity on Fixed Deposits held under The Companies Act 2013)	131.20	320.55
Margin money deposit	36.00	40.74
	<b>1530.23</b>	<b>637.43</b>
<b>Total</b>	<b>2980.83</b>	<b>1609.81</b>

Note -11

(Rs. in Lakhs)

RESERVES AND SURPLUS	As At 31st March 2022	As At 31st March 2021
<b>Authorised Shares :</b>		
143750000 (31st March 2021: 28750000 Equity Shares of Rs.10/- each)'Equity shares of Rs.2/- each	2875.00	2875.00
30000(31st March 2021:30000)'9.5% First Cumulative Redeemable Preference Shares of Rs 100/- each.	30.00	30.00
95000 (31st March 2021:95000)'9.5% Second Cumulative Redeemable Preference Shares of Rs 100/- each.	95.00	95.00
<b>Total</b>	<b>3000.00</b>	<b>3000.00</b>
<b>Issued Shares :</b>		
135565455 (31st March 2021: 27113091 Equity Share of Rs.10/- each)'Equity shares of Rs.2/- each	2711.31	2711.31
<b>Total</b>	<b>2711.31</b>	<b>2711.31</b>
<b>Subscribed and fully paid-up shares :</b>		
135535390 (31st March 2021: 27107078 Equity Share of Rs.10/-)'Equity shares of Rs.2/- each fully paid up	2710.71	2710.71
30065(Forfeited amount on 6013 shares of Rs.10/-each, Rs.5/-paid up) Equity shares of Rs.2/- each, Rs.1/-paid up	0.30	0.30
<b>Total Subscribed and fully paid-up capital</b>	<b>2711.01</b>	<b>2711.01</b>

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period	As at 31st March, 2022		As at 31st March, 2021	
	No.	Rs.	No.	Rs.
<b>Equity Shares</b>				
At the beginning of the period	271.07	2710.71	271.07	2710.71
Add increase in No of Shares due to share split from Rs.10/- to Rs. 2/-	1084.28			
Add: Fresh Issue during the year	-	-	-	-
Less: Buy Back of Shares during the year	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>1355.35</b>	<b>2710.71</b>	271.07	2710.71
<b>b. Shareholders holding more than 5% shares</b>	<b>As At 31st March 2022</b>	<b>As At 31st March 2021</b>		
Details of shareholders holding more than 5% shares in the company	Nil	Nil		

## c) Rights, Preference and restrictions attached to Equity shares

- 1) The Company has only one class of Equity shares having a face value of Rs 2/- each. Each holder of equity share is entitled to one vote per share held. In the event of liquidation of Company, the holders of equity share will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the share holders.
- 2) The financial statements of the company were approved by Board of Directors on 28-05-2022.

**The Andhra Sugars Limited**

3) Shareholding of Promoters:

Promoter name	No. of Shares as on 31.03.2022	% of total shares	No. of Shares as on 31.03.2021	% of total shares	% Change during the year
Pendyala Sujatha	40,70,700	3.00	40,70,700	3.00	-
Pendyala Jhansi Jaya Lakshmi	48,51,380	3.58	48,51,380	3.58	-
P S R V K Ranga Rao (Huf)	31,79,375	2.35	31,79,375	2.35	-
Gaddipati Anuradha	4,74,195	0.35	4,74,195	0.35	-
Mullapudi Satyanarayanamma	27,93,605	2.06	27,93,605	2.06	-
P.S.R.V.K. Rangarao	46,000	0.03	46,000	0.03	-
Mullapudi Narendranath (Huf)	26,21,800	1.93	26,21,800	1.93	-
Maddipoti Kamala Devi	28,69,200	2.12	28,69,200	2.12	-
P.Narendranath Chowdary (Huf)	25,70,900	1.90	25,70,900	1.90	-
Mullapudi Thimmaraja	19,92,650	1.66	22,49,000	1.66	-
Mullapudi Narayanamma	16,31,985	1.20	16,31,985	1.20	-
Sribalusu Ranganayaki	21,23,975	1.57	21,23,975	1.57	-
Pendyala Achuta Ramayya (Huf)	14,26,780	1.05	14,26,780	1.05	-
Bolla Rajiv	20,50,000	1.51	20,50,000	1.51	-
Anantha Lakshmi Jayaraman	14,33,120	1.06	14,33,120	1.06	-
Pendyala Sesha Sailaja	10,66,035	0.79	10,66,035	0.79	-
Pendyala Achuta Ramayya	9,13,900	0.67	9,10,900	0.67	0.0022
Pendyala Venkata Krishna Rao (Huf)	8,64,745	0.64	8,64,745	0.64	-
Pendyala Narendranath Chowdary	8,14,105	0.60	8,14,105	0.60	-
Mullapudi Vikram Prasad	6,58,435	0.49	6,58,435	0.49	-
Mullapudi Mrutyumjaya Prasad	6,21,060	0.46	6,21,060	0.46	-
B Ramesh Kumar	17,50,065	1.29	17,50,065	1.29	-
Bolla Sarina	10,90,000	0.80	10,90,000	0.80	-
Yelamarthi Narayanamma	16,17,780	1.19	16,17,780	1.19	-
Goli Jayashree	4,78,600	0.35	4,78,600	0.35	-
Goli Devi	4,21,440	0.31	4,21,440	0.31	-
Mullapudi Vikram Prasad	2,10,240	0.16	2,10,240	0.16	-
Ramalakshmi E	2,89,830	0.21	2,89,830	0.21	-
Pendyala Divya Atchamamba	1,86,185	0.14	1,86,185	0.14	-
Pendyala Venkatakrisna Rao	2,06,795	0.15	2,06,795	0.15	-
Anantha Lakshmi N	2,02,000	0.15	2,02,000	0.15	-
Mullapudi Renuka	27,79,370	2.05	27,79,370	2.05	-
V Shruthi Rajeshwari	79,000	0.06	71,500	0.05	0.0055
B Ramadevi	44,035	0.03	44,035	0.03	-
Usha Lakshmi Pendyala	40,000	0.03	40,000	0.03	-
Pendyala Prithivi Sri Narendra Rayudu	40,000	0.03	35,000	0.03	0.0037
Pendyala Meghana Sri Sai Sujatha	35,000	0.03	33,500	0.02	0.0011
Mullapudi Narendranath	29,26,210	2.16	29,26,210	2.16	-
Jujjavarapu Usharani	28,66,780	2.12	28,66,780	2.12	-
Mullapudi Thimmaraja (Huf)	31,14,715	2.11	28,58,365	2.11	-
Sree Mullapudi Venkataramanamma Memorial Hospital	44,51,600	3.28	8,90,320	3.28	-
The Mullapudi Investment & Finance Company Pvt Limited	6,42,260	0.47	1,28,452	0.47	-
Sree Thimmaraja Investment & Finance Company Pvt Limited	5,50,080	0.41	1,10,016	0.41	-
Sree Harischandra Prasad Investment & Finance Company Limited	5,16,500	0.38	1,03,300	0.38	-
Jayalakshmi Chemical Enterprises Pvt Limited	5,400	0.00	1,080	0.00	-

Note: The Company has Sub divided the Shares face value Rs 10/- to Rs. 2/- on 31.12.2021, hence shares as on 31.03.2021 are converted into Rs.2/- face value for comparison purpose.

## Note -12

(Rs. in Lakhs)

BORROWINGS	As At 31st March 2022	As At 31st March 2021
<b>Capital Reserves</b>		
<b>Forfeited Debentures *</b>	0.30	0.30
<b>Securities Premium Account</b>	1129.40	1129.40
<b>Surplus in Other Comprehensive Income</b>		
Balance as per last Financial Statements	986.60	14.89
Other Comprehensive Income (OCI) for the Year	1650.16	971.71
<b>Closing Balance</b>	<b>2636.76</b>	986.60
<b>General Reserve</b>		
Balance as per the last Financial Statements	79329.64	69329.64
Less: Amount Withdrawn During the Year		
Add : Amount transferred from Surplus	10000.00	10000.00
Balance in the Statement of Profit And Loss		
<b>Closing Balance</b>	<b>89329.64</b>	79329.64
<b>Surplus/(Deficit) In The Statement of Profit And Loss</b>		
Balance as per the last Financial Statements	28015.02	27805.63
Profit for the year	16169.98	10209.39
	<b>44185.00</b>	38015.02
Less : Deductions		
Equity Dividend for FY 2020-21	2710.71	-
Transfer to General Reserve	10000.00	10000.00
Total Deductions	12710.71	10000.00
<b>Net Surplus In Statement of Profit And Loss</b>	<b>31474.29</b>	28015.02
<b>Total Reserves And Surplus Taken To Balance Sheet</b>	<b>124570.39</b>	109460.96

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

**General reserve:** General Reserve is created out of profit after tax earned by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this Reserve for payment of dividend and issue of fully paid-up shares. As General Reserve is "created by transfer of one component of equity to another and is not an item of other comprehensive income."

**Securities Premium:** This reserve represents the premium on issue of shares and can be utilised in accordance with the provision of the Companies Act 2013.

**Surplus in Profit & Loss;** This Reserve represents the cumulative profits of the Company. This reserve can be utilised for the payment of dividend and other purposes in accordance with the provisions of the Companies Act 2013.

**Other Comprehensive Income :**

**Investment Revaluation Reserve:** This Reserve represent the cumulative gain or loss arising on Revaluation of Equity Instruments measured at Fair value through Other Comprehensive Income, net of amounts reclassified, if any, to retained earnings when those investments are disposed of.

**Actuarial Gain/Loss Reserve:** This Reserve represents the cumulative actuarial gains/losses on account of remeasurement of defined benefit plans, net of amounts reclassified, if any, to retained earnings.

**NOTE:**

- 1) The amount that can be distributed by the company as dividends to equity shareholders is determined based on separate financial statements and as per the requirements of companies Act 2013.



**The Andhra Sugars Limited**

- 2) The Board of Directors, at their meeting held on 11th August, 2021, recommended for the sub-division of equity shares of the Company from existing face value of Rs. 10/- each to face value of Rs.2/- each (i.e. Split of 1 equity share of Rs.10/- each into 5 equity shares of Rs.2/- each), and same has been approved by the shareholders in the Annual General Meeting of the Company held on 23rd September, 2021. The Board of Directors, at their meeting held on 13th November, 2021 fixed 31st December 2021 as the record date. Accordingly, 1 Equity Share of the Company of Rs. 10/- each has been sub-divided into 5 equity shares of Rs. 2/- each on the record date 31st December 2021, and Earnings Per Equity Share has been restated for all the periods presented.
- 3) For the year ended March 31,2022, the Board of Directors proposed a dividend of Rs.4/- per share of Rs.2/- each face Value is subject to the approval of Shareholders in the ensuing Annual General Meeting.

**Note -13**

(Rs. in Lakhs)

BORROWINGS	13.1 Non -current portion		13.2 Current maturities	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Deferred Sales Tax Loan (Unsecured)	<b>848.65</b>	1026.41	<b>270.13</b>	286.57
<b>Deposits (unsecured)</b>				
Deposits from Directors/Related Parties	-	3083.01	<b>3083.01</b>	6953.05
Others	-	811.45	<b>811.45</b>	1523.45
<b>Total Amount</b>	<b>848.65</b>	4920.87	<b>4164.59</b>	8763.07
<b>The above amount includes</b>				
Secured borrowings	-	-	-	-
Unsecured borrowings	<b>848.65</b>	4920.87	<b>4164.59</b>	8763.07
Amount disclosed under the head <b>'Borrowings - Current'</b>	-	-	<b>4164.59</b>	8763.07
<b>Net Amount</b>	<b>848.65</b>	4920.87	-	-

**Note -14**

(Rs. in Lakhs)

BORROWINGS	Cash Credit	
	As At 31st March 2022	As At 31st March 2021
Current maturities of long Term Borrowings (Refer Note No. 13.2)	<b>4164.59</b>	8763.07
Cash credit from Banks (Secured)	-	1946.04
Deposits (unsecured)		
Deposits from Directors/Related Parties	-	-
from Others	<b>0.10</b>	0.10
Loans From Directors	<b>3.80</b>	38.80
	<b>4168.49</b>	10748.01
The above amount includes		
Secured borrowings	-	1946.04
Unsecured borrowings	<b>4168.49</b>	8801.97

- a) Cash Credit is Secured by Hypothecation of inventories and receivables and collaterally secured by a First charge on the fixed assets of the company except those at the COP division and Wind power divisions in Tamilnadu and Ramagiri, 3 MW Solar Plant at Kovvur, and ISRO Plant assets, ranking pari passu among the members of the consortium of working capital lending banks.
- b) There is no Foreign Currency Exposure hedged by derivative Instruments in the current and previous years.

(Rs. in Lakhs)

Particulars of Inventories and Receivables for Security	As At 31st March 2022	As At 31st March 2021
Inventories	35993.07	34624.84
Trade receivables	16598.95	13364.39

**Note -15**

(Rs. in Lakhs)

Particulars of Inventories and Receivables for Security	As At 31st March 2022	As At 31st March 2021
<b>15.1 Trade payables</b>		
Due to Micro & Small Enterprises	-	-
Due to Others	7016.08	5625.16
	7016.08	5625.16
<b>15.2 Other financial Liabilities: (Non-Current)</b>		
Trade Deposits	234.79	239.10
Staff Security Deposit	-	3.52
	234.79	242.62
<b>Total</b>	<b>7250.87</b>	<b>5867.78</b>

**Trade Payables (Non current) ageing schedule**

(Rs. in Lakhs)

PARTICULARS	Outstanding for following periods from due date of payment					
	Current Year					
	Not Yet Due	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-
(iii) Disputed dues — MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	1,063.79	753.52	125.27	5,073.50	7,016.08
<b>Total</b>	-	1,063.79	753.52	125.27	5,073.50	7,016.08

To be billed

**Total Trade Payables****7,016.08****Trade Payables (Non current) aging schedule**

(Rs. In Lakhs)

PARTICULARS	Outstanding for following periods from due date of payment					
	Previous Year					
	Not Yet Due	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-
(iii) Disputed dues — MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	753.52	125.28	675.22	4,071.14	5,625.16
<b>Total</b>	-	753.52	125.28	675.22	4,071.14	5,625.16

To be billed

**Total Trade Payables****5,625.16**

## Note -16

(Rs. in Lakhs)

PROVISIONS	Non-current		Current	
	As At 31st March 2022	As At 31st March 2021	As At 31st March 2022	As At 31st March 2021
Provision for employee benefits:				
Provision for Gratuity	2130.55	1371.74	483.15	407.59
Provision for leave benefits	947.59	793.45	207.00	329.94
	<b>3078.14</b>	2165.19	<b>690.15</b>	737.53

(Rs. in Lakhs)

Statement of additions, write off and payments closing as per ind as 37-para 84 a-e

PROVISIONS	Leave Benefits	Gratuity	Income tax
Balance at 1st April 2021	1,123.39	1779.33	9155.00
Provision recognised during the year	-		
- In Statement of Profit & Loss	295.06	644.43	5567.84
- In Statement of Other Comprehensive Income	22.16	189.94	-
Adjustments to opening balances			
Amounts incurred and charged against the provision	(286.01)	0.00	(102.84)
Reductions arising from payments			
<b>Balance at 31st March 2022</b>	<b>1154.59</b>	<b>2613.70</b>	<b>14620.00</b>

## Note -17

(Rs. in Lakhs)

Other current liabilities	As at 31st March, 2022	As at 31st March, 2021
Outstanding Liabilities for Others	34.76	15.15
<b>Total</b>	<b>34.76</b>	15.15

## Note-17.1

(Rs. in Lakhs)

Deferred Government Grant	As at 31st March, 2022	As at 31st March, 2021
Deferred sales tax loan	178.79	271.17
Caustic soda-Saggonda unit(capital subsidy)	0.87	1.01
<b>Total</b>	<b>179.66</b>	272.18

## Note-18

(Rs. in Lakhs)

Other Financial Liabilities (Current)	As at 31st March, 2022	As at 31st March, 2021
<b>18.1 Trade payables</b>		
Due to Micro & Small Enterprises	86.99	0.03
Due to Others	5841.24	4901.04
	<b>5928.23</b>	4901.07
<b>18.2 Other financial Liabilities</b>		
Interest accrued but not due on Borrowings	88.91	284.19
Unclaimed Dividend	157.31	170.00
Unclaimed matured deposits and Interest accrued thereon	30.45	33.75
Accrued Salaries and Benefits	1426.15	1380.68
Directors Remuneration Payable	2080.74	1285.64
Staff Security Deposits	5.33	9.70
	<b>3788.89</b>	3163.96
<b>Total</b>	<b>9717.12</b>	8065.03

## Trade Payables (current) ageing schedule

(Rs. In Lakhs)

PARTICULARS	Outstanding for following periods from due date of payment					
	Current Year					
	Not Yet Due	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	86.99					86.99
(ii) Others	4,564.43	1,054.15	92.37	12.86	93.15	5,816.96
(iii) Disputed dues — MSME						-
(iv) Disputed dues - Others	-	-	-	-	3.58	3.58
<b>Total</b>	<b>4,651.42</b>	<b>1,054.15</b>	<b>92.37</b>	<b>12.86</b>	<b>96.72</b>	<b>5,907.53</b>

To be billed

20.70

**Total Trade Payables****5,928.23**

## Trade Payables (current) aging schedule

(Rs. In Lakhs)

PARTICULARS	Outstanding for following periods from due date of payment					
	Previous Year					
	Not Yet Due	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	0.03	-	-	-	-	0.03
(ii) Others	3,393.47	1,162.94	61.83	15.86	242.09	4,876.19
(iii) Disputed dues — MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	3.58	3.58
<b>Total</b>	<b>3,393.49</b>	<b>1,162.94</b>	<b>61.83</b>	<b>15.86</b>	<b>245.66</b>	<b>4,879.79</b>

To be billed

21.28

**Total Trade Payables****4,901.07**

(Rs. In Lakhs)

Due to Small and Medium Enterprises	As at 31st March, 2022	As at 31st March, 2021
a) Principal amount and interest due thereon remaining period	<b>86.99</b>	0.03
b) Interest paid in terms of section 16 of MSMED Act	<b>0.00</b>	0.03
c) Interest due and payable for the period of delay excluding interest specified under MSMED Act	<b>0.00</b>	0.00
d) Interest accrued and remaining unpaid at the end of the year	<b>0.00</b>	0.03
e) further interest due and payable in terms of section 23 of MSMED Act, 2006	<b>0.00</b>	0.00

**Note-19**

(Rs. in Lakhs)

<b>Other Current Liabilities</b>	<b>As at 31st March, 2022</b>	As at 31st March, 2021
Advance from Customers	<b>434.80</b>	278.72
Statutory Dues	<b>1140.39</b>	612.80
Others	<b>1533.35</b>	1259.97
	<b>3108.54</b>	2151.49

**Note-20**

(Rs. in Lakhs)

<b>Deferred Tax Liability (Net)</b>	<b>As at 31st March, 2022</b>	As at 31st March, 2021
<b>Deferred Tax Liability</b>		
Deferred Tax liability on Plant Property Equipment	<b>8237.98</b>	8573.61
On Financial Liabilities	<b>170.72</b>	257.87
On current investments	<b>105.06</b>	87.78
On Non-current Investments		13.80
<b>Gross Deferred Tax Liability</b>	<b>8513.76</b>	8933.06
<b>Deferred Tax Asset</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	<b>394.07</b>	389.02
On Lease liability	<b>13.26</b>	17.56
Provision for doubtful debts and advances	<b>19.19</b>	16.16
<b>Gross Deferred Tax Asset</b>	<b>426.51</b>	422.74
<b>Net Deferred Tax Liability</b>	<b>8087.25</b>	8510.32

**Details of Deferred tax for the year 2021-22**

(Rs. in Lakhs)

<b>Deferred tax (Liabilities)/ Assets in relation to:</b>	<b>Opening Balance</b>	Recognised in profit/loss	<b>Recognised in other comprehensive income</b>	Closing Balance
Investments	<b>(13.80)</b>	-	13.80	-
Property, Plant and Equipment	<b>(8573.61)</b>	335.63	-	<b>(8237.98)</b>
Financial Assets (Current Investments)	<b>(87.78)</b>	(17.28)	-	<b>(105.06)</b>
Financial Liabilities	<b>(257.87)</b>	87.15	-	<b>(170.72)</b>
Provision for doubtful debts & Expected Credit Loss	<b>16.16</b>	3.03	-	<b>19.19</b>
Expenditure charged to statement of profit and loss in the current year but allowed for tax purposes on payment basis	<b>389.02</b>	(0.52)	5.57	<b>394.07</b>
On Lease Liabilities	<b>17.56</b>	(4.30)	-	<b>13.26</b>
Others	-	-	-	-
<b>Total</b>	<b>(8510.32)</b>	403.69	19.37	<b>(8087.25)</b>

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual fund units that have a quoted price. The fair value of all equity instruments which are traded on Stock Exchanges is valued using the closing price as at the reporting period. The mutual fund units are valued using the closing net asset value (NAV).

Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. These instruments are collectively not material and hence disclosures regarding significant unobservable inputs used in level 3 fair values have not been made.

**As at 31st March, 2022** (Rs. in Lakhs)

	Note	Carrying amount					Fair value						
		Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- Amortised cost	Financial Liabilities- Amortised cost	Total	Level 1	Level 2	Level 3	Total			
Financial instruments measured at fair value													
Current Investments	4.1	--	12548.21	--	--	12548.21				12548.21	--	--	12548.21
Non Current investments	4	14917.44	--	--	--	14917.44				4107.64	10809.80	--	14917.44
<b>Financial assets not measured at fair value</b>													
Trade receivables	9	--	--	16598.95	--	16598.95				--	16598.95	--	16598.95
Cash and Cash Equivalents	10	--	--	1450.60	--	1450.60				1450.60	0.00	--	1450.60
Bank balances other than above	10	--	--	1530.23	--	1530.23				1530.23	0.00	--	1530.23
Other Financial assets	5	--	--	1149.57	--	1149.57				1149.57	0.00	--	1149.57
		<b>14917.44</b>	<b>12548.21</b>	<b>20729.35</b>	<b>--</b>	<b>48195.01</b>	<b>20786.25</b>	<b>27408.75</b>	<b>--</b>	<b>48195.01</b>	<b>--</b>	<b>--</b>	<b>48195.01</b>
Financial liabilities not measured at fair value													
Borrowings	13 & 14	--	--	--	5017.14	5017.14				5017.14	--	--	5017.14
Lease Liability		--	--	--	52.68	52.68				52.68	--	--	52.68
Trade payables	15.1&18.1	--	--	--	12944.31	12944.31				12944.31	--	--	12944.31
Other financial liabilities													
Accrued salaries and benefits	18.2	--	--	--	1426.15	1426.15				1426.15	--	--	1426.15
Trade and staff security deposits	15.2&18.2	--	--	--	240.12	240.12				240.12	--	--	240.12
Others	18.2	--	--	--	2357.41	2357.41				2357.41	--	--	2357.41
		<b>--</b>	<b>--</b>	<b>--</b>	<b>22037.81</b>	<b>22037.81</b>	<b>20786.25</b>	<b>27408.75</b>	<b>--</b>	<b>48195.01</b>	<b>22037.81</b>	<b>--</b>	<b>22037.81</b>

**Reasons for classification of financial assets as per Ind AS 107:**

- (a) The company has classified all the current investments under fair value through profit or loss as they are held for trading.
- (b) For Non current investments which are not held primarily for trading, the company has elected an irrevocable option of classifying them as fair value through other comprehensive income.
- (c) Accounting for investments in Subsidiaries and Associates are mentioned in policy i of note:1.1"

**As at 31st March, 2021**

(Rs. in Lakhs)

	Carrying amount					Fair value			
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- Amortised cost	Financial Liabilities- Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial instruments measured at fair value									
Current Investments	--	15593.71	--	--	15593.71	15593.71	--	--	15593.71
Non Current investments	13074.55	--	--	--	13074.55	4144.05	8930.50	--	13074.55
Financial assets not measured at fair value									
Trade receivables	--	--	13364.39	--	13364.39	--	13364.39	--	13364.39
Cash and Cash Equivalents	--	--	972.38	--	972.38	972.38	--	--	972.38
Bank balances other than above	--	--	637.43	--	637.43	637.43	--	--	637.43
Other Financial assets	--	--	104.88	--	104.88	104.88	--	--	104.88
	<b>13074.55</b>	<b>15593.71</b>	<b>15079.08</b>	<b>--</b>	<b>43747.34</b>	<b>21452.45</b>	<b>22294.89</b>	<b>--</b>	<b>43747.34</b>
Financial liabilities not measured at fair value									
Borrowings	--	--	--	15668.88	15668.88	15668.88	--	--	15668.88
Lease Liability	--	--	--	69.77	69.77	69.77	--	--	69.77
Trade payables	--	--	--	10526.23	10526.23	10526.23	--	--	10526.23
Other financial liabilities	--	--	--	--	--	--	--	--	--
Accrued salaries and benefits	--	--	--	1380.68	1380.68	1380.68	--	--	1380.68
Trade and staff security deposits	--	--	--	252.32	252.32	252.32	--	--	252.32
Others	--	--	--	1773.58	1773.58	1773.58	--	--	1773.58
	<b>--</b>	<b>--</b>	<b>--</b>	<b>29671.46</b>	<b>29671.46</b>	<b>29671.46</b>	<b>--</b>	<b>--</b>	<b>29671.46</b>

## Notes Forming Part of Accounts

## Note -21

(Rs. in Lakhs)

Revenue from Operations	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Sale of products:</b>		
Finished goods	119785.61	94396.67
Traded goods	316.17	--
<b>Other operating revenue</b>		
Freight and Sales Expenses Recovered	255.02	257.92
Subsidy Received on Superphosphate Sales	706.30	317.53
Assistance for Cane Price against Export of Sugar under MAEQ	665.64	--
Processing and Job Work income	--	--
<b>Revenue from operations (gross)</b>	<b>121728.74</b>	<b>94972.12</b>

## Note -21.1

(Rs. in Lakhs)

Details of Products Sold	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Finished goods sold</b>		
Sugar	12174.05	13255.16
Industrial Alcohol & Ethanol	3691.28	4673.41
Aspirin	3370.10	2960.96
Caustic Soda	52866.05	34559.87
Caustic Potash	5597.97	4148.85
Chlorine	2276.21	1806.67
Hydrochloric Acid	5453.48	5519.24
Sodium Hypochlorite	5086.16	4702.52
Hydrogen gas	1462.57	1474.25
Sulphuric Acid	12543.55	6354.96
Superphosphate	678.46	823.92
UH25	1780.36	2772.42
Mono Methyl Hydrazine	815.71	808.60
HTPB	886.28	743.78
Wind Power	842.17	786.40
Cattle Feed	1462.34	1299.78
Potassium Carbonate	3185.29	2765.45
Poly Aluminium Chloride	2308.61	1180.40
Liquid Hydrogen	777.41	717.04
Others	2527.56	3042.99
	<b>119785.61</b>	<b>94396.67</b>
<b>Traded goods sold</b>	<b>316.17</b>	<b>--</b>
<b>Details of services rendered</b>	<b>--</b>	<b>--</b>



## Note -22

(Rs. in Lakhs)

Other Income	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Interest Income on</b>		
Bank deposits	91.13	46.34
Others	94.19	525.04
<b>Dividend income on</b>		
Investments in Subsidiary (Jocil Ltd.)	146.60	146.60
Investments in Associates (The Andhra Petrochemicals Ltd.)	842.60	0.00
Long-Term Investments	0.03	0.00
<b>Government Grant</b>		
Saggonda	0.14	0.14
Deferred Sales Tax Loan A/C	92.38	173.41
Gain on allowance Provided	--	6.36
Exchange differences (net)-Loss /(Gain)	--	112.95
Income from Agriculture (Net)	4.37	--
Rent received	181.57	154.82
Net gain on Sale of Current Investments	173.37	432.75
Gain on revaluation of Current Investments	295.80	338.72
Net gain on Sale of Assets	46.70	1.42
Other non-operating income #	1836.16	581.25
	<b>3805.04</b>	<b>2519.80</b>

(Rs. in Lakhs)

# Other Non-operating Income includes :	Year ended 31st March, 2022	Year ended 31st March, 2021
Excess Provision In Earlier Years Credited Back	265.07	41.67
Claims Received	177.23	0.40
Income Not Relating to This year	--	0.04
Other Misc. Receipts inclusive of Scrap Sales	1393.86	539.14
<b>Total</b>	<b>1836.16</b>	<b>581.25</b>

## Note -23

(Rs. in Lakhs)

Cost of Raw material consumed	Year ended 31st March, 2022	Year ended 31st March, 2021
Inventory at the beginning of the year	3333.55	2555.70
Add: Purchases	39815.48	29615.64
	<b>43149.03</b>	<b>32171.34</b>
Less: Inventory at the end of the year	6800.49	3333.55
Cost of Raw Material Consumed	<b>36348.54</b>	<b>28837.79</b>

Details of Raw material consumed	Year ended 31st March, 2022	Year ended 31st March, 2021
Sugarcane	8939.80	8988.72
Phenol	1468.28	847.58
Sulphur	7185.90	3302.32
Rock phosphate	330.76	456.72
Salt	9336.28	6243.64
Potassium Chloride	3144.86	2694.74
Alumina Hydride	1641.51	860.90
Extractions for Cattle feed	528.60	407.13
Other Raw materials	3772.55	5036.04
<b>Total</b>	<b>36348.54</b>	<b>28837.79</b>

The Andhra Sugars Limited

(Rs. in Lakhs)

Details of Inventory	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Raw Materials</b>		
Phenol	392.99	175.15
Sulphur	3453.30	214.46
Rock phosphate	667.41	738.69
Salt	750.51	858.29
Potassium Chloride	893.41	361.43
Alumina Hydride	65.94	241.49
Extractions for Cattle feed	279.71	119.40
Other Raw materials	297.22	624.64
<b>Total</b>	<b>6800.49</b>	<b>3333.55</b>

Note -24

(Rs. in Lakhs)

(Increase)/ Decrease in Inventories	Year ended 31st March, 2022	Year ended 31st March, 2021	(Increase)/ Decrease
<b>Inventories at the End of the year</b>			<b>2021-2022</b>
Work in Progress	465.29	331.00	(134.29)
Finished Goods	21315.62	23422.34	2106.72
	<b>21780.91</b>	<b>23753.34</b>	<b>1972.43</b>
<b>Inventories at the Beginning of the year</b>			<b>2020-2021</b>
Work in Progress	331.00	340.43	9.43
Finished Goods	23422.34	26475.72	3053.38
	<b>23753.34</b>	<b>26816.15</b>	<b>3062.81</b>

Details of Inventory	Year ended 31st March, 2022	Year ended 31st March, 2021
Work-in-progress		
Sugar	76.20	39.33
Molasses	2.34	1.33
Sulphuric Acid	95.12	50.68
Caustic Potash	32.63	25.00
Caustic Soda	28.07	36.71
Aspirin	12.13	120.12
Potassium Carbonate	3.52	3.18
Others	215.28	54.65
<b>Total</b>	<b>465.29</b>	<b>331.00</b>
Finished goods		
Sugar	18147.91	19864.61
Molasses	668.36	1132.82
Sulphuric Acid	129.98	146.03
Superphosphate	58.37	234.84
Caustic Soda	236.44	342.99
Caustic Potash	170.44	374.16
Chlorine	13.11	9.05
Sodium Hypochlorite	9.14	5.16
Hydrochloric acid	33.47	26.71
Industrial Alcohol & Ethanol	518.92	302.77
Aspirin	359.15	420.87
Organic Derivatives of hydrazine or of hydroxyl amine	211.62	103.34
HTPB	92.37	157.79
Hydrogen Gas	0.36	0.51
Potassium Carbonate	152.36	105.83
Poly Aluminium Chloride	88.98	46.48
Others	424.64	148.38
<b>Total</b>	<b>21315.62</b>	<b>23422.34</b>

The Andhra Sugars Limited

Note -25

(Rs. in Lakhs)

<b>Employee Benefit Expense</b>	<b>Year ended 31st March, 2022</b>	<b>Year ended 31st March, 2021</b>
Salaries, Wages and Bonus	<b>11522.61</b>	10195.48
Contribution to Provident and other fund	<b>1001.13</b>	915.35
Gratuity Expense	<b>644.43</b>	418.88
Staff Welfare Expenses	<b>711.80</b>	464.44
<b>Total</b>	<b>13879.97</b>	11994.15

Note -26

(Rs. in Lakhs)

<b>Depreciation and Amortization Expense</b>	<b>Year ended 31st March, 2022</b>	<b>Year ended 31st March, 2021</b>
Depreciation of Tangible Assets	<b>5709.38</b>	5558.11
Amortization of Intangible Assets	<b>4.68</b>	5.20
<b>Total</b>	<b>5714.06</b>	5563.31

Note -27

(Rs. in Lakhs)

<b>Finance Costs</b>	<b>Year ended 31st March, 2022</b>	<b>Year ended 31st March, 2021</b>
Interest	<b>1240.19</b>	2528.25
Less:- Capitalisation cost	-	-
Total Interest	<b>1240.19</b>	2528.25
Other Borrowing Costs	<b>38.60</b>	64.13
<b>Total</b>	<b>1278.79</b>	2592.38

## Note -28

(Rs. in Lakhs)

<b>Other Expenses</b>	<b>Year ended 31st March, 2022</b>	<b>Yearended 31st March, 2021</b>
Consumption of Stores and Spares	2320.47	1671.25
Insurance	494.03	513.51
Sugarcane Development Expenses	110.26	143.22
Rent	1.03	0.86
Rates and Taxes	267.11	240.01
Repairs and maintenance		
Plant and machinery	2774.25	2556.08
Buildings	365.45	400.59
Others	965.09	837.17
Advertising and sales promotion	280.96	51.03
Handling, Transport & Expenses at Sales Depots	6045.07	4153.57
Sales Commission	67.51	72.81
Donations	24.11	-
CSR Expenditure	394.47	401.05
Directors' sitting fees	23.85	14.10
Payment to auditors (Refer details below)	32.35	32.45
Provision for doubtful debts and advances	21.44	-
Bad debts/advances written off	18.82	-
Loss Allowance Provided	12.56	-
Exchange differences (net)-Loss /(Gain)	6.42	-
Loss from Agriculture (Net)	-	6.61
Loss on Sale of Assets	16.62	-
Bank Charges	50.94	60.44
Assets Written off	280.43	214.77
Export Compensation for Sugar Export Under MAEQ 2020-21	305.09	-
Miscellaneous Expenses	1243.91	1189.92
<b>Total</b>	<b>16122.24</b>	<b>12559.44</b>

<b>Payment to Auditors</b>	<b>Year ended 31st March, 2022</b>	<b>Year ended 31st March, 2021</b>
<b>As Auditor</b>	<b>17.00</b>	<b>17.00</b>
For Limited review & Other Certifications	7.64	7.99
For Reimbursement of expenses	0.71	0.76
<b>As Cost Auditors</b>	<b>6.00</b>	<b>6.00</b>
Fee for Certification	1.00	0.70
For Reimbursement of expenses	-	-
<b>Total</b>	<b>32.35</b>	<b>32.45</b>

<b>Details of Amounts spent towards CSR Activities</b>	<b>Year ended 31st March, 2022</b>	<b>Yearended 31st March, 2021</b>
Sree Mullapudi Venkataramanamma Memorial Hospital	-	320.00
Sree Mullapudi Venkatarayudu Memorial Medical Trust	320.00	-
Sree Mullapudi Venkatarayudu Memorial Educational Trust	54.00	-
Mullapudi Kamala Devi Cardiovascular Centre	-	30.00
Tanuku Municipal Park Development Expenditure	15.03	10.67
Sanitisation Expenditure Incurred for Covid -19	0.58	34.50
Drinking Water facility Provided to Public	4.86	5.88
	<b>394.47</b>	<b>401.05</b>

Disclosure in accordance with Schedule III

(Rs. in Lakhs)

CSR Expenditure	Year ended 31st March, 2022	Year ended 31st March, 2021
(i) Amount required to be spent by the company during the year	391.25	400.74
(ii) Amount of expenditure incurred	394.47	401.05
(iii) Shortfall at the end of the year	--	--
(iv) Total of previous years shortfall	--	--
(v) Reason for shortfall	Health Gare, Education,-	
(vi) Nature of CSR activities	Drinking water, Environment	
(vii) Details of related party transactions - Contribution to a trust controlled by the company in relation to CSR expenditure	--	--
Sree Mullapudi Venkataramamma Memorial Hospital	--	320.00
Sree Mullapudi Venkatarayudu Memorial Medical Trust	320.00	--
Sree Mullapudi Venkatarayadu Memorial Educational Trust	54.00	--
Mullapudi Kamala Devi Cardiovascular Centre	--	30.00
(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	--	--

Note -28 (a)

(Rs. in Lakhs)

Exceptional items	Year ended 31st March, 2022	Year ended 31st March, 2021
Provision for impairment	----	347.38
Grid support charges demand from APEPDCL	----	606.07
	----	953.45

Note -28 (b)

(Rs. in Lakhs)

Items that will not be reclassified to P&L	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Remeasurement of Defined Benefit Plan (Loss)/Gain</b>		
Gratuity	(189.95)	15.71
Leave Encashment	(22.15)	(65.66)
Increase/(Decrease) in Fair Value of Investments	1,842.89	1,005.02
Deferred Tax Liability on above items		
On Actuarial gain of Leave Encashment	5.57	15.10
On Long Term Non- Quoted Investments	13.80	1.54
<b>Total</b>	<b>1,650.16</b>	<b>971.71</b>

**Note -28 (c) EARNINGS PER SHARE**

(Rs. in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Earnings per share has been computed as under Profit for the year attributable to equity shareholders of the company	<b>16169.98</b>	10209.39
Weighted average equity number of shares outstanding	<b>1355.35</b>	271.07
Basic and Diluted Earnings per share (Face value Rs. 2 per share) (Rs.)	<b>11.93</b>	7.53

**Defined benefit plans :**

The following table set out the funded status of the Gratuity Plans(funded) and compensated absences(unfunded) the amounts recognized in the Company's financial statements as at March 31, 2022 and March 31, 2021:

(Rs.in Lakhs)

PARTICULARS	Gratuity		Compensated absences	
	As at		As at	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021
<b>Change in benefit obligations</b>				
Benefit obligations at the beginning	<b>4,276.91</b>	4,121.86	<b>1,123.39</b>	949.07
Service cost	<b>279.39</b>	265.13	<b>228.29</b>	204.54
Interest expenses	<b>349.53</b>	297.50	<b>66.76</b>	58.92
Past Service Cost	<b>173.55</b>			
Transfer of obligation (net)				
Benefits paid	<b>(360.51)</b>	(399.76)	<b>(286.01)</b>	65.67
Remeasurements - Actuarial (gains)/losses	<b>203.93</b>	(7.81)	<b>22.16</b>	(154.81)
<b>Benefit obligations at the end</b>	<b>4,922.80</b>	4,276.91	<b>1,154.59</b>	1,123.39

(Rs. in Lakhs)

Change in plan assets	Gratuity	
Particulars	31st March 2022	31st March 2021
Fair value of plan assets at the beginning of the year	<b>2,497.59</b>	2,543.10
Interest income	<b>158.04</b>	165.25
Transfer of assets (net)		
Remeasurements - Return on plan assets excluding amounts included in interest income	<b>13.99</b>	7.92
Adjustments to opening balances		(21.51)
Contributions	<b>0.00</b>	202.58
Benefits paid	<b>(360.51)</b>	(399.76)
<b>Fair value of plan assets at the end</b>	<b>2,309.10</b>	2,497.58

## Amount recognised in Balance Sheet

(Rs. in Lakhs)

PARTICULARS	Gratuity		Compensated absences	
	As at		As at	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021
Present value of obligation at the end of the period	4922.80	4276.91	1154.59	1123.39
Fair value of plan assets at the end of the period	2309.10	2497.59	-	-
<b>Net (liability)/asset recognised in Balance Sheet</b>	<b>2613.70</b>	<b>1779.33</b>	<b>1154.59</b>	<b>1123.39</b>

## Amount recognized in the statement of Profit and Loss under employee benefit expenses head.

(Rs. in Lakhs)

PARTICULARS	Gratuity		Compensated absences	
	For the year ended		For the year ended	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021
Service cost	349.53	297.50	228.29	204.54
Past Service Cost	173.55	-	-	-
Net interest on the net definite benefit liability/asset	121.35	99.88	66.76	58.92
Expected contributions by employees	-	-	-	-
Return on plan assets	-	-	-	-
Opening Adjustment	-	21.50	-	-
<b>Net expense recognised</b>	<b>644.43</b>	<b>418.88</b>	<b>295.06</b>	<b>263.46</b>

## Amount for the year ended March 31, 2022 and March 31, 2021 recognized in the statement of other comprehensive income:

(Rs. in Lakhs)

PARTICULARS	Gratuity		Compensated absences	
	For the year ended		For the year ended	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021
Actuarial (gain)/losses on obligations for the period	203.93	(7.81)	22.16	65.67
Return on plan assets, excluding interest income	(13.99)	(7.92)	-	-
<b>Net (income)/expenses for the period recognised in OCI</b>	<b>189.94</b>	<b>(15.73)</b>	<b>22.16</b>	<b>65.67</b>

(Rs. in Lakhs)

Assumptions	Gratuity		Compensated absences	
	year ended		year ended	
PARTICULARS	31st March 2022	31st March 2021	31st March 2022	31st March 2021
Expected return on plan assets	7.62%	7.62%	Nil	Nil
Rate of discounting	7.29%	6.82%	7.25%	6.81%
Rate of salary Increase	10.00%	9.00%	10.00%	10.00%
Rate of employee turnover	2.00%	2.00%	2.00%	2.00%

## Summary of Demographic Assumptions

PARTICULARS	Gratuity		Compensated Absences		Leave Encashment	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021
Mortality Rate	100%	100%	100%	100%	100%	100%
Disability Rate	5%	5%	5%	5%	5%	5%
Withdrawal Rate	2%	2%	2%	2%	2%	2%
Normal Retirement Age	60 Years	60 Years	60 Years	60 Years	60 Years	60 Years
Adjusted Average Future Service	12.20	15.07	NA	NA	NA	NA
Leave Encashment Rate	0	0	0	0	10	10
Leave Availment Rate	0	0	80	80	2	2

## Maturity Profile of Defined Benefit Obligations:

(Rs. in Lakhs)

PARTICULARS	31st March 2022		
	Gratuity	Leave encashment	Sick leave
Expected Cash flow in year 1	483.15	191.26	160.36
Expected Cash flow in year 2	362.40	126.26	33.18
Expected Cash flow in year 3	450.84	132.05	6.66
Expected Cash flow in year 4	417.38	111.55	1.35
Expected Cash flow in year 5	387.57	99.92	0.27
Expected Cash flow in year 6	422.29	92.17	0.05
Expected Cash flow in year 7	416.68	87.62	0.01
Expected Cash flow in year 8	487.73	83.06	-
Expected Cash flow in year 9	395.49	69.22	-
Expected Cash flow in year 10	417.47	65.92	-

## Significant estimates: Sensitivity analysis

Discount rate, Salary escalation rate and Withdrawal rate are significant actuarial assumptions. The change in Present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below:

(Rs. in Lakhs)

PARTICULARS	Effect on Gratuity valuation	
	31st March 2022	% change
Impact on Present value of Defined obligation if salary escalation rate increases by 1%	5300.29	7.70
Impact on Present value of Defined obligation if salary escalation rate decreases by 1%	4571.88	(7.10)
Impact on Present value of Defined obligation if withdrawal rate increases by 1%	4856.03	(1.14)
Impact on Present value of Defined obligation if withdrawal rate decreases by 1%	4998.51	1.50
Impact on Present value of Defined obligation if discount rate increases by 1%	4534.41	(7.90)
Impact on Present value of Defined obligation if discount rate decreases by 1%	5373.85	9.20



PARTICULARS	Effect on Compensated absences			
	Leave encashment		Sick leave	
	As at 31st March, 2022	% change	As at 31st March, 2021	% change
Impact on Present value of Defined obligation if salary escalation rate increases by 1%	1003.80	4.60	195.83	0.30
Impact on Present value of Defined obligation if salary escalation rate increases by 1%	918.24	(4.30)	194.84	(0.30)
Impact on Present value of Defined obligation if withdrawal rate increases by 1%	953.65	(0.60)	194.23	(0.60)
Impact on Present value of Defined obligation if withdrawal rate decreases by 1%	965.42	0.60	196.45	0.60
Impact on Present value of Defined obligation if discount rate increases by 1%	914.86	(4.60)	194.76	(0.30)
Impact on Present value of Defined obligation if discount rate decreases by 1%	1008.56	5.10	195.92	0.30

**Other Disclosures:**

(Rs. in Lakhs)

PARTICULARS	31st March 2022		
	Gratuity	Leave encashment	Sick leave
Best estimate contribution during the next year	2613.69	0.00	0.00
Discontinuance liability	4059.62	879.84	0.00

As per the enterprise's accounting policy actuarial gains and losses are recognized immediately during the same year itself. The above information is Certified by the Actuary.

**Risk exposure and asset-liability matching**

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

**1) Liability risks****a) Asset-liability mismatch risk**

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Company is successfully able to neutralize valuation swings caused by interest rate movements.

**b) Discount rate risk**

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

**c) Future salary escalation and inflation risk**

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

**2) Asset risks**

All plan assets are maintained in a trust fund managed by a public sector insurer viz. LIC of India and other insurance companies. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

## Taxation

## a) Profit and loss section

(Rs. in Lakhs)

PARTICULARS	31st March 2022	31st March 2021
<b>Current Income tax</b>		
Current tax charges	<b>5575.00</b>	3745.00
Adjustment in respect of Current income tax of previous year	<b>(3.75)</b>	(165.67)
Income Tax Refund Received	<b>(3.41)</b>	(369.76)
<b>Deferred Tax</b>		
Relating to origination and reversal of temporary differences	<b>(403.69)</b>	(515.29)
<b>Tax Expense reported in the Statement of Profit and Loss</b>	<b>5164.15</b>	2694.28

## Other Comprehensive Income ('OCI') Section

(Rs. in Lakhs)

PARTICULARS	31st March 2022	31st March 2021
<b>Deferred tax related to items recognised in OCI during the year</b>		
On Actuarial Gain/Loss of Leave Encashment	<b>5.57</b>	15.10
Unrealised Loss/ (Gain) on FVTOCI Equity Securities	<b>13.80</b>	1.54
<b>Tax income/(Expense) in the OCI Section</b>	<b>19.37</b>	16.64

## b) Balance sheet section

(Rs. in Lakhs)

PARTICULARS	31st March 2022	31st March 2021
Provision for income tax	<b>14620.00</b>	9155.00
Tax recoverable	<b>15230.21</b>	10000.84
<b>Net of advance tax recoverable</b>	<b>610.21</b>	845.84

**Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for March 31, 2022 and March 31, 2021** (Rs. in Lakhs)

PARTICULARS	31st March 2022		31st March 2021	
	%	(Rs.in Lakhs)	%	(Rs.in Lakhs)
<b>Accounting profit before Income tax</b>		<b>21334.13</b>		12903.67
At Statutory Income Tax Rate (25.168%)	<b>25.168%</b>	<b>5369.37</b>	25.168%	3247.60
<b>Add/(Less) Adjustment in respect of current income tax of previous year</b>				
<b>Effect of Non Deductible Expenses</b>	<b>0.77%</b>	<b>164.83</b>	1.30%	167.70
Effect of Expenses deductible for tax on payment basis	<b>-0.04%</b>	<b>(7.79)</b>	0.30%	38.29
Corporate social responsibility expenditure	<b>0.47%</b>	<b>99.28</b>	0.78%	100.94
Weighted deduction on Research and development expense	<b>-0.04%</b>	<b>(8.84)</b>	-0.25%	(32.58)
Tax credit on unrealised profit eliminated	<b>-0.35%</b>	<b>(74.45)</b>	-0.37%	(47.74)
Incremental Deferred Tax Liability/(Asset) on account				
Property, Plant & Equipment and Intangible Assets	<b>1.26%</b>	<b>269.27</b>	2.80%	361.12
Effect of exempt non operating income	<b>-0.04%</b>	<b>(8.46)</b>	-0.72%	(92.43)
Deduction u/s 80M	<b>-1.17%</b>	<b>(248.97)</b>	-	-
Other Adjustments		<b>20.75</b>	-	2.11
Reversal of Deferred Tax Liability	<b>-1.89%</b>	<b>(403.69)</b>	-3.99%	(515.29)
Adjustment for current tax of prior periods	<b>-0.03%</b>	<b>(7.16)</b>	-4.15%	(535.43)
<b>Total</b>				
<b>Income tax reported in Statement of profit and Loss</b>	<b>24.11%</b>	<b>5164.14</b>	<b>20.86%</b>	<b>2694.28</b>

**Reconciliation of Deferred tax liabilities (net)**

(Rs. in Lakhs)

PARTICULARS	31st March 2022	31st March 2021
Deferred Tax income / (expenses) during the period recognised in Statement of Profit and Loss	<b>403.69</b>	515.29
Deferred Tax income / (expenses) during the period recognised in OCI	<b>19.37</b>	16.64
	<b>423.06</b>	531.93

**Income tax expense**

(Rs. in Lakhs)

PARTICULARS	31st March 2022	31st March 2021
<b>Current tax expense</b>		
Current year	<b>5575.00</b>	3,745.00
(Excess)/Short Provisions of Tax	<b>(3.75)</b>	(165.67)
Income Tax Refund Received	<b>(3.41)</b>	(369.76)
Amount of the benefit arising from a previously unrecognised tax credit that is used to reduce current tax expense		
<b>(A)</b>	<b>5567.84</b>	3209.57
Deferred tax Expense/ (Income)		
Decrease/(Increase) in deferred tax asset	<b>(3.77)</b>	(37.48)
Increase/(Decrease) in deferred tax liability	<b>(419.29)</b>	(494.43)
<b>(B)</b>	<b>(423.06)</b>	(531.91)
Tax expense recognised in the income statement (A+B)	<b>5144.78</b>	2677.66

**Financial Instruments****a) Management of Credit Risk**

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified.

**The company's credit risk for trade receivables is as follows** (Rs. in Lakhs)

Particulars	31.03.2022	31.03.2021
Trade receivables	16,598.95	13,364.39

**The movement in allowance for credit loss in respect of trade receivables during the year is as follows:**  
(Rs. in Lakhs)

Allowance for credit loss	31.03.2022	31.03.2021
Balance at the beginning	32.22	38.58
Loss allowance recognised	12.56	(6.36)
Balance at the end	44.78	32.22

Credit risk on cash and cash equivalent is limited as the company generally transacts with banks and financial institutions with high credit ratings assigned by international and credit rating agencies.

**b) Management of market risk**

- i) Commercial risk
- ii) Fair value risk
- iii) Foreign exchange risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the Management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the Management of, these risks is explained below:

- i) Commercial risk

**Sale price risk**

(Rs. in Lakhs)

Particulars	Impact on profit			
	2021-22		2020-21	
	increase by 5%	decrease by 5%	increase by 5%	increase by 5%
<b>Product name</b>				
Sugar	608.70	(608.70)	662.76	(662.76)
Aspirin	168.51	(168.51)	148.05	(148.05)
CS Lye	2,300.78	(2,300.78)	1,385.47	(1,385.47)
CS Flakes	342.52	(342.52)	342.52	(342.52)
Sulphuric acid	627.18	(627.18)	317.75	(317.75)

## Raw material price risk

(Rs. in Lakhs)

Particulars	Impact on profit			
	2021-22		2020-21	
	increase by 5%	decrease by 5%	increase by 5%	increase by 5%
<b>Product name</b>				
Sugar cane	<b>(446.99)</b>	<b>446.99</b>	(449.44)	449.44
Phenol	<b>(73.41)</b>	<b>73.41</b>	(42.38)	42.38
Salt	<b>(466.81)</b>	<b>466.81</b>	(312.18)	312.18
Sulphur	<b>(359.30)</b>	<b>359.30</b>	(165.12)	165.12

## ii) Fair value risk

Potential impact of risk	Management policy	Sensitivity to risk
<p>The Company is mainly exposed to the Fair value risk due to its investments in equity instruments. The Fair value risk arises due to uncertainties about the future market values of these investments. Equity Fair value risk is related to the change in market reference price of the investments in equity securities.</p> <p>In general, these securities are not held for trading purposes. These investments are subject to changes in the market price of securities. The fair value of equity instruments classified as fair value through Other Comprehensive Income as at March 31, 2022 of amount Rs. 14917.44 lakhs. (13074.55 lakhs as on March 31, 2021)</p>	<p>In order to manage its Fair value risk arising from investments in equity instruments, the Company maintains its portfolio in accordance with the framework set by the Risk Management policies.</p> <p>Any new investment or divestment must be approved by the Board of Directors, Chief Financial Officer and Risk Management Committee.</p>	<p>As an estimation of the approximate impact of Fair value risk, with respect to investments in equity instruments, the Company has calculated the impact as follows.</p>

## Sensitivity analysis

(Rs. In Lakhs)

Particulars	Impact in Other Comprehensive Income			
	2021-22		2020-21	
	increase by 5%	decrease by 5%	increase by 5%	increase by 5%
The Union Bank of India	<b>0.16</b>	<b>(0.16)</b>	0.14	(0.14)
The Indian bank	<b>0.11</b>	<b>(0.11)</b>	0.08	(0.08)
	<b>0.27</b>	<b>(0.27)</b>	0.22	(0.22)

**iii) Foreign exchange risk**

The company has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risks arises from future commercial transactions and recognised financial assets and liabilities denominated in currency that is not the functional currency (INR) of the Company.

The company has exposure arising out of export and import transactions other than functional risks.

Potential impact of risk	Management policy	Sensitivity to risk
The Company has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised Financial assets and liabilities denominated in a currency that is not the functional currency (INR) of the Company. The risk also includes highly probable foreign currency cash flows. The objective of the cash flow hedges is to minimise the volatility of the cash flows of highly probable forecast transactions.	The Company has exposure arising out of export, import and other transactions other than functional risks. The Company hedges its foreign exchange risk using foreign exchange forward contracts and currency options after considering the natural hedge. The same is within the guidelines laid down by Risk Management policy of the Company.	As an estimation of the approximate impact of the foreign exchange rate risk, with respect to Financial Statements, the Company has calculated as follows:

Tabular form showing foreign exchange risk exposure item wise (if any)

The company has exposure arising out of export and import transactions other than functional risks.  
(Rs. in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Financial assets</b>		
Trade receivables	-	12.90
<b>Less:</b>		
Hedged through derivatives	-	-
Foreign exchange forward contracts	-	-
<b>Net exposure to foreign currency risk (assets)</b>	-	12.90

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Financial liabilities</b>		
Trade payables	-	191.11
<b>Less:</b>		
Hedged through derivatives	-	-
Foreign exchange forward contracts	-	-
<b>Net exposure to foreign currency risk (liabilities)</b>	-	191.11

## Sensitivity analysis

(Rs. in Lakhs)

Particulars	Impact in Profit and loss statement			
	2021-22		2020-21	
	increase by 1%	decrease by 1%	increase by 1%	increase by 1%
<b>Liabilities</b>				
USD sensitivity	--	--	(0.13)	0.13
Euro sensitivity	--	--	--	--
<b>Assets</b>				
USD sensitivity	--	--	1.91	(1.91)
Euro sensitivity	--	--	--	--
<b>Total</b>	--	--	1.78	(1.78)

## C) Management of Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is expected to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

As at 31st March 2022

(Rs. in Lakhs)

Particulars	Contractual cash flows			
	Carrying value	Less than 1 year	1-2 years	More than 2 years
Borrowings (Non current)	848.65	--	293.34	555.31
Lease Liability (Non Current)	13.67	--	13.67	--
Other Financial liabilities (Non current)	234.79	--	234.79	--
Trade payables (Non Current)	7,016.08	--	7,016.08	--
Borrowings (Current)	4,168.49	4,168.49	--	--
Trade payables (Current)	5,928.23	5,928.23	--	--
Lease Liability (Current)	39.01	39.01	--	--
Other financial liabilities(Current)	3,788.89	3,788.89	--	--
	<b>22,037.81</b>	<b>13,924.62</b>	<b>7,557.88</b>	<b>555.31</b>

As at 31st March 2021

(Rs. in Lakhs)

Particulars	Contractual cash flows			
	Carrying value	Less than 1 year	1-2 years	More than 2 years
Borrowings (Non current)	4,920.87	--	4,164.59	756.28
Lease Liability (Non Current)	32.57	--	32.57	--
Other Financial liabilities (Non current)	242.62	--	242.62	--
Trade payables (Non Current)	5,625.16	--	5,625.16	--
Borrowings ( Current)	10,748.01	10,748.01	--	--
Lease Liability (Current)	37.20	37.20	--	--
Trade payables (Current)	4,901.07	3,661.01	--	--
Other financial liabilities(Current)	3,163.96	3,201.16	--	--
	<b>29,671.46</b>	<b>17,647.38</b>	<b>10,064.94</b>	<b>756.28</b>

**Notes Forming Part of Accounts**

(Rs. in Lakhs)

	As at 31-3-2022	As at 31-3-2021
29. Estimated amount of contracts remaining to be executed on Account of Capital items	<b>7430.74</b>	447.61
Raw Materials, Stores and Spares	<b>6595.29</b>	2970.66
30. a) Uncalled liability on partly paid shares held as Investments	<b>24.66</b>	24.66
b) Liability on account of membership in Alkali Manufacturers' Association of India, a Company limited by Guarantee	<b>0.01</b>	0.01
31. Claims against the Company not acknowledged as debts relating to the following areas :		
i) Excise	<b>805.31</b>	805.31
ii) Service Tax/GST	<b>49.24</b>	49.24
iii) Sales Tax	<b>192.20</b>	192.20
iv) Income Tax	<b>40.98</b>	40.98
v) Other Levies	<b>233.93</b>	478.15
vi) Suppliers and Service Contract	<b>37.99</b>	41.70
vii) Labour related	<b>75.00</b>	8.00
32. 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	<b>1165.75</b>	1055.86
(b) On letter of Credit opened with banker for purchase of Materials	<b>3159.69</b>	1479.13
(c) Under the provisions of "The Levy Sugar Price Equalization Fund Act, 1976" the excess amount collected over the notified levy sale price pursuant to the interim stay granted by the Courts vests in the fund. In a writ petition No: 1534/76 filed by the Company against these provisions, the High Court of Andhra Pradesh has held that provisions of the said Act are not applicable to the excess collections made prior to 15-6-1972, against which the Union Government filed a civil appeal No: 274/79 before the Supreme Court, which is pending.		
While admitting the appeal, the Supreme Court granted stay of operation of Judgment of A.P. High Court in W.P.No: 1534/76 and directed the Company to furnish a Bank Guarantee for Rs.9.60 lakhs being the difference in levy Sugar price for the Sugar Season 1969-70. The Bank Guarantee was furnished on 7-12-1979 in favour of Registrar, High Court of Andhra Pradesh. Interest, if any, payable under the said Act, estimated at Rs. 64.39 lakhs (Rs 62.66 lakhs) has not been provided for in the accounts pending final legal decision in the matter. However, an amount of Rs.66.80 lakhs was appropriated during the financial year 2008-2009 by Govt India, New Delhi, against payment of buffer stock subsidy dues, which was protested by the company.		

(Rs. in Lakhs)

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

	This year		Previous Year	
	Value	Percentage	Value	Percentage
Imported	<b>8730.26</b>	<b>24</b>	5817.29	20
Indigenous	<b>27618.26</b>	<b>76</b>	23020.50	80
	<b>36348.52</b>	<b>100</b>	28837.79	100

(Rs. in Lakhs)

**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	<b>1151.62</b>	<b>15</b>	3761.77	51
Indigenous	<b>6383.88</b>	<b>85</b>	3572.44	49
	<b>7535.50</b>	<b>100</b>	7334.21	100



Notes Forming Part of Accounts

(Rs. in Lakhs)

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

	This year	Previous Year
Capital Goods	1033.11	3858.37
Components and spare parts	4.71	0.00
Raw - materials	11604.27	4828.17
	<b>12642.09</b>	<b>8686.54</b>

(Rs. in Lakhs)

36. Earnings in foreign exchange on FOB basis:

This year	Previous Year
368.59	504.72

(Rs. in Lakhs)

37. Expenditure incurred in foreign currency:

	This year	Previous Year
Books, Periodicals & Subscriptions	43.34	43.82
Foreign travel (excluding tickets purchased in India)	4.03	0.00
Delegation fee	0.00	0.00
Others	2.39	0.41
Bank Charges	0.48	8.38

(Rs. in Lakhs)

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

	This year	Previous Year
Sugar Cane R & D		
a) Capital Expenditure	63.18	92.90
b) Revenue Expenditure (charged to appropriate heads)	27.86	68.54
General R & D		
a) Capital Expenditure	35.12	36.54
b) Revenue Expenditure (charged to appropriate heads)	364.52	178.81
	<b>490.68</b>	<b>376.79</b>

(Rs. in Lakhs)

39. 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	64.39	91.39
Contribution to Provident, Gratuity and other funds	6.35	10.22
Workmen and Staff Welfare Expenses	2.48	4.32
Power and Fuel	2.94	1.99
Repair to Others	0.23	0.02
Repairs to Buildings	0.53	1.52
Repairs to P & M	1.99	1.21
Miscellaneous Expenses	0.39	0.90
Depreciation	3.49	3.73
	<b>82.80</b>	<b>115.29</b>

**Notes Forming Part of Accounts**

40. Consequent to the judgement given by the Hon'ble Supreme Court of India vide its order dated 29th November 2019, upholding the power of Andhra Pradesh Electricity Regulatory Commission (APERC) to determine the levy of wheeling charges, the company has received demands from Andhra Pradesh Eastern Power Distribution Company Limited (APEPDCL), for an amount of Rs. 3092.18 lakhs in respect of four service numbers situated at Kovvuru, Taduvai, Tanuku and Gutala. The company has not received any demand in respect of one service situated at Saggonda from APEPDCL, which is not ascertainable on account of various pending cases at Hon'ble High Court of Andhra Pradesh and Telangana and Hon'ble Supreme Court of India, pertaining to wheeling charges and Allocation of Surplus power generated and transmitted by Andhra Pradesh Gas Power Corporation Limited (APGPCL) to its participating industries. Considering the revised wheeling charges as determined by APERC, in service situated at Saggonda, the company has to get refund of wheeling charges.

In this regard, the company has made liability towards differential wheeling charges and on account of allocation of surplus power based on the bills raised by APEPDCL for an amount of Rs. 8177.56 lakhs. Further, the differential payments made to APGPCL were shown as advance to the extent of Rs. 3764.71 lakhs (including back up bank guarantees en cashed to the extent of Rs. 520.01 lakhs by APGPCL due to invocation of bank guarantees by AP Transco., consequent to the judgement of Hon'ble Supreme Court of India on wheeling charges).

Pending disposal of cases on account of Allocation of Surplus power before Hon'ble Supreme Court of India, the liability towards wheeling charges as per APERC and energy charges payable to APEPDCL is unascertainable. Hence, the demands issued by APEPDCL need further revision and the company has contended for the demands raised by APEPDCL.

Further, APEPDCL is raising monthly electricity bills without considering the power wheeled from APGPCL and continue to disclose this unadjusted amount as arrears in the monthly bills. However, monthly Electricity payments made by the Company as per the Directions of Honourable Courts are being acknowledged by APEPDCL.

41. **The reconciliation between operating lease commitments and lease liabilities as at 31-03-2022 are given below:**

		(Rs. Lakhs)
	31.03.2022	31.03.2021
<b>Lease Liability</b>		
Opening Lease Liability	69.77	59.41
Additions/(Deletions)	21.01	55.80
Interest for the year	7.40	7.28
Repayment made during the year	45.50	52.72
Closing lease liability	52.68	69.77

**Lease Expenses recognized in Profit and Loss Statement not included in the measurement of lease liabilities:**

		(Rs. Lakhs)
	31.03.2022	31.03.2021
Expenses related to low value lease (included under other expenses)	1.03	0.86

Note : 42

Ratio analysis

Ratio	Numerator	Denominator	Current period	Previous period	% Variance	Reason
Current ratio (in times)	Total current assets	Total current liabilities	3.99	3.14	27.20%	Decrease in Debt
Debt-equity ratio (in times)	Total debt consists of borrowings	Share holders equity	0.04	0.13	-67.11%	Decrease in Debt
Debt service coverage ratio (in times)	Earnings for debt service	Debt service	5.48	2.08	163.05%	Decrease in Debt
Return on Equity (in %)	Net profit after taxes	Average share holders equity	13.51%	9.58%	40.99%	Increase in Profitability
Inventory turnover ratio (in times)	Revenue from operations	Average Inventory	3.45	2.65	29.95%	Higher Production & Sales
Trade receivables turnover ratio (in times)	Net Sales	Average trade receivables	8.13	7.13	13.96%	
Trade payables turnover ratio (in times)	Total Purchases	Average trade payables	7.35	8.58	-14.33%	
Net capital turnover ratio (in times)	Revenue from operations	Working capital	2.29	2.04	12.36%	
Net profit ratio (in %)	Net profit after taxes	Revenue from operations	13.28%	10.75%	23.57%	Higher Sale Realisations mainly from Caustic Soda
Return on capital employed (in %)	Earning before interest and taxes	Capital employed	16.02%	11.37%	40.83%	Increase in Operating Profit
Return on investment (in %) (Mutual Fund Investment)	Income Generated from Invested Funds	Average Investment Fund	4.94%	6.65%	1.71%	

**Note : 43****Management's Approach and the key assumptions used to determine the fair value under Level 3 Hierarchy:**

Income approach is the valuation technique used for determination of fair value of the unquoted equity instruments. It converts the future expected cash flows( savings in costs ) to a single discounted amount by using the present value techniques.

Financial Asset	Unobservable Inputs	Value Assigned to Key	Approach to Determining Key Assumptions
	Annual Savings	Rs.1.39 Per Unit	Estimated Based on Company's Past Experience
Un Quoted Equity Instruments in APGPCL	No. of Units of Power	1738.27 Lakh Units	Estimated that Company continues to hold the same no. of Equity Shares in the Foreseeable future.
	Cash flow forecast Period	10 Years	Reviewed the 10 year forecast prepared by the Technical Personnel.
	Long Term Growth Rate	Nil	This is the weighted Average growth rate used to extrapolate cash flows beyond the budgeted period. The Rate is consistent with forecasts included in Industry Reports.
	Discount Rate (%)	11.18%	Based on the Company's Cost of Equity.

44. Balances in personal accounts of various parties are subject to confirmation by and reconciliation with the said parties.
- b) In the opinion of the management, Current Assets, Loans and advances have a value on realization in the ordinary course of business equal to the values at which they are stated.
45. Previous year's figures have been regrouped wherever necessary to confirm to the current year classification.
46. Paise have been rounded off.

## The Andhra Sugars Limited

### PARTICULARS DISCLOSED PURSUANT TO " IND. ACCOUNTING STANDARD -24 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 :**

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

#### **Independent Directors :**

Dr. P.Kotaiah  
Sri V.S.Raju  
Sri P.A.Chowdary  
Dr.D. Manjulata  
Sri P.Venkateswara Rao

#### **Vice President (Finance) & Addl. Secretary :**

Sri P.V.S. Viswanadha Kumar

#### 3) Relatives of Key Management Personnel

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 Rama Lakshmi Sister of Sri P.Narendranath Chowdary, Smt. Jujjavarapu Usha Rani Sister of Sri P.Narendranath Chowdary, Smt. Maddipati Kamala Devi Sister of Sri P.Narendranath Chowdary, Smt. Mullapudi Satyanarayanamma Sister of Sri P.Narendranath Chowdary, Smt. Nutakki Anantha Lakshmi Sister of Sri P.Narendranath Chowdary, Smt. Jayaraman Anantha Lakshmi Sister of Sri M.Narendranath, Smt. Kosaraju Rama Lakshmi Sister of Sri M.Narendranath, Smt. Yelamarthy Narayanamma Sister of Sri M.Narendranath, Smt. Mullapudi Narayanamma Wife of Sri M.Narendranath, Sri Mullapudi Vikram Prasad Son of Sri M.Narendranath, Smt. Gaddipati Anuradha Daughter of Sri M.Narendranath, Smt. Goli Jayashree Daughter of Sri M.Narendranath, Smt. Mullapudi Renuka Wife of Sri M.Thimmaraja, Sri Mullapudi Mrutyumjaya Prasad Son of Sri M.Thimmaraja, Smt. Goli Devi Daughter of Sri M.Thimmaraja, Smt. Pendyala Sesha Shailaja Wife of Sri P.Achuta Ramayya, Smt. Pendyala Divya Atchmamba Daughter of Sri P.Achuta Ramayya, Smt. Pendyala Sruthi Rajeswari Daughter of Sri P.Achuta Ramayya, Smt. Pendyala Sujatha Mother of Sri P.S.R.V.K.Ranga Rao, Smt. Pendyala Usha Lakshmi Wife of Sri P.S.R.V.K.Ranga Rao, Kum. Pendyala Meghana Sri Sai Sujatha Daughter of Sri P.S.R.V.K.Ranga Rao, Chy. Pendyala Prithvi Sri Narendra Rayudu Son of Sri P.S.R.V.K.Ranga Rao,

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

Andhra Pradesh Gas Power Corporation Limited  
Jaya Industries  
Jayalakshmi Estates Limited  
Jayalakshmi Fertilisers  
Jayalakshmi Plastics and Chemicals  
Royal Printing Works  
Mullapudi Venkatarayudu Eye Centre  
Mullapudi Kamala Devi Cardiovascular Centre  
Sree Akkamamba Textiles Limited  
Sree Mullapudi Timma Raju Memorial Library & Cultural Centre  
Sree Mullapudi Venkataramanamma Memorial Hospital  
Sree Rangaraya Estates  
Sree 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  
Vibhaas Polymers Pvt. Limited

**5) Associate Company :**

The Andhra Petrochemicals Limited

**(B) TRANSACTIONS WITH THE RELATED PARTIES:**

Notes Forming Part of Accounts

(Corresponding figures related to 31st, March'2021)

(Rupees in Lakhs)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relatives of Key Management Personnel	TOTAL	Out Standing As on 31.03.2022
<b><u>Purchase of Goods from</u></b>	22.36 (16.10)	6656.24 (8154.68)	--	14.88 (31.39)	23.41 (28.33)	6716.89 (8230.50)	497.15 (803.66)
JOCIL Limited	22.36 (16.10)	--	--	--	--	--	5.94 (0.12)
Andhra Pradesh Gas Power Corporation Limited	--	6251.61 (7798.11)	--	--	--	--	468.88 (780.10)
Sree Mullapudi Venkataramamma Memorial Hospital	--	0.14 (1.10)	--	--	--	--	-- (0.15)
Sree Pendyala Venkata Krishna Rangaraya Memorial Trust	--	-- (5.86)	--	--	--	--	-- (5.86)
Vibhaas Polymers Pvt. Limited	--	397.18 (344.51)	--	--	--	--	20.99 (22.85)
Sree Satyanarayana Spinning Mills Ltd.,	--	1.01 (0.59)	--	--	--	--	-- (0.44)
Sree Akkamamba Textiles Ltd.,	--	6.30 (4.51)	--	--	--	--	1.34 (4.51)
Pendyala Narendranath Chowdary	--	--	--	0.02	--	--	--
P S R V K Ranga Rao	--	--	--	14.86 (31.39)	--	--	-- (31.39)
Mullapudi Vikram Prasad	--	--	--	--	21.31 (24.64)	--	-- (24.64)
Pendyala Sujatha	--	--	--	--	2.10 (3.69)	--	-- (3.69)
<b><u>Fixed Deposits Received from :</u></b>	--	--	--	--	--	--	3083.01 (10036.06)
Mullapudi Narendranath	--	--	--	--	--	--	-- (182.50)
Mullapudi Thimmaraja	--	--	--	--	--	--	320.00 (420.00)
P S R V K Ranga Rao	--	--	--	--	--	--	115.00 (190.00)
Pendyala Achuta Ramayya	--	--	--	--	--	--	183.10 (263.10)
Pendyala Narendranath Chowdary	--	--	--	--	--	--	138.80 (1558.45)
Gaddipati Anuradha	--	--	--	--	--	--	45.65 (102.75)
Goli Devi	--	--	--	--	--	--	152.93 (252.48)

(Rupees in Lakhs)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relatives of Key Management Personnel	TOTAL	Out Standing As on 31.03.2022
Goli Jayashree	--	--	--	--	--	--	36.58 (84.23)
Jujjavarapu Usha Rani	--	--	--	--	--	--	96.45 (402.90)
Maddipati Kamala Devi	--	--	--	--	--	--	133.10 (473.90)
Mullapudi Renuka	--	--	--	--	--	--	285.00 (624.55)
Mullapudi Mrutyumjaya Prasad	--	--	--	--	--	--	92.00 (212.45)
Mullapudi Narayanamma	--	--	--	--	--	--	159.00 (339.75)
Mullapudi Narendranath Huf	--	--	--	--	--	--	30.00 (83.00)
Mullapudi Thimmaraja Huf	--	--	--	--	--	--	105.00 (205.00)
Mullapudi Vikram Prasad	--	--	--	--	--	--	61.70 (181.65)
Nutakki Anantha Lakshmi	--	--	--	--	--	--	-- (46.50)
P.S.R.V.K. Ranga Rao (HUF)	--	--	--	--	--	--	123.60 (230.50)
Pendyala Achuta Ramayya (HUF)	--	--	--	--	--	--	78.05 (282.90)
Pendyala Divya Atchamamba	--	--	--	--	--	--	59.45 (213.45)
Pendyala Jhansi Jaya Lakshmi	--	--	--	--	--	--	254.85 (916.60)
Pendyala Meghana Sri Sai Sujatha	--	--	--	--	--	--	15.80 (41.80)
Pendyala Narendranath Chowdary (HUF)	--	--	--	--	--	--	101.70 (657.25)
Pendyala Prithvi Sri Narendrarayudu	--	--	--	--	--	--	50.00 (591.40)
Pendyala Sesha Sailaja	--	--	--	--	--	--	59.10 (215.10)
Pendyala Sujatha	--	--	--	--	--	--	223.15 (778.50)
Pendyala Usha Lakshmi	--	--	--	--	--	--	-- (30.00)
Sribalusu Ranganayaki Alias Radhika	--	--	--	--	--	--	29.80 (159.70)
Veeramachaneni Shruthi Rajeshwari	--	--	--	--	--	--	100.20 (138.20)



The Andhra Sugars Limited

(Rupees in Lakhs)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relatives of Key Management Personnel	TOTAL	Out Standing As on 31.03.2022
Y.Narayanamma							33.00 (157.45)
<u>Fixed Deposits repaid on maturity/cancellation</u>	--	--	--	1857.15	5095.90	6953.05	--
	(160.00)	--	--	(2136.00)	(4484.85)	(6780.85)	--
Hindustan Allied Chemicals Limited	--	--	--	--	--	--	--
	(160.00)						
Mullapudi Narendranath	--	--	--	182.50	--	--	--
				(370.00)			
Mullapudi Thimmaraja	--	--	--	100.00	--	--	--
				(185.00)			
P.S.R.V.K. Ranga Rao	--	--	--	75.00	--	--	--
				(275.00)			
Pendyala Achuta Ramayya	--	--	--	80.00	--	--	--
				(160.00)			
Pendyala Narendranath Chowdary	--	--	--	1419.65	--	--	--
				(1146.00)			
Gaddipati Anuradha	--	--	--	--	57.10	--	--
					(57.15)		
Goli Devi	--	--	--	--	99.55	--	--
					(213.55)		
Goli Jayashree	--	--	--	--	47.65	--	--
					(47.10)		
Jujavarapu Usha Rani	--	--	--	--	306.45	--	--
					(240.90)		
Maddipati Kamala Devi	--	--	--	--	340.80	--	--
					(294.60)		
Mullapudi Renuka	--	--	--	--	339.55	--	--
					(174.90)		
Mullapudi Mrutyumjaya Prasad	--	--	--	--	120.45	--	--
					(92.05)		
Mullapudi Narayanamma	--	--	--	--	180.75	--	--
					(173.85)		
Mullapudi Narendranath HUF	--	--	--	--	53.00	--	--
					(327.00)		
Mullapudi Thimmaraja HUF	--	--	--	--	100.00	--	--
					(458.85)		
Mullapudi Vikram Prasad	--	--	--	--	119.95	--	--
					(115.60)		
Nutakki Anantha Lakshmi	--	--	--	--	46.50	--	--
					(120.00)		
N.Venkataramanamma	--	--	--	--	--	--	--
					(365.65)		
P.S.R.V.K. Ranga Rao (HUF)	--	--	--	--	106.90	--	--
					(235.70)		

(Rupees in Lakhs)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relatives of Key Management Personnel	TOTAL	Out Standing As on 31.03.2022
Pendyala Achuta Ramayya HUF	--	--	--	--	204.85 (160.90)	--	--
Pendyala Divya Atchamamba	--	--	--	--	154.00 (22.00)	--	--
Pendyala Jhansi Jayalakshmi	--	--	--	--	661.75 (447.05)	--	--
Pendyala Meghana Sri Sai Sujatha	--	--	--	--	26.00 (13.20)	--	--
Pendyala Narendranath Chowdary HUF	--	--	--	--	555.55 (293.95)	--	--
Pendyala Prithvi Sri Narendrarayudu	--	--	--	--	541.40 (21.60)	--	--
Pendyala Sessa Sailaja	--	--	--	--	156.00 (88.00)	--	--
Pendyala Sujatha	--	--	--	--	555.35 (420.05)	--	--
Pendyala Usha Lakshmi	--	--	--	--	30.00 --	--	--
Sribalusu Ranganayaki Alias Radhika	--	--	--	--	129.90 (40.00)	--	--
Veeramachaneni Shruthi Rajeshwari	--	--	--	--	38.00 (21.00)	--	--
Y.Narayanamma	--	--	--	--	124.45 (40.20)	--	--
<b><u>Loans Received from Directors</u></b>	--	--	--	--	--	--	3.80
	--	--	--	--	--	--	(38.80)
Mullapudi Narendranath	--	--	--	--	--	--	1.80
							(1.80)
Mullapudi Thimmaraja	--	--	--	--	--	--	2.00
							(2.00)
P.S.R.V.K. Ranga Rao	--	--	--	--	--	--	--
							(35.00)
<b><u>Loans re-paid to Directors</u></b>	--	--	--	35.00	--	35.00	--
	--	--	--	--	--	--	--
P.S.R.V.K. Ranga Rao	--	--	--	35.00	--	--	--
				--			
<b><u>Services Rendered by</u></b>	--	21.79	--	33.44	2.64	57.87	2.10
	--	(26.39)	--	(32.20)	(2.52)	(61.11)	--
Mullapudi Thimmaraja	--	--	--	6.34	--	--	--
				(6.05)			
Royal Printing Works	--	--	--	27.10	--	--	2.10
				(26.15)			--

The Andhra Sugars Limited

(Rupees in Lakhs)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relatives of Key Management Personnel	TOTAL	Out Standing As on 31.03.2022
Mullapudi Mrutyumjaya Prasad	-	-	-	-	2.64 (2.52)	-	-
Sree Mullapudi Venkataramanamma Memorial Hospital	-	13.33 (17.75)	-	-	-	-	-
Mullapudi Venkatarayudu Eye Centre	-	0.73 (0.91)	-	-	-	-	-
Sree Mullapudi Venkatarayudu Memorial Medical Trust	-	7.73 (7.73)	-	-	-	-	-
<b>Sale of Goods to</b>	900.69 (582.32)	523.66 (622.27)	125.43 (52.97)	0.02 (0.53)	0.06 (0.10)	1549.86 (1258.16)	50.44 (135.40)
JOCIL LIMITED	900.69 (582.32)	-	-	-	-	-	- (109.87)
The Andhra Petrochemicals Limited	-	-	125.43 (52.97)	-	-	-	-
Jayalakshmi Fertilisers	-	508.51 (605.89)	-	-	-	-	50.21 (25.02)
Sree Akkamamba Textiles Limited	-	0.34 (0.75)	-	-	-	-	-
Sree Satyanarayana Spinning Mills Limited	-	0.21 (0.40)	-	-	-	-	-
Sree Mullapudi Venkataramanamma Memorial Hospital	-	3.74 (1.29)	-	-	-	-	0.23 (0.23)
Sree Mullapudi Venkataraya Memorial Polytechnic	-	0.08 (0.07)	-	-	-	-	-
Sree Rangaraya Estates	-	0.00 (3.46)	-	-	-	-	-
Andhra Pradesh Gas Power Corporation mited	-	10.78 (10.31)	-	-	-	-	- (0.28)
Vibhas Polymers Pvt. Limited	-	- (0.10)	-	-	-	-	-
Royal Printing Works	-	-	-	0.02 (0.53)	-	-	-
Mullapudi Mrutyumjaya Prasad	-	-	-	-	0.06 (0.10)	-	-
<b>Services Rendered to</b>	5.74 (7.29)	0.09 -	0.61 (0.78)	- -	6.07 -	12.51 (8.07)	- -
JOCIL LIMITED	5.74 (7.29)	-	-	-	-	-	-
The Andhra Petrochemicals Limited	-	-	0.61 (0.78)	-	-	-	-

The Andhra Sugars Limited

(Rupees in Lakhs)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relatives of Key Management Personnel	TOTAL	Out Standing As on 31.03.2022
Andhra Pradesh Gas Power Corporation Limited	--	0.09	--	--	--	--	--
Sree Satyanarayana Spinning Mills Limited	--	--	--	--	--	--	--
Mullapudi Vikram Prasad	--	--	--	--	0.71	--	--
Pendyala Sujatha	--	--	--	--	5.36	--	--
<b>Reumbursment of Service Charges</b>	33.55	--	55.91	--	--	89.46	--
JOCIL LIMITED	33.55	--	--	--	--	--	--
The Andhra Petrochemicals Limited	--	--	55.91	--	--	--	--
<b>Interest Paid on Fixed Deposits</b>	--	--	--	131.55	479.32	610.87	68.42
Hindustan Allied Chemicals Limited	(4.52)	--	--	(403.88)	(1022.49)	(1430.89)	(228.90)
Mullapudi Narendranath	--	--	--	9.33	--	--	--
Mullapudi Thimmaraja	--	--	--	37.62	--	--	7.10
P.S.R.V.K.Ranga Rao	--	--	--	15.65	--	--	2.55
Pendyala Achuta Ramayya	--	--	--	24.02	--	--	4.06
Pendyala Narendranath Chowdary	--	--	--	44.93	--	--	3.08
Gaddipati Anuradha	--	--	--	--	6.24	--	1.01
Goli Devi	--	--	--	--	19.53	--	3.39
Goli Jayashree	--	--	--	--	5.33	--	0.81
Jujjavarapu Usha Rani	--	--	--	--	24.83	--	2.14
Maddipati Kamala Devi	--	--	--	--	30.66	--	2.95
Mullapudi Renuka	--	--	--	--	47.47	--	6.35
Mullapudi Mrutyumjaya Prasad	--	--	--	--	13.68	--	2.04
					(27.17)		(4.85)

The Andhra Sugars Limited

(Rupees in Lakhs)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relatives of Key Management Personnel	TOTAL	Out Standing As on 31.03.2022
Mullapudi Narayanamma	--	--	--	--	24.17 (43.48)	--	3.53 (7.75)
Mullapudi Narendranath (HUF)	--	--	--	--	4.68 (31.44)	--	0.67 (1.89)
Mullapudi Thimmaraja (HUF)	--	--	--	--	16.12 (50.56)	--	2.33 (4.68)
Mullapudi Vikram Prasad	--	--	--	--	10.41 (25.57)	--	1.37 (4.14)
Nutakki Anantha Lakshmi	--	--	--	--	2.85 (10.99)	--	-- (1.06)
N.Venkataramanamma	--	--	--	--	-- (19.96)	--	-- --
P.S.R.V.K. Ranga Rao (HUF)	--	--	--	--	15.60 (37.89)	--	2.74 (5.26)
Pendyala Achuta Ramayya (HUF)	--	--	--	--	14.64 (38.40)	--	1.73 (6.45)
Pendyala Divya Atchamamba	--	--	--	--	13.08 (22.47)	--	1.32 (4.87)
Pendyala Jhansi Jaya Lakshmi	--	--	--	--	63.06 (119.05)	--	5.66 (20.91)
Pendyala Meghana Sri Sai Sujatha	--	--	--	--	1.59 (5.29)	--	0.35 (0.95)
Pendyala Narendranath Chowdary (HUF)	--	--	--	--	32.64 (84.50)	--	2.26 (14.99)
Pendyala Prithvi Sri Narendrarayudu	--	--	--	--	35.77 (60.76)	--	1.11 (13.49)
Pendyala Sesha Sailaja	--	--	--	--	13.96 (26.98)	--	1.31 (4.91)
Pendyala Sujatha	--	--	--	--	52.94 (105.33)	--	4.95 (17.76)
Pendyala Usha Lakshmi	--	--	--	--	0.16 (3.00)	--	-- (0.68)
Sribalusu Ranganayaki Alias Radhika	--	--	--	--	11.09 (18.09)	--	0.66 (3.64)
Veeramachaneni Shruthi Rajeshwari	--	--	--	--	12.22 (14.45)	--	2.22 (3.15)
Y.Narayanamma	--	--	--	--	6.60 (18.70)	--	0.73 (3.59)
<b>Interest paid to Directors</b>	--	--	--	1.71 (3.49)	--	1.71 (3.49)	0.08 (0.80)
Mullapudi Narendranath	--	--	--	0.16 (0.16)	--	--	0.04 (0.04)

(Rupees in Lakhs)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relatives of Key Management Personnel	TOTAL	Out Standing As on 31.03.2022
Mullapudi Thimmaraja	--	--	--	0.18 (0.18)	--	--	0.04 (0.04)
P.S.R.V.K. Ranga Rao	--	--	--	1.37 (3.15)	--	--	-- (0.72)
<b>Independent Directors Sitting Fee Paid to</b>	--	--	--	23.85 (14.10)	--	23.85 (14.10)	--
Dr. P.Kotaiah	--	--	--	4.15 (2.60)	--	--	--
V.S.Raju	--	--	--	6.25 (4.25)	--	--	--
P.A.Chowdary	--	--	--	6.60 (3.90)	--	--	--
Dr.D. Manjulata	--	--	--	4.15 (2.35)	--	--	--
Dr. P.Venkateswra Rao	--	--	--	2.70 --	--	--	--
Dr.A.V.Rama Rao	--	--	--	-- (1.00)	--	--	--
<b>Remuneration (including Comm.) paid to</b>	--	--	--	2401.89 (1506.76)	19.08 (13.20)	2420.97 (1519.96)	2078.47 (1282.07)
Mullapudi Narendranath	--	--	--	455.22 (277.75)	--	--	418.97 (243.46)
Mullapudi Thimmaraja	--	--	--	455.22 (277.75)	--	--	403.63 (244.48)
Pendyala Achuta Ramayya	--	--	--	455.22 (277.75)	--	--	407.70 (247.20)
Pendyala Narendranath Chowdary	--	--	--	718.79 (438.56)	--	--	609.74 (387.34)
P.S.R.V.K. Ranga Rao	--	--	--	267.10 (182.76)	--	--	235.19 (157.23)
Mullapudi Vikram Prasad	--	--	--	--	14.57 (12.42)	--	0.74 (0.64)
Mullapudi Mrutyumjaya Prasad	--	--	--	--	4.51 (0.78)	--	0.54 --
M.Palachandra	--	--	--	-- (12.01)	--	--	-- --
P.V.S. Viswanadha Kumar	--	--	--	50.34 (40.18)	--	--	1.96 (1.72)
<b>Donations paid to</b>	--	24.11	--	--	--	24.11	--
	--	--	--	--	--	--	--

The Andhra Sugars Limited

(Rupees in Lakhs)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relatives of Key Management Personnel	TOTAL	Out Standing As on 31.03.2022
Sree Mullapudi Venkataramanamma Memorial Hospital	--	24.11	--	--	--	--	--
Contribution towards CSR Expenses	--	374.00	--	--	--	374.00	--
	--	--	--	--	--	--	--
Sree Mullapudi Venkatarayudu Memorial Medical Trust	--	320.00	--	--	--	--	--
Sree Mullapudi Venkatarayudu Memorial Educational Trust	--	54.00	--	--	--	--	--
<b>Dividend Paid to</b>	--	153.40	--	369.23	680.62	1203.25	--
	--	--	--	--	--	--	--
Mullapudi Narendranath	--	--	--	108.90	--	--	--
Mullapudi Thimmaraja	--	--	--	81.47	--	--	--
Pendyala Achuta Ramayya	--	--	--	46.75	--	--	--
Pendyala Narendranath Chowdary	--	--	--	67.70	--	--	--
P.S.R.V.K. Ranga Rao	--	--	--	64.41	--	--	--
Sree Akkamamba Textiles Limited	--	30.19	--	--	--	--	--
Sree Mullapudi Venkataramanamma Memorial Hospital	--	89.03	--	--	--	--	--
Thimmaraja Investment & Finance Company Pvt. Ltd.,	--	12.85	--	--	--	--	--
The Mullapudi Investment & Finance company Pvt. Ltd.,	--	11.00	--	--	--	--	--
Sree Harischandra Prasad Investment & Finance Co. Ltd.,	--	10.33	--	--	--	--	--
Ethirajulu Rama Lakshmi	--	--	--	--	5.80	--	--
Gaddipati Anuradha	--	--	--	--	9.48	--	--
Goli Devi	--	--	--	--	8.43	--	--
Goli Jayashree	--	--	--	--	9.57	--	--
Jujavarapu Usha Rani	--	--	--	--	57.34	--	--
Jayaraman Anantha Lakshmi	--	--	--	--	28.66	--	--
Maddipati Kamala Devi	--	--	--	--	57.38	--	--
Mullapudi Mrutyumjaya Prasad	--	--	--	--	12.42	--	--
Mullapudi Narayanamma	--	--	--	--	32.64	--	--
Mullapudi Narendranath (HUF)	--	--	--	--	2.06	--	--
Mullapudi Renuka	--	--	--	--	55.59	--	--
Mullapudi Satyanarayanamma	--	--	--	--	55.87	--	--
Mullapudi Thimmaraja (HUF)	--	--	--	--	20.67	--	--
Mullapudi Vikram Prasad	--	--	--	--	17.37	--	--
Nutakki Anantha Lakshmi	--	--	--	--	4.04	--	--
Pendyala Divya Atchamamba	--	--	--	--	3.72	--	--
Pendyala Jhansi Jaya Lakshmi	--	--	--	--	97.03	--	--
Pendyala Meghana Sri Sai Sujatha	--	--	--	--	0.60	--	--
Pendyala Prithvi Sri Narendrarayudu	--	--	--	--	0.70	--	--
Pendyala Sesha Sailaja	--	--	--	--	21.32	--	--
Pendyala Sujatha	--	--	--	--	81.41	--	--
Pendyala Usha Lakshmi	--	--	--	--	0.80	--	--
Pendyala Venkata Krishna Rao	--	--	--	--	21.43	--	--
Sribalusu Ranganayaki Alias Radhika	--	--	--	--	42.48	--	--

(Rupees in Lakhs)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relatives of Key Management Personnel	TOTAL	Out Standing As on 31.03.2022
Veeramachaneni Shruthi Rajeshwari	-	-	-	-	1.43	-	-
Y. Narayanamma	-	-	-	-	32.38	-	-
<b><u>Dividend Received from</u></b>	146.60	-	842.60	-	-	989.20	-
	(146.60)	-	-	-	-	(146.60)	-
JOCIL Limited	146.60	-	-	-	-	-	-
	(146.60)	-	-	-	-	-	-
The Andhra Petrochemicals Limited	-	-	842.60	-	-	-	-
<b><u>Interest Received on Inter Corporate Loan</u></b>	-	-	-	-	-	-	-
	-	(9.03)	-	-	-	(9.03)	-
Sree Akkamamba Textiles Limited	-	-	-	-	-	-	-
	-	(9.03)	-	-	-	(9.03)	-
<b>C) Balances as at 31-03-2022:</b>	-	-	-	-	-	-	-
<b><u>Share Capital held by the Company, in</u></b>	479.10	8929.76	3660.56	-	-	13069.42	-
	(479.10)	(6922.62)	(3660.56)	-	-	-(11062.28)	-
JOCIL Limited	441.79	-	-	-	-	-	-
	(441.79)	-	-	-	-	-	-
The Andhra Farm Chemicals Corporation Limited	34.57	-	-	-	-	-	-
	(34.57)	-	-	-	-	-	-
Hindustan Allied Chemicals Limited	2.74	-	-	-	-	-	-
The Andhra Petrochemicals Limited	(2.74)	-	3660.56	-	-	-	-
	-	-	(3660.56)	-	-	-	-
Andhra Pradesh Gas Power Corporation Limited	-	8758.50	-	-	-	-	-
	-	(6751.36)	-	-	-	-	-
Sree Akkamamba Textiles Limited	-	171.26	-	-	-	-	-
	-	(171.26)	-	-	-	-	-
<b><u>Share Capital of the Company held by</u></b>	-	153.40	-	133.86	899.21	1186.47	-
	-	(153.40)	-	(369.23)	(680.58)	(1203.21)	-
Mullapudi Narendranath	-	-	-	58.53	-	-	-
	-	-	-	(108.90)	-	-	-
Mullapudi Thimmaraja	-	-	-	39.85	-	-	-
	-	-	-	(81.47)	-	-	-
Pendyala Achuta Ramayya	-	-	-	18.28	-	-	-
	-	-	-	(46.75)	-	-	-
Pendyala Narendranath Chowdary	-	-	-	16.28	-	-	-
	-	-	-	(67.70)	-	-	-
P.S.R.V.K. Ranga Rao	-	-	-	0.92	-	-	-
	-	-	-	(64.41)	-	-	-
Sree Akkamamba Textiles Limited	-	30.19	-	-	-	-	-
	-	<b>(30.19)</b>	-	-	-	-	-



The Andhra Sugars Limited

(Rupees in Lakhs)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relatives of Key Management Personnel	TOTAL	Out Standing As on 31.03.2022
Sree Mullapudi Venkataramamma Memorial Hospital	--	89.03 (89.03)	--	--	--	--	--
Thimmaraja Investment & Finance Company Pvt. Ltd.,	--	12.85 (12.85)	--	--	--	--	--
The Mullapudi Investment & Finance company Pvt. Ltd.,	--	11.00 (11.00)	--	--	--	--	--
Sree Harischandra Prasad Investment & Finance Co. Ltd.,	--	10.33 (10.33)	--	--	--	--	--
Ethirajulu Rama Lakshmi	--	--	--	--	5.80 (5.80)	--	--
Gaddipati Anuradha	--	--	--	--	9.48 (9.48)	--	--
Goli Devi	--	--	--	--	8.43 (8.43)	--	--
Goli Jayashree	--	--	--	--	9.57 (9.57)	--	--
Jayaraman Anantha Lakshmi	--	--	--	--	28.66 (28.66)	--	--
Jujjavarapu Usha Rani	--	--	--	--	57.34 (57.34)	--	--
Maddipati Kamala Devi	--	--	--	--	57.38 (57.38)	--	--
Mullapudi Mrutyumjaya Prasad	--	--	--	--	12.42 (12.42)	--	--
Mullapudi Narayanamma	--	--	--	--	32.64 (32.64)	--	--
Mullapudi Narendranath (HUF)	--	--	--	--	52.44 (2.06)	--	--
Mullapudi Renuka	--	--	--	--	55.59 (55.59)	--	--
Mullapudi Satyanarayanamma	--	--	--	--	55.87 (55.87)	--	--
Mullapudi Thimmaraja (HUF)	--	--	--	--	62.29 (20.67)	--	--
Mullapudi Vikram Prasad	--	--	--	--	17.37 (17.37)	--	--
Nutakki Anantha Lakshmi	--	--	--	--	4.04 (4.02)	--	--
Pendyala Achuta Ramayya (HUF)	--	--	--	--	28.54 (0.00)	--	--
P.S.R.V.K. Ranga Rao (HUF)	--	--	--	--	63.59 (0.00)	--	--
Pendyala Narendranath Chowdary (HUF)	--	--	--	--	51.42 (0.00)	--	--

(Rupees in Lakhs)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relatives of Key Management Personnel	TOTAL	Out Standing As on 31.03.2022
Pendyala Divya Atchamamba	--	--	--	--	3.72 (3.72)	--	--
Pendyala Jhansi Jaya Lakshmi	--	--	--	--	97.03 (97.03)	--	--
Pendyala Meghana Sri Sai Sujatha	--	--	--	--	0.70 (0.60)	--	--
Pendyala Prithvi Sri Narendrarayudu	--	--	--	--	0.80 (0.70)	--	--
Pendyala Sesha Sailaja	--	--	--	--	21.32 (21.32)	--	--
Pendyala Sujatha	--	--	--	--	81.41 (81.41)	--	--
Pendyala Usha Lakshmi	--	--	--	--	0.80 (0.80)	--	--
Pendyala Venkata Krishna Rao	--	--	--	--	4.14 (21.43)	--	--
Sribalusu Ranganayaki Alias Radhika	--	--	--	--	42.48 (42.48)	--	--
Veeramachaneni Shruthi Rajeshwari	--	--	--	--	1.58 (1.43)	--	--
Y. Narayanamma	--	--	--	--	32.36 (32.36)	--	--

## Independent Auditor's Report

To the members of **THE ANDHRA SUGARS LIMITED, TANUKU**

### Report on Consolidated Financial Statements:

#### Opinion

We have audited the accompanying consolidated financial statements of THE ANDHRA SUGARS LIMITED ("the Holding Company"), its subsidiaries and its associate (Holding, subsidiaries and associate together referred to as "the Group") comprising the Consolidated Balance Sheet as at 31st March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the consolidated financial statements, including a summary of the significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2022, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Key Audit Matters

Key Audit matters are those matters that in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in respect of the holding company and its subsidiaries.

In respect of the associate company "The Andhra Petrochemicals Limited", the audit procedures performed by the other auditor of associate not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Sl. No.	Key Audit Matter	How our audit addressed the Key Audit Matter
1.	<p><b>Valuation of Investments in Unquoted Equity Shares of Andhra Pradesh Gas Power company Ltd (APGPCL)</b></p>	
	<p>The valuation of the investments involves judgement and continues to be an area of inherent risk because quoted prices are not readily available.</p> <p>As per the MOU between the APGPCL and its shareholders, each shareholder is entitled to receive power generated in proportion to its shareholding at cost of generation plus 20% of its overheads which is substantially lower than the price charged by DISCOMs.</p> <p>In the absence of any transfer of shares of APGPCL during the year under audit the fair value of the shares has been determined by using "discounted cash flow" method in respect of savings in cost of power in future years.</p>	<p>We assessed the managements' approach to valuation for these investments by performing the following procedures:</p> <ul style="list-style-type: none"> <li>● We have verified data inputs used in the valuation models based on historical trends.</li> <li>● We evaluated the methodology and assumptions used by management, including reasonableness of the discounted cash flows, growth rate and discount rate applied by comparing it with the Indian Government Bond rate for a similar period.</li> <li>● We tested the calculation of the fair value based on the assumptions applied.</li> <li>● We found the disclosures in the financial statements to be appropriate.</li> </ul> <p><i>Conclusion:</i> Based on the work performed and the evidence obtained, we consider the methodology and assumptions used by management to be appropriate.</p>
2	<p><b>Estimation of decommissioning and restoration provisions</b></p>	
	<p>The determination and valuation of provision is highly judgmental by its nature, as they are calculated based on assumptions that are impacted by future activities and the legislative environment in which the company operates.</p>	<p>Our audit procedures to assess the decommissioning provision included the following:</p> <ul style="list-style-type: none"> <li>● We assessed the valuation methodology</li> <li>● We evaluated the reasonableness of key assumptions applied by the management to calculate the provisions.</li> <li>● We tested the calculation of the provisions.</li> <li>● We checked the accuracy and relevance of the input data used.</li> <li>● We found the disclosures in the financial statements to be appropriate.</li> </ul> <p><i>Conclusion:</i> Based on the work performed, we found management's assessment to be reasonable based on available evidence.</p>

<b>3</b>	<b>Estimation of Lease liability</b>	
	<p>Measurement of lease liability for the land taken on lease from Visakhapatnam Port Trust (VPT) involves significant judgement, as they are calculated based on terms &amp; conditions of the tender floated by VPT and the financial bid submitted against the tender, which was later on cancelled and issued for re-tender. Due to its vast nature, even small changes in the terms of the lease agreement can have a material impact on the estimated lease liability and right of use asset.</p>	<p>Our audit procedures, among others included the following:</p> <ul style="list-style-type: none"> <li>● We obtained an understanding of the terms and conditions of the VPT's Land renewal lease policy "e-Tender cum e-Auction" to evaluate the appropriateness of key assumptions applied.</li> <li>● We have gone through the order from Hon'ble High Court of Andhra Pradesh allowing the writ petition filed by the company against the cancellation of tender for land lease dated 16.08.2020 and supporting evidence of lease rental payments to evaluate the reasonableness of the managements' judgment that the lease will be allotted to the APL.</li> <li>● We assessed the methodology adopted and assumptions used by management, including reasonableness of the discounted cash flows and discount rate applied.</li> <li>● We found the disclosures in the financial statements to be appropriate.</li> </ul> <p><i>Conclusion:</i> Based on the work performed, we found management's estimation to be reasonable based on available evidence.</p>

**Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed and based on the work done/audit report of the other auditor, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that

give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability and associateto continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company, associateand its subsidiary companieshave adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information of the holding company included in the consolidated financial statements of which we are the independent auditors. For the other entities and associate included in the consolidated financial statements, which has been audited by other auditors, such other auditorsremains responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditors referred to in para (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a

## The Andhra Sugars Ltd. - Group Consolidated Financial Statements

basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

### Other Matters

- (a) We did not audit the financial statements /financial information of three subsidiaries whose financial statements/financial information reflect total assets of Rs.26,940.74Lakhs as at 31st March 2022, total revenues of Rs.75,549.50 Lakhs and net cash outflows amounting to Rs.440.42 Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements include the share of net profit of Rs.769.69Lakhs for the year ended 31st March 2022, as considered in the consolidated Ind AS financial statements, whose financial statements/financial information have not been audited by us. This financial statements/financial information have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries, and our report in terms of sub-section (3) and (11) of section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the report of the other auditor.
- (b) We did not audit the financial statements /financial information of The Andhra Petrochemicals Limited (Associate), and the consolidated Ind AS financial statements also includes the Group's share of net profit of Rs.7761.10Lakhs and other comprehensive loss of Rs.44.20Lakhs for the year ended 31st March 2022, as considered in the consolidated Ind AS financial statements, in respect of said associate. These financial statements/financial information have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate, and our report in terms of sub-section (3) and (11) of section 143 of the Act, insofar as it relates to the aforesaid associate, is based solely on the report of the other auditor.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statements/financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report to the extent applicable, that
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2022, taken on record by the Board of Directors of the Holding Company and the report of Statutory auditor of subsidiaries and an associate company, none of the directors of the Holding company, subsidiaries and associate incorporated in India is disqualified as on 31st March 2022, from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein;
- g) With respect to Managerial Remuneration to be included in the Auditors' report under Section 197(16):  
In our opinion and according to the information and explanation given to us, the remuneration paid during the year by the Holding Company, subsidiaries and its associate is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, subsidiaries and its associate, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us;
- h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- (i) the consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group - Refer Note No 46 of the consolidated Ind AS financial statements.
- (ii) the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- (iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, subsidiaries and associate incorporated in India.
- (iv) (a) The respective Managements of the Company, subsidiaries and associate which are incorporated in India whose financial statements have been audited under the Act have represented to us and other auditors of subsidiaries and associate, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The respective Managements of the Company, subsidiaries and associate which are incorporated in India whose financial statements have been audited under the Act have represented to us and other auditors of subsidiaries and associate, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) As stated in Note No. 15 to the consolidated financial statements
- (a) The dividend declared or paid during the year by the holding company is in compliance with section 123 of the Companies Act, 2013, as applicable.
- (b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the



**The Andhra Sugars Ltd. - Group Consolidated Financial Statements**

approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

Camp: Tanuku  
Date: 28.05.2022

For M/s K.S RAO & Co.,  
Chartered Accountants  
Firm Registration No. 003109S  
K. VAMSI KRISHNA  
Partner  
Membership No:238809  
UDIN : 22238809AJUZCS5437

**ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT ON THE  
CONSOLIDATED FINANCIAL STATEMENTS OF THE ANDHRA SUGARS LIMITED  
FOR THE YEAR ENDED 31ST MARCH 2022**

In our opinion and according to the information and explanations given to us, following Companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualifications or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sl. No.	Name	CIN	Holding Company/ Subsidiary/ Associate/ Joint Venture	Clause number of the CARO report which is unfavourable or qualified or adverse
1	The Andhra Sugars Limited	L15420AP1947PLC000326	Holding Company	(i)(c)
2	The Andhra Sugars Limited	L15420AP1947PLC000326	Holding Company	(vii)(a) & (b)
3	Jocil Limited	L28990AP1978PLC002260	Subsidiary Company	(vii)(b)
4	The Andhra Farm Chemicals Corporation Limited	U24110AP1968PLC001197	Subsidiary Company	(xvii)
5	The Andhra Petrochemicals Limited	L23209AP1984PLC004635	Associate Company	(xx)

Camp: Tanuku  
Date: 28.05.2022

For M/s K.S RAO & Co.,  
Chartered Accountants  
Firm Registration No.003109S  
K. VAMSI KRISHNA  
Partner  
Membership No:238809  
UDIN : 22238809AJUZCS5437

## ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT

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

In conjunction with our audit of the consolidated financial statements of **The Andhra Sugars Limited** (hereinafter referred to as "The Holding Company") and its subsidiaries, as of and for the year ended 31st March 2022, we have audited the internal financial controls with reference to the consolidated financial statements of the holding company and subsidiary companies incorporated in India under the Companies Act, 2013 as of that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

#### Meaning of Internal Financial Controls with reference to financial statements

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

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

### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

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

### **Opinion**

In our opinion, the Holding Company and its subsidiary companies incorporated in India, in all material respects, an adequate internal financial controls system with reference to the consolidated financial statements and such internal financial controls were operating effectively as at 31st March 2022, based on the internal control with reference to the consolidated financial statements criteria established by such Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one associate, which is a company incorporated in India, is based on the corresponding reports of the auditors of such company

Our opinion is not modified in respect of the above matters.

For M/s K.S RAO & Co.,  
Chartered Accountants  
Firm Registration No. 003109S  
K. VAMSI KRISHNA  
Partner  
Membership No:238809  
UDIN : 22238809AJUZCS5437

Camp: Tanuku  
Date: 28.05.2022

The Andhra Sugars Ltd. - Group Consolidated Financial Statements

CONSOLIDATED BALANCE SHEET AS ON 31st MARCH 2022

(Rupees in lakhs)

Particulars	Notes	As At 31st March 2022	As At 31st March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	2	71207.32	71580.89
Capital Work-in-progress	3	7102.67	5166.71
Investment Property	2	3.40	4.04
Other Intangible Assets	2	7.26	38.81
<b>Financial Assets</b>			
Investments	4	28310.07	19622.41
Trade Receivables		--	--
Loans	5	200.00	650.00
Others Financial Assets	6	1090.40	89.19
Other Non-current Assets	7	4441.73	2767.35
<b>Current assets</b>			
Inventories	8	46752.64	42380.08
<b>Financial Assets</b>			
Investments	4.1	12548.21	16994.25
Trade Receivables	9	23995.24	21777.84
Cash and cash equivalents	10	1695.75	1657.95
Other Bank balances	10	2145.81	1011.17
Loans	5	400.00	200.00
Other Financial Assets	6	153.59	117.07
Current Tax Assets	11	793.02	974.17
Other Current assets	7	2804.67	2419.48
Assets classified as held for Sale		219.12	443.69
<b>Total Assets</b>		<b>203870.90</b>	<b>187895.10</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	12	2711.01	2711.01
Other Equity	13	149144.85	127041.95
<b>Equity attributable to the equity holders of the company</b>		<b>151855.86</b>	<b>129752.96</b>
Non-controlling interests	14	9425.98	9074.17
<b>Total Equity</b>		<b>161281.84</b>	<b>138827.13</b>
Deferred Government Grant	15	179.66	272.18
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	16	848.65	4920.87
Lease Liability		13.67	32.57
Trade Payables			
Total Outstanding dues of Micro Enterprise and Small Enterprise			
Total Outstanding dues of creditors other than Micro Enterprise and Small Enterprise	19	7016.08	5625.16
Other financial liabilities	17	243.96	251.77
Provisions	18	3189.73	2267.83
Deferred Tax Liabilities	25	8347.31	8852.21
Other non-current liabilities	19	45.55	15.15
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	20	4603.02	10951.74
Lease Liability		39.01	37.20
Trade payables	21		
Total Outstanding dues of Micro Enterprise and Small Enterprise		299.90	0.03
Total Outstanding dues of creditors other than Micro Enterprise and Small Enterprise		8845.13	8278.48
Other financial liabilities	22	4090.00	3433.70
Other current liabilities	23	4030.96	3303.28
Provisions	24	796.43	825.80
Current tax Liabilities	11		
<b>Total Equity and Liabilities</b>		<b>203870.90</b>	<b>187895.10</b>

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

As per our report of even date  
for K.S. Rao & Co.,  
Chartered Accountants  
Firm Regn. No. 003109S  
K. Vamsi Krishna  
Partner  
Membership No: 238809  
UDIN : 22238809AJUZCS5437

TANUKU  
Date: 28-05-2022

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

P. Narendranath Chowdary	Chairman & Managing Director
P.Kotaiah	Director
P.V.S. Viswanadha Kumar	V.P.(Finance) & Addl. Secretary

TANUKU  
Date: 28-05-2022

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2022

(Rs. in Lakhs)

PARTICULARS	Notes	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Income</b>			
I Revenue from operations (Gross)	26	196164.68	150910.73
II Other Income	27	3809.67	2599.13
<b>III Total Revenue (I + II)</b>		<b>199974.35</b>	<b>153509.86</b>
<b>IV Expenses</b>			
Cost of raw materials consumed	28	99579.04	71259.92
Purchase of traded goods		298.27	--
[Increase]/Decrease in Inventories of finished goods, Work-in-progress	29	(167.28)	3234.12
Employee Benefits expense	30	17063.69	14971.25
Power and Fuel		30720.69	21523.92
Finance Costs	31	1296.11	2676.74
Depreciation and amortization expense	32	6396.26	6124.11
Other expenses	33	22566.09	18361.30
<b>Total Expenses (IV)</b>		<b>177752.87</b>	<b>138151.36</b>
<b>V Profit/(Loss) Before Exceptional items &amp; Tax (III-IV)</b>		<b>22221.48</b>	<b>15358.50</b>
<b>VI Exceptional Items</b>	34		953.45
<b>VII Profit/(Loss) Before Tax (V-VI)</b>		<b>22221.48</b>	<b>14405.05</b>
<b>VIII Profit from Associate</b>		<b>7761.10</b>	<b>2617.69</b>
<b>IX Add : Income Tax Refund</b>		<b>(3.41)</b>	<b>(369.76)</b>
Add : Income Tax Excess Provision Credited Back		(3.96)	(171.41)
Less : Income tax of earlier years			
Less : Tax expenses			
Current tax		5921.30	4238.56
Deferred tax		(485.52)	(803.43)
<b>Total tax expense</b>		<b>5428.41</b>	<b>2893.96</b>
<b>X Profit/(Loss) for the year after tax (VII + VIII - IX)</b>		<b>24554.17</b>	<b>14128.78</b>
<b>Less:-</b>			
<b>XI Non Controlling Interest</b>		<b>333.39</b>	<b>631.99</b>
<b>XII Profit/(Loss) After Non Controlling Interest (X-XI)</b>		<b>24220.78</b>	<b>13496.79</b>
Other Comprehensive Income			
i) Items that will not be reclassified to P&L		1628.73	962.78
ii) Income Tax Relating to Items that will not be Reclassified to Profit or Loss		19.37	16.64
Share of OCI from Associate		(44.20)	128.83
<b>Total Other comprehensive Income</b>	35	<b>1603.90</b>	<b>1108.25</b>
Less: Non Controlling Interest		138.23	208.81
<b>Other Comprehensive Income after Non Controlling Interest</b>		<b>1465.67</b>	<b>899.44</b>
<b>Total Comprehensive Income</b>		<b>26158.07</b>	<b>15237.03</b>
Less: Non Controlling Interest		471.62	840.80
<b>Total Comprehensive Income after Non Controlling Interest</b>		<b>25686.45</b>	<b>14396.23</b>
Basic Earning Per Share		17.87	9.96
Diluted Earning Per Share		17.87	9.96

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

As per our report of even date  
for K.S. Rao & Co.,  
Chartered Accountants  
Firm Regn. No. 003109S  
K. Vamsi Krishna  
Partner  
Membership No: 238809  
UDIN : 22238809AJUZCS5437  
TANUKU  
Date: 28-05-2022

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

P. Narendranath Chowdary Chairman & Managing Director

P. Kotaiah Director

P.V.S. Viswanadha Kumar V.P.(Finance) & Addl. Secretary

TANUKU

Date: 28-05-2022

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022**

(Rupees in lakhs)

Particulars	31st March 2022	31st March 2021
Profit before tax from continuing operations	22221.48	14405.05
<b>Adjustments for</b>	--	--
Net gain on sale of current investments	(173.37)	(434.45)
Net gain on revaluation of current investments	(298.71)	(338.72)
Interest expense	1296.11	2676.74
Interest income	(285.45)	(725.54)
Dividend income	(908.50)	(30.88)
Provisions Credited Back	(0.65)	
Loss Allowance provided	12.56	(6.36)
Government Grant amortised	(92.52)	(173.55)
Depreciation/amortization on continuing operation	6396.26	6124.12
Impairment/other write off on tangible/intangible assets	--	347.38
Loss/[profit] on sale of fixed assets	(47.14)	(4.49)
Remeasurement of defined benefit plans	(214.84)	(44.72)
Assets written off	280.80	243.84
<b>Operating profit before working capital changes</b>	<b>28186.03</b>	<b>22038.42</b>
<b>Movements in working capital:</b>		
Increase/[decrease] in trade payables	2000.86	2245.10
Increase/[decrease] in long-term provisions	912.95	353.23
Increase/[decrease] in short-term provisions	(47.38)	21.67
Increase/[decrease] in other financial liabilities (current)	807.52	(727.87)
Increase/[decrease] in other liabilities (current)	949.97	216.13
Increase/[decrease] in other financial liabilities (non-current)	(7.83)	7.03
Increase/[decrease] in other liabilities (non-current)	19.61	1207.86
Decrease/[increase] in trade receivables	(2716.47)	(483.10)
Decrease/[increase] in inventories	(4372.56)	1861.77
Decrease/[increase] in other long term assets	(340.60)	8.82
Decrease/[increase] in other Bank Balances	(1134.65)	1548.50
Increase/[decrease] in other financial liabilities (current)	0.02	--
Decrease/[increase] in other current assets	(3.05)	(359.77)
Decrease/[increase] in other financial assets (current)	(1002.16)	(0.97)
<b>Cash generated from/[used in] operations</b>	<b>23252.26</b>	<b>27936.82</b>
Direct taxes paid [net of refunds]	5730.81	2684.86
<b>Net cash flow from/[used in] operating activities (A)</b>	<b>17521.45</b>	<b>25251.96</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(9313.29)	(9020.54)
Proceeds from sale of fixed assets	81.30	7.75
Purchase of current investments	(23650.00)	(32207.61)
Proceeds from sale/maturity of current investments	28565.22	26774.69
Proceeds from Loans	450.00	(650.00)
Interest received	242.92	791.46
Dividends received from subsidiary company	146.60	146.60
Dividends received from Long- Term investments	908.50	30.88
<b>Net cash flow from/[used in] investing activities (B)</b>	<b>(2568.75)</b>	<b>(14126.77)</b>
Inter-corporate loan	--	250.00
Proceeds from borrowings	(10420.94)	(10299.75)
Lease Rents paid on Finance Lease	(45.50)	(52.72)
Interest paid	(1484.01)	(2848.84)
Dividends paid including Interim Dividend	(2964.45)	(266.43)
<b>Net cash flow from/[used in] in financing activities [C]</b>	<b>(14914.90)</b>	<b>(13217.74)</b>



**The Andhra Sugars Ltd. - Group Consolidated Financial Statements**

(Rupees in lakhs)

Net increase/[decrease] in cash and cash equivalents (A+B+C)	<b>37.80</b>	(2092.53)
Cash and cash equivalents at the beginning of the year	<b>1657.95</b>	3750.48
<b>Cash and cash equivalents at the end of the year</b>	<b>1695.75</b>	1657.95
<b>Components of cash and cash equivalents</b>		
Cash on hand	<b>38.00</b>	25.59
With banks Accounts	<b>1258.85</b>	1234.36
Fixed Deposits (Short Term)	<b>398.90</b>	398.00
<b>Total cash and cash equivalents (Note 10)</b>	<b>1695.75</b>	1657.95

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

As per our report of even date

for K.S. Rao & Co.,

Chartered Accountants

Firm Regn. No. 003109S

K. Vamsi Krishna

Partner

Membership No: 238809

UDIN : 22238809AJUZCS5437

TANUKU

Date: 28-05-2022

For and on behalf of the Board of Directors

of THE ANDHRA SUGARS LTD,

P. Narendranath Chowdary Chairman & Managing Director

P.Kotaiah Director

P.V.S. Viswanadha Kumar V.P.(Finance) & Addl. Secretary

TANUKU

Date: 28-05-2022

## Significant accounting policies - consolidated financial statements

### Brief description of the Company

The Andhra Sugars Limited ('the company') is a leading manufacturers' of Sugar, Industrial Alcohol, Caustic Soda & Chlor Alkali Products, Aspirin, Sulphuric Acid, Liquid & Solid Propellants, and also generating power through renewable and non-renewable resources.

### Note 1: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of The Andhra Sugars Limited (the 'Company') and its subsidiaries.

#### (a) Basis of preparation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and guidelines issued by the Securities and Exchange Board of India (SEBI).

These financial statements are prepared under the historical cost convention except for certain class of financial assets/ liabilities and net liability for defined benefit plans that are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

#### (b) Principles of consolidation and equity accounting

##### (i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

##### (ii) Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iii) below), after initially being recognised at cost.

##### (iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

## The Andhra Sugars Ltd. - Group Consolidated Financial Statements

### (iv) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

### c) Current and Non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. In respect of other assets, it is treated as current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- expected to be realized within twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- it is expected to be settled in the normal operating cycle
- it is held primarily for the purpose of trading
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### (d) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

#### Capital work-in-progress

Projects under commissioning and other Capital work-in-progress are carried at cost comprising of direct and indirect costs, related incidental expenses and attributable interest. Depreciation on Capital work-in-progress commences when assets are ready for their intended use and transferred from Capital work-in-progress Group to Tangible Fixed Assets Group.

### **Investment properties**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have a useful life of 25-40 years. The useful life has been determined based on technical evaluation performed by the management's expert.

### **e) Intangible assets**

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. In respect of approved Research and Development programme, expenditure of capital nature is included in the fixed assets and other expenditure is charged off to revenue in the year in which such expenditure is incurred.

### **f) Impairment**

#### **i. Financial Assets:**

The company recognizes loss allowances using Expected Credit Loss (ECL) model for the financial assets which are not fair valued through Profit and Loss. Loss allowance for trade receivables are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

#### **ii. Non-financial assets:**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are compared at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### **g) Foreign currency translation**

#### **(i) Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). i.e in Indian rupee (INR) and all values are rounded off to nearest lakhs except where otherwise indicated.

#### **(ii) Transactions and balances**

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.

- i) Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates.
- ii) Non-monetary items denominated in foreign currency such as investments, fixed assets, etc., are valued at the exchange rate prevailing on the date of transaction.
- iii) Exchange differences arising on settlement of transactions and translation of monetary items are recognized as income or expense in the year in which they arise.

### **(h) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

**(i) Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable and net of returns, trade allowances rebates and amounts collected on behalf of third parties. It excludes Goods and Services Tax.

Sale of products:

As per Ind AS 115, "Revenue from contracts with customers" Revenue from sale of products is recognized, when the performance obligation is satisfied, by transferring promised goods to the customer. An asset is transferred when (or as) the customer obtains control to the Asset, as per the terms of contract and it is probable that the economic benefits associated with the transaction will flow to the Company.

Internal Transfers from one unit to the other unit are recognized at Market value of the Product/Service at the Time of Transfer.

**Interest Income:**

Interest income from debt instruments is recognized using the effective interest rate method and is accrued on a time basis. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

**Dividends:**

Dividends are recognized in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be reliably measured.

**(j) Government Grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

**(k) Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**(l) Non-current assets (or disposal groups) held for sale and discontinued operations**

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised.

A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

**(m) Investments and other financial assets**

**(i) Classification**

The group classifies its financial assets in the following measurement categories:

1. those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
2. those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The group reclassifies debt investments when and only when its business model for managing those assets changes.

**(ii) Measurement**

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

## The Andhra Sugars Ltd. - Group Consolidated Financial Statements

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

### (n) Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

1. **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
2. **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.
3. **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

### (o) Equity instruments

The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

**Depreciation methods, estimated useful lives and residual value**

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

1. Freehold buildings 25-40 years
2. Machinery 10-15 years
3. Furniture, fittings and equipment 3-5 years

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

**Schedule II**

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

**p) Leases**

The Company has adopted Ind AS 116-Leases effective from 1st April, 2019, using the modified retrospective method. The company has applied the standard to its lease with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated.

The Company's lease asset consists of lease for Building. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.



Statement of Changes in Equity for the year ended 31st March 2022

A. Equity share capital

1.) Current reporting period

(Rs.in Lakhs)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
2711.01		2711.01		2711.01

2.) Previous reporting period

(Rs.in Lakhs)

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
2711.01		2711.01		2711.01

B. Other Equity

(Rs.in Lakhs)

Particulars	Reserves and Surplus					Other Items of Other Comprehensive Income				Total
	Capital Reserve	Capital Redemption Reserve	Forfeited Debentures	Securities Premium Reserve	Other Reserves (General reserve)	Retained Earnings	Equity instruments through Other Comprehensive Income	Actuarial Gains/losses	Deferred Tax on OCI Items	
<b>Balance at the end of reporting period - 31st March 2020</b>	74.27	3.84	0.30	1560.70	76527.37	34581.66	657.08	(773.62)	14.11	112645.72
Profit for the period						13496.79	927.52	(44.72)	16.64	13496.79
Other Comprehensive Income						13496.79	927.52	(44.72)	16.64	899.44
Total Comprehensive Income for the year						13496.79	927.52	(44.72)	16.64	14396.23
Transfer To/From General Reserve					10000.00	(10000.00)			--	--
Adjustment for Lease Rental under Ind As 116									--	--
Final Dividends									--	--
Interim Dividend									--	--
Dividend Distribution tax									--	--
<b>Balance at the end of reporting period - 31st March 2021</b>	74.27	3.84	0.30	1560.70	86527.37	38078.45	1584.60	(818.34)	30.75	127041.95
Profit for the period						24220.78	1661.15	(214.85)	19.37	24220.78
Other Comprehensive Income						24220.78	1661.15	(214.85)	19.37	1465.67
Total Comprehensive Income for the year						24220.78	1661.15	(214.85)	19.37	25686.45
Transfer from General Reserve					10000.00	(10000.00)				0.00
Adjustment for Lease Rental under Ind As 116										0.00
Final Dividends						2710.71				2710.71
Interim Dividend from Associate						872.84				872.84
Dividend Distribution tax										0.00
<b>Balance at the end of reporting period - 31st March 2022</b>	74.27	3.84	0.30	1560.70	96527.37	48715.68	3245.75	(1033.19)	50.12	149144.85

**The Andhra Sugars Ltd. - Group Consolidated Financial Statements**

As per our report of even date  
for K.S. Rao & Co.,  
Chartered Accountants  
Firm Regn. No. 003109S  
K. Vamsi Krishna  
Partner  
Membership No: 238809  
UDIN : 22238809AJUZCS5437  
TANUKU  
Date: 28-05-2022

For and on behalf of the Board of Directors  
of THE ANDHRA SUGARS LTD,  
  
P.Narendranath Chowdary      Chairman & Managing Director  
  
P.Kotaiah      Director  
  
P.V.S. Viswanadha Kumar      V.P.(Finance) & Addl. Secretary  
TANUKU  
Date: 28-05-2022

PROPERTY, PLANT AND EQUIPMENT SCHEDULE FOR THE FINANCIAL YEAR 2021-22

Note - 2  
(Rs. in lakhs)

Description of the Asset	Gross Block			Depreciation Block				Impairment Block			Net Block			
	Cost as on 31.03.2021	Additions	Deduction	Cost as on 31.03.2022	Dep. Upto 31.03.2021	Dep. for the year 2022	Dep. on deductions	Dep. upto 31.03.2022	Impairment as on 31.03.21	Additions	Deduction	Impairment as on 31.03.22	WDV as on 31.03.2021	WDV as on 31.03.2022
LAND	5384.93	21.85	-	5406.78	-	-	-	-	-	-	-	-	5406.78	5384.93
BUILDINGS	7602.80	130.18	4.14	7728.84	1,881.77	341.01	1.84	2220.94	-	-	-	-	5507.90	5721.03
PLANT AND MACHINERY	84123.20	5422.78	629.92	88916.06	26,878.79	5,376.72	355.81	31899.70	347.38	-	30.92	316.46	56699.90	56897.03
TRANSPORT EQUIPMENT	6504.20	534.72	70.01	6968.91	3,170.44	559.91	61.89	3668.46	-	-	-	-	3300.45	3333.76
FURNITURE & FITTINGS	716.34	150.81	56.36	810.79	535.87	81.44	52.96	564.35	-	-	-	-	246.44	180.47
<b>Total:</b>	<b>104331.47</b>	<b>6260.34</b>	<b>760.43</b>	<b>109831.38</b>	<b>32466.87</b>	<b>6359.08</b>	<b>472.50</b>	<b>38353.45</b>	<b>347.38</b>	<b>0.00</b>	<b>30.92</b>	<b>316.46</b>	<b>71161.47</b>	<b>71517.22</b>
<b>Previous year</b>	98639.52	7647.64	1955.69	104331.47	27680.59	6056.64	1270.36	32466.87	-	347.38	-	347.38	71517.22	70958.93

Depreciation for the year 2021-22 includes Depreciation on impaired Asset to the extent of Rs.30.92 lakhs (Previous Year Rs. Nil) at Bhimadole of Parent Company  
Depreciation for the year 2021-22 includes Depreciation Capitalised on MM Division Asset to the extent of Rs.2.92 lakhs (Previous Year Rs. Rs.3.72 lakhs) of Parent Company

Right of use Assets (lease Ind AS 116)

Description of the Asset	Cost as on 31.03.2021	Additions	Deduction	Cost as on 31.03.2022	Dep. Upto 31.03.2021	Dep. for the year 2022	Dep. on deductions	Dep. upto 31.03.2022	Impairment as on 31.03.21	Additions	Deduction	Impairment as on 31.03.22	WDV as on 31.03.2021	WDV as on 31.03.2022
LAND	66.58	21.01	9.54	78.05	34.93	18.61	9.54	44.00	-	-	-	-	34.05	31.65
BUILDINGS	71.74	-	34.66	37.08	39.72	20.23	34.66	25.29	-	-	-	-	11.79	32.02
<b>Total:</b>	<b>138.32</b>	<b>21.01</b>	<b>44.20</b>	<b>115.13</b>	<b>74.65</b>	<b>38.84</b>	<b>44.20</b>	<b>69.29</b>	-	-	-	-	<b>45.84</b>	<b>63.67</b>
<b>Previous year</b>	82.52	55.80	0.00	138.32	36.59	38.06	-	74.65	-	-	-	-	63.67	45.93

Intangible Assets

Description of the Asset	Cost as on 31.03.2021	Additions	Deduction	Cost as on 31.03.2022	Dep. Upto 31.03.2021	Dep. for the year 2022	Dep. on deductions	Dep. upto 31.03.2022	Impairment as on 31.03.21	Additions	Deduction	Impairment as on 31.03.22	WDV as on 31.03.2021	WDV as on 31.03.2022
Fress Access Rights	177.90	-	-	177.90	139.08	31.56	0.00	170.64	-	-	-	-	38.81	7.26
<b>Previous year</b>	177.90	-	-	177.90	106.79	32.29	-	139.08	-	-	-	-	38.81	71.71

Investment property

Description of the Asset	Cost as on 31.03.2021	Additions	Deduction	Cost as on 31.03.2022	Dep. Upto 31.03.2021	Dep. for the year 2022	Dep. on deductions	Dep. upto 31.03.2022	Impairment as on 31.03.21	Additions	Deduction	Impairment as on 31.03.22	WDV as on 31.03.2021	WDV as on 31.03.2022
LAND	1.49	-	-	1.49	-	-	-	0.00	-	-	-	-	1.49	1.49
BUILDINGS	14.09	-	-	14.09	11.54	0.64	-	12.18	-	-	-	-	1.91	2.55
<b>Total:</b>	<b>15.58</b>	-	-	<b>15.58</b>	<b>11.54</b>	<b>0.64</b>	-	<b>12.18</b>	-	-	-	-	<b>3.40</b>	<b>4.04</b>
<b>Previous year</b>	15.58	-	-	15.58	10.70	0.84	-	11.54	-	-	-	-	4.04	4.88

Note: Fair Value of Investment property with regard to Land as on 31.03.2022 is Rs.51.82 lakhs and Building value is Rs.180.71 lakhs of Parent Company.

The Andhra Sugars Ltd. - Group Consolidated Financial Statements

Rs.in Lakhs

Note-3

Particulars	Cost as on 31.03.2022	Cost as on 31.03.2021
Capital Work-in-Progress	7102.67	5166.71
Total	7,102.67	5,166.71

Capital Work In Progress Ageing Schedule

Ageing of capital work in progress as on 31st March 2022

Rs.in Lakhs

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Projects in progress	4403.34	849.82	44.48	63.59	5361.23
Projects temporarily suspended	75.27	33.60	81.24	1551.34	1741.45

Note: In respect of Projects temporarily suspended - Sodium Hypo chloride Plant at Parawada, APIIC has issued a cancellation order for resumption of allotted land. The Company has filed a writ petition No. 25815 of 2021, before Hon'ble High Court of Andhra Pradesh and the High Court admitted the writ petition and has ordered for status quo. As the implementation of the project is based on the outcome of the writ petition (next hearing on 15th June 2022), the expenditure incurred on this project is shown under projects temporarily suspended.

Capital work in progress whose completion is overdue or has exceeded the cost as per original plan

Rs.in Lakhs

CWIP	To be completed in				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
1. New HTPB Expansion Project	60.00	-	-	-	60.00
2. Sodium Hypo chloride Plant at Parawada	100.00	100.00	-	-	200.00

Note: 1. Due to Covid-19 Pandemic, the erection works of New 125 TPA HTPB Project got slightly affected and also necessary Approvals were delayed. The original Project completion activity, that was scheduled in the August 2021 was extended and scheduled in the FY 2022-23.

2. Though project has been started in the year 2010, with an estimated cost of Rs.1000.00 lakhs, in view of frequent disturbances at the site, delay in approvals from statutory authorities, HudHud cyclone and Covid-19 Pandemic for the last two years have resulted in the time overrun of the project and increased project cost thereon.

Ageing of capital work in progress as on 31st March 2021

Rs.in Lakhs

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Projects in progress	2,950.91	190.71	353.66	1,671.43	5,166.71
Projects temporarily suspended	-	-	-	-	-

Capital work in progress whose completion is overdue or has exceeded the cost as per original plan

Rs.in Lakhs

CWIP	To be completed in				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Sodium Hypo chloride Plant at Parawada	125.00	150.00	-	-	275.00

Title Deeds of Immovable Property not held in the name of the Company

In respect of the 42.28 acres of land allotted to the company at Plot no 20, JNPC, Parawada - Visakhapatnam Dist., agreement for sale was executed in favour of the Company on 28.03.2009. However, final registration of the land will be done on successful completion of the project proposed there at.

Note-4

(Rs. in Lakhs)

Non-current Investments	As at 31st March 2022	As at 31st March 2021
<b>1) Investment in Associate:</b> 2,90,94,594 ( 31st March 2021: '2,90,94,594) fully paid Equity Shares of Rs.10/- each in The Andhra Petrochemicals Ltd.,	<b>17525.46</b>	10681.39
<b>2) Investment in Other Companies</b>		
a) 38,704 ( 31st March 2021: 38,704) fully paid Equity Shares of Rs.10/- each in Union Bank of India	<b>4.87</b>	4.28
b) 1391 (31st March 2021 : 1391) Equity Shares of Rs.10/- each , fully paid up in Indian Bank (Quoted)	<b>2.14</b>	1.61
c) 200 (31st March 2021 : 200 )Equity Shares of Rs. 10 each fully Paid -Up in The Industrial Finance Corporation of India	<b>0.02</b>	0.02
d) 11,360 ( 31st March 2021 : 11360) Equity Shares of Rs.10 each fully paid up in Industrial Development Bank of India	<b>4.86</b>	4.38
<b>3) TRADE INVESTMENTS</b>		
a) 1,40,000 ( 31st March 2021: 1,40,000) fully paid Equity Shares of Rs.10/- each in Sree Akkamamba Textiles Ltd.,	<b>171.26</b>	171.26
b) 1,10,04,080 (31st March 2021 : 1,10,04,080 ) fully paid Equity shares of Rs.10/- each in Andhra Pradesh Gas Power Corporation Ltd.,	<b>10600.49</b>	8758.5
<b>4) Investment in Govt Securities :-</b>		
a) National Plan Saving Certificates (lodged with Govt. Department towards Security)	<b>0.97</b>	0.97
<b>Total</b>	<b>28310.07</b>	19622.41

Aggregate amount of un quoted Investments	10772.72	8930.73
Aggregate amount of quoted investments	17,537.35	10,691.68
<b>Total</b>	<b>28,310.07</b>	<b>19,622.41</b>
Aggregate Market value of quoted investments	26,909.85	17,976.21
Aggregate Book value of quoted investments (cost)	3,801.50	3,801.50
Aggregate amount of impairment in value of investments	-	-

Details of Material Associate

(Rs. in Lakhs)

Name of the associate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/voting rights	
			As at 31st March 2022	As at 31st March 2021
The Andhra Petrochemicals Limited	Manufacturers of Oxo Alcohols	India	34.23	34.23

Pursuant to a shareholding agreement, the group has the right to cast 34.23% of the votes at shareholders meeting of The Andhra Petrochemicals Ltd.

The Andhra Sugars Ltd. - Group Consolidated Financial Statements

Details of Subsidiaries

(Rs. in Lakhs)

Name of the Subsidiaries	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/voting rights	
			As at 31st March 2022	As at 31st March 2021
Jocil Limited	Manufacturers of Fatty acids & Generation of Power	India	55.03	55.03
The Andhra farm Chemicals Corporation Limited	Manufacturers of Hydrazine Hydrite	India	76.83	76.83
Hindustan Allied Chemicals Limited	NIL	India	77.36	77.36

Note -4.1

Current Investments	As at 31st March 2022	
	No of Units	No of Units
<b>Investment in Liquid / Debt Mutual Funds</b>		
HDFC Ultra Short Term Fund	3368827.89	418.17
Birla Low Duration Fund	308837.60	1786.19
Birla Savings Fund	158988.07	708.00
SBI Short Term Fund	2491734.78	648.99
SBI Low Duration Fund	67409.19	1919.22
SBI Overnight Fund	5988.70	205.13
SBI Savings Fund	1188439.47	400.42
Nippon Money Market Fund	36023.00	1206.97
Nippon India Corporate Bond Fund	861776.99	427.00
Nippon India Overnight Fund	439595.27	501.66
UTI Money Market Fund	18363.33	457.39
UTI Ultra Short Term Fund	8352.36	304.54
Canara Rabeco Saving Fund	2208215.43	769.53
Canara Robeco Short Term	1430584.57	320.89
ICICI Floating Rate Interest Fund	83614.94	301.57
Bnp Paribas Low Duration	868796.49	305.63
Union Liquid Fund	47277.55	960.95
Union Corporate Bond Fund	2407877.41	301.18
L&T Ultra Short Term Fund	1661909.79	604.78
<b>Total</b>		12548.21

## Note -4.1

(Rs. in Lakhs)

Current Investments	As at 31st March 2021	
	No of Units	No of Units
<b>Investment in Liquid / Debt Mutual Funds</b>		
ABSL Liquid Fund	99866.547	100.06
HDFC Ultra Short Term Fund	5046387.04	602.51
HDFC Low Duration Fund	1060743.32	504.65
HDFC Liquid Fund	98084.88	1,000.29
Birla Low Duration Fund	461710.65	2,548.97
Birla Savings Fund	229225.69	978.42
SBI Short Term Fund	2491734.78	623.49
SBI Low Duration Fund	18190.77	500.32
SBI Saving Fund	8607168.07	2,803.45
SBI Corporate Bond Fund	1655258.61	200.00
Nippon India Liquid Fund	5404.83	272.03
Nippon Money Market Fund	51131.44	1,646.82
Nippon Mutual Fund - Daily Reinvest Plan	6545.47	100.06
Nippon India Corporate Bond Fund	861776.99	404.09
UTI Liquid Fund	19399.54	653.86
UTI Money Market Fund	46822.15	1,121.47
Canara Rabeco Saving Fund	6300907.19	2,118.29
Canara Robeco Short Term Fund	1430584.57	308.54
Baroda Banking & PSU Fund	2030949.47	203.45
Union Liquid Fund	15436.29	303.50
<b>Total</b>		16994.25

## Category wise investments- as per Ind AS 107 classification

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Financial assets carried at fair value through profit or loss(FVTPL)</b> Mandatorily measured at FVTPL	12548.21	16994.25
<b>Financial assets carried at amortised cost</b> Debt/equity instrument	-	-
<b>Financial assets measured at FVTOCI</b> Debt/equity instrument	28310.07	19622.41
<b>Total</b>	<b>40858.28</b>	36616.66

## Reasons for classification of financial assets as per Ind AS 107:

- The company has classified all the current investments under fair value through profit or loss as they are held for trading.
- For Non current investments which are not held primarily for trading, the company has elected an irrevocable option of classifying them as fair value through other comprehensive income.
- Accounting for investments in Subsidiaries and Associates are mentioned in policy 2 of note: - (a) and (b) respectively

The Andhra Sugars Ltd. - Group Consolidated Financial Statements

Note -5

(Rs. in Lakhs)

Loans	Non-current		Current	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Loans to related parties	200.00	650.00	400.00	200.00
Loans to employees				
<b>Total</b>	<b>200.00</b>	650.00	<b>400.00</b>	200.00

Note -6

(Rs. in Lakhs)

Other Financial Assets	Non-current		Current	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Security Deposits with government authorities	82.35	83.30		
Bank deposits with more than 12 months maturity	997.71	0.00		
Margin money deposits	10.34	5.89		
Interest accrued on other Deposits			152.43	101.21
Claims receivable			1.16	6.81
Others			-	9.05
<b>Total</b>	<b>1,090.40</b>	89.19	<b>153.59</b>	117.07

Note -7

(Rs. in Lakhs)

Other Assets	Non-current		Non-current	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Capital Advances	1544.93	227.45		
Advances other than Capital Advances				
Security Deposits	2617.41	2308.86	118.85	115.55
Other Advances			2182.84	1785.93
Less: Provision for doubtful debts			(21.97)	(21.97)
Prepaid expenses	86.63	54.59	467.11	486.49
Balance in Gratuity Fund (net of obligations)	192.76	176.45	53.38	50.23
Others			4.46	3.25
<b>Total</b>	<b>4441.73</b>	2767.35	<b>2804.67</b>	2419.48



**Note -8**

(Rs. in Lakhs)

<b>Other Non-current Assets</b>	<b>As at 31st March, 2022</b>	As at 31st March, 2021
Raw materials and components at Cost (includes in transit Rs. 37.74 lakhs) (31 March 2021: Rs .13.58 Lakhs)	<b>10625.65</b>	6,376.18
Work-in-progress		
: At Cost (includes in transit Rs.217.63 lakhs)(As on 31.03.2021 Rs.155.81 lakhs)	<b>3688.84</b>	2087.72
: At Estimated Realisable Value	<b>67.00</b>	35.97
Finished goods		
: At Cost (includes in transit Rs.217.63 lakhs)(As on 31.03.2021 Rs.155.81 lakhs)	<b>4606.11</b>	3730.03
: At Estimated Realisable Value	<b>19040.76</b>	21381.69
Stores and spares at Cost (includes in transit Rs.563.07 lakhs) '(31 March 2021: Rs .170.85 Lakhs)	<b>8670.96</b>	8718.38
Loose tools	<b>49.26</b>	44.55
Others	<b>4.06</b>	5.56
<b>Total</b>	<b>46752.64</b>	42380.08

The cost of inventories recognized as an expense during the year in respect of continuing operations was Rs. 106441.59 Lakhs for the year ended 31st March 2022 and Rs. 80246.51 Lakhs for the year ended 31st March 2021.

**Note -9**

(Rs. in Lakhs)

<b>Trade Receivables (Current)</b>	<b>As at 31st March, 2022</b>	As at 31st March, 2021
a) Considered good- Secured	<b>292.65</b>	261.42
b) Considered good - Unsecured	<b>23379.05</b>	21539.59
c) Trade Receivables which have significant increase in Credit Risk ;	<b>349.13</b>	10.02
d) Trade Receivables - Credit impaired	<b>31.45</b>	-
	<b>24052.28</b>	21811.03
Less:		
Provision for doubtful receivables	<b>(31.45)</b>	(10.02)
Loss allowance provided	<b>(44.78)</b>	(32.22)
Unbilled Revenue	<b>19.19</b>	9.05
<b>Total</b>	<b>23995.24</b>	21777.84

The Andhra Sugars Ltd. - Group Consolidated Financial Statements

Tr

PARTICULARS	Outstanding for following periods from due date of payment						
	Current Year						
	Not Yet Due	Less than 6 months	6 months-1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables considered good	10732.01	10972.04	769.64	844.80	153.00	142.64	23614.13
(ii) Undisputed Trade Receivables which have significant increase in credit risk			349.13				349.13
(iii) Undisputed Trade Receivables - credit impaired					21.44		21.44
(iv) Disputed Trade Receivables - considered good						57.57	57.57
(v) Disputed Trade Receivables which have significant increase in credit risk							0.00
(vi) Disputed Trade Receivables -credit impaired						10.01	10.01
<b>Total</b>	<b>10732.01</b>	<b>10972.04</b>	<b>1118.77</b>	<b>844.80</b>	<b>174.44</b>	<b>210.22</b>	<b>24052.28</b>

Less: Provision for doubtful receivables (31.45)

Less: Provision for loss allowance (44.78)

(vii) Unbilled dues 19.19

Total Trade Receivables 23995.24

Trade Receivables ageing as on 31st March 2021

(Rs. in Lakhs)

PARTICULARS	Outstanding for following periods from due date of payment						
	Previous Year						
	Not Yet Due	Less than 6 months	6 months-1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables considered good	7583.29	11957.74	568.04	880.37	616.92	137.08	21743.44
(ii) Undisputed Trade Receivables which have significant increase in credit risk							
(iii) Undisputed Trade Receivables - credit impaired							
(iv) Disputed Trade Receivables-considered good						57.57	57.57
(v) Disputed Trade Receivables which have significant increase in credit risk							0.00
(vi) Disputed Trade Receivables-credit impaired						10.02	10.02
<b>Total</b>	<b>7583.29</b>	<b>11957.74</b>	<b>568.04</b>	<b>880.37</b>	<b>616.92</b>	<b>204.67</b>	<b>21811.03</b>

Less: Provision for doubtful receivables (10.02)

Less: Provision for loss allowance (32.22)

(vii) Unbilled dues 9.05

Total Trade Receivables 21777.84

The Andhra Sugars Ltd. - Group Consolidated Financial Statements

Ageing	Expected credit loss %
<b>Within the credit period</b>	<b>Nil</b>
Up to 60 days past due	0.25
60-90 days past due	0.50
more than 90 days past due	1.00

**Note -10**

(Rs. in lakhs)

Cash and Bank Balances	As at 31st March 2022	As at 31st March, 2021
<b>Cash and Cash Equivalents :</b>		
Balances with Banks:		
On current accounts	<b>1258.85</b>	1234.36
Short Term Deposits	<b>398.90</b>	398.00
Cheques/drafts on hand	–	–
Cash on hand	<b>38.00</b>	25.59
<b>(A)</b>	<b>1695.75</b>	1657.95
<b>Other Bank Balances :</b>		
For more than 3 months but less than 12 months	<b>1691.79</b>	404.14
On Unpaid dividend account	<b>180.30</b>	193.06
Earmarked Balances with Banks (20% Liquidity on Fixed Deposits held under The Companies Act 2013)	<b>174.20</b>	373.23
Margin money deposit	<b>99.52</b>	40.74
<b>(B)</b>	<b>2145.81</b>	1011.17
<b>Total (A+B)</b>	<b>3841.56</b>	2669.12

**Note -11**

(Rs. in lakhs)

Current Tax Assets (Net)	As at 31st March, 2022	As at 31st March, 2021
<b>Advance tax</b>		
Advance payment of Direct Taxes/TDS	<b>16016.03</b>	10887.29
Income Tax Deducted at source	<b>301.53</b>	85.91
Income Tax Refund Receivable	<b>425.67</b>	425.67
	<b>16743.23</b>	11398.87
<b>Provision for Tax</b>		
Provision for Income tax	<b>15950.21</b>	10424.70
	<b>15950.21</b>	10424.70
<b>Total</b>	<b>793.02</b>	974.17

Note -12

(Rs. in lakhs)

Share Capital	As at 31st March, 2022	As at 31st March, 2021
<b>Authorised Share Capital:</b> 14,37,50,000 (31st March 2021 : 2,87,50,000 Equity shares of Rs.10/- each) Equity shares of Rs.2 /- each 30000(31st March 2021:30000)'9.5% First Cumulative Redeemable Preference Shares of Rs 100/- each. 95000 (31st March 2021:95000)'9.5% Second Cumulative Redeemable Preference Shares of Rs 100/- each.	<b>3000.00</b>	3000.00
<b>Issued Share Capital:</b> 135565455 (31st March 2021: 27113091'Equity shares of Rs.10/- each) Equity shares of Rs.2 /- each	<b>2711.31</b>	2711.31
<b>Subscribed and fully paid-up :</b> 135535390 (31st March 2021: 27107078'Equity shares of Rs.10/- each) Equity shares of Rs.2 /- each fully paid up 30065(Forfeited amount on 6013 shares of Rs.10/-each, Rs.5/-paid up) Equity shares of Rs.2/- each, Rs.1- paid	<b>2710.71</b>	2710.71
	<b>0.30</b>	0.30
<b>Total issued, subscribed and fully paid-up capital</b>	<b>2711.01</b>	2711.01

(Rs. in Lakhs)

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period	As at 31st March, 2022		As at 31st March, 2021	
	No.	Rs.	No.	Rs.
<b>Equity Shares</b>				
At the beginning of the period	271.07	2710.71	271.07	2710.71
Add: Share Split from Face Value Rs.10/- to Rs.2/-	1,084.28	-	-	-
Less: Buy Back of Shares during the year	--	-	-	-
<b>Outstanding at the end of the period</b>	<b>1355.35</b>	<b>2710.71</b>	271.07	2710.71

b. Shareholders holding more than 5% shares	As at 31st March, 2021	As at 31st March, 2020
Details of shareholders holding more than 5% shares in the company	Nil	Nil

**The Andhra Sugars Ltd. - Group Consolidated Financial Statements**

C) Rights, Preference and restrictions attached to Equity shares

- 1) The Company has only one class of Equity shares having a face value of Rs 10/- each. Each holder of equity share is entitled to one vote per share held. In the event of liquidation of Company, the holders of equity share will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the share holders.
- 2) The financial statements of the company were approved by Board of Directors on 28-05-2022.
- 3) Shareholding of Promoters:

**Shares held by promoters at the end of the year 31st March 2022**

Promoter name	No. of Shares as on 31.03.2022	%of total shares	No. of Shares as on 31.03.2021	%of total shares	% Change during the year
Pendyala Sujatha	4070700	3.00	4070700	3.00	--
Pendyala Jhansi Jaya Lakshmi	4851380	3.58	4851380	3.58	--
P S R V K Ranga Rao (Huf)	3179375	2.35	3179375	2.35	--
Gaddipati Anuradha	474195	0.35	474195	0.35	--
Mullapudi Satyanarayanamma	2793605	2.06	2793605	2.06	--
P.S.R.V.K. Rangarao	46000	0.03	46000	0.03	--
Mullapudi Narendranath (Huf)	2621800	1.93	2621800	1.93	--
Maddipoti Kamala Devi	2869200	2.12	2869200	2.12	--
P.Narendranath Chowdary (Huf)	2570900	1.90	2570900	1.90	--
Mullapudi Thimmaraja	1992650	1.66	1992650	1.66	--
Mullapudi Narayanamma	1631985	1.20	1631985	1.20	--
Sribalusu Ranganayaki	2123975	1.57	2123975	1.57	--
Pendyala Achuta Ramayya (Huf)	1426780	1.05	1426780	1.05	--
Bolla Rajiv	2050000	1.51	2050000	1.51	--
Anantha Lakshmi Ayaraman	1433120	1.06	1433120	1.06	--
Pendyala Sesa Sailaja	1066035	0.79	1066035	0.79	--
Pendyala Achuta Ramayya	913900	0.67	913900	0.67	0.0022
Pendyala Venkata Krishna Rao (Huf)	864745	0.64	864745	0.64	--
Pendyala Narendranath Chowdary	814105	0.60	814105	0.60	--
Mullapudi Vikram Prasad	658435	0.49	658435	0.49	--
Mullapudi Mrutyumjaya Prasad	621060	0.46	621060	0.46	--
B Ramesh Kumar	1750065	1.29	1750065	1.29	--
Bolla Sarina	1090000	0.80	1090000	0.80	--
Yelamarthi Narayanamma	1617780	1.19	1617780	1.19	--
Goli Jayashree	478600	0.35	478600	0.35	--
Goli Devi	421440	0.31	421440	0.31	--
Mullapudi Vikram Prasad	210240	0.16	210240	0.16	--
Ramalakshmi E	289830	0.21	289830	0.21	--
Pendyala Divya Atchamamba	186185	0.14	186185	0.14	--
Pendyala Venkatakrisna Rao	206795	0.15	206795	0.15	--
Anantha Lakshmi N	202000	0.15	202000	0.15	--
Mullapudi Renuka	2779370	2.05	2779370	2.05	--
V Shruthi Rajeshwari	79000	0.06	79000	0.06	0.0055
B Ramadevi	44035	0.03	44035	0.03	--
Usha Lakshmi Pendyala	40000	0.03	40000	0.03	--
Pendyala Prithivi Sri Nendra Rayudu	40000	0.03	40000	0.03	0.0037
Pendyala Meghana Sri Sai Sujatha	35000	0.03	35000	0.03	0.0011
Mullapudi Narendranath	2926210	2.16	2926210	2.16	--
Jujjavarapu Usharani	2866780	2.12	2866780	2.12	--
Mullapudi Thimmaraja (Huf)	3114715	2.11	3114715	2.11	--
Sree Mullapudi Venkataramanamma Memorial Hospital	4451600	3.28	890320	3.28	--
The Mullapudi Investment&Finance Company Pvt Limited	642260	0.47	128452	0.47	--
Sree Thimmaraja Investment&Finance Company Pvt Limited	550080	0.41	110016	0.41	--
Sree Harischandras Prasad Investment& Finance Company Limited	516500	0.38	103300	0.38	--
Jayalakshmi Chemical Enterprises Pvt Limited	5400	0.00	1080	0.00	--

Note: The Company has Sub divided the Shares face value Rs 10/- to Rs. 2/- on 31.12.2021, hence shares as on 31.03.2021 are converted into Rs.2/- face value for comparison purpose.

## Note -13

(Rs. in lakhs)

Other Equity	As at 31st March, 2022	As at 31st March, 2021
<b>Capital Reserve</b>		
Capitalisation of bonus shares	52.45	52.45
Capital Redemption Reserve	3.84	3.84
Capital Subsidy	21.82	21.82
<b>Total Capital Reserve</b>	<b>78.12</b>	78.12
Forfeited Debentures	0.30	0.30
Securities Premium	1560.70	1560.70
<b>General Reserve</b>		
Balance as per the last Financial Statements	86527.37	76527.37
Add: Amount transferred from Retained Earnings	10000.00	10000.00
<b>Closing Balance</b>	<b>96527.37</b>	86527.37
Other Comprehensive Income		
Balance as per the last Financial Statements	797.01	(102.43)
Other Comprehensive Income for the year	1465.67	899.44
Less: Transfer to Retained Earnings		
<b>Closing Balance</b>	<b>2262.68</b>	797.01
<b>Surplus/(Deficit) in the Statement of Profit and Loss</b>		
Balance as per the last Financial Statements	38078.45	34581.66
Profit for the year	24220.78	13496.79
	<b>62299.23</b>	48078.45
Less : <b>Deductions</b>		
Equity Dividend	2710.71	-
Interim Dividends from Associates	872.84	-
Tax on Distributed Profits	-	-
Transfer to Other Reserve	10000.00	10000.00
Total Deductions	13583.55	10000.00
<b>Net Surplus in Statement of Profit and Loss</b>	<b>48715.68</b>	38078.45
<b>Total Reserves and Surplus taken to Balance Sheet</b>	<b>149144.85</b>	127041.95

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

**General reserve:** The general reserve is used from time to time profits from retained earnings for appropriation. This can be utilised in accordance with the provisions of the Companies Act 2013.

**Securities Premium:** This reserve represents the premium on issue of shares and can be utilised in accordance with the provision of the Companies Act 2013.

**Surplus in Profit & Loss;** This Reserve represents the cumulative profits of the Company. This reserve can be utilised for the payment of dividend and other purposes in accordance with the provisions of the Companies Act 2013.

**Other Comprehensive Income :**

**Investment Revaluation Reserve:** This Reserve represents the cumulative gain or loss arising on Revaluation of Equity Instruments measured at Fair value through Other Comprehensive Income, net of amounts reclassified, if any, to retained earnings when those investments are disposed of.

**Actuarial Gain/Loss Reserve:** This Reserve represents the cumulative actuarial gains/losses on account of remeasurement of defined benefit plans, net of amounts reclassified, if any, to retained earnings.

**NOTE:**

- 1) The amount that can be distributed by the company as dividends to equity shareholders is determined based on separate financial statements and as per the requirements of companies Act 2013.
- 2) The Board of Directors, at their meeting held on 11th August, 2021, recommended for the sub-division of equity shares of the Company from existing face value of Rs. 10/- each to face value of Rs.2/- each (i.e. Split of 1 equity share of Rs.10/- each into 5 equity shares of Rs.2/- each), and same has been approved by the shareholders in the Annual General Meeting of the Company held on 23rd September, 2021. The Board of Directors, at their meeting held on 13th November, 2021 fixed 31st December 2021 as the record date. Accordingly, 1 Equity Share of the Company of Rs. 10/- each has been sub-divided into 5 equity shares of Rs. 2/- each on the record date 31st December 2021, and Earnings Per Equity Share has been restated for all the periods presented.
- 3) For the year ended March 31,2022, the Board of Directors proposed a dividend of Rs.4/- per share of Rs.2/- each face Value is subject to the approval of Shareholders in the ensuing Annual General Meeting.

**Note -14**

(Rs. in Lakhs)

Non-controlling Interest	As at 31st March 2021	Increase during the year	Decrease during the year	As at 31st March 2022
Share Capital	412.24	--	--	412.24
Add: Share in	--	--	--	--
General Reserves	5,774.19	--	--	5,774.19
Capital Reserves	19.00	--	--	19.00
Securities Premium	352.45	--	--	352.45
Surplus in Profit & Loss	2,297.30	333.39	119.81	2,510.88
OCI Reserves	218.99	138.23	--	357.22
<b>Total</b>	<b>9074.17</b>	<b>471.62</b>	119.81	9425.98

**Note -15**

(Rs. in Lakhs)

Deferred Government Grant	As at 31st March 2022	As at 31st March, 2021
Deferred Sales Tax Loan	178.79	271.17
Caustic Soda Unit at Saggonda	0.87	1.01
	<b>179.66</b>	272.18

**Note -16**

(Rs. in lakhs)

BORROWINGS (Non-Current):	As at 31st March, 2022	As at 31st March, 2021
Deferred Sales Tax Loan (Unsecured)	848.65	1026.41
	<b>848.65</b>	1026.41
Other Loans and advances:	--	--
Deposits (unsecured)	--	--
From Directors/Related Parties	--	3083.01
From Others	--	811.45
		3894.46
<b>Total</b>	<b>848.65</b>	4920.87

**The above amount includes**

Secured borrowings	--	--
Unsecured borrowings	848.65	4,920.87

The Andhra Sugars Ltd. - Group Consolidated Financial Statements

Note -17

(Rs. in Lakhs)

Other Liabilities (Non-Current)	As at 31st March 2022	As at 31st March 2021
Trade Deposits	234.79	239.10
Staff Security deposits	-	3.52
Interest accrued but not due	9.17	9.15
Outstanding Liabilities for Expenses	-	-
<b>Total</b>	<b>243.96</b>	<b>251.77</b>

Note -18

(Rs. in lakhs)

PROVISIONS (Non-current)	As at 31st March 2022	As at 31st March 2021
<b>Provision for employee benefits:</b>		
Provision for gratuity	2,242.14	1,474.38
Provision for leave benefits	947.59	793.45
<b>Total</b>	<b>3,189.73</b>	<b>2,267.83</b>

Note -19

(Rs. in lakhs)

OTHER FINANCIAL LIABILITIES (Non-current)	As at 31st March 2022	As at 31st March 2021
Trade payables	-	-
Due to Micro & Small Enterprises		
Due to Others	7016.08	5625.16
<b>Total</b>	<b>7016.08</b>	<b>5625.16</b>
<b>Others</b>		
Outstanding Liabilities for Trade Payables	-	-
for Expenses	-	-
Outstanding Liabilities for Others-Other than Financial Liability	45.55	15.15
	45.55	15.15
<b>Total</b>	<b>7061.63</b>	<b>5640.31</b>

Trade Payables (Non current) ageing schedule

(Rs. in Lakhs)

PARTICULARS	Outstanding for following periods from due date of payment					
	Current Year					
	Not Yet Due	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	1063.79	753.52	125.27	5073.50	7016.08
<b>Total</b>	-	1063.79	753.52	125.27	5073.50	7016.08

To be billed

**Total Trade Payables**

**7016.08**



Trade Payables (Non current) aging schedule

(Rs. in Lakhs)

PARTICULARS	Outstanding for following periods from due date of payment					
	Previous Year					
	Not Yet Due	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	753.52	125.28	675.22	4071.14	5625.16
<b>Total</b>	-	753.52	125.28	675.22	4071.14	5625.16

To be billed

**Total Trade Payables**

**5625.16**

Note -20

(Rs. in Lakhs)

BORROWINGS (Current):	As at 31st March 2022	As at 31st March 2021
Current Maturities of Long Term Borrowings	4,164.59	8,763.07
Cash Credit from Banks : Secured	434.53	1,946.04
<b>Deposits (unsecured)</b>		
Deposits from Directors/Related Parties	-	193.86
Deposits from Share holders and Public	-	9.87
Loans From Directors	3.80	38.80
Deposits from Others	0.10	0.10
<b>The above amount includes</b>	<b>4,603.02</b>	10,951.74
Secured borrowings	434.53	1,946.04
Unsecured borrowings	4,168.49	9,005.70
<b>Total</b>	<b>4,603.02</b>	10,951.74

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

b) There is no Foreign Currency Exposure hedged by derivative Instruments in the current and previous years.

Note -21

(Rs. in lakhs)

Trade payables	As at 31st March 2022	As at 31st March 2021
Due to Micro and Small Enterprises	299.90	0.03
Due to Others	8,845.13	8,278.48
<b>Total</b>	<b>9,145.03</b>	8,278.51

Trade Payables (Current) ageing schedule

(Rs. in Lakhs)

PARTICULARS	Outstanding for following periods from due date of payment					
	Current Year					
	Not Yet Due	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	86.99	212.91	-	-	-	299.90
(ii) Others	4558.49	3904.78	114.99	20.82	187.05	8786.13
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	3.58	3.58
<b>Total</b>	<b>4645.48</b>	<b>4117.69</b>	<b>114.99</b>	<b>20.82</b>	<b>190.62</b>	<b>9089.61</b>

To be billed

55.42

**Total Trade Payables**

**9145.03**

Trade Payables (Current) aging schedule

(Rs. in Lakhs)

PARTICULARS	Outstanding for following periods from due date of payment					
	Previous Year					
	Not Yet Due	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	0.03	-	-	-	-	0.03
(ii) Others	3294.27	4393.47	126.18	102.55	327.24	8243.71
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	3.58	3.58
<b>Total</b>	<b>3294.29</b>	<b>4393.47</b>	<b>126.18</b>	<b>102.55</b>	<b>330.81</b>	<b>8247.31</b>

To be billed

31.20

**Total Trade Payables**

**8278.51**

**Note -22**

(Rs. in Lakhs)

OTHER FINANCIAL LIABILITIES (Current)	As at 31st March 2022	As at 31st March 2021
Interest Accrued but not due on borrowings	88.91	284.19
Interest Accrued and due on borrowings	0.00	15.08
Unclaimed Dividend	180.30	193.06
Unclaimed matured deposits And interest accrued thereon	30.45	33.75
Accrued Salaries and Benefits	1620.43	1573.07
Directors Remuneration Payable	2102.66	1307.56
Staff Security Deposit	5.33	9.70
Outstanding Liabilities for Others	61.92	17.29
<b>Total</b>	<b>4090.00</b>	<b>3433.70</b>

**Note -23**

(Rs. in lakhs)

<b>Other Current Liabilities</b>	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
Revenue received in advance	<b>437.80</b>	281.72
Statutory Dues	<b>2059.56</b>	1754.43
Others	<b>1533.60</b>	1267.13
<b>Total</b>	<b>4030.96</b>	3303.28

**Note -24**

(Rs. in lakhs)

<b>PROVISIONS (Current)</b>	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
<b>Provision for employee benefits:</b>		
Provision for gratuity	<b>483.15</b>	407.59
Provision for leave benefits	<b>313.28</b>	418.21
<b>Total</b>	<b>796.43</b>	825.80

**Note -25**

(Rs. in lakhs)

<b>Deferred Tax Liability (Net)</b>	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
<b>Deferred Tax Liability</b>		
Deferred Tax Liability on PPE	<b>8725.69</b>	9133.82
On Fair valuation of financial liabilities	<b>170.72</b>	257.87
On Current Investments	<b>105.06</b>	87.78
On Investments		13.8
<b>Gross Deferred Tax Liability</b>	<b>9001.47</b>	9493.27
<b>Deferred Tax Asset</b>		
MAT Credit	<b>14.97</b>	14.97
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	<b>606.74</b>	592.37
On lease liability	<b>13.26</b>	17.56
Provision for doubtful debts and advances	<b>19.19</b>	16.16
<b>Gross Deferred tax Asset</b>	<b>654.16</b>	641.06
<b>Net Deferred Tax Liability</b>	<b>8347.31</b>	8852.21

## Details of Deferred tax for the year 2021-22

(Rs. in Lakhs)

Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognised in profit/loss	Recognised in Comprehensive Income	Closing balance
Non-current Investments	(13.80)	0.00	13.80	0.00
Current Investments	(87.78)	(17.28)	–	(105.06)
Property, Plant and Equipment	(9133.82)	408.13	–	(8725.69)
Legal cases	(257.87)	87.15	–	(170.72)
Lease Liability	17.56	(4.30)	–	13.26
Expenditure charged to statement of profit and loss in the current year but allowed for tax purposes on payment basis	592.37	8.80	5.57	606.74
Provision for doubtful debts and advances	16.16	3.03	–	19.19
MAT Credit	14.97	–	–	14.97
<b>Total</b>	<b>(8852.21)</b>	<b>485.52</b>	<b>19.37</b>	<b>(8347.31)</b>

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual fund units that have a quoted price. The fair value of all equity instruments which are traded on Stock Exchanges is valued using the closing price as at the reporting period. The mutual fund units are valued using the closing net asset value (NAV).

Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. These instruments are collectively not material and hence disclosures regarding significant unobservable inputs used in level 3 fair values have not been made.

As at 31st March, 2022

(Rs. in lakhs)

Particulars	Note	Carrying amount					Fair value						
		Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- Amortised cost	Financial Liabilities- Amortised cost	Total	Level 1	Level 2	Level 3	Total			
<b>Financial instruments measured at fair value</b>													
Current investments	4.1	-	12,548.21	-	-	12,548.21	-	-	-	12,548.21	-	-	12,548.21
Non Current investments	4	28,310.07	-	-	-	28,310.07	-	-	-	17,537.35	10,772.72	-	28,310.07
<b>Financial assets not measured at fair value</b>													
Trade receivables	9	-	-	23,995.24	-	23,995.24	-	-	-	-	23,995.24	-	23,995.24
Cash and Cash Equivalents	10	-	-	1,695.75	-	1,695.75	-	-	-	1,695.75	-	-	1,695.75
Bank balances other than above	10	-	-	2,145.81	-	2,145.81	-	-	-	2,145.81	-	-	2,145.81
Inter corporate loans	5	-	-	600.00	-	600.00	-	-	-	600.00	-	-	600.00
Other Financial assets	6	-	-	1,243.99	-	1,243.99	-	-	-	1,243.99	-	-	1,243.99
		<b>28,310.07</b>	<b>12,548.21</b>	<b>29,680.79</b>	<b>-</b>	<b>70,539.07</b>	<b>-</b>	<b>34,767.96</b>	<b>-</b>	<b>35,771.11</b>	<b>34,767.96</b>	<b>-</b>	<b>70,539.07</b>
<b>Financial liabilities not measured at fair value</b>													
Borrowings	16 & 20	-	-	-	5,451.67	5,451.67	-	-	-	5,451.67	-	-	5,451.67
Lease Liability		-	-	-	52.68	52.68	-	-	-	52.68	-	-	52.68
Trade payables	19 & 21	-	-	-	16,161.11	16,161.11	-	-	-	16,161.11	-	-	16,161.11
Other financial liabilities		-	-	-	-	-	-	-	-	-	-	-	-
Accrued salaries and benefits	22	-	-	-	1,620.43	1,620.43	-	-	-	1,620.43	-	-	1,620.43
Trade and staff security deposits	17 & 22	-	-	-	240.12	240.12	-	-	-	240.12	-	-	240.12
Others	22	-	-	-	2,473.41	2,473.41	-	-	-	2,473.41	-	-	2,473.41
		<b>-</b>	<b>-</b>	<b>-</b>	<b>25,999.42</b>	<b>25,999.42</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,999.42</b>	<b>-</b>	<b>-</b>	<b>25,999.42</b>

**Reasons for classification of financial assets as per Ind AS 107:**

(a) The company has classified all the current investments under fair value through profit or loss as they are held for trading. " (b) For Non current investments which are not held primarily for trading, the company has elected an irrevocable option of classifying them as fair value through other comprehensive income. " (c) Accounting for investments in Subsidiaries and Associates are mentioned in policy J of note:1.1"

The Andhra Sugars Ltd. - Group Consolidated Financial Statements

Particulars	Note	Carrying amount					Fair value							
		Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- Amortised cost	Financial Liabilities- Amortised cost	Total	Level 1	Level 2	Level 3	Total				
<b>Financial instruments measured at fair value</b>														
Current Investments	4.1	-	16,994.25	-	-	16,994.25	-	16,994.25	-	16,994.25	-	-	-	16,994.25
Non Current investments	4	19,622.41	-	-	-	19,622.41	-	10,691.68	8,930.73	-	-	-	-	19,622.41
<b>Financial assets not measured at fair value</b>														
Trade receivables	9	-	-	21,777.84	-	21,777.84	-	-	21,777.84	-	-	-	-	21,777.84
Cash and Cash Equivalents	10	-	-	1,657.93	-	1,657.93	-	1,657.93	-	-	-	-	-	1,657.93
Bank balances other than above	10	-	-	1,011.17	-	1,011.17	-	1,011.17	-	-	-	-	-	1,011.17
Intercompany loans	5	-	-	850.00	-	850.00	-	850.00	-	-	-	-	-	850.00
Other Financial assets	6	-	-	206.26	-	206.26	-	206.26	-	-	-	-	-	206.26
		<b>19,622.41</b>	<b>16,994.25</b>	<b>25,503.20</b>	<b>-</b>	<b>62,119.86</b>	<b>-</b>	<b>31,411.29</b>	<b>30,708.57</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,119.86</b>
<b>Financial liabilities not measured at fair value</b>														
Borrowings	16&20	-	-	-	15,872.61	15,872.61	-	15,872.61	-	-	-	-	-	15,872.61
Lease Liability		-	-	-	69.77	69.77	-	69.77	-	-	-	-	-	69.77
Trade payables	19&21	-	-	-	13,903.67	13,903.67	-	13,903.67	-	-	-	-	-	13,903.67
Other financial liabilities		-	-	-	1,573.07	1,573.07	-	1,573.07	-	-	-	-	-	1,573.07
Accrued salaries and benefits	22	-	-	-	252.32	252.32	-	252.32	-	-	-	-	-	252.32
Trade and staff security deposits	17&22	-	-	-	1,860.08	1,860.08	-	1,860.08	-	-	-	-	-	1,860.08
Others	22	-	-	-	1,860.08	1,860.08	-	1,860.08	-	-	-	-	-	1,860.08
		<b>-</b>	<b>-</b>	<b>-</b>	<b>33,531.52</b>	<b>33,531.52</b>	<b>-</b>	<b>33,531.52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,531.52</b>

As at 31st March, 2021

(Rs. in lakhs)

Notes Forming Part of Accounts

Note -26

(Rs. in Lakhs)

Revenue from operations	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Sale of products:</b>		
Finished goods	193962.00	149968.22
Traded goods	316.17	0.00
Sale of services	244.91	301.62
Other operating revenue		
Freight & Sale Expenses Recovered	255.02	257.92
Subsidy Received on Super phosphate Sales	706.30	317.53
Assistance for Cane Price against Export of Sugar under MAEQ	665.6	--
Status of Incentive Scrips	14.64	65.4
Processing & Job Work Income	--	--
<b>Revenue from operations</b>	<b>196164.68</b>	<b>150910.73</b>

Note -27

(Rs. in lakhs)

Other Income	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Interest income on</b>		
Bank deposits	114.60	136.46
Others	170.85	589.08
Dividend income on		
Long-term investments	872.87	-
Current Investments	35.63	30.88
Rent received	176.58	148.40
Gain on Allowance		6.36
Net gain on sale of Assets	47.14	4.48
Government Grant		
Saggonda	0.14	0.14
Interest Subvention Loan A/C	--	--
Deferred Sales Tax Loan A/C	92.38	173.41
Exchange difference	12.40	115.05
Income from Agriculture(Net)	4.37	--
Net gain on Sale of Current Investments	173.37	434.46
Net gain on Revaluation of Current Investments	298.71	338.72
Other non-operating income #	1810.63	621.69
<b>Total</b>	<b>3809.67</b>	<b>2599.13</b>

(Rs. in lakhs)

# Other non-operating income includes :	Year ended 31st March, 2022	Year ended 31st March, 2021
Excess Provision In Earlier Years Credited Back	41.79	76.21
Provision for doubtful debts Credit Back	--	--
Excess Provision In Earlier Years Credited Back	265.72	41.79
Claims Received	181.03	0.40
Weighment Charges Received	2.73	1.77
Income not relating to this year	0.00	0.04
Misc. Receipts includes Scrap Sales	1361.15	577.69
<b>Total</b>	<b>1810.63</b>	<b>621.69</b>

The Andhra Sugars Ltd - Group Consolidated Financial Statements

Notes Forming Part of Accounts

Note -28

(Rs. in Lakhs)

<b>Cost of raw material consumed</b>	<b>Year ended 31st March, 2022</b>	<b>Yearended 31st March, 2021</b>
Inventory at the beginning of the year	<b>6376.18</b>	5123.63
Add: Purchases	<b>105098.55</b>	72984.82
Less: Sale of raw material	<b>1269.81</b>	485.93
Less: Inventory at the end of the year	<b>10625.88</b>	6376.18
<b>Cost of raw material consumed</b>	<b>99579.04</b>	71246.34

Note -29

(Rs. in lakhs)

<b>(Increase)/decrease in inventories</b>	<b>Year ended 31st March, 2022</b>	<b>Year ended 31st March, 2021</b>	<b>Increase/ Decrease in Inventory</b>
<b>Changes in Inventories at the end of the year</b>			
Traded goods			
Work in progress	<b>3755.84</b>	2123.69	(1632.15)
Finished goods	<b>23646.86</b>	25111.72	1464.86
	<b>27402.70</b>	27235.41	(167.29)
<b>Inventories at the beginning of the year</b>			
Traded goods			
Work in progress	<b>2123.69</b>	2252.59	128.90
Finished goods	<b>25111.72</b>	28216.94	3105.22
	<b>27235.41</b>	30469.53	3234.12

Note -30

(Rs. in lakhs)

<b>Employee benefit expense</b>	<b>Year ended 31st March, 2022</b>	<b>Yearended 31st March, 2021</b>
Salaries, wages and bonus	<b>14264.52</b>	12772.22
Contribution to provident and other fund	<b>1408.43</b>	1292.95
Gratuity expense	<b>644.43</b>	418.88
Staff welfare expenses	<b>746.31</b>	487.20
<b>Total</b>	<b>17063.69</b>	14971.25

Note -31

(Rs. in lakhs)

<b>Finance Costs</b>	<b>Year ended 31st March, 2022</b>	<b>Yearended 31st March, 2021</b>
Interest	<b>1245.13</b>	2589.84
Other Borrowing Costs	<b>50.98</b>	86.90
<b>Total</b>	<b>1296.11</b>	2676.74



Notes Forming Part of Accounts

Note -32

(Rs. in lakhs)

Depreciation and amortization expense	Year ended 31st March, 2022	Yearended 31st March, 2021
Depreciation of tangible assets	6364.70	6091.82
Amortization of intangible assets	31.56	32.29
<b>Total</b>	<b>6396.26</b>	6124.11

Note -33

(Rs. in Lakhs)

Other expenses	Year ended 31st March, 2022	Year ended 31st March, 2021
Consumption of stores and spares	6731.56	5752.47
Sugarcane development Expenses	110.26	143.22
Rent	24.32	20.55
Rates and taxes	300.95	259.65
Insurance	617.02	628.92
Repairs and maintenance		
Plant and machinery	3475.23	3094.31
Buildings	382.07	408.81
Others	975.54	855.25
Advertising and sales promotion	285.62	53.75
Handling Transport & Expenses	6541.75	4648.49
Sales commission	474.32	348.70
Bank Charges	50.98	60.45
Directors' sitting fees	14.60	9.36
Payment to auditors (Refer details below)	40.05	39.96
Exchange differences (net)	-	0.84
Donations	24.16	0.05
CSR Expenditure	417.54	416.96
Assets Written off	280.80	243.84
Stores & Spare written off	0.26	2.36
Export Compensation for sugar export under MAEQ 2020-21	305.09	-
Loss on Assets	16.62	-
Provision for Doubtful Debts and Advances	21.44	-
Bad Debts written -off	18.82	-
Provision for expected credit loss	12.56	-
loss on Agriculture	6.42	6.61
Miscellaneous expenses	1438.11	1366.75
<b>Total</b>	<b>22566.09</b>	18361.30

(Rs. in lakhs)

Payment to Auditors	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>As Auditor</b>	<b>21.65</b>	17.58
For Limited review & Other Certification	8.99	13.22
For Reimbursement of Expenses	0.71	0.76
<b>As Cost Auditors</b>	<b>7.70</b>	7.70
Fee for Certification	1.00	0.70
For Reimbursement of Expenses	-	-
<b>Total</b>	<b>40.05</b>	39.96

The Andhra Sugars Ltd - Group Consolidated Financial Statements

Notes Forming Part of Accounts

Note -34

(Rs. in Lakhs)

Exceptional items	Year ended 31st March, 2022	Year ended 31st March, 2021
Provision for impairment	--	347.38
Grid support charges demand from APEPDCL	--	606.07
	--	953.45

Note -35

(Rs. in Lakhs)

Items that will not be reclassified to P&L	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Remeasurement of Defined Benefit Plan Loss/(Gain)</b>	<b>(214.85)</b>	<b>(44.72)</b>
Increase/Decrease in Fair Value of Investments	1843.58	1007.50
Deferred Tax Liability on above items		
On Defined Benefit Obligations	5.57	15.10
On Long Term Non- Quoted Investments	13.80	1.54
<b>Total</b>	<b>1648.10</b>	<b>979.42</b>
Share of OCI from APL	(44.20)	128.83
Total Other comprehensive Income	1603.90	1108.25
Less : Non-Controlling Interest	138.23	208.81
Other comprehensive Income after Non Controlling Interest	1465.67	899.44

EARNINGS PER SHARE

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
<b>Earnings per share has been computed as under</b>		
Profit for the year attributable to equity shareholders of the company	24220.78	13496.79
Weighted average equity number of shares outstanding	1355.35	271.07
Basic and Diluted Earnings per share (Face value Rs. 2 per share)	17.87	9.96

Defined benefit plans :

The following table set out the funded status of the Gratuity Plans(funded) and compensated absences(unfunded) the amounts recognized in the Company's financial statements as at March 31, 2022 and March 31, 2021:

(Rs. in lakhs)

Particulars	Gratuity As at		Compensated absences As at	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021
<b>Change in benefit obligations</b>				
Benefit obligations at the beginning	5396.30	5182.07	1123.39	949.07
service cost	370.41	333.91	228.29	204.54
Interest expenses	424.26	373.49	66.76	58.92
Past Service Cost	173.55			
Transfer of obligation (net)				
Remeasurements - Actuarial (gains)/losses	(356.32)	(482.20)	(286.01)	65.67
Benefits paid	128.18	(10.96)	22.16	(154.81)
<b>Benefit obligations at the end</b>	<b>6136.38</b>	<b>5396.30</b>	<b>1154.59</b>	<b>1123.39</b>

Notes Forming Part of Accounts

Change in plan assets

(Rs. in Lakhs)

Particulars	Gratuity As at	
	31st March 2022	31st March 2021
Fair value of plan assets at the beginning of the year	3793.44	3736.53
Interest income	248.23	239.03
Transfer of assets (net)		
Remeasurements - Return on plan assets excluding amounts included in interest income	15.43	10.00
Adjustments to opening balances	-	(21.51)
Contributions	94.62	311.58
Benefits paid	(436.26)	(482.20)
<b>Fair value of plan assets at the end</b>	<b>3715.45</b>	<b>3736.53</b>

Amount recognised in Balance Sheet

(Rs. in lakhs)

Particulars	Gratuity As at		Compensated absences As at	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021
Present value of obligation at the end of the period	6136.39	5396.30	1154.59	1123.39
Fair value of plan assets at the end of the period	3715.45	3793.44	-	-
<b>Net (liability)/asset recognised in Balance Sheet</b>	<b>2420.94</b>	<b>1602.87</b>	<b>1154.59</b>	<b>1123.39</b>

Amount recognized in the statement of Profit and Loss under employee benefit expenses head.

(Rs. in lakhs)

Particulars	Gratuity For the year ended		Compensated absences For the year ended	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021
Service cost	440.55	373.49	228.29	204.54
Past Service Cost	173.55	-	-	-
Net interest on the net benefit liability/asset	105.88	87.20	66.76	58.92
<b>Net expense recognised</b>	<b>719.98</b>	<b>460.69</b>	<b>295.06</b>	<b>263.46</b>

Amount for the year ended March 31, 2022 and March 31, 2021 recognized in the statement of other comprehensive income:

(Rs. in lakhs)

Particulars	Gratuity For the year ended		Compensated absences For the year ended	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021
Actuarial (gain)/losses on obligations for the period	202.49	(9.89)	22.16	65.67
Return on plan assets, excluding interest income	(9.80)	(11.07)	-	-
<b>Net (income)/expenses for the period recognised in OCI</b>	<b>192.69</b>	<b>(20.96)</b>	<b>22.16</b>	<b>65.67</b>

The Andhra Sugars Ltd - Group Consolidated Financial Statements

Notes Forming Part of Accounts

Assumptions

(Rs. in Lakhs)

Particulars	The Andhra Sugars Limited Gratuity for the Year ended		JOCIL Gratuity for the Year ended	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021
Expected return on plan assets	7.62%	7.62%		
Rate of discounting	7.29%	6.82%	7.33%	6.91%
Rate of salary Increase	10.00%	9.00%	8.00%	7.00%-10.00%
Rate of employee turnover	2.00%	2.00%		

Assumptions

Particulars	Compensated absences Year ended	
	31st March 2022	31st March 2021
Expected return on plan assets	Nil	Nil
Rate of discounting	7.25%	6.82%
Rate of salary Increase	10.00%	9.00%
Rate of employee turnover	2.00%	2.00%

Maturity Profile of Defined Benefit Obligations:

(Rs. in lakhs)

Particulars	31st March 2022		
	Gratuity	Leave encashment	Sick leave
Expected Cash flow in year 1	555.63	191.26	160.36
Expected Cash flow in year 2	430.64	126.26	33.18
Expected Cash flow in year 3	485.96	132.05	6.66
Expected Cash flow in year 4	481.33	111.55	1.35
Expected Cash flow in year 5	448.34	99.92	0.27
Expected Cash flow in year 6	477.10	92.17	0.05
Expected Cash flow in year 7	510.24	87.62	0.01
Expected Cash flow in year 8	597.44	83.06	-
Expected Cash flow in year 9	497.95	69.22	-
Expected Cash flow in year 10	542.17	65.92	-

Notes Forming Part of Accounts

**Significant estimates: Sensitivity analysis**

Discount rate, Salary escalation rate and Withdrawal rate are significant actuarial assumptions. The change in Present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below:

(Rs. in Lakhs)

Particulars	The Andhra Sugars Limited Effect on Gratuity valuation		The Andhra Sugars Limited Effect on Gratuity valuation	
	31st March 2022	% change	31st March 2021	% change
if salary escalation rate increases by 1%	5300.29	7.70%	4623.26	8.10%
if salary escalation rate decreases by 1%	4571.88	-7.10%	3966.36	-7.30%
if withdrawal rate increases by 1%	4856.03	-1.14%	4230.28	-1.10%
if withdrawal rate decreases by 1%	4998.51	1.50%	4329.62	1.20%
if discount rate increases by 1%	4534.41	-7.90%	3941.60	-7.80%
if discount rate decreases by 1%	5373.85	9.20%	4665.21	9.10%

(Rs. in Lakhs)

Particulars	JOCIL Limited Effect on Gratuity valuation		JOCIL Limited Effect on Gratuity valuation	
	31st March 2022	% change	31st March 2021	% change
if salary escalation rate increases by 1%	1362.99	12.30%	1189.57	12.20%
if salary escalation rate decreases by 1%	1085.69	-10.60%	949.86	-10.40%
if withdrawal rate increases by 1%	1206.12	-0.06%	1057.25	-0.30%
if withdrawal rate decreases by 1%	1222.02	0.70%	106.43	0.30%
if discount rate increases by 1%	1085.11	-10.06%	949.30	-10.50%
if discount rate decreases by 1%	1366.85	12.60%	1192.90	12.50%

(Rs. in lakhs)

Particulars	Effect on Compensated absences - (The Andhra Sugars Ltd.)			
	Leave encashment		Sick leave	
	31st March 2022	% change	31st March 2021	% change
if salary escalation rate increases by 1%	1003.80	4.60	195.83	0.30
if salary escalation rate increases by 1%	918.24	(4.30)	194.84	(0.30)
if withdrawal rate increases by 1%	953.65	(0.60)	194.23	(0.60)
if withdrawal rate decreases by 1%	965.42	0.60	196.45	0.60
if discount rate increases by 1%	914.86	(4.60)	194.76	(0.30)
if discount rate decreases by 1%	1008.56	5.10	195.92	0.30

As per the enterprises's accounting policy actuarial gains and losses are recognized immediately during the same year itself.

The above information is certified by the Actuary.

**Risk exposure and asset-liability matching**

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

## The Andhra Sugars Ltd - Group Consolidated Financial Statements

### Notes Forming Part of Accounts

#### 1) Liability risks

##### a) Asset-liability mismatch risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Company is successfully able to neutralize valuation swings caused by interest rate movements.

##### b) Discount rate risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

##### c) Future salary escalation and inflation risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

#### 2) Asset risks

All plan assets are maintained in a trust fund managed by a public sector insurer viz. LIC of India and other insurance companies. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

### Taxation

#### a) Profit and loss section

(Rs. in lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Current Income tax</b>		
Current tax charges	5921.30	4244.33
Adjustment in respect of Current income tax of previous year	(7.37)	(541.17)
<b>Deferred Tax</b>		
Short Entitlement of MAT Credit		(5.77)
Relating to origination and reversal of temporary differences	(485.52)	(803.43)
<b>Tax Expense reported in the Statement of Profit and Loss</b>	<b>5428.41</b>	2893.96

#### Other Comprehensive Income ('OCI') Section

(Rs. in lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Deferred tax related to items recognised in OCI during the year</b>		
On Actuarial gain of Leave Encashment	5.57	15.10
Unrealised Loss/ (Gain) on FVTOCI Equity Securities	13.80	1.54
<b>Tax Expense in the OCI Section</b>	<b>19.37</b>	16.64

Notes Forming Part of Accounts

b) Balance sheet section

(Rs. in lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Provision for Tax	15,950.21	10,424.70
Tax recoverable	16,743.23	11,398.87
<b>Net of advance tax recoverable</b>	<b>793.02</b>	<b>974.17</b>

Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for March 31, 2022 and March 31, 2021

Particulars	Year ended 31st March, 2022		Year ended 31st March, 2021	
	%	(Rs.in Lakhs)	%	(Rs.in Lakhs)
<b>Accounting profit before Income tax</b>		<b>22221.48</b>		14405.05
At India's Statutory income tax rate (25.168%)	<b>25.17%</b>	<b>5592.70</b>	25.168%	3625.46
Add/(Less) Adjustment in respect of current income tax of previous year				
<b>Effect of Non Deductible Expenses</b>	<b>0.86%</b>	<b>190.79</b>	1.40%	201.56
Effect of expenses deductible for tax on payment basis	<b>-0.09%</b>	<b>(19.48)</b>	0.27%	38.29
Corporate social responsibility expenditure	<b>0.45%</b>	<b>99.28</b>	0.70%	100.94
Deduction on Research and development expense	<b>-0.04%</b>	<b>(8.84)</b>	-0.23%	(32.58)
Tax credit on unrealised profit eliminated	<b>-0.34%</b>	<b>(74.45)</b>	-0.33%	(47.74)
Incremental Deferred tax liability/(Asset) on account of Property, Plant & Equipment and Intangible Assets	<b>1.54%</b>	<b>341.79</b>	2.85%	410.12
Effect of exempt non operating income	<b>-0.04%</b>	<b>(9.30)</b>	-0.65%	(93.63)
Deduction u/s 80M	<b>-1.12%</b>	<b>(248.97)</b>	0.00%	0.00
Difference due to dividend from group companies	<b>0.17%</b>	<b>36.90</b>	0.26%	36.90
Other Adjustments	<b>0.09%</b>	<b>20.88</b>	-0.05%	(6.56)
Difference due to lower tax rate applicable on subsidiary	<b>0.00%</b>	<b>0.00</b>	0.00%	0.00
Reversal of Deferred Tax Liability	<b>-2.18%</b>	<b>(485.52)</b>	-5.58%	(803.43)
Adjustment for current tax of prior periods	<b>-0.03%</b>	<b>(7.38)</b>	-3.72%	(535.36)
<b>Income tax reported in Statement of profit and Loss</b>	<b>24.43%</b>	<b>5428.40</b>	20.09%	2893.96

Reconciliation of Deferred tax liabilities (net)

(Rs.in lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Tax income / (expenses) during the period recognised in Statement of Profit and Loss	<b>485.52</b>	803.43
Tax income / (expenses) during the period recognised in OCI	<b>19.37</b>	16.64
MAT credit		5.77
<b>Total</b>	<b>504.89</b>	<b>825.84</b>

The Andhra Sugars Ltd - Group Consolidated Financial Statements

Notes Forming Part of Accounts

Income tax expense

(Rs. in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Current tax expense</b>		
Current year	5921.30	4244.33
Amount of the benefit arising from a previously unrecognised tax credit that is used to reduce current tax expense	(7.37)	(541.17)
<b>(A)</b>	<b>5913.93</b>	<b>3703.16</b>
<b>Deferred tax expense</b>		
Decrease/(Increase) in deferred tax asset	(13.10)	(36.73)
Increase/(Decrease) in deferred tax liability	(491.80)	(789.11)
<b>(B)</b>	<b>(504.90)</b>	<b>(825.84)</b>
<b>Tax expense recognised in the income statement (A+B)</b>	<b>5409.03</b>	<b>2877.32</b>

Financial Instruments

a) Management of Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified.

The company's credit risk for trade receivables is as follows (Rs.in lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Trade receivables	23,995.24	21,777.84

The movement in allowance for credit loss in respect of trade receivables during the year is as follows:

(Rs. in lakhs)

Allowance for credit loss	As at 31st March 2022	As at 31st March 2021
Balance at the beginning	32.22	38.58
Loss allowance recognised	12.56	(6.36)
Balance at the end	44.78	32.22

Credit risk on cash and cash equivalent is limited as the company generally transacts with banks and financial institutions with high credit ratings assigned by international and credit rating agencies.

b) Management of market risk

- i) Fair value risk
- ii) Foreign exchange risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the Management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the Management of, these risks is explained below:



Notes Forming Part of Accounts

**i) Fair value risk**

Potential impact of risk	Management policy	Sensitivity to risk
<p>The Company is mainly exposed to the Fair value risk due to its investments in equity instruments. The Fair value risk arises due to uncertainties about the future market values of these investments. Equity Fair value risk is related to the change in market reference price of the investments in equity securities.</p> <p>In general, these securities are not held for trading purposes. These investments are subject to changes in the market price of securities.</p>	<p>In order to manage its Fair value risk arising from investments in equity instruments, the Company maintains its portfolio in accordance with the framework set by the Risk Management policies. Any new investment or divestment must be approved by the Board of Directors, Chief Financial Officer and Risk Management Committee.</p>	<p>As an estimation of the approximate impact of Fair value risk, with respect to investments in equity instruments, the Company has calculated the impact as follows.</p>

**ii) Foreign exchange risk**

The company has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risks arises from future commercial transactions and recognised financial assets and liabilities denominated in currency that is not the functional currency (INR) of the Company.

The company has exposure arising out of export and import transactions other than functional risks.

Potential impact of risk	Management policy	Sensitivity to risk
<p>The Company has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised Financial assets and liabilities denominated in a currency that is not the functional currency (INR) of the Company. The risk also includes highly probable foreign currency cash flows. The objective of the cash flow hedges is to minimise the volatility of the cash flows of highly probable forecast transactions.</p>	<p>The Company has exposure arising out of export, import and other transactions other than functional risks. The Company hedges its foreign exchange risk using foreign exchange forward contracts and currency options after considering the natural hedge. The same is within the guidelines laid down by Risk Management policy of the Company.</p>	<p>As an estimation of the approximate impact of the foreign exchange rate risk, with respect to Financial Statements, the Company has calculated as follows:</p>

**The Andhra Sugars Ltd - Group Consolidated Financial Statements**

**Notes Forming Part of Accounts**

Tabular form showing foreign exchange risk exposure item wise (if any)

The company has exposure arising out of export and import transactions other than functional risks.

(Rs. in lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Financial assets</b>		
Trade receivables	-	231.71
Cash & Cash Equivalents	-	310.17
Less:		
Hedged through derivatives	-	-
Foreign exchange forward contracts	-	-
<b>Net exposure to foreign currency risk (assets)</b>	-	541.88

Particulars	As at 31.03.2022	As at 31.03.2021
Financial liabilities		
Trade payables	0.33	191.47
Less:		
Hedged through derivatives	-	-
Foreign exchange forward contracts	-	-
<b>Net exposure to foreign currency risk (liabilities)</b>	0.33	191.47

**Sensitivity analysis**

(Rs.in lakhs)

Particulars	Impact in Profit and loss statement			
	2021-22		2020-21	
	increase by 1%	decrease by 1%	increase by 1%	decrease by 1%
<b>Liabilities</b>				
USD sensitivity	(0.01)	0.01	(1.91)	1.91
Euro sensitivity	-	-	-	-
<b>Assets</b>				
USD sensitivity	-	-	5.42	(5.42)
Euro sensitivity	-	-	-	-
<b>Total</b>	<b>(0.01)</b>	<b>0.01</b>	<b>3.51</b>	<b>(3.51)</b>

**C Management of Liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is expected to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations.

Notes Forming Part of Accounts

(Rs. in Lakhs)

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

	This year		Previous Year	
	Value	Percentage	Value	Percentage
Imported	8730.26	24	5817.29	20
Indigenous	27618.26	76	23020.50	80
	<u>36348.52</u>	<u>100</u>	<u>28837.79</u>	<u>100</u>

(Rs. in Lakhs)

37. Comparison between Consumption of Imported and Indigenous spare parts and components during theyear (charged to appropriate heads):

	This year		Previous Year	
	Value	Percentage	Value	Percentage
Imported	1151.62	7.9	3762.42	26.5
Indigenous	13412.39	92.1	10452.67	73.5
	<u>14564.01</u>	<u>100</u>	<u>14215.09</u>	<u>100</u>

(Rs. in Lakhs)

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

	This year	Previous Year
Capital Goods	1033.11	3858.37
Components and spare parts	12.17	15.01
Raw - materials	17224.85	8400.22
	<u>18270.13</u>	<u>12273.60</u>

(Rs. in Lakhs)

39. Earnings in foreign exchange on FOB basis:

This year	Previous Year
381.55	1670.39

(Rs. in Lakhs)

40. Expenditure incurred in foreign currency:

	This year	Previous Year
Books, Periodicals & Subscriptions	43.34	43.82
Foreign travel (excluding tickets purchased in India)	4.03	0.00
Delegation fee	0.00	0.00
Bank Charges	2.39	8.38
Others	3.81	3.70

(Rs. in Lakhs)

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

	This year	Previous Year
Sugar Cane R & D		
a) Capital Expenditure	63.18	92.90
b) Revenue Expenditure (charged to appropriate heads)	27.86	68.54
General R & D		
a) Capital Expenditure	35.12	129.44
b) Revenue Expenditure (charged to appropriate heads)	364.52	178.81
	<u>490.68</u>	<u>469.68</u>

The Andhra Sugars Ltd - Group Consolidated Financial Statements

Notes Forming Part of Accounts

(Rs. in Lakhs)

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

	<b>This year</b>	Previous Year
Salaries, Wages and Bonus	<b>64.39</b>	91.39
Contribution to Provident, Gratuity and other funds	<b>6.35</b>	10.22
Workmen and Staff Welfare Expenses	<b>2.48</b>	4.32
Power and Fuel	<b>2.94</b>	1.99
Repair to Others	<b>0.23</b>	0.02
Repairs to Buildings	<b>0.53</b>	1.52
Repairs to P &M	<b>1.99</b>	1.21
Miscellaneous Expenses	<b>0.39</b>	0.90
Depreciation	<b>3.49</b>	3.73
	<b>82.80</b>	115.29

(Rs.in lakhs)

**As at  
31-3-2022**

As at  
31-3-2021

<b>43.</b> Estimated amount of contracts remaining to be executed on Capital Account and not provided for		
Capital items	<b>16523.72</b>	6189.84
Raw Materials, Stores and Spares	<b>6595.29</b>	2970.66
<b>44.</b> a) Uncalled liability on partly paid shares held as Investments	<b>24.66</b>	24.66
b) Liability on account of membership in Alkali Manufacturers' Association of India, a Company limited by Guarantee	<b>0.01</b>	0.01
<b>45.</b> Claims against the Company not acknowledged as debts relating to the following areas :		
i) Excise	<b>805.31</b>	805.31
ii) Service Tax/GST	<b>81.27</b>	81.27
iii) Sales Tax	<b>294.51</b>	192.20
iv) Income Tax	<b>40.98</b>	40.98
v) Other Levies	<b>272.27</b>	478.15
vi) Suppliers and Service Contract	<b>37.99</b>	41.70
vii) Labour related	<b>75.00</b>	8.00
<b>46.</b> 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	<b>1165.75</b>	1055.86
(b) On letter of Credit opened with banker for purchase of Material	<b>3159.69</b>	1479.13

Notes Forming Part of Accounts

- (c) Under the provisions of "The Levy Sugar Price Equalization Fund Act, 1976" the excess amount collected over the notified levy sale price pursuant to the interim stay granted by the Courts vests in the fund. In a writ petition No: 1534/76 filed by the Company against these provisions, the High Court of Andhra Pradesh has held that provisions of the said Act are not applicable to the excess collections made prior to 15-6-1972, against which the Union Government filed a civil appeal No: 274/79 before the Supreme Court, which is pending.

While admitting the appeal, the Supreme Court granted stay of operation of Judgment of A.P. High Court in W.P.No: 1534/76 and directed the Company to furnish a Bank Guarantee for Rs.9.60 lakhs being the difference in levy Sugar price for the Sugar Season 1969-70. The Bank Guarantee was furnished on 7-12-1979 in favour of Registrar, High Court of Andhra Pradesh. Interest, if any, payable under the said Act, estimated at Rs. 64.39 lakhs (Rs 62.66 lakhs) has not been provided for in the accounts pending final legal decision in the matter. However, an amount of Rs.66.80 lakhs was appropriated during the financial year 2008-2009 by Govt India, New Delhi, against payment of buffer stock subsidy dues, which was protested by the company.

47. In respect of M/s Hindustan Allied Chemicals Ltd., Loans & Advances as on 31.03.2022 include an outstanding amount of Rs.600.00 lakhs (Principal amount of Rs 1000.00 lakhs) being the amount given as an Inter Corporate Loan under Section 186 of the Companies Act 2013 to M/s Sree Akkamamba Textiles Ltd., on the following terms & conditions:

**SreeAkkamamba Textiles Ltd**

- |                      |   |                                                                                                                                                           |
|----------------------|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| a) Amount of Advance | : | Rs.1000.00 Lakhs                                                                                                                                          |
| b) Interest Rate     | : | 8.00% p.a                                                                                                                                                 |
| c) Security          | : | Unsecured                                                                                                                                                 |
| d) Purpose           | : | To meet the gap of working capital.                                                                                                                       |
| e) Loan Closure Date | : | 30.09.2023                                                                                                                                                |
| f) Loan Terms        | : | Six quarterly installments of Rs 50 lakhs each and there after 7 quarterly installments of Rs. 1 Crore each commencing from 30th September, 2020 onwards. |

48. There are no transactions with Struck off Companies u/s 248 of the Companies Act, 2013.
49. a) Balances in personal accounts of various parties are subject to confirmation by and reconciliation with the said parties.
- b) In the opinion of the management, Current Assets, Loans and advances have a value on realization in the ordinary course of business equal to the values at which they are stated.
50. Previous year's figures have been regrouped wherever necessary to confirm to the current year classification.
51. Paise have been rounded off.

## The Andhra Sugars Ltd. - Group Consolidated Financial Statements

### Particulars disclosed pursuant to "IND-AS -24 Related Party Disclosures

#### (A) LIST OF RELATED PARTIES:

##### 1) Subsidiary Companies

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

##### 2) Key Management Personnel : (Viz: Whole time directors)

###### The Andhra Sugars Limited

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

###### Independent Directors :

Dr. P.Kotaiah  
Sri V.S.Raju  
Sri P.A.Chowdary  
Dr.D. Manjulata  
Sri P.Venkateswara Rao

JOCIL Limited : Sri J.Murali Mohan - Managing Director

The Andhra Farm Chemicals Corporation Limited - Sri P.V. Krishna Rao

###### The Andhra Sugars Limited

###### Vice President (Finance) & Addl. Secretary :

Sri P.V.S. Viswanadha Kumar

JOCIL Limited : K. Raghuram - Secretary & D.G.M. Finance

##### 3) Relatives of Key Management Personnel

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 Rama Lakshmi Sister of Sri P.Narendranath Chowdary, Smt. Jujjavarapu Usha Rani Sister of Sri P.Narendranath Chowdary, Smt. Maddipati Kamala Devi Sister of Sri P.Narendranath Chowdary, Smt. Mullapudi Satyanarayanamma Sister of Sri P.Narendranath Chowdary, Smt. Nutakki Anantha Lakshmi Sister of Sri P.Narendranath Chowdary, Smt. Jayaraman Anantha Lakshmi Sister of Sri M.Narendranath, Smt. Kosaraju Rama Lakshmi Sister of Sri M.Narendranath, Smt. Nidadavolu Venkata Ramanamma (Deceased on 07.11.2020) Sister of Sri M.Narendranath, Smt. Yelamarthy Narayanamma Sister of Sri M.Narendranath, Smt. Mullapudi Narayanamma Wife of Sri M.Narendranath, Sri Mullapudi Vikram Prasad Son of Sri M.Narendranath, Smt. Gaddipati Anuradha Daughter of Sri M.Narendranath, Smt. Goli Jayashree Daughter of Sri M.Narendranath, Smt. Mullapudi Renuka Wife of Sri M.Thimmaraja, Sri Mullapudi Mrutyumjaya Prasad Son of Sri M.Thimmaraja, Smt. Goli Devi Daughter of Sri M.Thimmaraja, Smt. Pendyala Sesha Shailaja Wife of Sri P.Achuta Ramayya, Smt. Pendyala Divya Atchmamba Daughter of Sri P.Achuta Ramayya, Smt. Pendyala Sruthi Rajeswari Daughter of Sri P.Achuta Ramayya, Smt. Pendyala Sujatha Mother of Sri P.S.R.V.K.Ranga Rao, Smt. Pendyala Usha Lakshmi Wife of Sri P.S.R.V.K.Ranga Rao, Kum. Pendyala Meghana Sri Sai Sujatha Daughter of Sri P.S.R.V.K.Ranga Rao, Chy. Pendyala Prithvi Sri Narendra Rayudu Son of Sri P.S.R.V.K.Ranga Rao, Smt. Jagarlamudi Gangabhavani Devi Mother of Sri J.Murali Mohan, Smt. Vemana Indira Sister of Sri J.Murali Mohan, Smt. Jagarlamudi Sunitha Mohan Wife of Sri J.Murali Mohan, Smt. Jagarlamudi Namrata Daughter of J.Murali Mohan,

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

Andhra Pradesh Gas Power Corporation Limited  
Jaya Industries  
Jayalakshmi Estates Limited  
Jayalakshmi Fertilisers  
Jayalakshmi Plastics and Chemicals  
Royal Printing Works  
Mullapudi Venkatarayudu Eye Centre  
Mullapudi Kamala Devi Cardiovascular Centre  
Sree Akkamamba Textiles Limited  
Sree Mullapudi Timma Raju Memorial Library & Cultural Centre  
Sree Mullapudi Venkataramanamma Memorial Hospital  
Sree Rangaraya Estates  
Sree 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  
Vibhaas Polymers Pvt. Limited

The Andhra Sugars Ltd. - Group Consolidated Financial Statements

5) Associate Company :

The Andhra Petrochemicals Limited

(B) TRANSACTIONS WITH THE RELATED PARTIES :

(Corresponding figures related to 31st Mar'21)

(Rupees in Lakhs)

Particulars	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relatives of Key Management Personnel	TOTAL	Out Standing As on 31.03.2022
<b><u>Purchase of Goods from</u></b>	6656.24	-	14.88	23.41	6694.53	491.22
	(8154.68)	-	(31.39)	(28.33)	(8214.40)	(803.54)
The Andhra Sugars Limited	3560.30	-	0.95	-	-	493.32
<b><u>Inter Corporate Loans given to</u></b>	-	-	-	-	-	600.00
	(1000.00)	-	-	-	(1000.00)	(1000.00)
Hindustan Allied Chemical Limited	-	-	-	-	-	600.00
<b><u>Inter Corporate Loans re-payment from</u></b>	250.00	-	-	-	250.00	-
	(400.00)	-	-	-	(400.00)	-
Hindustan Allied Chemical Limited	250.00	-	-	-	-	-
<b><u>Fixed Deposits Received from</u></b>	-	-	-	-	-	3083.01
	-	-	-	-	-	(10091.74)
The Andhra Sugars Limited	-	-	-	-	-	3083.01
<b><u>Fixed Deposits re-paid on maturity</u></b>	0.00	0.00	1857.15	5095.90	6953.05	-
	-	-	(2136.00)	(4484.8)	(6620.85)	(-)
The Andhra Sugars Limited	-	-	1857.15	5095.90	-	-
<b><u>Loans Received from Directors</u></b>	-	-	-	-	-	3.80
	-	-	-	-	-	(38.80)
The Andhra Sugars Limited	-	-	-	-	-	3.80
<b><u>Loans re-paid to Directors</u></b>	-	-	35.00	-	35.00	-
	-	-	-	-	-	(-)
The Andhra Sugars Limited	-	-	-	-	35.00	-
<b><u>Services Rendered by</u></b>	21.79	-	33.44	3.21	58.44	2.10
	(26.39)	-	(32.20)	(3.09)	(61.68)	-
The Andhra Sugars Limited	21.79	-	33.44	2.64	-	2.10
	-	-	-	(2.52)	-	-
JOCIL Limited	-	-	-	0.57	-	-
	-	-	-	(0.57)	-	-
<b><u>Sale of Goods to</u></b>	523.66	125.43	0.02	0.06	649.17	50.44
	(622.27)	(52.97)	(0.53)	(0.10)	(675.87)	(25.53)
The Andhra Sugars Limited	523.66	125.43	0.02	0.06	-	50.44
<b><u>Services Rendered to</u></b>	0.09	0.61	-	6.07	6.77	-
	-	(0.78)	-	-	(1.34)	-
The Andhra Sugars Limited	0.09	0.61	-	6.07	-	-
<b><u>Interest Paid on Fixed Deposits</u></b>	-	-	131.55	479.78	611.33	68.42
	-	-	(405.38)	(1035.08)	(1440.46)	(228.90)
The Andhra Sugars Limited	-	-	131.55	479.32	-	68.42
	-	-	(403.88)	(1022.49)	-	(228.90)



The Andhra Sugars Ltd. - Group Consolidated Financial Statements

(Rs. in Lakhs)

Particulars	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relatives of Key Management Personnel	TOTAL	Out Standing As on 31.03.2022
JOCIL Limited	-	-	-	0.46	-	-
	-	-	(1.50)	(12.59)	-	-
<b>Interest paid to Directors</b>	-	-	1.71	-	1.71	0.08
	-	-	(3.49)	-	(3.49)	(0.80)
The Andhra Sugars Limited	-	-	1.71	-	-	0.08
<b>Interest Received on Inter Corporate Loan</b>	61.94	-	-	-	61.94	-
	(58.40)	-	-	-	(58.40)	-
Hindustan Allied Chemical Limited	61.94	-	-	-	-	-
<b>Independent Directors Sitting Fee Paid to</b>	-	-	23.85	-	23.85	-
	-	-	(14.10)	-	(14.10)	(-)
The Andhra Sugars Limited	-	-	23.85	-	-	-
<b>Remuneration (including Commission) paid to</b>	-	-	2610.32	19.08	2629.40	2107.68
	-	-	(1687.66)	(13.20)	(1700.86)	(1322.83)
The Andhra Sugars Limited	-	-	2401.89	19.08	-	2078.47
	-	-	(1506.76)	-	-	(1282.07)
JOCIL Limited	-	-	208.43	-	-	29.21
	-	-	(180.90)	-	-	(40.76)
<b>Contribution of CSR Expenses</b>	374.00	-	-	-	374.00	-
	(350.00)	-	-	-	(350.00)	(-)
The Andhra Sugars Limited	374.00	-	-	-	-	-
<b>Donations Paid to</b>	24.11	-	-	-	24.11	-
	-	-	-	-	-	-
The Andhra Sugars Limited	24.11	-	-	-	-	-
<b>Dividend Paid to</b>	153.40	-	369.31	681.70	1204.41	-
	-	-	(0.08)	(1.09)	(1.17)	(-)
The Andhra Sugars Limited	153.40	-	369.23	680.62	-	-
	-	-	-	-	-	-
JOCIL Limited	-	-	0.08	1.08	-	-
	-	-	(0.08)	(1.09)	-	-
<b>Dividend Received from</b>	-	842.60	-	-	842.60	-
	-	-	-	-	-	(-)
The Andhra Sugars Limited	-	842.60	-	-	-	-
<b>Balances as at 31-03-2022</b>						
<b>a) Share Capital held by the Company, in</b>	8929.76	3660.56	-	-	12590.32	-
	(6922.62)	(3660.56)	-	-	(19852.61)	(-)
The Andhra Sugars Limited	8929.76	3660.56	-	-	-	-
<b>b) Share Capital of the company held by</b>	153.40	-	134.12	902.82	1190.34	-
	(153.40)	-	(369.49)	(684.20)	(1207.09)	(-)
The Andhra Sugars Limited	153.40	-	133.86	899.21	-	-
	-	-	(369.23)	(680.58)	-	-
JOCIL Limited	-	-	0.26	3.61	-	-
	-	-	(0.26)	(3.62)	-	-

# The Andhra Sugars Ltd. - Group Consolidated Financial Statements

## ANNEXURE - II

(RS. IN LAKHS)

### STATEMENT SHOWING SEGMENT WISE ANALYSIS AS ON 31.03.2022

Description	SUGARS		CAUSTIC SODA		POWER GENERATION		INDUSTRIAL CHEMICALS		SOAP		OTHERS		ELIMINATIONS		CONSOLIDATED	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
<b>REVENUE:</b>																
External sales	12896.76	13484.88	75251.68	53588.94	1300.22	1913.81	65166.81	47913.12	32962.38	25866.72	8586.83	8143.26	196164.68	150910.73		
Inter-segment sales	4455.78	3345.14	12163.88	2953.17	4347.60	4001.39	24213.83	18689.53	0.00	0.00	0.87	0.62	45181.96	28989.85		
Total revenue	17352.54	16830.02	87415.56	56542.11	5647.82	5915.20	89380.64	66602.65	32962.38	25866.72	8587.70	8143.88	196164.68	150910.73		
<b>RESULT:</b>																
Segment result before Interest, Extra-ordinary items	(1,174.15)	(2296.53)	17976.96	11011.38	5930.20	3546.99	1604.43	2824.07	427.86	1033.75	1649.91	2018.34	26415.21	18138.01		
Unallocated corporate expenses less Income													3183.07	1781.76		
Operating Profit													23232.14	16356.25		
Interest expenses													1286.11	2676.74		
Interest Income													285.45	725.54		
Profit before tax													22221.48	14405.05		
Profit from Associate													7761.10	2617.69		
Provision for current and deferred tax													5428.41	2893.96		
Net profit after tax													24554.17	14128.78		
<b>OTHER INFORMATION:</b>																
Segment Assets	25371.13	29085.02	75619.18	68517.91	10489.20	12177.39	28127.33	19503.95	5586.75	5926.68	7388.10	6342.09	152581.70	141553.04		
Unallocated Corporate Assets													51289.20	46331.02		
Total Assets													203870.90	187884.06		
Segment Liabilities	1516.46	1895.49	15509.68	13735.34	963.49	592.01	4634.59	5033.17	560.91	507.91	1614.93	1082.21	24800.06	22846.13		
Unallocated Corporate Liabilities													8399.71	12132.97		
Total Liabilities													33199.77	34979.10		
Capital Employed	23854.67	27189.53	60109.50	37537.75	9525.71	28830.20	23492.74	14470.78	5025.84	5418.77	48662.66	39457.93	170671.13	152904.95		
Capital Expenditure	72.13	34.90	5985.23	7432.99	0.00	279.77	2852.66	1298.91	60.41	25.36	894.97	1076.85	9865.40	10148.78		
Depreciation	556.80	674.14	3023.67	2793.41	410.98	392.44	916.99	801.02	72.79	78.51	1415.03	1384.59	6396.26	6124.11		

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.
- During the current year, the Company aggregated Coal based Captive Power Plant with "CHLOR-ALKALI" segment and previous year figures have been regrouped wherever necessary.
- The Operations of the Parent Company and its subsidiaries predominantly relate to manufacture of Sugar, Caustic Soda, Soaps, Industrial Chemicals comprising mainly Fatty acids, Industrial alcohol, Acetic acid, Sulphuric Acid and its related products and Liquid propellants.
- The business segments that are disclosed under "Others" comprise Fertilizers, Bulk Drugs Edible oils and Transportation receipts etc.,
- All the Group companies operate predominantly in the Indian markets and have no production facilities outside India. Hence there are no separately reportable Geographical segments.
- Inter Segment transfers are priced at market rates.

**Share of Entities in Group**

(Rs. in Lakhs)

	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount (Rs. In lakhs)	As % of consolidated profit or loss	Amount (Rs. In lakhs)	As % of consolidated Other Comprehensive Income	Amount (Rs. In lakhs)	As % of consolidated Total Comprehensive Income	Amount (Rs. In lakhs)
<b>Parent</b> The Andhra Sugars Limited	79.64%	135916.58	66.16%	16023.38	91.47%	1340.71	67.60%	17364.09
<b>Subsidiaries</b> JOCIL Ltd.	12.09%	20639.68	1.62%	392.18	11.54%	169.16	2.19%	561.34
The Andhra Farm Chemicals Corporation Limited	0.05%	80.66	0.00%	(0.04)	-	-	0.00%	(0.04)
Hindustan Allied Chemicals Limited	0.65%	1101.20	0.18%	44.16	-	-	0.17%	44.16
<b>Associate</b> The Andhra Petrochemicals Limited	7.58%	12933.01	32.04%	7761.10	(0.03)	(44.20)	30.04%	7716.90
	<b>100.00%</b>	<b>170671.13</b>	<b>100.00%</b>	<b>24220.78</b>	<b>100.00%</b>	<b>1465.67</b>	<b>100.00%</b>	<b>25686.45</b>

The Andhra Sugars Limited - Group Consolidated Financial Statements

Notes Forming Part of Consolidated Accounts

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A Subsidiaries

(Rs. in Lakhs)

1. Name of the Subsidiary	JOCIL Ltd.	The Andhra Farm Chemicals Corporation Ltd.	Hindustan Allied Chemicals Ltd.
2. The date since when subsidiary was acquired	27-10-1988	29-11-1980	15-10-1971
3. Reporting period for the subsidiary	01-04-2021 to 31-03-2022	01-04-2021 to 31-03-2022	01-04-2021 to 31-03-2022
4. Share capital	888.16	45.00	10.63
5. Reserves and surplus	19476.49	35.66	1090.57
6. Total assets	25723.45	115.27	1101.49
7. Total Liabilities	5358.80	34.61	0.29
8. Investments	NIL	-	-
9. Turnover	75358.98	-	-
10. Profit before taxation	957.85	(0.05)	76.16
11. Provision for taxation	245.18	NIL	19.08
12. Profit after taxation	712.67	(0.05)	57.08
13. Proposed Dividend	Rs.1/- per share	NIL	NIL
14. Extent of shareholding (in percentage)	55.02%	77.35%	76.82%

Part B Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

<b>Name of Associates or Joint Ventures</b>	<b>The Andhra Petrochemicals Ltd.</b>
1. Latest audited Balance Sheet Date	31-03-2019
2. Date on which the Associate or Joint Venture was associated or acquired	14-08-2014
3. Shares of Associate or Joint Ventures held by the company on the year end	
No.s	28086613
Amount of Investment in Associates or Joint Venture	Rs. 3660.56 Lakhs
Extent of Holding (in percentage)	33.05%
4. Description of how there is significant influence	Associate Company
5. Reason why the associate/joint venture is not consolidated	Not Applicable
6. Networth attributable to shareholding as per latest audited Balance Sheet	Rs. 16646.04 Lakhs
7. Profit or Loss for the year	Rs. 22673.39 Lakhs
i. Considered in Consolidation	Rs. 7761.10 Lakhs
ii. Not Considered in Consolidation	Not Applicable



**THE ANDHRA SUGARS LIMITED**

Registered Office: Venkatarayapuram, TANUKU - 534 215  
West Godavari District, (A.P)  
Website: www.theandhrasugars.com  
CIN: L15420AP1947PLC000326

**NOTICE TO SHAREHOLDERS**

Notice is hereby given that the SEVENTY FIFTH Annual General Meeting of THE ANDHRA SUGARS LIMITED (CIN: L15420AP1947PLC000326) will be held on Monday, the 26th day of September, 2022 at 3:00 P.M. at Registered Office of the Company to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Statement of Profit & Loss, Cash Flow Statement for the year ended 31st March, 2022 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 2021-22.
3. To appoint Director in place of Sri Mullapudi Thimmaraja (DIN 00016711) who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint 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 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 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, M/s. Brahmayya & Co., Chartered Accountants, Vijayawada be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the 80th Annual General Meeting (subject to ratification of the remuneration by the Members at every AGM held after this AGM) on remuneration of Rs. 19,00,000/- (Rupees Nineteen Lakhs Only) for the year 2022-23 as fixed by the Board, apart from reimbursement of out of pocket expenses as may be incurred by them for the purpose of Audit."

**SPECIAL BUSINESS**

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

"RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any Statutory modifications(s) or re-enactment(s) thereof for the time being in force) and as approved by the Board of Directors the remuneration of Rs. 6,00,000/- (Rupees Six Lakhs only) plus taxes as applicable and reimbursement of actual travel and out-of-pocket expenses for the Financial Year 2022-23 to be paid to M/s Narasimha Murthy & Co., (Regn. No. 000042), Cost Accountants, Hyderabad, for the conduct of the Audit of the Cost Accounting Records of the Company be and is hereby ratified and confirmed."

**(BY ORDER OF THE BOARD)**

Venkatarayapuram  
TANUKU - 534 215  
28-05-2022

**For THE ANDHRA SUGARS LIMITED**  
**P. NARENDRANATH CHOWDARY**  
Chairman and Managing Director

## The Andhra Sugars Limited

### NOTES:

1. The relative Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Item Nos.6 is annexed hereto.
2. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a Member of the Company. A person can act as Proxy on behalf of Members not exceeding fifty (50) 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.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of the Companies, Societies etc., must be supported by an appropriate resolution / authority, as applicable. A Proxy Form is sent herewith.

3. Your Company provides Electronic Voting facility and its particulars and instructions are enclosed and form part of this Notice.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 17th September, 2022 to 26th September, 2022 (both days inclusive)
5. Documents referred to 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 from 3 p.m. to 5 p.m. on any working day prior to the date of the Annual General Meeting.
6. Shareholders holding shares in Physical Mode are requested to intimate their change of address, if any, to the RTA XL Softech Systems Ltd., Hyderabad and the shareholders holding shares in Demat Mode are requested to notify their change of address, if any, to the DP (and not the Company / RTA) with whom they have Demat Account.
7. Any person who acquires shares of the Company and become member of the Company after the despatch of the Notice of AGM and holding shares as of the cut-off date, i.e., 19th September, 2022 can vote by entering the particulars as specified in instructions for e-voting. If they are already registered with CDSL for remote e-voting then they can use their existing user ID and Password / PIN for casting their vote. If they forgot their password, they can reset their password by using "Forgot User Details / Password" option available on [www.evoting.cdslindia.com](http://www.evoting.cdslindia.com).
8. Pursuant to Provisions of Section 124(5) of the Companies Act, 2013, any dividend which remains unpaid or unclaimed for a period of seven consecutive years is required to be transferred by the Company to the "Investors Education and Protection Fund (IEPF)" established by the Central Government. Due date for transfer to the Fund is as follows:

Dividend for the Financial Year	Due date for transfer to IEPF
2014-15	25th October, 2022

9. Pursuant to Provisions of Section 124 of the Companies Act, 2013, the unclaimed amount of Dividend declared for the Year 2013-14 along with corresponding Shares of the Company have been transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government. Members who wish to claim Dividend and Shares from IEPF are required to comply with Provisions specified under IEPF (Accounting, Audit, Transfer and Refund) Rules, 2017.

**Shareholders who have not encashed their Dividend Warrants issued in respect of Dividend, declared for the Year 2014-15 are requested to write to the Regd. Office of the Company in order to enable the Company to proceed with their requests in case the Dividend Warrants remain un-encashed.**

**SPECIFIC ATTENTION OF SHAREHOLDERS**

**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 in Physical Mode :** E-mail ID be furnished to the RTA i.e., XL Softech Systems Ltd.,

**Demat Mode:** E-Mail ID be furnished to the Depository Participant (DP) with whom Demat account has been opened and not to the Company / RTA. The Company / RTA cannot act on e-mail IDs received directly from the Members holding Shares in Demat Mode for registration of e-mail IDs.

**Transfer of Shares in Physical Mode: With effect from 1.4.2019 Transfer of Equity Shares of the Company in physical mode shall not be effected as per SEBI directions. Requests for Transmission, Transposition and Issue of Duplicate Share Certificates etc., will be processed in Demat mode with effect from 25.01.2022.**

10. Pursuant to Provisions of Section 124 of the Companies Act, 2013, the unclaimed amount of Dividend declared for the Year 2013-14 along with corresponding Shares of the Company have been transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government. Members who wish to claim Dividend and Shares from IEPF are required to comply with Provisions specified under IEPF (Accounting, Audit, Transfer and Refund) Rules, 2017.

**Shareholders who have not encashed their Dividend Warrants issued in respect of Dividend, declared for the Year 2014-15 are requested to write to the Regd. Office of the Company in order to enable the Company to proceed with their requests in case the Dividend Warrants remain un-encashed.**

Particulars of Directors proposed to be re-appointed at this Meeting as required under Regulation 36 (3) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Information about the Directors seeking re-appointment at the 75th Annual General Meeting as required under Corporate Governance is detailed hereunder:

A. Sri Mullapudi Thimmaraja has been the Whole-time Director of your Company from 1978. Sri Mullapudi Thimmaraja as Joint Managing Director has been looking after general administration of the Company besides supervision of day to day administration of all the units at Tanuku, other than Sugar. Sri Mullapudi Thimmaraja is a Graduate in Chemical Engineering. He did his Post graduation 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, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee of JOCIL Limited, Chairman Stakeholders Relationship Committee, Member Nomination and Remuneration Committee, Corporate Social Responsibility Committee of The Andhra Petrochemicals Limited and Member Corporate Social Responsibility Committee and Stakeholders Relationship Committee constituted by the Board of the Company.

B. Sri P.S.R.V.K.Ranga Rao is a Graduate in Commerce. He has been the Executive Director of the Company since 1st May, 1999. As Executive Director, he assists Chairman Managing Director in looking after day to day affairs of Chemical Complex at Saggonda. He is instrumental in successful completion of expansion of Chemical Complex at Saggonda.

11. Brief particulars of Statutory Auditors proposed to be appointed :

BRAHMAYYA & CO was founded in 1932. It has its head office in Vijayawada and branches at Hyderabad, Visakhapatnam, Kakinada, Guntur and Tanuku in the states of Andhra Pradesh and Telangana.

BRAHMAYYA & CO Vijayawada has at present, twelve partners in all its branches who are all Chartered Accountants, with professional standing ranging from 55 years to 20 years. Some of the partners, in addition to being members of the Institute of Chartered Accountants of India, are also qualified Information Systems Auditors. Every one of the partners has been in whole time practice for many years with wide ranging experience in the areas of statutory audit, internal Audit, tax management, tax planning, management consultancy, setting up of management information systems and audit in computerized environment, and other allied areas. In all its branches and other offices put together BRAHMAYYA & CO Vijayawada, has personnel strength of 11 partners, about twenty five chartered accountants working as employees or associates, one hundred and twenty Article Assistants.

**ANNEXURE TO NOTICE**

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

**ITEM NO. 6:**

The Board having regard to the recommendation of Audit Committee, approved the appointment 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, 2022 and remuneration of Rs. 6,00,000/- (Rupees Six Lakhs Only) 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 of the remuneration payable to the Cost Auditors for the Financial Year 2022-23 by way of Ordinary Resolution is being sought from the Members as set out at Item No.6 of the Notice.

Your Directors therefore recommend the Resolution for approval.

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

**Addendum to Notice Dated 28.05.2022  
Convening 75th AGM to be held on 26.09.2022**

7. To Consider and if thought fit to pass with or without modifications the following Resolution as a **Ordinary Resolution**.

"RESOLVED THAT pursuant to the provisions of Sections 197 and other applicable provisions of the Companies Act, 2013 (Act) read with Schedule V to the said Act or any statutory modifications or any re-enactment of the Act and such other approvals as may be required Sri Mullapudi Narendranath be and is hereby re-appointed as Joint Managing Director of the Company for a period of five years with effect from 1-1-2023 on the following terms & conditions:-

Sri Mullapudi Narendranath is subject to retirement by rotation during the tenure of his office as Joint Managing Director from 1-1-2023 to 31-12-2027.

**1. Salary** : Rs. 1,50,000/- per month.

**2. Commission** : Upto 1.25% of the net profits of the Company subject to the overall ceiling stipulated in Sections 197 of the Companies Act, 2013

**3. Perquisites** : (i) Housing - if required, free furnished residential accommodation with all facilities and amenities including Gas, Electricity, Water, Furniture/Fittings etc., the monetary value of which may be evaluated as per Rule 3 of the Income-Tax Rules, 1962. The expenditure incurred by the Company on Gas, Electricity, Water and Furnishings shall be subject to a ceiling of 10% of the Salary. In case where the Company does not provide accommodation, House Rent Allowance shall be paid at the rate of 50% of the Salary. (ii) Medical reimbursement of the expenses incurred for the treatment in India / abroad for self and family, (iii) Leave Travel Concession - for himself and his family as per the rules of the Company, (iv) Club Fees, (v) Personal Accident Insurance, (vi) Provident Fund, Company's contribution towards Provident Fund at 12% of his salary or any rate applicable from time to time, (vii) Superannuation Fund - Company's contribution towards Superannuation Fund as per the rules of the Company, such contribution together with Company's contribution shall not exceed 27% of the salary as laid down under the Income tax Rules, 1962 or such other ceiling as may be prescribed from time to time, (viii) Gratuity - not exceeding ½ a month's salary for each completed year of service, (ix) Leave - entitled to one month's leave, as per the rules of the Company on full pay for every 11 months of service. Encashment of leave at the end of tenure will not be included in computation of ceiling on perquisites, (x) Telephone - one or more free telephone facility at the residence for the use of Company's business, (xi) Car - use of one or more cars for Company's business with driver and all expenses of maintenance, repairs and cost of petrol. ( provision of Car for use of Company's business and telephone at residence will not be considered as perquisites), (xii) any other perquisites that may be allowed as per the guidelines issued by the Central Government from time to time.

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

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



"RESOLVED FURTHER THAT the Board be and is hereby authorised to alter and vary the terms & conditions of the above salary and perquisites in such manner as may be agreed to between Sri Mullapudi Narendranath, Joint Managing Director and the Board."

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

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

"RESOLVED THAT pursuant to provisions of Sections 197 and other applicable provisions of the Companies Act, 2013 (Act) read with Schedule V to the said Act or any statutory modification or any re-enactment of the Act and such other approvals as may be required Sri Mullapudi Thimmaraja be and is hereby re-appointed as Joint Managing Director of the Company for a period of five years with effect from 1-1-2023 on the following terms & conditions:-

Sri Mullapudi Thimmaraja is subject to retirement by rotation during the tenure of his office as Joint Managing Director from 1-1-2023 to 31-12-2027.

**1. Salary** : Rs. 1,50,000/- per month.

**2. Commission** : Upto 1.25% of the net profits of the Company subject to the overall ceiling stipulated in Sections 197 of the Companies Act, 2013

**3. Perquisites** : (i) Housing - if required, free furnished residential accommodation with all facilities and amenities including Gas, Electricity, Water, Furniture/Fittings etc., the monetary value of which may be evaluated as per Rule 3 of the Income-Tax Rules, 1962. The expenditure incurred by the Company on Gas, Electricity, Water and Furnishings shall be subject to a ceiling of 10% of the Salary. In case where the Company does not provide accommodation, House Rent Allowance shall be paid at the rate of 50% of the Salary. (ii) Medical reimbursement of the expenses incurred for the treatment in India / abroad for self and family, (iii) Leave Travel Concession - for himself and his family as per the rules of the Company, (iv) Club Fees, (v) Personal Accident Insurance, (vi) Provident Fund, Company's contribution towards Provident Fund at 12% of his salary or any rate applicable from time to time, (vii) Superannuation Fund - Company's contribution towards Superannuation Fund as per the rules of the Company, such contribution together with Company's contribution shall not exceed 27% of the salary as laid down under the Income tax Rules, 1962 or such other ceiling as may be prescribed from time to time, (viii) Gratuity - not exceeding ½ a month's salary for each completed year of service, (ix) Leave - entitled to one month's leave, as per the rules of the Company on full pay for every 11 months of service. Encashment of leave at the end of tenure will not be included in computation of ceiling on perquisites, (x) Telephone - one or more free telephone facility at the residence for the use of Company's business, (xi) Car - use of one or more cars for Company's business with driver and all expenses of maintenance, repairs and cost of petrol. (provision of Car for use of Company's business and telephone at residence will not be considered as perquisites), (xii) any other perquisites that may be allowed as per the guidelines issued by the Central Government from time to time.

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

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

"RESOLVED FURTHER THAT the Board be and is hereby authorised to alter and vary the terms & conditions of the above salary and perquisites in such manner as may be agreed to between Sri Mullapudi Thimmaraja, Joint Managing Director and the Board."

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profit in any financial year of the Company during the term of his Office as Joint Managing Director, the remuneration and perquisites set out above be paid or granted to Sri Mullapudi Thimmaraja as minimum remuneration stipulated in Section II of Part II of

## The Andhra Sugars Limited

Schedule V of the said Act or such other amount and perquisites as may be provided in the said Schedule V as may be amended from time to time or any equivalent statutory re-enactment(s) thereof."

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

"RESOLVED THAT pursuant to the provisions of Sections 197 and other applicable provisions of the Companies Act, 2013 (Act) read with Schedule V to the said Act or any statutory modification or any re-enactment of the Act and such other approvals as may be required Sri P. Achuta Ramayya be and is hereby re-appointed as Joint Managing Director of the Company for a period of five years with effect from 1-1-2023 on the following terms & conditions."

Sri P. Achuta Ramayya is subject to retirement by rotation during the tenure of his office as Joint Managing Director from 1-1-2023 to 31-12-2027.

**1. Salary** : Rs. 1,50,000/- per month.

**2. Commission** : Upto 1.25% of the net profits of the Company subject to the overall ceiling stipulated in Sections 197 of the Companies Act, 2013

**3. Perquisites** : (i) Housing - if required, free furnished residential accommodation with all facilities and amenities including Gas, Electricity, Water, Furniture/Fittings etc., the monetary value of which may be evaluated as per Rule 3 of the Income-Tax Rules, 1962. The expenditure incurred by the Company on Gas, Electricity, Water and Furnishings shall be subject to a ceiling of 10% of the Salary. In case where the Company does not provide accommodation, House Rent Allowance shall be paid at the rate of 50% of the Salary. (ii) Medical reimbursement of the expenses incurred for the treatment in India / abroad for self and family, (iii) Leave Travel Concession - for himself and his family as per the rules of the Company, (iv) Club Fees, (v) Personal Accident Insurance, (vi) Provident Fund, Company's contribution towards Provident Fund at 12% of his salary or any rate applicable from time to time, (vii) Superannuation Fund - Company's contribution towards Superannuation Fund as per the rules of the Company, such contribution together with Company's contribution shall not exceed 27% of the salary as laid down under the Income tax Rules, 1962 or such other ceiling as may be prescribed from time to time, (viii) Gratuity - not exceeding ½ a month's salary for each completed year of service, (ix) Leave - entitled to one month's leave, as per the rules of the Company on full pay for every 11 months of service. Encashment of leave at the end of tenure will not be included in computation of ceiling on perquisites, (x) Telephone - one or more free telephone facility at the residence for the use of Company's business, (xi) Car - use of one or more cars for Company's business with driver and all expenses of maintenance, repairs and cost of petrol. (provision of Car for use of Company's business and telephone at residence will not be considered as perquisites), (xii) any other perquisites that may be allowed as per the guidelines issued by the Central Government from time to time.

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

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

"RESOLVED FURTHER THAT the Board be and is hereby authorised to alter and vary the terms & conditions of the above salary and perquisites in such manner as may be agreed to between Sri P. Achuta Ramayya, Joint Managing Director and the Board."

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

(BY ORDER OF THE BOARD)

Venkatarayapuram  
TANUKU - 534 215  
10-08-2022

For THE ANDHRA SUGARS LIMITED  
P. Narendranath Chowdary  
Chairman & Managing Director

**Annexure to Addendum to Notice  
Explanatory Statement pursuant to section 102 of the Companies Act, 2013**

**ITEM NO. 7**

The Present term of Sri Mullapudi Narendranath as Joint Managing Director will be expiring by 31.12.2022.

Members are kindly aware that your Company has 3 Sugar units- at Tanuku (Sugar Unit-I), Tanuku, Taduvai and (Sugar Unit-II) and Bhimadole (Sugar Unit-III).

Sri Mullapudi Narendranath has been incharge of all the Sugar Units since taking over as Joint Managing Director from 1.1.1998.

He has been instrumental in taking up Co- Generation at Sugar Unit-II, setting up of Bagasse Driers at 3 Sugar Plants, Floating Clarifiers at the 3 Sugars Plants, SRI Continuous Pans at Sugar Unit-I and Sugar Unit-II Latest falling Film Evaporators at Sugar Unit-III, SRI New Generation Clarifiers at Sugar Unit I & III, LLT Clarifier at Sugar Unit-II, Modification of the Diffuser that brought down pol in Bagasse from 1.3 to 0.8.

In view of the need to produce Cane Varieties suited to Mechanical Harvesting he was instrumental in setting up a Cane Breeding Programme that is giving Higher Yielding and Higher Sugar content Varieties of Cane.

He has been on the Executive Committees of the "**Sugar Processing Institute**", New Orleans (USA), "**Sugar Industry Technologists Inc**". Sugarland, USA. He is also a director on the Board of Sree Akkamamba Textiles Limited and Hindustan Allied Chemicals Limited.

In view of his wide exposure in Sugar Technology and Sugarcane development, your Board of Directors consider it advisable to re-appoint him as Joint Managing Director for a further period of 5 years with effect from 1.1.2023.

He is also a member of Risk Management Committee constituted by the board of your Company.

He is also Director in the Board of Sree Akkamamba Textiles Ltd., Hindustan Allied Chemicals Ltd., and Sugar Industry Technologists Inc., USA.

Your Directors recommend the Resolution for your approval.

Sri Mullapudi Narendranath, the concerned Joint Managing director, along with his relative Sri Mullapudi Thimmaraja shall be deemed to be interested in the above Resolution.

**ITEM NO. 8**

The present term of Sri Mullapudi Thimmaraja as Joint Managing Director will be expiring by 31.12.2022. Sri Mullapudi Thimmaraja has been the Whole-time Director of your Company from 1978.

Sri Mullapudi Thimmaraja as Joint Managing Director has been looking after general administration of the Company besides supervision of day to day Administration of all the units at Tanuku, other than Sugar.

In view of the growing stature of the Company, your Board of Directors consider it advisable to re-appoint Sri Mullapudi Thimmaraja as Joint Managing Director in the best interest of the Company for a further period of 5 years with effect from 1.1.2023 on the terms and conditions as set out in the Resolution.

He is also a member of Stakeholders Relationship Committee and Corporate Social Responsibility Committee constituted by the board of your Company.

He is also a director in the board of JOCIL Limited and The Andhra Petrochemicals Limited.

Your Directors recommend the Resolution for your approval.

Sri Mullapudi Thimmaraja, the concerned Joint Managing Director, along with his relative Sri Mullapudi Narendranath shall be deemed to be interested in the Resolution.

**ITEM NO.9**

The present term of Sri P. Achuta Ramayya as Joint Managing Director will be expiring by 31.12.2022.

Sri P. Achuta Ramayya has been the Executive Director of your Company from 1983 and subsequently re-designated as Joint Managing Director with effect from 1.4.2012.

Sri P. Achuta Ramayya has been looking after Marketing of various products of the company and the activities of Cotton and Oil Products Division, Guntur. In view of the growing stature of the Company, your Board

## **The Andhra Sugars Limited**

of Directors consider it advisable to re-appoint Sri P. Achuta Ramayya as Joint Managing Director in the best interests of the Company for a further period of 5 years with effect from 1.1.2023 on the terms and conditions as set out in the Resolution.

He is also a member of Audit Committee and Risk Management Committee constituted by the board of your Company.

Your Directors recommend the Resolution for your approval.

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

(BY ORDER OF THE BOARD)

Venkatarayapuram  
TANUKU - 534 215  
10-08-2022

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

For THE ANDHRA SUGARS LIMITED  
P. Narendranath Chowdary  
Chairman & Managing Director

e-mail: [investors@theandhrasugars.com](mailto:investors@theandhrasugars.com)  
Website: [www.theandhrasugars.com](http://www.theandhrasugars.com)

## CDSL e-Voting System - For Remote e-voting

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency.

### **THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTEE E-VOTING AS UNDER:**

- (i) The voting period begins on 23rd September, 2022 from 9.00 A.M. and ends on 25th September 2022 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 19th September, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Access to depository CDSL/NSDL e-voting system in case as individual shareholders holding shares in demat mode.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetingsfor Individual shareholders holding securities in Demat mode is given below:

## The Andhra Sugars Limited

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> </ol>

Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.
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**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Step-2:**

Access through CDSL e-voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

## The Andhra Sugars Limited

PAN	<b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b>
	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  1 Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.  1 If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (v) After entering these details appropriately, click on "SUBMIT" tab.
- (vi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (vii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (ix) 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.
- (x) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xi) 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.
- (xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xiv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xv) There is also an option provision to upload Board Resolution/Power of Attorney

### Additional Facility for Non - Individual Shareholders and Custodians -Remote Voting

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.



- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investors@theandhrasugars.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, MarathonFuturex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

**TDS on Dividend**

Dear Shareholder,

We are pleased to inform you that the Board of Directors at their Meeting held on May 28, 2022 has recommended a Dividend of Rs. 4/- per Equity Share (Face Value of Rs. 2/-) Normal Dividend Rs. 2/- (100%) and Diamond Jubilee Dividend of Rs. 2/- (100%) for the Financial Year ended March 31, 2022 and the said Final Dividend will be payable post approval of the Shareholders at the ensuing Annual General Meeting of the Company to be held on 26th September, 2022.

As you are aware that as per the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividends paid or distributed by a Company after April 1, 2021 shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source at the time of making the payment of the said Final Dividend, if approved at the above AGM.

The TDS rate may vary depending on the residential status of the shareholder and the documents submitted to the Company in accordance with the provisions of the Act. The TDS for various categories of shareholders along with required documents are provided in the below table:

**Resident Shareholders:**

<b>Category of shareholder</b>	<b>Tax Deduction Rate</b>	<b>Exemption applicability/ Documents required</b>
Any resident shareholder	7.5%	Update the PAN if not already done with depositaries (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agents - M/s.. XL Softech Systems Limited (in case of shares held in physical mode).  No deduction of taxes in the following cases - <ul style="list-style-type: none"> <li>o If dividend income to a resident Individual shareholder during FY 2022-23 does not exceed INR 5,000.</li> <li>o If shareholder is exempted from TDS provisions through any circular or notification and provides an attested copy of the PAN along with the documentary evidence in relation to the same.</li> </ul>
Submitting Form 15G / Form 15H	NIL	Eligible Shareholder providing Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an Individual above the age of 60 years) - on fulfillment of prescribed conditions.
Order under section 197 of the Act	Rate provided in the order	Lower/NIL withholding tax certificate obtained from Income Tax Authorities.

Insurance Companies: Public & Other Insurance Companies	NIL	Documentary evidence that the provisions of section 194 of the Act are not applicable.
Corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income- tax on its Income.	NIL	Documentary evidence that the person is covered under section 196 of the Act.
Mutual Funds	NIL	Documentary evidence that the person is covered under section 196 of the Act.
Alternative Investment fund	NIL	Documentary evidence that the person is covered by Notification No. 51/2015 dated 25 June 2015.
Other shareholder without PAN/Invalid PAN	20%	Documentary evidence that the person is covered by Notification No. 51/2015 dated 25 June 2015.

**Non-resident Shareholders:**

Category of shareholder	Tax Deduction Rate	Exemption applicability/ Documents required
Any non-resident shareholder (Foreign Institutional Investors, Foreign Portfolio Investors (FII, FPI))	20% (plus applicable surcharge and cess) or Tax Treaty rate, whichever is lower	<p>Non-resident shareholders (including FPI and FII shareholders) may opt for tax rate under Double Taxation Avoidance Agreement ("Tax Treaty"). The Tax Treaty rate shall be applied for tax deduction at source on submission of following documents to the company</p> <ul style="list-style-type: none"> <li>1 Copy of the PAN Card, if any, allotted by the Indian authorities.</li> <li>1 Self-attested copy of Tax Residency Certificate (TRC) valid as on the AGM date obtained from the tax authorities of the country of which the shareholder is resident.</li> </ul> <p>Self-declaration in Form 10F.</p> <p>Self-declaration confirming not having a Permanent Establishment in India, eligibility to Tax Treaty benefit and do not / will not have place of effective management in India.</p> <p>TDS shall be recovered at 20% (plus applicable surcharge and cess) if any of the above-mentioned documents are not provided.</p> <p>The Company is not obligated to apply the Tax Treaty rates at the time of tax deduction/withholding on dividend amounts. Application of Tax Treaty rate shall depend upon the completeness of the documents submitted by the nonresident shareholder and are in accordance with the provisions of the Act.</p>
Submitting Order under section 195(3) /197 of the Act.	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from Income Tax authorities.

## The Andhra Sugars Limited

### Please Note that:

- a) In the absence of valid PAN, tax will be deducted at a higher rate of 20% as per Section 206AA of the Act.
- b) Share holders holding shares under multiple accounts under different status / category and single PAN, may note that, applicable TDS will be made on their entire cumulative holding in different accounts.
- c) The documents as mentioned in the above table are required to be sent to us at the Registered Office of the Company or may be sent by way of email to [investors@theandhrasugars.com](mailto:investors@theandhrasugars.com) on or before 26th September, 2022 in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. No communication/documents on the tax determination / deduction shall be considered post 26th September 2022.
- d) The Company will arrange to send TDS certificate to the shareholders in due course.
- e) The tax credit can also be viewed in Form 26AS by logging in with your credentials (with valid PAN) at TRACES <https://www.tdscpc.gov.in/app/lojgin.xhtml> or the e-filing website of the Income Tax department of India <https://www.incometaxindiaefiling.gov.in/home>.
- f) In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Shareholder's, such Shareholder/s will be responsible to indemnify the Company and also, provide the Company with all information/documents and co-operation in any appellate proceedings.
- g) In case where shares held by intermediaries/ stock brokers and TDS is to be deducted in the PAN of the beneficial shareholders then intermediaries/ stock brokers and beneficial shareholders will have to provide a declaration in this regard. This declaration should be shared within 2 days from the record date. No declaration shall be accepted after 2 days from the record date.
- h) It may be further noted that in case the tax on said Final Dividend is deducted at a higher rate in the absence of receipt of the aforementioned details/documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.

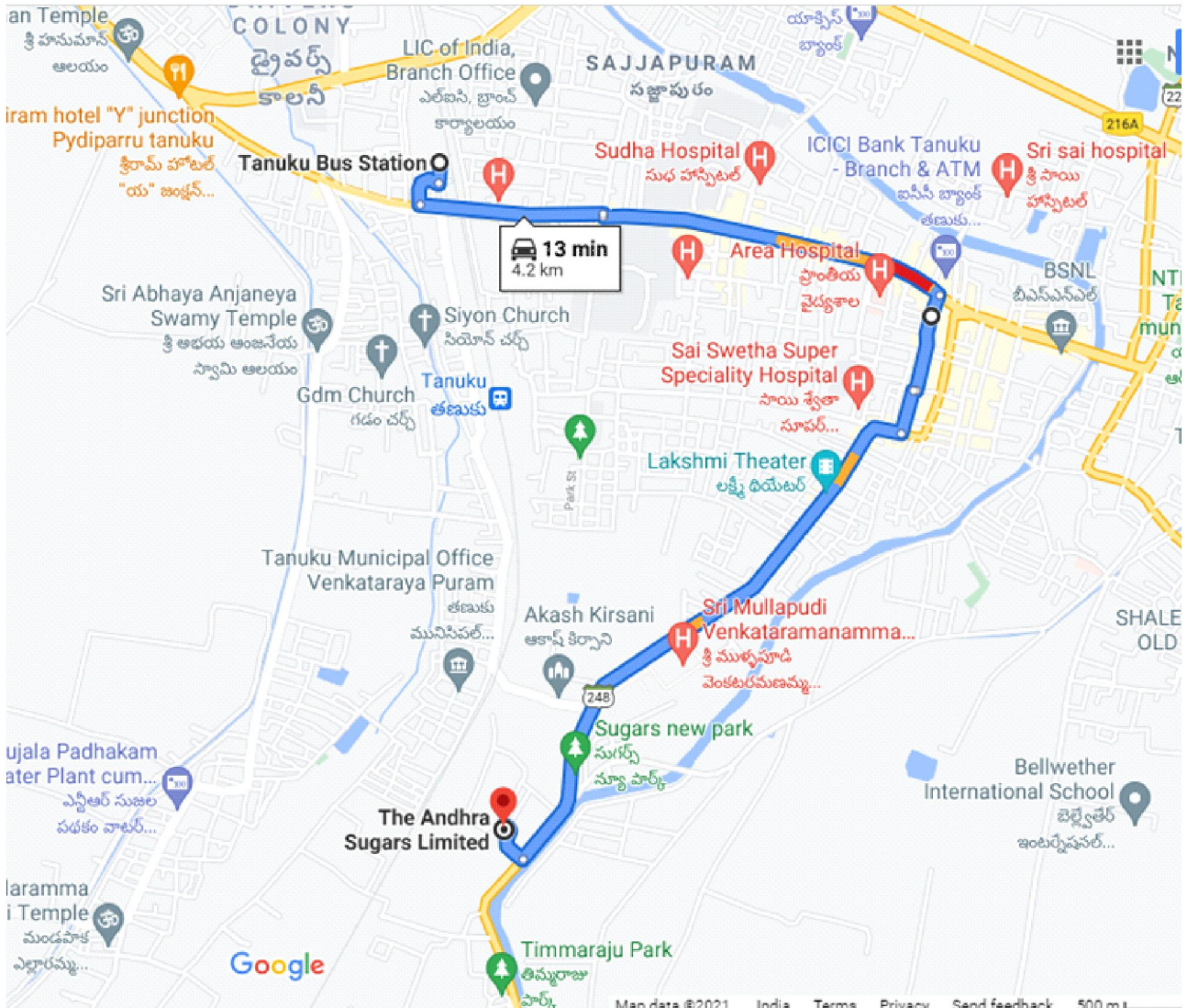
Disclaimer: This communication shall not be treated as an advice from the Company or its Registrar & Transfer Agent. Shareholders should obtain the tax advice related to their tax matters from a tax professional.

**(BY ORDER OF THE BOARD)**

**Venkatarayapuram**  
**TANUKU - 534 215**  
**28-05-2022**  
CIN: L15420AP1947PLC000326  
Tel.: +91-8819-224911

**For THE ANDHRA SUGARS LIMITED**  
**P. NARENDRANATH CHOWDARY**  
**Chairman and Managing Director**  
e-mail: [info.tnk@theandhrasugars.com](mailto:info.tnk@theandhrasugars.com)  
Website: [www.theandhrasugars.com](http://www.theandhrasugars.com)

ROUTE MAP



Nearest Airports : Vijayawada (VGA) - 117 K.M.  
Rajahmundry (RJA) - 55 K.M.

Nearest Railway Stations : Tanuku - 2 K.M.  
Tadepalligudem - 20 K.M.



# THE ANDHRA SUGARS LIMITED

Regd. Office : Venkatarayapuram, TANUKU - 534 215

CIN : L15420 AP1947 PLC 000326

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

Phone : 08819-224911, Fax : 08819-224168

**PROXY FORM**

I/We being the member(s) of The Andhra Sugars Ltd., holding ..... 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 for me/us and on my/our behalf at the 75<sup>th</sup> Annual General Meeting of the Company to be held on 26th September, 2022 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	
		For	Against
	<b>Ordinary Business</b>		
1.	Adoption of Audited Financial Statements for the year ended 31 <sup>st</sup> March, 2022		
2.	Approval of dividend for the year 2021-22		
3.	Re-appointment of Sri Mullapudi Thimmaraja, as Director who retires by rotation		
4.	Re-appointment of Sri P.S.R.V.K. Ranga Rao, as Director who retires by rotation		
5.	To appoint Statutory Auditors Brahmayya & Co. Chartered Accountants and fix remuneration.		
	<b>Special Business</b>		
6.	Ratification of remuneration of Cost Auditors		
7.	Re-appointment of Sri Mullapudi Narendranath as whole-time Director for a period of 5 years		
8.	Re-appointment of Sri Mullapudi Thimmaraja as whole-time Director for a period of 5 years		
9.	Re-appointment of Sri Pendyala Achuta Ramayya as whole-time Director for a period of 5 years		

Signed this ..... day of ..... 2022

Signature of Shareholder .....

Signature of Proxy holder(s) .....

Affix  
Revenue  
Stamp not  
less than  
Re 1.00

**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 75<sup>th</sup> 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.