



THE ANDHRA SUGARS LIMITED

Regd. Office: Venkatarayapuram, Tanuku – 534215

CIN: L15420AP1947PLC000326

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

BOARD OF DIRECTORS :

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

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

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

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

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

Sri A. Ranga Rao (Upto 08-03-2020)
Independent Director

Dr. P. Kotaiah
Independent Director

Sri V. S. Raju
Independent Director

Dr. A.V. Rama Rao
Independent Director

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

Dr. (Smt.) D. Manjulata
Independent Director

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

Sri P.V.S. Viswanadha Kumar, F.C.A., F.C.M.A., A.C.S.
General Manager (Finance) & Addl. Secretary (CFO)

BANKERS :

Andhra Bank
State Bank of India
Bank of Baroda
Indian Bank

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

REGISTERED OFFICE :

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

REGISTRAR & SHARE TRANSFER AGENTS:

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

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DIRECTORS REPORT

To

The Shareholders

Your Directors have pleasure in presenting this SEVENTY THIRD ANNUAL REPORT along with the audited Statement of Accounts for the year ending 31st March, 2020.

Financial Results:

(Rupees in lakhs)

Particulars	This Year	Last Year
Sales	104068.14	97436.36
Other Income	2702.27	3742.69
	106770.41	101179.05
Profit for the year	25974.96	30375.06
Depreciation	5649.03	4972.53
Profit after depreciation	20325.93	25402.53
Add: Short / (Excess) Provision of Tax of Earlier years	(200.42)	(3.00)
Short entitlement of MAT Credit		--
Less:		
Provision for Current Tax	5300.00	8360.00
Provision for Deferred Tax	(3789.24)	473.52
Profit after Tax	19015.59	16572.01
Add: Balance brought forward from last year	28583.71	30259.51
Profit available for utilisation	47599.30	46831.52
UTILISATION		
Equity Dividend	2710.71	2710.71
Interim Equity Dividend (2019-20)	5421.42	--
Tax on Distributed Profits	1661.54	537.10
Transfer to General Reserve	10000.00	15000.00
Balance carried forward to next year	27805.63	28583.71
	47599.30	46831.52

PERFORMANCE:

Your Directors are glad to report that for the year 2019 – 2020, your Company made a Profit of Rs.203.26 Crores (before tax) against a Profit of Rs. 254.03 Crores made last year, which reflect another year of consistent performance. The Net Profit (After Tax) was Rs.190.16 Crores against Rs. 165.72 Crores made last year.

DIVIDENDS:

Your Directors paid an Interim Dividend of Rs. 20/- per Equity Share i.e., 200% (Face Value Rs.10/-) for the year 2019-20. This is the highest Dividend paid since inception. Your Directors recommended this Interim Dividend as Final Dividend for the year 2019-20.

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

As on 31.3.2020, the Authorised Capital of the Company is Rs.30.00 Crores and the Paid-up Capital is Rs. 27.11 Crores.

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Reserves:

With the transfer of Rs.100. Crores during the year under report, the total Reserves as on 31.3.2020 stands at Rs. 693.30 Crores against Rs. 593.46 Crores on 31.3.2019.

REVIEW OF OPERATIONS:

SUGAR UNITS:

The Sugar Units II and III crushed in aggregate 4,84,820 M.T. of cane during the 2019-2020 season against 7,69,073 M.T. crushed by Two Units last year. The crushing operations and cane price paid to cane suppliers for the 2019-2020 Season are:

	SUGAR UNIT – II TADUVAI		SUGAR UNIT – III BHIMADOLE	
	Fin.Year 2019-20	Fin.Year 2018-19	Fin.Year 2019-20	Fin.Year 2018-19
(A) Crushing details:				
Total cane crushed (MT)	311510	4,62,325	173310	3,06,748
Total No. of days crushed	91	148	71	113
Total Sugar produced(MT)	31372	47822	16523	30707
Average Recovery	10.07%	10.34%	9.53%	10.01%
(B) Cane price:				
Fair & Remunerative price (per M.T.)	2845.00	2,950.00	2755.00	2,670.00
Cane price paid (per M.T.)*	3010.74	3029.31	2910.95	2928.52

- Includes Transport Subsidy.
- Crushing Operations for the Season 2019-20 has been lower compared to Season 2018-19 due to non-availability of Cane.
- Operations of Sugar Unit-I was suspended for the Season 2019-2020.
- To encourage farmers to plant cane, your Company opted to pay a cane price higher than the Fair Remunerative Price fixed by the Government.
- Board of Directors decided to suspend Operations at Sugar Unit-III, Bhimadole for the Crushing Season 2020-21.

POWER GENERATION:

During the year under report the Co-generation Unit at Taduvai generated 1,53,05,000 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.496.79 Crores was achieved, Profit after depreciation achieved this year was Rs 152.57. Crores against Rs. 214.90 Crores last year.

Aspirin Division has also performed impressively by posing a profit of Rs.11.72 Crores as against 9.73 Crores.

WIND POWER UNITS:

The Power generated at Ramagiri Wind Mills during this year is 14,95,250 Units.

The Power generation at the Tamil Nadu Wind Mills during the year under report is 2,67,54,863 Units. This Power is being fed into the Tamil Nadu State Electricity Board grid.

The Power generated by 33 MW Coal Based Power Plant put up by the Company at Saggonda is 21,89,40,800 units during this year. This Power is being used for operation of Our Chemical Plants at Saggonda.

PROJECTS:

Your Company has successfully expanded 100 TPD Caustic Soda Plant at Saggonda in the Financial Year 2019-20. With this the total Plant Capacity is 500 TPD. 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.

Hydrochloric Acid Plant is operating at capacity of 600 TPD in order to utilize Chlorine emerging from the production of Caustic Soda.

Your company is setting up a project at J.N.Pharmacy, Parawada, Visakhapatnam in non-sez area to manufacture 100 TPD Sodium Hypochlorite. The estimated project cost is about Rs.20.00 crores. The important raw materials required are Sodium Hydroxide and Chlorine gas, which 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. Erection of process equipment is in progress. It is expected to complete the project by the end of December, 2020.

Keeping in view the need for your Company to expand the base of its Chlor-Alkali operations an application to the concerned authorities has been made for establishment of Plants at J.N.Pharmacy, Parawada, Visakhapatnam for 245 TPD Caustic Soda, 50 TPD Caustic Potash, 600 TPD Hydrochloric Acid, 300 TPD Sulphuric Acid and 200 TPD Chlorine.

To meet the International customers' requirement, capacity of Aspirin Plant has been expanded to 2000 TPA from 1000 TPA.

DEMATERIALIZATION OF EQUITY SHARES:

As of 31st March, 2020 Equity Shares representing 53.81% of the Share Capital have been dematerialised.

AUDITORS:

M/s K.S. Rao & Co., Chartered Accountants, Hyderabad, the present Auditors were appointed at 70th Annual General Meeting for a period of 5 Financial Years i.e., 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22.

Their remuneration for the Financial Year 2020-21 of Rs17,00,000/- is being sought for your approval at the ensuing Annual General Meeting.

COST AUDITORS:

For the year 2019-2020 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 2020-21, your Board of Directors have approved the appointment of M/s. Narasimha Murthy & Co., Hyderabad as Cost Auditors and recommend 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 Listing Agreement, 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 top 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:

Consequent up on the sad demise of Independent Director Sri A. Ranga Rao, who was the Chairman of the Audit Committee, the Audit Committee was re-constituted by the Board by inducting Sri P.A. Chowdary, Independent Director on the Committee. As such the Audit Committee presently comprises of 3 non Whole-time, Independent Directors, Dr. P. Kotaiah, Sri V.S. Raju and Sri P.A.Chowdary.

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DIRECTORS AND KMP:

Sri A. Ranga Rao, ceased to be Director due to his sad demise on 08.03.2020. The Board places on record its commendable appreciation of the service and guidance received from him during his tenure as Director for more than two and half decades.

Directors Sri Mullapudi Thimmaraja and Sri P. S.R.V.K. Ranga Rao retire by rotation at the ensuing 73rd Annual General Meeting and being eligible, offer themselves for re-appointment.

Approval for the appointment of Sri P. Narendranath Chowdary as Managing Director for a period of 5 years with effect from 12.01.2021 is being placed at the ensuing Annual General Meeting.

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 & Managing Director, Sri M. Palachandra, Company Secretary and Sri P.V.S. Viswanadha Kumar, General Manager (Finance) & Addl. Secretary (CFO) 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 had been followed ;
- b) that the directors selected such accounting policies and applied them consistently and made judgments and estimates that they 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 5 times during the financial year 2019-2020 on 29.05.2019, 10.08.2019, 07.11.2019, 08.02.2020 and 14.03.2020.

INDEPENDENT DIRECTORS MEETING:

A Meeting of Independent Directors was held on 14th March, 2020. 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 & Managing Director. The matter when ever 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 Sri A. Ranga Rao was constituted by the Board. Member Sri A. Ranga Rao passed away on 08.03.2020. Dr. D. Manjulata was appointed as Member of the Committee with effect from 14.03.2020.

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 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 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 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.

Covid-19:

With a view to support the State Government in its efforts to tackle the crisis arising from Pandemic Covid-19 your Company contributed Rs2.00 Crores to Chief Minister's Relief Fund. Besides this, Company also supplied 800 MT of Sodium Hypochlorite and 7,500 Liters of Sanitizers to the required Villagers/ Persons.

There has been no material impact on the operations of the Company due to Covid-19. The Company is taking all steps to adhere to the guidelines of Ministry of Home Affairs with a view to ensure that appropriate precautionary measures are in place for the prevention of the effects of Covid-19 on the work force.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

RISK MANAGEMENT POLICY:

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

- Identification of areas of Risk
- Assessing the impact of Risks
- Steps taken to 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 Power Plant has been commissioned. This would improve the power availability to the Chemical Plants at Saggonda.

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.

EXTRACT OF ANNUAL RETURN: As required by Section 92 (3) of the Companies Act, 2013 and relevant rules, an Extract of Annual Return in MGT9 is placed on the Company's website. You can find the same on 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 has been 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 employees remuneration is enclosed.

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

There are no significant and material orders passed by the Regulators or Courts or Tribunals or Competition Commission of India 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 31.3.2020 is given hereunder.

		2019-2020	2018-19
a)	Accepted during the year.	13,58,56,000	34,68,55,000
b)	Remained unpaid or unclaimed as at the end of the year	34,65,000	46,85,000
c)	Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved.	NO	NO
i)	at the beginning of the year	NOT APPLICABLE	NOT APPLICABLE
ii)	maximum during the year	-do-	-do-
iii)	at the end of the year	-do-	-do-
d)	Details of deposits which are not in compliance with the requirements of Chapter V of the Act.	NIL	NIL

CONSOLIDATED ACCOUNTS:

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

The Accounts of the Subsidiary Companies for the year 2019-20 have not been attached to the Company's Accounts. However, Shareholders desirous of obtaining the Annual Accounts of the Subsidiaries may obtain them upon request. The Annual Report and the Accounts of the Subsidiary Companies will be kept for inspection at the Company's Registered Office as well as at the offices of your Subsidiary Companies.

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SUBSIDIARIES AND ASSOCIATE:

JOCIL LIMITED:

For the Financial Year ending 31.3.2020 your subsidiary Company, JOCIL Ltd., posted a profit of Rs.1764.82 lakhs (before taxation) against Rs. 126.07 lakhs (before taxation) last year. Board of Directors of this Company has recommended a Dividend of Rs3/- per Share to Shareholders for the Financial Year 2019-2020.

THE ANDHRA FARM CHEMICALS CORPORATION LIMITED:

The Company incurred a loss (before Tax) of Rs.1,02,909/- against the loss of Rs. 54/- last year.

HINDUSTAN ALLIED CHEMICALS LIMITED:

Directors are on the look out for the suitable projects to be taken. The company has sold the only fixed asset i.e., Land during the year. Thus the company do not have any fixed assets at the end of the year.

THE ANDHRA PETROCHEMICALS LIMITED:

The Company achieved sales of Rs.45593.27 lakhs against Rs. 66586.22 lakhs and earned profit (before Tax) of Rs. 2102.31 lakhs against Rs. 9499.10 lakhs last year.

INTERNAL CONTROL SYSTEM:

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

LISTING ON STOCK EXCHANGE:

Company's Equity Shares are listed on National Stock Exchange and Annual Listing Fee for the Financial Year 2019-20 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 and one 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
27.06.2020

For and on behalf of the Board
P. NARENDRANATH CHOWDARY
Chairman & 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 stake-holders in the Company. ASL affirm that healthy Corporate Governance leads to the operations and actions which serve the underlying goal of continuously enhancing the value that the Company can create for the stake-holders including Shareholders, Employees, Customers, Suppliers, Lenders, Government and other parties having association with ASL.

2. BOARD OF DIRECTORS

a) As on 31.3.2020, 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 Pendyala Narendranath Chowdary Chairman & Managing Director
	Sri Mullapudi Narendranath Joint Managing Director
	Sri Mullapudi Thimmaraja Joint Managing Director
	Sri Pendyala Achuta Ramayya Joint Managing Director
	Sri P.S.R.V.K. Ranga Rao Executive Director
Non-Executive and Independent Directors	Dr. A.V. Rama Rao
	Dr. P. Kotaiah
	Sri V.S. Raju
	Sri P.A. Chowdary, I.R.S.(Retd.)
	Dr. D. Manjulata

Inter se Relationship among Directors

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

Sri Mullapudi Narendranath & Sri Mullapudi Thimmaraja – Brothers

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

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- 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	5	Y	7	4	1	1
Sri Mullapudi Narendranath	3	Y	2	—	—	—
Sri Mullapudi Thimmaraja	4	N	2	—	3	1
Sri P. Achuta Ramayya	5	Y	—	—	—	—
Sri P.S.R.V.K. Ranga Rao	5	Y	2	—	—	—
Sri A. Ranga Rao (Upto 08-03-20)	2	Y	—	—	—	—
Dr. P. Kotaiah	5	N	7	1	5	3
Sri V.S. Raju	5	N	3	—	4	3
Dr. A.V. Rama Rao	3	N	—	—	—	—
Sri P.A. Chowdary, I.R.S.(Retd.)	5	Y	2	—	—	—
Dr. D. Manjulata	5	N	2	—	3	—

Sri A. Ranga Rao, Chairman, Audit Committee was present at the last Annual General Meeting to answer the queries of the Shareholders. Sri A. Ranga Rao ceased to be director due his sad demise on 08.03.2020.

- * 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 Secretary in Practice, Hyderabad has been received stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of Companies by the Board (SEBI) or Ministry of Corporate Affairs or any such Statutory Authority.

d) NUMBER OF BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2019-20
AND THE DATES ON WHICH HELD

Sl.No.	Date of Board Meeting
1	29-05-2019
2	10-08-2019
3	07-11-2019
4	08-02-2020
5	14-03-2020

Information given to the Board:

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

Post Meeting Mechanism:

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

Familiarisation Programme for Directors:

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

Independent Directors:

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

Orientation programme to Independent Directors 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.

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

1	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.
2	Finance	Financial performance	Qualifications and experience in accounting and/or finance and the ability to: <ul style="list-style-type: none"> • analyse key financial statements; • critically assess financial viability and performance; • contribute to strategic financial planning; • oversee budgets and the efficient use of resources; and oversee funding arrangements and accountability.
3	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.
4	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.
5	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.
6	Sales and Marketing		Experience in developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation.

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 : Former Chairman of NABARD, has rich financial background and industrial experience of more than three and half decades. ⇒ Finance, Policy and Risk Management.
7. Sri V.S. Raju : Former Registrar of Companies, Andhra Pradesh, Hyderabad and Karnataka, Bangalore. He also held the position of Secretary and Deputy Secretary in the Department of Company Affairs, New Delhi. He is practicing as Advocate at Hyderabad and is eminent in Company Law Matters. ⇒ Board Service, Governance and Leadership.
8. Dr. A.V. Rama Rao : An eminent Scientist. He was former Director of Indian Institute of Chemical Technology and has considerable experience and expertise in the field of Chemical Technology. ⇒ Policy Development, Leadership, Sales & Marketing.
9. Sri P.A. Chowdary : A retired Chief Commissioner of Income-tax-I and has vast experience and has held various positions in Income-tax Department. ⇒ Finance, Leadership, Board Service and Governance.
10. Dr.(Smt.) D. Manjulata : Phd. In Telugu from Osmania University, Hyderabad. She was a Senate Member of Potti Sreeramulu Telugu University, Hyderabad & Krishna University, Machilipatnam. She also served as Vice-Chancellor of Potti Sreeramulu Telugu University, Hyderabad. Her administrative experience spans over 37 years in different positions. ⇒ Policy Development, 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 Agreement the Code of Conduct for Directors has been suitably amended to include the duties of Independent Directors. The said Code has been communicated to the Directors and the Senior Managers from whom the necessary affirmation has been received with regard to the compliance of Code. A declaration in this regard by the Managing Director is furnished at the end of the report. The Code has also been posted on the Company's website – www.theandhrasugars.com.

4. AUDIT COMMITTEE

- a) A qualified and Independent Audit Committee, meeting the requirements as stipulated in the Regulation 18 of the Listing Agreement has been constituted. Audit Committee consists of 3 non-Executive Independent Directors Sri A. Ranga Rao, Dr. P. Kotaiah and Sri V.S. Raju. Sri A. Ranga Rao was Chairman of the Committee up to 08.03.2020. Sri P. A. Chowdary is Member of the Committee from 14.03.2020. All the Members of the Committee are financially literate and have accounting or related Financial Management experience.
 - b) The terms of reference of the Audit Committee as detailed hereunder are in terms of Regulation 18 of the Listing Agreement:
 - i) Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
 - ii) Recommending to the Board the appointment, re-appointment and if required the replacement or removal of the Statutory Auditor and fixation of audit fees.
 - iii) Approval of payment to the Statutory Auditors for any service rendered by them.
 - iv) Review with the management the annual financial statements before submission to the Board for approval with particular reference to :
 - a) Matters required to be included in the Directors responsibility statement to be included in the Board's Report
 - b) Changes if any in the accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on exercise of judgement by management
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any Related Party Transaction.
 - g) Qualification in the draft Audit Report.
 - v) Review with the management, the quarterly financial statements before submission to the Board for approval.
 - vi) Review with the Management, performance of Statutory and Internal Auditors, adequacy of the Internal Control Systems.
 - vii) Review the adequacy of internal audit function if any, including the structure of the Internal Audit Department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
 - viii) Discussions with the Internal Auditors any significant findings and follow up thereon.
 - ix) Review the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 - x) Discussions with the Statutory Auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - xi) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
 - xii) To review the functioning of the Whistle Blower mechanism, in case the same is existing.
 - xiii) Carrying any other function as is mentioned in the terms of reference of the Audit Committee.
- The Audit Committee also reviews the following information as and when required.
- c. Management Discussion and Analysis of Financial condition and results of operations;
 - d. Statement of Significant Related Party Transactions (as defined by the Audit Committee)
 - e. Management Letters / Letters of Internal Control Weakness issued by the Statutory Auditors;
 - f. Internal Audit Reports relating to Internal Control Weaknesses
 - g. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

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h) AUDIT COMMITTEE MEETINGS HELD DURING THE FINANCIAL YEAR 2019 -20 AND ATTENDING OF DIRECTORS

S.No.	Directors Present	Date of Audit Committee Meeting			
		29.05.2019	10.08.2019	07.11.2019	08.02.2020
1	Sri A. Ranga Rao	x	√	√	x
2	Dr. P. Kotaiah	√	√	√	√
3	Sri V.S. Raju	√	√	√	√

Joint Managing Director, G.M.(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.

Company Secretary acts as a Secretary to the Committee.

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

NOMINATION AND REMUNERATION COMMITTEE

- a) A Nomination and Remuneration Committee meeting the requirements as stipulated in the Regulation 19 of the Listing Agreement has been constituted. Nomination and Remuneration Committee consists of 3 Non-Executive Independent Directors Sri A. Ranga Rao, Sri V.S. Raju and Sri P.A. Chowdary. Sri A. Ranga Rao passed away on 08.03.2020. on 14.03.2020 Smt. D, Manjulata, became the Member of the Committee. Sri V.S. Raju is Chairman of the Committee.
- b) The Company does not remunerate nor the Company has any pecuniary relationship with the non-Executive Directors except for the payment of sitting fees for attending each Meeting of the Board or Committee thereof.
- c) The terms of reference of the Nomination and Remuneration Committee as detailed hereunder are in terms of Regulation 19 of the Listing Agreement:
 - ❖ Identify persons who are qualified to be Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal
 - ❖ Carry out evaluation of every Director's performance
 - ❖ Formulate the criteria for determining qualifications, positive attributes and independence of a Director and
 - ❖ Recommend to the Board a Policy relating to the remuneration for the Directors, Key Managerial Personnel (KMP) and employees one level below the KMP.

While formulating the said Policy the Committee should ensure that

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

Performance Evaluation:

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

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

The criteria for nomination of Directors, KMP, Senior Management Personnel and their remuneration including criteria for promotion is described in Nomination and Remuneration Policy of the Company which can be accessed at the weblink: www.theandhrasugars.com. Perform such other functions as may be necessary or appropriate for the performance of its duties.

C) NOMINATION AND REMUNERATION COMMITTEE MEETINGS HELD DURING THE FINANCIAL YEAR 2019-20 AND ATTENDANCE OF DIRECTORS.

S.No.	Directors Present	Date of Nomination and Remuneration Committee Meeting			
		29.05.2019	10.08.2019	07.11.2019	08.02.2020
1	Sri A. Ranga Rao	x	√	√	x
2	Sri P.A. Chowdary	√	√	√	√
3	Sri V.S. Raju	√	√	√	√

Details of the remuneration paid / payable to the Directors during the year 2019-20 are as hereunder:-

Name of Director	Remuneration paid / payable to the Directors			
	Sitting Fees	Salaries & Perquisites	Commission	Total
	Rs.	Rs.	Rs.	Rs.
Sri P. Narendranath Chowdary	Nil	45,79,924	6,37,25,631	6,83,05,555
Sri Mullapudi Narendranath	Nil	31,95,571	4,02,35,614	4,34,31,185
Sri Mullapudi Thimmaraja	Nil	31,90,001	4,02,41,184	4,34,31,185
Sri P. Achuta Ramayya	Nil	25,94,427	4,07,01,760	4,32,96,187
Sri P.S.R.V.K. Ranga Rao	Nil	17,25,080	1,88,09,000	2,05,34,080
Sri A. Ranga Rao (upto 08-03-2020)	1,60,000	Nil	Nil	1,60,000
Dr. P. Kotaiah	2,50,000	Nil	Nil	2,50,000
Sri V.S. Raju	3,75,000	Nil	Nil	3,75,000
Dr. A.V. Rama Rao	90,000	Nil	Nil	90,000
Sri P.A. Chowdary, I.R.S.(Retd.)	3,50,000	Nil	Nil	3,50,000
Dr. D. Manjulata	1,50,000	Nil	Nil	1,50,000

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

Corporate Social Responsibility (CSR) Committee:

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

The terms of reference of the CSR Committee broadly comprises:

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

Meeting and attendance:

The CSR Committee met during the year on 07.11.2019. The necessary quorum was present at the meetings. All the members of the Committee attended the said meetings.

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

Independent Directors Meeting:

The Independent Directors met on 14th March, 2020, *inter alia*, to discuss:

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

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

5. SUBSIDIARIES :

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

6. SHAREHOLDING OF NON-EXECUTIVE DIRECTORS:

As on 31.03.2020 Dr. D. Manjulata holds 21500 Equity Shares in the Company. No other Non-executive Director holds any equity shares in the Company. During the year 2019-20 Company has not issued any convertible instruments.

7. MANAGEMENT

- a) Management Discussion and Analysis and Business Responsibility Statement forms the part of Annual Report.
- b) Disclosure by the Management to the Board : Please refer point No. 12

8. CEO / CFO CERTIFICATION

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

9. STAKEHOLDERS' RELATIONSHIP COMMITTEE

- a) The Board has constituted Stakeholders' Relationship Committee comprising Sri P.A. Chowdary, (Chairman of the Committee – non-Executive & Independent Director), Sri P. Narendranath Chowdary and Sri Mullapudi Thimmaraja 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) The Board has designated Sri M. Palachandra, Company Secretary as the Compliance Officer.
- c) During the year 2019-2020, Four Committee Meetings were held on dates viz., 29-05-2019, 10-08-2019, 07-11-2019 & 08-02-2020. The Company received a total number of 16 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 31.3.2020, no Share Transfers were pending and there were no pending complaints.
- d) ATTENDANCE OF DIRECTORS AT THE STAKEHOLDERS RELATIONSHIP COMMITTEE MEETING HELD DURING FINANCIAL YEAR 2019-20.

S.No.	Directors Present	Date of Stakeholders Relationship Committee Meeting			
		29.05.2019	10.08.2019	07.11.2019	08.02.2020
1.	Sri P.A.Chowdary	√	√	√	√
2.	Sri P.Narendranath Chowdary	√	√	√	√
3.	Sri Mullapudi Thimmaraja	√	√	√	√

10. ANNUAL GENERAL BODY MEETINGS

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

Financial Year – 1 st April to 31 st March			
Financial Year	Venue	Date	Time
2016 – 2017	Registered Office, VENKATARAYAPURAM, TANUKU-534 215 (A.P.)	23-09-2017	3.00 p.m.
2017 – 2018	-do-	26-09-2018	3.00 p.m.
2018 – 2019	-do-	26-09-2019	3.00 p.m.

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

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

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

DATE OF AGM	NO. OF SPECIAL RESOLUTIONS	SUBJECT MATTER
23-09-2017	1	Alteration of Articles of Association
26-09-2018	1	Loans/Guarantees/Securities to be extended to Subsidiary Companies and Associate Company
26-09-2019	7	Appointment of Independent Directors and Remuneration of Whole Time Directors exceeding 5% of Net Profit

11. OTHER DISCLOSURES

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

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

- ii. There were no instances of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authorities, on any matter related to Capital markets during last three years.
- iii. Company has a Whistle Blower Policy.
- iv. Details regarding Non-Mandatory requirements are enumerated under point No. 14.

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.44** 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: www.theandhrasugars.com)

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

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

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

- iv) Whistle Blower Policy:

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

v) Disclosure of Accounting Treatment:

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

vi) Risk Management:

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

vii) M/s K.S. Rao & Co., Chartered Accountants are the Statutory Auditor of the company. Total fees paid for the year ended 31.03.2020 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	Rs. in Lakhs
As Auditor	15.50
For limited review and other certification	8.24
For reimbursement of expenses	1.36
Total	25.10

12. MEANS OF COMMUNICATION

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

v. General Shareholder Information

(i) Annual General Meeting:	
Date & Time	: 26 th September, 2020 at 3.00 P.M
Venue	: Registered Office Venkatarayapuram, Tanuku - 534 215 West Godavari Dist. (A.P.)
(ii) Financial Year	: The Company follows April to March as its financial year. The results of every quarter beginning from April are declared within the time limit prescribed by the provisions of Listing Agreement.
(iii) Date of book closure	: 19 th September, 2020 to 26 th September, 2020 (both days inclusive)
(iv) Dividend payment date	: Interim Dividend paid on 26-03-2020
(v) Listing on Stock Exchanges at	: National Stock Exchange
(vi) Stock code	: NSE-CODE-ANDHRSUGAR

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(vii) Stock Market Data

:

National Stock Exchange

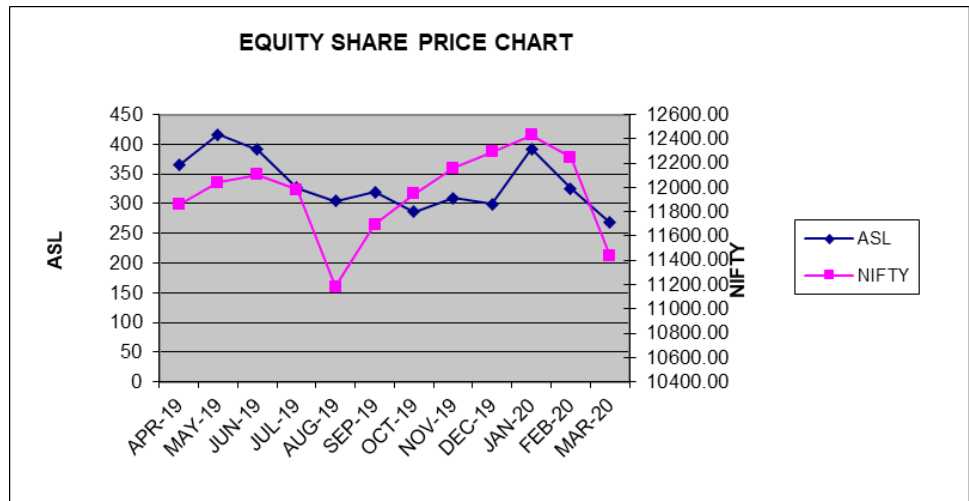
Month	High	Low
	Rs.	Rs.
April, 2019	364.65	342.00
May, 2019	416.80	330.35
June, 2019	390.90	310.25
July, 2019	327.00	263.25
August, 2019	304.45	261.20
September, 2019	319.00	279.00
October, 2019	286.25	258.75
November, 2019	309.80	272.00
December, 2019	299.80	273.50
January, 2020	392.00	293.90
February, 2020	326.00	257.30
March, 2020	267.90	117.05

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

:

See chart

EQUITY SHARE PRICE CHART



(ix) Registrars & Share Transfer Agents

:

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

(x) Share Transfer System

:

Shareholders have an option to hold the Shares in physical form or in demat form. With effect from 01-04-2019 Equity Shares of the Company in physical mode shall not be effected as per SEBI directions. However, requests per transmissions, Transpositions and issue of Duplicate Share Certificates etc. will be processed in physical mode.

(xi) (a) Shareholding pattern as on 31st March, 2020

Category	No. of Shares held	% of Shareholding
Promoters	12749407	47.03
Institutions, Mutual Funds and Banks	102688	0.38
FII's / OCB's	--	--
NRI's	292656	1.08
Bodies Corporate, Trusts and Clearing Members	1906654	7.03
Public	12055673	44.47
Total	27107078	100.00

(b) Distribution of Shareholding as on 31st March, 2020

Shareholding of Nominal value of Rs.	No. of Shareholders	% to Total	Share Amount in Rs.	% to Total
Upto 5000	14830	83.46	17315260	6.39
5001 to 10000	1210	6.81	9465740	3.49
10001 to 20000	724	4.07	10716380	3.95
20001 to 30000	321	1.81	8132020	3.00
30001 to 40000	108	0.61	3828530	1.41
40001 to 50000	121	0.68	5594270	2.06
50001 to 100000	219	1.24	15945740	5.88
100001 onwards	236	1.33	200072840	73.81
Total	17769	100.000	27,10,70,780	100.000

(xii) Dematerialisation of Equity Shares and liquidity:

The ISIN No. is INE715B01013. As on 31.3.2020, 53.29% of Equity Shares have been dematerialised.

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

(xiv) Plant Locations :

1. VENKATARAYAPURAM, Tanuku, West Godavari Dist., Andhra Pradesh
2. KOVVUR, West Godavari Dist., Andhra Pradesh
3. SAGGONDA, Gopalapuram Mandal, West Godavari Dist. Andhra Pradesh
4. TADUVAI, Jangareddygudem Mandal, West Godavari Dist., Andhra Pradesh
5. BHIMADOLE, W.G.Dist., Andhra Pradesh
6. PERECHERLA, GUNTUR Andhra Pradesh

Wind Power Units:

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

(xv) Address for correspondence for
all matters including Shares.

: Registered Office:
VENKATARAYAPURAM
Tanuku - 534 215
West Godavari Dist., Andhra Pradesh
Email: investors@theandhrasugars.com

13. NON-MANDATORY REQUIREMENTS :

Mandatory requirements of the Listing Agreement have been complied with by the Company. Adoption of non-mandatory requirement Regulation 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 Financial Results are published in leading English news papers having circulation all over India and also in Telugu News Papers circulating in the District and are also posted on the Company's website therefore the same are not sent to the Shareholders individually.

3. Audit Qualification

There are no qualifications proposed by the Auditors in their Report for the year ending 31st March, 2020 as per the information received from them.

DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

As provided under Regulation 26 of the Listing Agreement with the Stock Exchanges, all Board members and Senior Management personnel have affirmed the compliance with The Andhra Sugars Limited Code of Conduct for the year ended 31st March, 2020.

Place : TANUKU
Date : 27.06.2020

P. NARENDRANATH CHOWDARY
Chairman & Managing Director

Independent Auditor's Certificate on Corporate Governance

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 2020, 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 (the 'Listing Regulations')

Management's Responsibility

2. The compliance of conditions of corporate governance is the responsibility of the management. 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 Listing Regulations.

Auditors' Responsibility

3. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the company has complied with the conditions of corporate governance as stated in paragraph 2 above. 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 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'), and 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.
5. 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

6. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material aspects, with the conditions of corporate governance as stipulated in the Listing Regulations.
7. 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.

Restriction on use

8. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

FOR K.S.RAO & CO
Chartered Accountants
Firm Regn.No.0031109S

Place : Tanuku
Date : 27th June 2020

K.VAMSI KRISHNA
Partner
(ICAI Membership No. 238809)

MANAGEMENT DISCUSSION AND ANALYSIS

SUGAR:

Sugar Industry is an important Agro-based Industry that impact the rural livelihood of 50 Million farmers and around 5.00 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 to 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 a 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 severely 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 in 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.

Due to Lockdown of COVID-19, the off-take of Sugar by Industrial Users have come down drastically. This has made it difficult for the Sugar Mills to dispose off 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 it 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 Programs 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 400 TPD Caustic Soda Plant is in operation at Saggonda village, Gopalapuram Mandal and a 25 TPD Caustic Potash Plant at Kovvur, West Godavari District, Andhra Pradesh. Even though Government of India has enforced the Indian Standards for Caustic Soda to curb the inferior quality of inferior goods entering domestic market, still the imports are not abated. During the Year 2019-20, imports have increased by 60% compared to last year. Further, additional capacities have been created by domestic Manufacturers which has led to decline in prices thus impacting the overall profitability of Caustic segment. Major Aluminum Manufacturing Units, who are the substantial consumers of Caustic Soda, in order to avail the advantage of competitive pricing have opted to source their requirement through imports, thus making it difficult for the Domestic Industry to remain competitive.

Recognising the need to protect the Domestic Industry, the Alkali Manufacturers Association of India (AMAI) has represented to the Government of India to take necessary steps to raise the Customs Duty.

Primarily disposal of Chlorine, which comes out of the Production of Caustic Soda, has been a cause of concern for Caustic Industry. This concern is further aggravated due to coming of Chlorine based products into the Country from overseas destinations. This has made the disposal of Chlorine further difficult resulting in piling of Chlorine Inventory consequent upon which the realisation from the sale of Chlorine in domestic market is on a lower side. Further, lack of market for Chlorine would result in curtailment of production of Caustic Soda. 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. Impact of Pandemic COVID-19 has severely affected the

business operations all over the world and India too. Thus Industry has suffered to a large extent in terms of low capacity operations, restriction of transport operations, lack of full strength of work force affecting manufacturing operations. Off-take of Caustic Soda by Paper Industry, a major consumer of Caustic Soda, has come down drastically in view of reduction in Paper production and usage by 60%.

Despite the market constraints and lock down hurdles your Company, due to Goodwill, is getting consistent support from the bulk Customers and Traders who have been honouring their off-take of Liquid Chlorine. This has given an advantage to your Company to produce Caustic Soda as per the Production and Marketing Plans drawn out.

ASPIRIN:

The last financial year has seen 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 export quantities are lower than the FY 2018-19. 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 (GMP) 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 customers, Overseas and Indian, have approved the quality of our Aspirin for meeting their standards, and have initiated their validation process. To address the much larger pool of generic FDF manufacturers as well as to make use of the current anti Chinese sentiment we are trying to be competitive by expanding the capacity to 2,000 MT / annum which would facilitate in enhancing the production to meet the Market requirement.

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 successfully implemented and commissioned 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

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

As per the provisions of the Companies Act, 2013 the Statutory Auditors have annexed a report on Internal Control System to the Independent Auditors Report pertaining to Financial Year 2019-20.

SEGMENT-WISE PERFORMANCE

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

The Andhra Sugars Limited

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Your Company has earned a Gross Profit of Rs. 287.38 Crores (before interest and depreciation) against Rs.332.99 Crores (before interest and depreciation) in last year.

The gross Fixed Assets of your Company as on 31.3.2020 is Rs. 906.18 Crores compared to Rs.839.33 Crores during the previous year 2018-19. Your Company has a net worth of Rs. 1014.37 Crores.

As on 31.03.2020 the Fund based working capital limits is Rs.140.00 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 31.3.2020 your Company's employee's strength stands at 2136.

ANNEXURE "II A" TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31-03-2020

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 01-04-2019 to 31-03-2020.

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 & Managing Director	B.Sc.	53	12-01-1976	6,83,05,555	72	Director, The Andhra Sugars Ltd., 8 Years
2)	Sri Mullapudi Narendranath	Joint Managing Director	B.Sc., (Ag.)	46	01-01-1998	4,34,31,185	71	Managing Director Sree Satyanarayana Spinning Mills Ltd., Tanuku, 24 Years
3)	Sri Mullapudi Thimmaraja	Joint Managing Director	B.Tech., M.B.A. (Florida)	45	01-08-1978	4,34,31,185	69	Director The Andhra Sugars Ltd., 21/2 Years
4)	Sri P. Achuta Ramayya	Joint Managing Director	B.Com., M.B.A. (New York)	37	01-08-1983	4,32,96,187	65	First Appointment
5)	Sri P.S.R.V.K. Ranga Rao	Executive Director	B.Com.	21	01-05-1999	2,05,34,080	50	Director The Andhra Sugars Ltd., 11/2 Years

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

Annexure 'IIB' to Directors' Report for the year ended 31.03.2020

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

A. Conservation of Energy:

CHEMICAL COMPLEX, SAGGONDA:

- a) 1) No.3 CSP Plant "C" Electrolyser Elements re-coated for reducing of power consumption (May-2014)
2) No.3 CSP Plant "C" Electrolyser Old F8020SP Membranes replaced with high performance low voltage F6801 New membranes for reducing of power consumption (May-2014).
- b) No.1 CSP Plant "G" Electrolyser and No.2 CSP Plant "A" Electrolyser Old Membranes replaced with high performance low voltage F6801 New Membranes for reducing of power consumption (February – 2015).
- c) Due to the above measures, the power consumption has been reduced by approximately 130 KWH / Ton of production. Impact on cost of production Rs.800 / MT.

B. TECHNOLOGY ABSORPTION:

Form B annexed.

C. Foreign Exchange Earnings and outgo:	Current Year	Last Year
a) Used (Rs. in lakhs)		
i) Revenue Account	157.94	106.72
ii) Know-how fee and Service		
b) Earned (Rs. In lakhs)		
On FOB basis	1156.97	1798.38

FORM B

Form for Disclosure of particulars with respect to Technology absorption

RESEARCH & DEVELOPMENT (R&D)

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

Your company is actively involved in development and implementing of Green chemistry processes, which are environment friendly. Technology upgradation in Sugar Manufacturing process, Development of expertise and knowledge in related fields, Development of methods, processes and controls to minimize waste to reduce environmental pollution. Introduce modern technology in Sugarcane farming, harvesting and Breeding of Pest resistant Sugar Cane varieties.

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

Efforts of R&D activities of your company have helped in developing eco-friendly processes and improve the performance of existing processes and products, increased better utilization of the available resources, improving quality and yield of existing processes. Tested sugar cane varieties have been provided to farmers.

3. Future plan of action:

Your Company will focus on utilizing the existing capabilities of R&D to optimize the existing processes and systems by implementing innovative technologies, Minimising the generation of effluents by recovering and recycling. 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) Sugarcane Farming Mechanization - Sugarcane harvester design and development.
- b) Biological management of sugarcane pest & diseases, development and multiplication of new sugarcane varieties suitable for Company's zones.
- c) As part continuous efforts towards reduction of pollution various methods of recycling and reusing were introduced in UH 25, MHH and HTPB plants.
- d) A process for neutralisation of Hydrogen peroxide present in Solvents obtained in HTPB process was developed in lab scale and was successfully tested in the plant scale.
- e) Studies on process for Biodegradation of UH-25 Effluents.

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

- a) Looking at the different steps in Moving to Mechanizing Sugarcane Farming, studies of appropriate implements for Land Preparation, Laser Levelling, Bed forming, Planting, Irrigation, Weed Control, Harvesting and Cane Transport have been initiated. Design, fabrication and trial of some of these implements are in various stages.
- b) Two types of Sugar rich and high yielding varieties that passed through our R&D farm were released to farmers.
- c) The concentration of Hydrogen Peroxide present in the bottom residues of solvent distillations was reduced solvent to minimum level. This helped in improvement of safety of the plant has considerably.
- d) We are able to reduce considerable amounts of Effluents and Conserve Water by evaluating various methods of recycling and introduction changes to the existing processes of UH 25, MHH and HTPB plants.
- e) Studies on process for Biodegradation of UH-25 Effluents at lab scale were successful and the data required for designing a system in plant scale is generated.

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

a) Technology imported b) Year of import c) Has technology been fully absorbed d) If not fully absorbed, areas where this has not been taken place, reasons thereof.	NIL
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FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on Financial Year ended on 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.

1. REGISTRATION AND OTHER DETAILS:

1	CIN	L15420AP1947PLC000326
2	Registration Date	11/Aug/1947
3	Name of the Company	THE ANDHRA SUGARS LIMITED
4	Category/Sub-category of the Company	Public Company / Company having Share Capital
5	Address of the Registered office & contact details	Venkatarayapuram, Tanuku - 534215, Andhra Pradesh, Ph: 08819-224911 (7) Lines Fax: 08819-224168
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	XL Softech Systems Limited, 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad- 500 034

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Sugar	2060	22.94%
2	Caustic Soda	3008	57.00%

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

4. SHARE HOLDING PATTERN (Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 31-March-2019)				No. of Shares held at the end of the year (As on 31-March-2020)				Change during the year
	Demat	Physical	Total	(%) of Total Shares	Demat	Physical	Total	(%) of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	13,29,469	1,01,86,270	1,15,15,739	42.48%	13,29,969	1,01,86,270	1,15,16,239	42.48%	0.00%
b) Central Govt			-	0.00%			-	0.00%	0.00%
c) State Govt(s)			-	0.00%			-	0.00%	0.00%
d) Bodies Corp.		3,42,848	3,42,848	1.26%		3,42,848	3,42,848	1.26%	0.00%
e) Banks / FI			-	0.00%			-	0.00%	0.00%
f) Any other			-	0.00%			-	0.00%	0.00%
g) Trust	8,90,320		8,90,320	3.28%	8,90,320		8,90,320	3.28%	0.00%
Sub Total (A) (1)	22,19,789	1,05,29,118	1,27,48,907	47.03%	22,20,289	1,05,29,118	1,27,49,407	47.03%	0.00%
(2) Foreign									
a) NRI Individuals			-	0.00%			-	0.00%	0.00%
b) Other Individuals			-	0.00%			-	0.00%	0.00%
c) Bodies Corp.			-	0.00%			-	0.00%	0.00%
d) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	22,19,789	1,05,29,118	1,27,48,907	47.03%	22,20,289	1,05,29,118	1,27,49,407	47.03%	0.00%

B. Public Shareholding

1. Institutions									
a) Mutual Funds	3,75,268	3,000	3,78,268	1.40%	-	3,000	3,000	0.01%	-99.21%
b) Banks / FI	31,697	4,676	36,373	0.13%	95,012	4,676	99,688	0.37%	174.07%
c) Central Govt			-	0.00%			-	0.00%	0.00%
d) State Govt(s)			-	0.00%			-	0.00%	0.00%
e) Venture Capital Funds			-	0.00%			-	0.00%	0.00%
f) Insurance Companies			-	0.00%			-	0.00%	0.00%
g) FIs			-	0.00%			-	0.00%	0.00%
h) Foreign Venture Capital Funds			-	0.00%			-	0.00%	0.00%
i) Others (specify)			-	0.00%			-	0.00%	0.00%
Sub-total (B)(1):-	4,06,965	7,676	4,14,641	1.53%	95,012	7,676	1,02,688	0.38%	-75.23%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	14,46,713	3,04,040	17,50,753	6.46%	15,37,749	3,04,040	18,41,789	6.79%	5.20%
ii) Overseas			-	0.00%			-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	61,12,375	7,73,469	68,85,844	25.40%	66,96,206	6,82,520	73,78,726	27.22%	7.16%

The Andhra Sugars Limited

Category of Shareholders	No. of Shares held at the beginning of the year (as on 31-March-2019)				No. of Shares held at the end of the year (As on 31-March-2020)				(% Change during the year)
	Demat	Physical	Total	(%) of Total Shares	Demat	Physical	Total	(%) of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	40,23,383	10,47,360	50,70,743	18.71%	36,79,784	9,97,163	46,76,947	17.25%	-7.77%
c) Others (specify)									
Non Resident Indians	2,11,804	291	2,12,095	0.78%	2,92,365	291	2,92,656	1.08%	37.98%
Overseas Corporate Bodies			-	0.00%			-	0.00%	0.00%
Foreign Nationals			-	0.00%			-	0.00%	0.00%
Clearing Members	24,095		24,095	0.09%	64,865		64,865	0.24%	69.21%
Trusts			-	0.00%			-	0.00%	0.00%
Foreign Bodies - D R			-	0.00%			-	0.00%	0.00%
Sub-total (B)(2):-	1,18,18,370	21,25,160	1,39,43,530	51.44%	1,22,70,969	19,84,014	1,42,54,983	52.59%	2.23%
Total Public (B)	1,22,25,335	21,32,836	1,43,58,171	52.97%	1,23,65,981	19,91,690	1,43,57,671	52.97%	0.00%
C. Shares held by Custodian for GDRs & ADRs				0.00%				0.00%	0.00%
Grand Total (A+B+C)	1,44,45,124	1,26,61,954	2,71,07,078	100.00%	1,45,86,270	1,25,20,808	2,71,07,078	100.00%	0.00%

(ii) Shareholding of Promoter :

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			(% Change in share holding during the year)
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Pendyala Sujata	768119	2.83%	0.00%	768119	2.83%	0.00%	0.00%
2	Pendyala Jhansi Jayalakshmi	694824	2.56%	0.00%	694824	2.56%	0.00%	0.00%
3	P.S.R.V.K. Ranga Rao	627284	2.31%	0.00%	627284	2.31%	0.00%	0.00%
4	Maddipoti Kamala Devi	573840	2.12%	0.00%	573840	2.12%	0.00%	0.00%
5	Mullapudi Satyanarayanamma	558721	2.06%	0.00%	558721	2.06%	0.00%	0.00%
6	Sri Balusu Ranganayaki Alias Radhika	424795	1.57%	0.00%	424795	1.57%	0.00%	0.00%
7	Bolla Rajiv	410000	1.51%	0.00%	410000	1.51%	0.00%	0.00%
8	Mullapudi Narendranath	397140	1.47%	0.00%	397140	1.47%	0.00%	0.00%
9	Mullapudi Thimmaraja	367195	1.35%	0.00%	367195	1.35%	0.00%	0.00%
10	Pendyala Narendranath Chowdary	333056	1.23%	0.00%	333056	1.23%	0.00%	0.00%
11	Jujjavarapu Usharani	330975	1.22%	0.00%	330975	1.22%	0.00%	0.00%
12	Yelamarthi Narayanamma	323556	1.19%	0.00%	323556	1.19%	0.00%	0.00%
13	Mullapudi Narendranath (Individual)	302514	1.12%	0.00%	302514	1.12%	0.00%	0.00%
14	Ananthalakshmi Jayaraman	286624	1.06%	0.00%	286624	1.06%	0.00%	0.00%
15	Pendyala Atchutaramayya	285356	1.05%	0.00%	285356	1.05%	0.00%	0.00%
16	Pendyala Jhansi Jayalakshmi	260152	0.96%	0.00%	260152	0.96%	0.00%	0.00%
17	Pendyala Narendranath Chowdary	260152	0.96%	0.00%	260152	0.96%	0.00%	0.00%
18	Mullapudi Renuka	247858	0.91%	0.00%	247858	0.91%	0.00%	0.00%
19	Jujjavarapu Usharani	242381	0.89%	0.00%	242381	0.89%	0.00%	0.00%
20	B Ramesh Kumar	223998	0.83%	0.00%	223998	0.83%	0.00%	0.00%
21	Bolla Serena	218000	0.80%	0.00%	218000	0.80%	0.00%	0.00%
22	Mullapudi Thimmaraja (Individual)	205120	0.76%	0.00%	205120	0.76%	0.00%	0.00%
23	Mullapudi Narendranath (Individual)	205120	0.76%	0.00%	205120	0.76%	0.00%	0.00%
24	Mullapudi Thimmaraja (HUF)	204478	0.75%	0.00%	204478	0.75%	0.00%	0.00%
25	Pendyala Achuta Ramayya	182180	0.67%	0.00%	182180	0.67%	0.00%	0.00%
26	Pendyala Venkata Krishna Rao	172949	0.64%	0.00%	172949	0.64%	0.00%	0.00%
27	Pendyala Sesha Shailaja	153600	0.57%	0.00%	153600	0.57%	0.00%	0.00%
28	Mullapudi Naryanamma	147564	0.54%	0.00%	147564	0.54%	0.00%	0.00%
29	Mullapudi Renuka	147564	0.54%	0.00%	147564	0.54%	0.00%	0.00%

The Andhra Sugars Limited

30	Mullapudi Vikram Prasad	129437	0.48%	0.00%	129437	0.48%	0.00%	0.00%
31	Mullapudi Mrutyumjaya Prasad	120692	0.45%	0.00%	120692	0.45%	0.00%	0.00%
32	Mullapudi Thimmaraja (Individual)	110244	0.41%	0.00%	110244	0.41%	0.00%	0.00%
33	Nidadavolu Venkataramanamma	107438	0.40%	0.00%	107438	0.40%	0.00%	0.00%
34	Goli Jayashree	95720	0.35%	0.00%	95720	0.35%	0.00%	0.00%
35	Ramalakshmi E.	92966	0.34%	0.00%	92966	0.34%	0.00%	0.00%
36	Goli Devi	84288	0.31%	0.00%	84288	0.31%	0.00%	0.00%
37	Pendyala Narendranath Chowdary (Individual)	83793	0.31%	0.00%	83793	0.31%	0.00%	0.00%
38	Mullapudi Thimmaraja	83166	0.31%	0.00%	83166	0.31%	0.00%	0.00%
39	Bolla Ramesh Kumar	62650	0.23%	0.00%	62650	0.23%	0.00%	0.00%
40	Pendyala Sesha Shailaja	59607	0.22%	0.00%	59607	0.22%	0.00%	0.00%
41	Mullapudi Narendranath (Individual)	59166	0.22%	0.00%	59166	0.22%	0.00%	0.00%
42	Bolla Veera Venkata Satya Ramesh Kumar	57965	0.21%	0.00%	57965	0.21%	0.00%	0.00%
43	Gaddipati Anuradha	52800	0.19%	0.00%	52800	0.19%	0.00%	0.00%
44	Mullapudi Narendranath (Individual)	49098	0.18%	0.00%	49098	0.18%	0.00%	0.00%
45	Mullapudi Naryanamma	47616	0.18%	0.00%	47616	0.18%	0.00%	0.00%
46	Pendyala Sujatha	46021	0.17%	0.00%	46021	0.17%	0.00%	0.00%
47	Mullapudi Renuka	46000	0.17%	0.00%	46000	0.17%	0.00%	0.00%
48	Mullapudi Vikram Prasad	42048	0.16%	0.00%	42048	0.16%	0.00%	0.00%
49	Gaddipati Anuradha	42039	0.16%	0.00%	42039	0.16%	0.00%	0.00%
50	Pendyala Venkata Krishna Rao (Individual)	41359	0.15%	0.00%	41359	0.15%	0.00%	0.00%
51	Anantha Lakshmi N.	40000	0.15%	0.00%	40000	0.15%	0.00%	0.00%
52	Mullapudi Renuka	39407	0.15%	0.00%	39407	0.15%	0.00%	0.00%
53	Mullapudi Naryanamma	37685	0.14%	0.00%	37685	0.14%	0.00%	0.00%
54	Pendyala Divya Atchimamba	37237	0.14%	0.00%	37237	0.14%	0.00%	0.00%
55	Mullapudi Thimmaraja	29045	0.11%	0.00%	29045	0.11%	0.00%	0.00%
56	Mullapudi Narendranath	28510	0.11%	0.00%	28510	0.11%	0.00%	0.00%
57	Mullapudi Narendranath	27446	0.10%	0.00%	27446	0.10%	0.00%	0.00%
58	Mullapudi Narendranath (HUF)	20633	0.08%	0.00%	20633	0.08%	0.00%	0.00%
59	Thimmaraja Mullapudi	19975	0.07%	0.00%	19975	0.07%	0.00%	0.00%
60	Narendranath Mullapudi	19975	0.07%	0.00%	19975	0.07%	0.00%	0.00%
61	Mullapudi Naryanamma	16951	0.06%	0.00%	16951	0.06%	0.00%	0.00%
62	Nidadavolu Venkataramanamma	16024	0.06%	0.00%	16024	0.06%	0.00%	0.00%
63	Pendyala Jansi Jayalakshmi	15300	0.06%	0.00%	15300	0.06%	0.00%	0.00%
64	Narayanamma Mullapudi	14850	0.05%	0.00%	14850	0.05%	0.00%	0.00%
65	Pendyala Sruthi Rajeswari	14300	0.05%	0.00%	14300	0.05%	0.00%	0.00%

66	Mullapudi Renuka	13314	0.05%	0.00%	13314	0.05%	0.00%	0.00%
67	B. Rama Devi	8807	0.03%	0.00%	8807	0.03%	0.00%	0.00%
68	P.S.R.V.K. Ranga Rao	8591	0.03%	0.00%	8591	0.03%	0.00%	0.00%
69	P.S.R.V.K. Ranga Rao	8200	0.03%	0.00%	8200	0.03%	0.00%	0.00%
70	Usha Lakshmi Pendyala	8000	0.03%	0.00%	8000	0.03%	0.00%	0.00%
71	B. Ramesh Kumar	5400	0.02%	0.00%	5400	0.02%	0.00%	0.00%
72	Pendyala Meghana Sri Sai Sujata	5300	0.02%	0.00%	5300	0.02%	0.00%	0.00%
73	Mullapudi Mrutyumjaya Prasad	3520	0.01%	0.00%	3520	0.01%	0.00%	0.00%
74	Pendyala Prithivi Sri Narendra Rayudu	3141	0.01%	0.00%	3641	0.01%	0.00%	15.92%
75	Mullapudi Vikram Prasad	2250	0.01%	0.00%	2250	0.01%	0.00%	0.00%
76	Mullapudi Thimmaraja	2250	0.01%	0.00%	2250	0.01%	0.00%	0.00%
77	Nutakki Anantalakshmi	400	0.00%	0.00%	400	0.00%	0.00%	0.00%
78	S.M.V.M. Hospital	890320	3.28%	0.00%	890320	3.28%	0.00%	0.00%
79	M/s. The Mullapudi Investment & Finance Co. (P) Ltd.	128452	0.47%	0.00%	128452	0.47%	0.00%	0.00%
80	M/s. Thimmaraja Investment & Finance Co. (P) Ltd.	110016	0.41%	0.00%	110016	0.41%	0.00%	0.00%
81	Sree Harischandra Prasad Invest. & Fin. Co., Ltd.,	103300	0.38%	0.00%	103300	0.38%	0.00%	0.00%
82	M/s Jayalakshmi Chemical Enterprises (P) Ltd.,	1080	0.00%	0.00%	1080	0.00%	0.00%	0.00%

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

S. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Pendyala Prithivi Sri Narendra Rayudu						
	At the beginning of the year			3,141	0.01%	3,141	0.01%
	Changes during the year			-	0.00%	500	0.00%
	At the end of the year			3,141	0.01%	3,641	0.01%

(iv) Shareholding Pattern of top ten Shareholders

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

S. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Srikrishnadevaraya Hatcheries Pvt. Ltd.						
	At the beginning of the year	-		2,18,665	0.81%	2,18,665	0.81%
	Changes during the year	-		-	0.00%	2,01,851	0.74%
	At the end of the year	-		2,18,665	0.81%	4,20,516	1.55%
2	Edelweiss Custodial services Limited						
	At the beginning of the year	-		41,304	0.15%	41,304	0.15%
	Changes during the year	-		-	0.00%	3,20,543	1.18%
	At the end of the year	-		41,304	0.15%	3,61,847	1.33%
3	Sree Akkamamba Textiles Ltd.						
	At the beginning of the year	-		3,01,940	1.11%	3,01,940	1.11%
	Changes during the year	-		-	0.00%	-	0.00%
	At the end of the year	-		3,01,940	1.11%	3,01,940	1.11%
4	Pendyala Ravi						
	At the beginning of the year	-		2,13,764	0.79%	2,13,764	0.79%
	Changes during the year	-		-	0.00%	-	0.00%
	At the end of the year	-		2,13,764	0.79%	2,13,764	0.79%
5	Seema Goel						
	At the beginning of the year	-		1,95,000	0.72%	1,95,000	0.72%
	Changes during the year	-		-	0.00%	-	0.00%
	At the end of the year	-		1,95,000	0.72%	1,95,000	0.72%
6	E Bhaskara Rao						
	At the beginning of the year	-		58,595	0.22%	58,595	0.22%
	Changes during the year	-		-	0.00%	1,29,985	0.48%
	At the end of the year	-		58,595	0.22%	1,88,580	0.70%
7	Raaghu R						
	At the beginning of the year	-		1,86,832	0.69%	1,86,832	0.69%
	Changes during the year	-		-	0.00%	-	0.00%
	At the end of the year	-		1,86,832	0.69%	1,86,832	0.69%
8	Ramesh R						
	At the beginning of the year	-		1,86,832	0.69%	1,86,832	0.69%
	Changes during the year	-		-	0.00%	-	0.00%
	At the end of the year	-		1,86,832	0.69%	1,86,832	0.69%
9	Zaki Abbas Nasser						
	At the beginning of the year	-		1,90,000	0.70%	1,90,000	0.70%
	Changes during the year	-		-	0.00%	(30,000)	-0.11%
	At the end of the year	-		1,90,000	0.70%	1,60,000	0.59%
10	Jujjavarapu Chandramathi						
	At the beginning of the year	-		1,57,556	0.58%	1,57,556	0.58%
	Changes during the year	-		-	0.00%	-	0.00%
	At the end of the year	-		1,57,556	0.58%	1,57,556	0.58%

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

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	P. Narendranath Chowdary			6,77,001	2.50%	6,77,001	2.50%
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			6,77,001	2.50%	6,77,001	2.50%
2	Mullapudi Natendranath			11,09,602	4.09%	11,09,602	4.09%
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			11,09,602	4.09%	11,09,602	4.09%
3	Mullapudi Thimmaraja			10,21,473	3.77%	10,21,473	3.77%
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			10,21,473	3.77%	10,21,473	3.77%
4	Pendyala Achuta Ramayya			4,67,536	1.72%	4,67,536	1.72%
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			4,67,536	1.72%	4,67,536	1.72%
5	P.S.R.V.K. Ranga Rao			6,44,075	2.38%	6,44,075	2.38%
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			6,44,075	2.38%	6,44,075	2.38%
6	Dr. Dasari Manjulata			21,500	0.08%	21,500	0.08%
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			21,500	0.08%	21,500	0.08%
7	M. Palachandra			-	0.00%	-	0.00%
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
8	P.V.S. Viswanadha Kumar			525	0.00%	525	0.00%
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			525	0.00%	525	0.00%

5. INDEBTEDNESS

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

(Amount Rs. in lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5,447.44	2,998.34	21,626.55	30,072.33
ii) Interest due but not paid				-
iii) Interest accrued but not due			485.38	485.38
Total (i+ii+iii)	5,447.44	2,998.34	22,111.93	30,557.71
Change in Indebtedness during the financial year				
* Addition	(1,616.60)	(962.29)	(1,694.80)	(4,273.69)
* Reduction	-	-	-	-
Net Change	(1,616.60)	-	(1,694.80)	(4,273.69)
Indebtedness at the end of the financial year				
i) Principal Amount	3,830.84	2,036.05	19,953.56	25,820.45
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	463.57	463.57
Total (i+ii+iii)	3,830.84	2,036.05	20,417.13	26,284.02

6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount (Rs.)
	Name Designation	P. Narendranath Chowdary Chairman & Managing Director		
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	45,79,924.00		45,79,924.00
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	3,09,600.00		3,09,600.00
	(c) Profits in lieu of salary under section 17 (3) of Income-tax Act, 1961			-
2	Stock Option			-
3	Sweat Equity			-
4	Commission			-
	- as % of profit	6,37,25,631 .00		6,37,25,631.00
	- others, specify			-
5	Others, please specify			-
	Total (A)	6,86,15,155.00		6,86,15,155.00
	Ceiling as per the Act			

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount (Rs.)
	Name Designation	Mullapudi Narendranath Joint Managing Director	Mullapudi Thimmaraja Joint Managing Director	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	31,95,571.00	31,90,001.00	63,85,572.00
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	39,600.00	39,600.00	79,200.00
	(c) Profits in lieu of salary under section 17(3) of Income- tax Act, 1961			-
2	Stock Option			-
3	Sweat Equity	-		-
4	Commission			-
	- as % of profit	4,02,35,614.00	4,02,41,184.00	8,04,76,798.00
	- others, specify			-
5	Others, please specify			-
	Total (A)	4,34,70,785.00	4,34,70,785.00	8,69,41,570.00
	Ceiling as per the Act			

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount (Rs.)
	Name Designation	P. Achuta Ramayya Joint Managing Director	P.S.R.V.K.Ranga Rao Executive Director	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25,94,427.00	17,25,080.00	43,19,507.00
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	1,74,600.00	39,600.00	2,14,200.00
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961			-
2	Stock Option			-
3	Sweat Equity	-		-
4	Commission			-
	- as % of profit	4,07,01,760.00	1,88,09,000.00	5,95,10,760.00
	- others, specify			-
5	Others, please specify			-
	Total (A)	4,34,70,787.00	2,05,73,680.00	6,40,44,467.00
	Ceiling as per the Act			

B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount (Rs.)
		Independent Directors	A. Ranga Rao (upto 08-03-2020)	Dr. P.Kotaiah		V.S. Raju
	Fee for attending Board / Committee Meetings	1,60,000.00	2,50,000.00	3,75,000.00	7,85,000.00
	Commission				-
	Others, please specify				-
	Total (1)	1,60,000.00	2,50,000.00	3,75,000.00	7,85,000.00
	Independent Directors	Dr. A.V.Rama Rao	P.A.Chowdary	Dr. D. Manjulata	
	Fee for attending Board / Committee Meetings	90,000.00	3,50,000.00	1,50,000.00	5,90,000.00
	Commission				-
	Others, please specify				-
	Total (2)	90,000.00	3,50,000.00	1,50,000.00	5,90,000.00
	Total (B)=(1+2)	2,50,000.00	6,00,000.00	5,25,000.00	13,75,000.00
	Total Managerial Remuneration Overall Ceiling as per the Act				21,83,64,518.00

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

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs.)
		Name	P. Narendranath Chowdary CEO	M. Palachandra CS		P.V.S Viswanadha Kumar CFO
	Designation				
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	45,79,924.00	25,85,900.00	36,61,374.00	1,08,37,274.00
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	3,09,600.00			2,42,100.00
	(c) Profits in lieu of salary under section 17(3) of Income- tax Act, 1961				-
2	Stock Option				-
3	Sweat Equity				-
4	Commission				
	- as % of profit	6,37,25,631.00			7,97,63,607.00
	- others, specify				-
5	Others, please specify				-
	Total	6,86,15,155.00	25,85,900.00	36,61,374.00	9,08,42,981.00

7. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure - IV
Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

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

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

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

Based on our verification of M/s The Andhra Sugars Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. The Andhra Sugars Limited ("the Company") for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company during the Audit Period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit Period);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period);
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- i) Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings
- ii) Listing Agreement entered into by the Company with the National Stock Exchange.

We report that, during the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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.

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

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

We further report that:

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

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

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

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

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

Company Secretaries

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

Proprietor

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

UDIN : F007157B000390254

Date : 27th June, 2020

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

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

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

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

Company Secretaries

Date : 27th June, 2020

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

Place : Hyderabad

ProprietorM.No.F7157, C.P.No.7839

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. Narendranath Chowdary	Executive Director	268.36:1	(21.98)
Sri Mullapudi Narendranath	Executive Director	171.17:1	(18.85)
Sri Mullapudi Thimmaraja	Executive Director	171.14:1	(18.85)
Sri P. Achuta Ramayya	Executive Director	168.71:1	(18.78)
Sri P. S. R. V. K. Ranga Rao	Executive Director	115.23:1	(21.32)
Sri A. Ranga Rao *	Independent Director	0.65:1	—@
Dr. P. Kotaiah	Independent Director	1.02:1	—
Sri V.S. Raju	Independent Director	1.53:1	—
Dr. A. V. Rama Rao	Independent Director	0.37:1	—
Sri P. A. Chowdary	Independent Director	1.43:1	—
Dr. D. Manjulata	Independent Director	0.61:1	—
Sri P.V.S. Viswanadha Kumar	GM (Finance) & Addl. Secretary	14.96:1	20.48
Sri M. Palachandra	Company Secretary	10.56:1	(1.85)

* Ceased to be Director due to his sad demise on 08.03.2020.

@ 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, 2020 was 2136.
- 2) Compared to 2018-19, the figures for 2019-2020 reflect that.
 - (i) Median remuneration of Employees – Increased by 5.55%
 - (ii) Average remuneration of Employees – Increased by 2.38 %
 - (iii) Average remuneration of Employees excluding key Managerial Personnel (KMPs) – Increased by 2.39 %.
 - (iv) Remuneration of KMPs – decreased by 15.80 % due decrease of Remuneration of Chairman and Managing Director.
- 3) Remuneration of Directors, KMPs and other Employees is in accordance with the Company's Remuneration Policy.

ANNEXURE - VI

1. Philosophy:

Your Company is dedicated to the betterment of the Rural Masses in the areas of our operations. Way back in the 1950s, well before there was the thought of "Corporate Social Responsibility" your Company took up these activities. Realising that Health and Education are vital for the improvement of the quality of human life your Company helped build a Medical College at Kakinada to produce the Doctors needed for rural healthcare and followed this up with helping in setting up a modern Hospital at Tanuku providing Cardiac, Ophthalmic, Orthopedic, Obstetrics, 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 850 seat Indoor Auditorium and an Outdoor Auditorium.

2. Corporate Social Responsibility Committee:

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

1. Sri P. Narendranath Chowdary, Chairman & Managing Director.
2. Sri Mullapudi Thimmaraja, Joint Managing Director
3. Sri V.S. Raju, Independent Director

3. Average Net Profits:

Rs.1,84,84,20,362 /- of last 3 Financial Years.

4. Prescribed Corporate Social Responsibility Committee Expenditure:

Rs. 3,69,68,407/- (2% of the amount as in 3 above)

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

- (a) Total Amount spent Rs. 3,70,57,998/-
- (b) Amount unspent of any : Nil.
- (c) Manner in which the amount spent during the Financial Year is annexed.

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

P. Narendranath Chowdary
(Chairman, CSR Committee)

V.S.Raju
(Member - CSR Committee)

DETAILS OF CSR ACTIVITIES

(Rs. in lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR Project / Programme	Sector in which the Project / Programme is covered	Projects / Programmes (1) Local area or other (2) Specify the State and district where Projects or Programmes were under taken	Amount outlay (budget) Project / Programme Wise	Amount spent on the Project / Programme Subheads: (1) Direct expenditure on Project / Programme (2) Overheads	Cumulative expenditure upto the reporting period i.e. 31.03.2020	Amount spent: Direct or through implementing agency
1.	Providing Health Care Activities	Health Care	Local Area West Godavari District Andhra Pradesh	308.56	308.56	308.56	Sree Mullapudi Venkataramanamma Memorial Hospital - Venkataryapuram,
2.	Plantation of Plants	Environment	Local Area West Godavari District Andhra Pradesh	0.81	0.81	0.81	Company directly incurred
3.	Bus Pass to Poor Students	Primary Education	Local Area West Godavari District Andhra Pradesh	0.55	0.55	0.55	Company directly incurred
4.	Developing Municipal Park	Environment	Local Area West Godavari District Andhra Pradesh	56.68	56.68	56.68	Company directly incurred
5.	Safe Drinking Water	Health Care	Local Area West Godavari District Andhra Pradesh	3.98	3.98	3.98	Company directly incurred

ANNEXURE-VII

Form No. AOC-2

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

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

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

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

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

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

TANUKU
27.06.2020

P. NARENDRANATH CHOWDARY
Chairman & 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.) 2019-20 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 which came into existence **at Tanuku** at the time when there was no Electricity. With the help of a Generator a Workshop was established and a small Sugar Unit of 500 M.T. 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 our 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 850 seat Indoor Auditorium and an Outdoor Auditorium. The details of CSR Expenditure for the Year 2019-20 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.	Regd.Office Address	:	Venkatarayapuram, TANUKU – 534 215 West Godavari District, Andhra Pradesh.
4.	Website	:	www.theandhrasugars.com
5.	E-mail ID	:	info.tnk@theandhrasugars.com
6.	Financial Year reported	:	2019-20
7.	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 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	17011490.00 (ITC Code)
2.	Caustic Soda	281512.00 (ITC Code)
3.	Chlorine	280110.00 (ITC Code)

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

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

Financial Year (F.Y) 2019-20	Amount
Paid-up Capital (Rs.in Laks)	2711.01
Total Turnover (Rs. In Crore)	1040.68
Net Profit After Tax (Rs, in Crore)	190.16
Total Spending on Corporate Social Responsibility (CSR) (Rs.in Crore)	3.70

SECTION - C :

OTHER DETAILS :

1. **Subsidiary Companies :**

Our Company has Three Subsidiaries – JOCIL Limited, The Andhrar 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 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-Ethy 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, 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 on 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 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 are 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 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 provides 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.**

The above Committees perform as per the well defined Scope & Terms of reference and recommend to the Board the matters considered by it. The Company has also Whistle Blower Policy and Mechanism in its place. This policy envisages the right of any employee irrespective 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 goes into the production of Pharma Products. In this context, the Company's focus has always been to provide Quality Products to end users. 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 mofussial 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 unavailability of operations, the Sugar Plant at Tanuku has 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 Statutory Norms 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 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 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 valueable efforts put in which has been instrumental in making Company scale greater heights.

Given hereunder the Particulars :

1.	Total number of employees	(2136 + 688) = 2824
2.	Total number of employees hired on temporary/contractual / casual basis.	688
3.	Number of permanent women employees.	4
4.	Number of permanent employees with disabilities.	4
5.	Employee association that is recognized by management?	Yes
6.	Percentage of your permanent employees is members of this recognized employee association?	79%

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

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

a)	Permanent Employees	80%
b)	Permanent Women Employees	75%
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 others sentiments. Considering the fact that Company started its Business Venture with Sugar Business. Company identifies Farming Community as a Key Stakeholder. 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 Mechanisatoin 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 any one 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 agaisnt the employee who disregards the Human Rights in course of his/her 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 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 ecofriendly 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 16.6 MW in the states of Andhra Pradesh and Tamilnadu).

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 ecofriendly 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 and 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 and 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 Indian Sugar Mills Association (ISMA), South India Sugar Mills Association (SISMA), Alkali Manufactures Association of India (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 GRWOTH 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's. 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 an 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, in the past, supported Drinking Water Schemes of RVWS Programme of Andhra Pradesh Government and also Chlorine was supplied free of cost to Tirumala Tirupati Devasthanam and Sree Satya Sai Organisations for Drinking Water Programmes in Rural Areas.
- 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 by Competition Commission of India. An appeal filed before NCLAT (National Company Law appellate Tribunal) 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 : www.theandhrasugars.com. Framing of Business Responsibility policies are being look into and it will find its place in the next year reporting.

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 the 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 March 31st, 2020, 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 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 March 31, 2020, the 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 Standard on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditors 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 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 the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the Key Audit Matter
1.Valuation of Investments in Unquoted Equity Shares of Andhra Pradesh Gas Power Corporation Limited (APGPCL)	
<p>The company is a shareholder of Andhra Pradesh Gas Power Corporation Limited. Investments in the entity are measured at fair value through income approach.</p> <p>The fair value of investments as on 31st March 2020 is Rs.7754.92 lakhs.</p> <p>The management applies significant judgements and estimations in arriving at the fair value of investments considering the factors such as units of power consumption, cost of government power and savings per unit to be constant for every year and assuming the investments to be made at cost of equity.</p> <p>As per the MOU between APGPCL and its shareholders, each shareholder is entitled to receive power generated in proportion to its shareholding at</p>	<p>We assessed the management's approach to valuation for these investments by performing the following procedures:</p> <ul style="list-style-type: none"> ▪ Understood and evaluated the procedure followed by the management in calculation of savings in power cost. ▪ We have obtained and tested evidence to support the management's assessment regarding the fair value of investment. ▪ We have reviewed various judgements and estimates considered by management in valuation of investment.

The Andhra Sugars Limited

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>cost of generation plus 20% of its overheads which is substantially lower than the price charged by DISCOMs.</p> <p>We have considered this as a key audit matter because any changes in the above factors in the subsequent financial years shall have a significant financial impact</p> <p>Refer Note No. to the financial statements.</p>	<p><i>Conclusion:</i> Based on the above procedures performed, the management's determination of fair value of investment is reasonable as per principles of Ind AS</p>
2. Determination of Net Realizable Value of inventory of Sugar	
<p>(Refer Note no. 8 to the financial Statements)</p> <p>The company has an inventory of sugar with carrying value of Rs 23113.69 lakhs The inventory of sugar is valued at lower of cost or Net realizable value. We have considered this as a key audit matter given the significant judgements involved in the consideration of factors such as Minimum sale price, Monthly release quota, fluctuation in selling price and related notifications issued by the government in determination of net realizable value</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> ▪ We understood and tested the design and operating effectiveness of controls as established by the management in determination of net realizable value of inventory of sugar ▪ We have reviewed the various factors considered by the management in determining the net realizable value of sugar <p><i>Conclusion:</i> Based on the above procedures performed, the management's determination of the net realizable value of inventory of sugar as at the year end and comparison with cost for valuation of inventory, is considered to be reasonable.</p>

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

The Company's Board of Directors is 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, 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 therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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.

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 financial statements, the Board of Directors is 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the 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 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, 2016("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Companies Act,2013 we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement Cash Flow 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 the 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 the financial statements.
 - g) With respect to the other matters 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 current 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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements (Refer Note 31 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; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except for an amount of Rs.34,159/- being the Fixed deposit and Interest remitted on 1st April 2020, beyond the due dates.

For M/s K.S RAO & Co.,
Chartered Accountants
Firm Registration No. 003109S

K.VAMSI KRISHNA

Partner

ICAI Membership No:238809

Camp: Tanuku
Date: 27-06-2020

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date, to the members of **THE ANDHRA SUGARS LIMITED**, TANUKU for the year ended 31st March 2020. We report that:

- (i). In respect of the Company's fixed assets
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. Pursuant to such programme, the company has physically verified its fixed assets at all locations, during the year under report. In our opinion, periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.
 - (c) In our opinion and according to the information and explanations furnished to us, the title deeds of immovable properties are held in the name of the company.
- (ii). According to the information and explanation given to us, the inventory has been physically verified by the management at reasonable intervals and the discrepancies noticed during such physical verification of inventories as compared to books have been properly dealt with in the books of account.
- (iii). The Company has granted loan to a body corporate in the register maintained under section 189 of the Companies Act, 2013, and the outstanding balance as on 31st March, 2020 is Rs.250 lakhs:
 - a. The terms and conditions of the grant of such loan are prima facie, not prejudicial to the interest of the company.
 - b. As per the stipulations mentioned in the loan agreement, Principal is repayable on 31st March 2021 and the payment is as per the terms of the agreement, except one installment of Rs. 50 lakhs, which was deferred to 30th June 2021, with the consent of The Andhra Sugars Limited, on account of lockdown declared by the Government of India due to COVID-19.
 - c. There is no amount of overdue on account of Principal and Interest recoverable as at 31st March 2020.
- (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, except for an amount of Rs. 15,51,836/- to its subsidiary being the advance for purchase of scrap. The company has complied with the provisions of section 186 of the Companies Act 2013, in respect of Loans and investments made by the company.
- (v). In our opinion the company has complied with the provisions of section 73 to 76 and other applicable provisions of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 with regard to the deposits accepted from the public. According to the information furnished to us, no Order has been passed on the company by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for non-compliance with the provisions of Sections 73 to 76 of the Companies Act, 2013.
- (vi). We have broadly reviewed the books of account and records maintained by the company at its Sugar Units, Caustic Soda Division, Caustic Potash Division, Sulphuric Acid Divisions, Superphosphate Division and Rectified Spirit of Distillery Division pursuant to the Rules made by the Central Government for the maintenance of Cost Records under section 148 (1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (vii). (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, in our opinion, the company is regular in depositing with the appropriate authorities, the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Income Tax, Goods and Services Tax, Customs Duty, Cess and other material statutory dues applicable to it, and no undisputed statutory dues were outstanding, as at the date of Balance Sheet under report, for a period of more than six months from the date they became payable, except.

The Andhra Sugars Limited

SI. No.	Name of the Statute	Period	Amount (Rs. In lakhs)	Remarks
1.	Andhra Pradesh State Excise Act	Upto August 1976	3.58 (Establishment Charges)	Pending receipt of demand by the company
2.	Andhra Pradesh State Excise Act	August 1976 to March 2015	18.75 (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, Customs Duty, Cess and other material dues in arrears as at 31st March 2020, 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

SI. No.	Nature of dues	Name of the statute	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 of the Govt. of A.P.
2	Sales Tax laws in different States	Sales Tax	2002-03 to 2011-12	192.20	Different appellate Authorities
3	Income Tax Act, 1961	Income Tax	20017-18 to 2019-20	32.73	Commissioner of Income Tax, Appeals
4	Central Excise Act, 1944	Excise Duty	2011-12 to 2016-17	799.35	Different departmental appellate authorities

(viii). According to the records of the company examined by us, and the information and explanations given to us, there were no defaults in repayment of loans or borrowings to banks and Government during the year under report.

(ix). The company did not raise any money by way of initial public offer or further public offer (including debt instruments) except Interest sub-vention/soft loans from banks during the year under report and the same were applied for the purposes for which those were raised.

(x). During the course of our examination of the books of and records of the company, carried out in accordance with the Generally Accepted Auditing Practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud by the company or any fraud on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

- (xi). According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii). The company is not a Nidhi company. Accordingly, the requirement of clause 3(xii) of the Order is not applicable to the company during the year under report.
- (xiii). According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv). According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him under the provisions of Section 192 of Companies Act, 2013. Therefore, the provisions of clause 3(xv) of the Order are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For M/s K.S RAO & Co.,
Chartered Accountants
Firm Registration No. 003109S

K.VAMSI KRISHNA
Partner
ICAI Membership No:238809

Camp: Tanuku
Date: 27-06-2020

Annexure - B to the Independent Auditors' Report

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

We have audited the internal financial controls with reference to the financial statements of **The Andhra Sugars Limited** ("the Company") as of 31st March, 2020 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 Board of Directors of the company is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to the 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 with reference to the financial statements 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 the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal financial controls with reference to the financial statements (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 the 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of internal financial controls with reference to the 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 over financial reporting.

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 over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 the 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 the financial statements to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls with reference to the financial statements were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls with reference to the financial statements issued by the Institute of Chartered Accountants of India.

For M/s K.S RAO & Co.,
Chartered Accountants
Firm Registration No. 003109S

K.VAMSI KRISHNA
Partner
ICAI Membership No:238809

Camp: Tanuku
Date: 27-06-2020

BALANCE SHEET AS ON 31st MARCH 2020

(Rupees in lakhs)

Particulars	Notes	As At 31st March 2020	As At 31st March 2019
Assets			
Non current Assets			
Property, Plant and Equipment	2	66229.27	64984.57
Capital Work in Progress		2768.48	5450.79
Investment property	2.1	4.87	5.99
Other Intangible assets	<u>2.1</u>	9.88	15.08
Financial Assets			
Investments	<u>3</u>	12069.43	20343.27
Loans	<u>4</u>	50.00	200.00
Other Financial Assets	<u>5</u>	8.70	54.76
Other Non Current Assets	<u>7</u>	3153.27	2699.13
Current Assets			
Inventories	<u>8</u>	36970.57	37138.13
Financial assets			
Investments	<u>3.1</u>	10777.70	11008.25
Loans	<u>4</u>	200.00	200.00
Trade Receivables	<u>9</u>	13276.94	12692.80
Cash and Cash Equivalents	<u>10</u>	1390.12	2127.98
Other Bank Balances	<u>10</u>	1488.23	2072.05
Other Financial Assets	<u>5</u>	170.18	187.40
Current Tax Assets	<u>6</u>	1938.12	816.46
Other Current Assets	<u>7</u>	1800.88	1259.01
Non Current Assets Classified as Held for Sale		5.45	5.79
TOTAL		152312.09	161261.46
Equity and Liabilities			
Equity			
Equity Share Capital	<u>11</u>	2711.01	2711.01
Other Equity	<u>12</u>	98279.86	97288.68
Deferred Government grant	17.1	445.73	599.75
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	<u>13</u>	13579.94	17627.61
Trade Payables			
Total Outstanding dues of Micro Enterprise and Small Enterprise			
Total Outstanding dues of creditors other than Micro Enterprise and Small Enterprise			
Other financial liabilities	<u>15</u>	235.59	246.04
Deferred Tax Liability (Net)	<u>20</u>	9042.25	12841.58
Provisions	<u>16</u>	1811.96	1625.62
Other non-current liabilities	<u>17</u>	4432.32	4509.07
Current Liabilities			
Financial Liabilities			
Borrowings	<u>14</u>	3940.74	5877.43
Trade Payables			
Total Outstanding dues of Micro Enterprise and Small Enterprise		0.06	0.02
Total Outstanding dues of creditors other than Micro Enterprise and Small Enterprise	<u>18</u>	1999.96	3049.94
Other financial Liabilities	<u>18.2</u>	11949.74	10616.47
Other current liabilities	<u>19</u>	3167.07	3596.68
Provisions	<u>16.1</u>	715.86	671.56
Current tax liabilities		—	—
TOTAL		152312.09	161261.46
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

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

P. Narendranath Chowdary Chairman & Managing Director

K. Vamsi Krishna
Partner
Membership No: 238809

M. Narendranath Joint Managing Director

M. Palachandra Company Secretary

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

Tanuku
Date: 27.06.2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

(Rs. in Lakhs)

	PARTICULARS	Notes	Current Reporting Period 2019-20	Previous Reporting Period 2018-19
	Income			
I	Revenue from Operations	<u>21</u>	104068.14	97436.36
II	Other Income	<u>22</u>	2702.27	3742.69
III	Total Income (I + II)		106770.41	101179.05
IV	Expenses			
	Cost of Materials Consumed	<u>23</u>	32094.90	39952.01
	'Changes in Inventories of Finished Goods,	<u>24</u>	1398.87	(13867.84)
	Employee Benefits Expense	<u>25</u>	12256.37	11753.87
	Depreciation and Amortization Expense	<u>26</u>	5649.03	4972.53
	Finance Costs	<u>27</u>	2762.94	2923.96
	Power and Fuel		18616.76	18248.62
	Other Expenses	<u>28</u>	13665.61	11793.37
	Total Expenses (IV)		86444.48	75776.52
V	Profit Before Exceptional Items and Tax (III-IV)		20325.93	25402.53
VI	Exceptional Items			
VII	Profit Before Tax (V-VI)		20325.93	25402.53
VIII	Tax			
	Add: Income Tax Refund			
	Less : Tax Expenses			
	Short/ (Excess) provision of Tax of Earlier years		(200.42)	(3.00)
	Current Tax		5300.00	8360.00
	Deferred Tax		(3789.24)	473.52
	Total Tax Expense		1310.34	8830.52
IX	Profit for the year after tax from continuing operations (VII-VIII)		19015.59	16572.01
X	Other comprehensive income			
	A (i) Items that will not be reclassified to profit or loss	<u>28(a)</u>	(8224.47)	(1161.48)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		10.07	(307.42)
	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)		10801.19	15103.11
	Basic Earning Per Share		70.15	61.14
	Diluted Earning Per Share		70.15	61.14
	Summary of Significant Accounting Policies	<u>1.1</u>		

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

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

K. Vamsi Krishna
Partner
Membership No: 238809

P. Narendranath Chowdary

Chairman & Managing Director

M. Narendranath

Joint Managing Director

M. Palachandra

Company Secretary

P.V.S. Viswanadha Kumar

G.M.(Finance) & Addl.Secretary

Tanuku
Date: 27.06.2020

Tanuku
27.06.2020

The Andhra Sugars Ltd.
Tanuku

(Rs. in Lakhs)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

PARTICULARS	31st March 2020	31st March 2019
Profit before tax from continuing operations	20,325.93	25,402.53
Adjustments for		
Net gain on sale of current investments	(834.86)	(576.11)
Net gain on revaluation of current investments	(158.89)	(184.93)
Interest expense	2,762.94	2,923.96
Interest income	(318.44)	(578.46)
Dividend income	(471.57)	(99.13)
Loss Allowance provided	10.15	1.40
Government Grant amortised	(154.02)	(262.50)
Depreciation/amortization on continuing operation	5,649.03	4,972.53
Loss/[profit] on sale of fixed assets	(43.88)	(98.96)
Assets written off	100.68	241.70
Rents paid under Leases	(48.82)	
Remeasurement of defined benefit plans	49.37	180.39
Operating profit before working capital changes	26,867.62	31,922.42
Movements in working capital:		
Increase/[decrease] in trade payables	(1,049.94)	58.34
Increase/[decrease] in long-term provisions	186.34	72.38
Increase/[decrease] in short-term provisions	44.30	(67.18)
Increase/[decrease] in other liabilities	(1,011.15)	849.81
Increase/[decrease] in other financial liabilities (non-current)	(10.45)	34.81
Increase/[decrease] in other liabilities (non-current)	(76.75)	269.28
Decrease/[increase] in trade receivables	(594.29)	24.55
Decrease/[increase] in inventories	167.56	(14,683.95)
Decrease/[increase] in long-term loans and advances	(64.11)	(10.80)
Decrease/[increase] in other current assets	(541.87)	530.17
Decrease/[increase] in other financial assets	46.06	31.90
Cash generated from/[used in] operations	23,963.32	19,031.73
Direct taxes paid [net of refunds]	6,221.24	6,770.66
Net cash flow from/[used in] operating activities (A)	17,742.08	12,261.07
Cash flows from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(4,626.62)	(6,175.17)
Proceeds from sale of fixed assets	57.53	112.21
Purchase of current investments	(53,838.73)	(48,269.78)
Proceeds from sale/maturity of current investments	55,063.03	39,825.61
Interest received	335.66	578.46
Dividends received from subsidiaries	48.87	97.73
Dividends received from 'Investments in Associates (The Andhra Petrochemicals Ltd.)	421.30	-
Decrease/[increase] in other Bank balances (current)	583.82	(668.39)
Dividends received from Long- Term investments	1.40	1.40
Net cash flow from/[used in] investing activities (B)	(1,953.74)	(14,497.93)
Proceeds from borrowings	(4,107.15)	5,577.08
Inter-corporate loan to APL & Akkamamba Ltd	150.00	3,200.00
Interest paid	(2,775.38)	(2,923.96)
Dividends paid including Interim Dividend	(8,132.13)	(2,710.71)
Tax on equity dividend paid	(1,661.54)	(537.10)
Net cash flow from/[used in] in financing activities [C]	(16,526.20)	2,605.31
Net increase/[decrease] in cash and cash equivalents (A+B+C)	(737.86)	368.45
Cash and cash equivalents at the beginning of the year	2,127.98	1,759.53
Cash and cash equivalents at the end of the year	1,390.12	2,127.98
Components of cash and cash equivalents		
Cash on hand	16.03	22.51
Cheques/drafts on hand	—	322.01
With banks Accounts	1,374.09	1,783.46
Total cash and cash equivalents (Note 10)	1,390.12	2,127.98

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

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

P. Narendranath Chowdary
M. Narendranath

Managing Director
Joint Managing Director

M. Palachandra
P.V.S. Viswanadha Kumar

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

Tanuku
Date: 27.06.2020

1. CORPORATE INFORMATION

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.

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).

The financial statements have been prepared on the historical cost convention under accrual basis of accounting except for certain financial assets and liabilities (as per the accounting policy below), which have been measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

b) 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.

c) 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 Organisation with adverse impact on economy and business. Supply chain disruptions in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in all states followed by a nation-wide lockdown from the 25th of March 2020 announced by the Indian Government, to stem the spread of Covid -19. 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 2020. In developing the assumptions and estimates relating to the uncertainties as the Balance sheet date in relation to the recoverable amounts of these

The Andhra Sugars Limited

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.

d) 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 includes Excise Duty but excludes Value Added Tax, Sales Tax and Goods and Services Tax.

Sale of products:

Effective April 1, 2018, Company adopted 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.

e) 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.

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 SaggondaCoal 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.

f) 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.

g) 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

h) 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.

The Andhra Sugars Limited

(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.

i) 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 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.

j) 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.
- 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.

k) 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.

I) 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 realised or the deferred income tax liability is settled.

The Andhra Sugars Limited

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.

m) 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.

n) 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.

o) 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) Caustic Soda, 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.

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.

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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.

q) 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.

r) 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.

s) 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.

t) 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. g (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. aa.

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 (see note T.3 above).

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

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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 FVTOCI 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 - aa.

(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

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between the carrying amount of the financial liability de-recognized and the consideration paid and payable is recognized in profit or loss.

Hedge Accounting

Derivatives are initially recognized at fair value on the date when a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as either:

- hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedges), or
- hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges).

The Company documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed. Movements in the hedging reserve in shareholders' equity are disclosed. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, within other gains/ (losses).

When forward contracts are used to hedge forecast transactions, the company generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognized in other comprehensive income in cash flow hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognized in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/ (losses).

u) 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 borrowings costs. All other borrowing costs are charged to revenue.

v) 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.

w) 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.

x) Accounting for Derivatives:

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

y) Earnings per share:

The company's Basic EPS is calculated by dividing profit or loss from continuing operations attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period as per IND AS-33, Earnings per Share.

The diluted EPS of an entity is calculated on the same basis as basic EPS, after adjusting for the effects of dilutive potential ordinary shares unless the effect of the potential dilutive equity shares is anti-dilutive.

z) 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.

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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.

aa) 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.

ab) 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.

ac) Non-current assets held for sale:

Non-current assets and 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. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal group) classified as held for sale are measured at the lower of their carrying amount and fair value less cost to sell.

Statement of Changes in Equity for the year ended 31st March 2020

A. Equity share capital (Rs.in Lakhs)

Particulars	No's	INR
As at 31st March, 2019	271.10	2,711.01
Changes in equity share capital	-	-
As at 31st March, 2020	271.10	2,711.01

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	
Balance at the end of reporting period - 31st March 2018		0.30	1,129.40	44,345.98	30,259.51	10,376.36	(989.63)	311.46	85,433.38
Profit for the period					16,572.01	(1,341.87)	180.39	(307.42)	16,572.01
Other Comprehensive Income					16,572.01	(1,341.87)	180.39	(307.42)	(1,468.90)
Total Comprehensive Income for the year					(15,000.00)	(1,341.87)	180.39	(307.42)	15,103.11
Transfer from General Reserve				15,000.00	(2,710.71)				-
Final Dividends					(537.10)				(2,710.71)
Dividend Distribution tax									(537.10)
Balance at the end of Reporting Period - 31st March 2019		0.30	1,129.40	59,345.98	28,583.71	9,034.49	(809.24)	4.04	97,288.68
Profit for the period					19,015.59	(8,273.84)	49.37	10.07	19,015.59
Other Comprehensive Income					19,015.59	(8,273.84)	49.37	10.07	(8,214.40)
Total Comprehensive Income for the year					(10,000.00)	(8,273.84)	49.37	10.07	10,801.19
Transfer from General Reserve				10,000.00	(10,000.00)				-
Adjustment for Lease Rental under Ind As 116				(16.34)	(5,421.42)				(16.34)
Interim Dividend					(2,710.71)				(5,421.42)
Final Dividends					(1,661.54)				(2,710.71)
Dividend Distribution Tax									(1,661.54)
Balance at the end of Reporting period - 31st March 2020	-	0.30	1,129.40	69,329.64	27,805.63	760.65	(759.87)	14.11	98,279.86

PROPERTY, PLANT AND EQUIPMENT SCHEDULE FOR THE FINANCIAL YEAR 2019-20

DESCRIPTION	COST AS ON 01.04.2019	ADDITIONS	DELETIONS	COST AS ON 31.03.2020	DEP. UPTO 31.03.2019	DEP. FOR THE YEAR	DEP. ON Deductions	DEP. UPTO 31.03.2020	WDV AS ON 31.03.2020	WDV AS ON 31.03.2019
Land	4,032.44	109.37	-	4,141.80	-	-	-	-	4,141.80	4,032.44
Factory Buildings	6,416.22	518.59	-	6,934.81	1,002.84	305.86	-	1,308.70	5,626.11	5,413.38
Plant and Machinery	67,579.50	5,530.13	152.77	72,956.85	15,617.99	4,657.75	52.43	20,223.30	52,733.55	51,961.51
Transport Equipment	5,489.39	706.95	88.38	6,107.97	2,060.01	579.53	74.73	2,564.81	3,543.15	3,429.39
Furniture & Fittings	416.57	59.81	-	476.38	268.73	68.96	-	337.69	138.69	147.84
Previous Year	83,934.12	6,924.85	241.16	90,617.82	18,949.56	5,612.10	127.16	24,434.50	66,183.32	64,984.57
	73,608.47	10,608.51	282.86	83,934.12	13,991.39	4,971.23	13.06	18,949.56	64,984.57	59,616.21

Depreciation for the year 2019-20 includes Depreciation capitalized on M.M Division to the extent of Rs.5,97,032/-

Depreciation for the year 2018-19 includes Depreciation capitalized on M.M Division to the extent of Rs.5,38,488/-

Right of Use Assets (lease Ind AS 116)

DESCRIPTION	COST AS ON 01.04.2019	ADDITIONS	DELETIONS	COST AS ON 31.03.2020	DEP. UPTO 31.03.2019	DEP. FOR THE YEAR	DEP. ON Deductions	DEP. UPTO 31.03.2020	WDV AS ON 31.03.2020	WDV AS ON 31.03.2019
Land	-	34.66	-	34.66	-	16.77	-	16.77	17.89	-
Buildings	-	47.86	-	47.86	-	19.81	-	19.81	28.05	-
	0.00	82.52	0.00	82.52	0.00	36.58	0.00	36.58	45.94	0.00

Note-2.1

DESCRIPTION	COST AS ON 01.04.2019	ADDITIONS	DELETIONS	COST AS ON 31.03.2020	DEP. UPTO 31.03.2019	DEP. FOR THE YEAR	DEP. ON DEDUCTIONS	DEP. UPTO 31.03.2020	WDV AS ON 31.03.2020	WDV AS ON 31.03.2019
Intangible Assets	35.89	-	-	35.89	20.81	5.20	-	26.01	9.88	15.08
Previous Year	35.89	-	-	35.89	15.60	5.20	-	20.81	15.08	20.28

DESCRIPTION	COST AS ON 01.04.2019	ADDITIONS	DELETIONS	COST AS ON 31.03.2020	DEP. UPTO 31.03.2019	DEP. FOR THE YEAR	DEP. ON DEDUCTIONS	DEP. UPTO 31.03.2020	WDV AS ON 31.03.2020	WDV AS ON 31.03.2019
Investment Property	15.58	-	-	15.58	9.59	1.12	-	10.70	4.87	5.99
Previous Year	15.58	-	-	15.58	8.10	1.49	-	9.59	5.99	7.48

Particulars	As on 31.03.2020	As on 31.03.2019
Capital Work-in-Progress	2,768.48	5,450.79
Total	2,768.48	5,450.79

Particulars	WDV as on 31.03.2020	WDV as on 31.03.2019
Non Current Assets Held for sale	5.45	5.79
Total	5.45	5.79

a) The Company has adopted Ind AS 116 effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact
b) The total cash outflow for leases is ` Rs. 48.83 lakhs for the year ended 31st March, 2020, including cash outflow of short-term leases and leases of low-value assets. Interest on lease liabilities is ` Rs. 9.37 lakhs for the year.

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Notes Forming Part of Accounts

Note -3

(Rs. in Lakhs)

Non-Current Investments	As at 31st March 2020	As at 31st March 2019
A. Investments measured at cost		
(i) Investments in equity instruments (Quoted)		
Investment in Subsidiary		
48,86,500 (31st March, 2019: 48,86,500) fully paid Equity shares of Rs.10/- each in JOCIL LTD.	441.79	441.79
Investments in Associate		
2,80,86,613 (31st March, 2019: '2,80,86,613) fully paid Equity Shares of Rs.10/- each in The Andhra Petrochemicals Ltd.,	3660.56	3660.56
(ii) Investments in equity instruments (Unquoted)		
Investment in Subsidiary		
3,28,760 (31st March, 2019: 3,28,760) partly paid Equity shares of Rs.10/- each (Rs.2.50 per share paid up) in Hindustan Allied Chemicals Ltd.,(Unquoted)	2.74	2.74
3,45,700 (31st March, 2019: 3,45,700) fully paid Equity shares of Rs.10/- each in The Andhra Farm Chemicals Corpn.Ltd.,(un quoted)	34.57	34.57
B. Investments at fair value through other comprehensive income		
(i) Investments in equity instruments (Quoted)		
25,052 (31st March, 2019: 25,052)fully paid equity shares of of Rs.10/- each in Andhra Bank	2.34	7.03
1391 (31st March, 2019: 1391)Equity Shares of Rs.10/- each, fully paid up in Indian Bank (Quoted)	0.60	3.90
(ii) Investments in equity instruments (Unquoted)		
a) '1,15,40,080 (31st March, 2019: 1,15,40,080) fully paid Equity Shares of Rs.10/- each in Andhra Pradesh Gas Power Corporation Ltd.,	7754.93	16020.79
b) '1,40,000 (31st March, 2019: 1,40,000) fully paid Equity Shares of Rs.10/-each in Sree Akkamamba Textiles Ltd.,	171.26	171.26
Other Investments		
Investments in Govt Securities:		
National Plan Saving Certificates (lodged with Govt. Departments towards security)	0.64	0.64
	12069.43	20343.27

All the above investments are long term investments.

Aggregate Amount of unquoted investments	7964.14	16230.00
Aggregate Amount of quoted investments	4105.29	4113.27
	12069.43	20343.27
Aggregate Market value of quoted investments	9143.24	20779.39
Aggregate Book value of quoted investments (cost)	4107.93	4107.93
Aggregate amount of impairment in value of investments	-	-

The Andhra Sugars Limited

Details of Material 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 2020	As at 31st March 2019
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.

Details of material Subsidiaries

Name of the Subsidiaries	Principal activity	Place of Incorporation and principal place of business	Proportion of ownership interest/voting rights	
			As at 31st March 2020	As at 31st March 2019
1. Jocil Limited	Manufacturers of Fatty acids & Generation of Power	India	55.03	55.03
2. The Andhra farm Chemical Corporation Limited	Manufacturers of Hydrazine Hydrate	India	76.83	76.83
3. Hindustan Allied Chemicals Limited	NIL	India	77.36	77.36

Note -3.1

(Rs. in Lakhs)

Current Investments	As At 31st March 2020	As At 31st March 2019
<u>Investment in Liquid / Debt Mutual Funds</u>		
HDFC Mutual Fund	1733.47	1208.63
Birla Sun Life Mutual Fund	2904.09	3885.65
Nippon India Mutual Fund	1631.52	2017.20
UTI Mutual Fund	1605.60	1406.71
SBI Mutual Fund	1581.03	801.51
KOTAK Mutual Fund	.....	353.57
BNP Paribas Mutual Fund	.....	417.32
Canara Robeco Mutual Fund	1221.42	617.32
Baroda Pioneer Mutual Fund	.....	300.34
Axis Mutual Fund	100.57	.....
TOTAL	10777.70	11008.25

Category Wise Financial Assets - as per Ind AS 107 classification

Particulars	As at 31st March 2020	As at 31st March 2019
Financial assets carried at fair value through profit or loss(FVTPL) Mandatorily measured at FVTPL	10777.70	11008.25
Financial assets carried at amortised cost Debt/equity instrument	16584.17	17534.99
Financial assets measured at FVTOCI Debt/equity instrument	12069.43	20343.27
Total	39431.30	48886.51

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 -4

(Rs. in Lakhs)

	As At 31st March 2020	As At 31st March 2019	As At 31st March 2020	As At 31st March 2019
Loans and advances				
a) Loans Receivables considered good - Secured				
b) Loans Receivables considered good - Unsecured To Sree Akkamamba Textiles Ltd.	50.00	200.00	200.00	200.00
c) Loans Receivables which have significant increase in Credit Risk				
d) Loans Receivables - credit impaired Total	50.00	200.00	200.00	200.00

Note -5

(Rs. in Lakhs)

Other Financial Assets	Non-current		current	
	As At 31st March 2020	As At 31st March 2019	As At 31st March 2020	As At 31st March 2019
Interest accrued on Deposits	—	—	164.91	187.40
Margin Money Deposits	8.70	54.76		
Unbilled Revenue			5.27	—
Others				
Total	8.70	54.76	170.18	187.40

Note -6

(Rs. in Lakhs)

Current Tax Assets(Net)	As at 31st March 2020	As at 31st March 2019
Current Tax Assets		
Advance payment of Direct Taxes	14994.20	16281.83
Income Tax deducted at source	103.34	227.12
Income Tax Refund Receivable	610.58	0.96
	15708.12	16509.91
Less: Current Tax Liabilities		
Provision for Income tax	13770.00	15693.45
	13770.00	15693.45
Current tax Asset/(Liability) net	1938.12	816.46

Note -7

(Rs. in Lakhs)

Other Assets	Non-current		current	
	As At 31st March 2020	As At 31st March 2019	As At 31st March 2020	As At 31st March 2019
Capital Advances				
Considered good- Secured				
Considered good - Unsecured	781.00	390.97	—	—
Which have significant increase in credit risk				
Credit impaired				
(A)	781.00	390.97		
Security Deposit				
Considered good- Secured				
Considered good - Unsecured	2316.10	2252.99	113.60	100.17
Which have significant increase in credit risk				
Credit impaired	2316.10	2252.99	113.60	100.17
Provision for doubtful security deposit				
(B)	2316.10	2252.99	113.60	100.17
Advances recoverable in cash or Kind				
Considered good- Secured				
Considered good - Unsecured			1397.70	866.41
Which have significant increase in credit risk			11.81	11.81
Credit impaired			21.97	21.97
			1431.48	900.19
Provision for doubtful advances			21.97	21.97
(C)			1409.51	878.22
Other Loans and Advances				
Prepaid expenses	56.17	55.17	271.88	274.73
Balances with statutory/ 'government authorities	—	—	5.89	5.89
(D)	56.17	55.17	277.77	280.62
Total [A+B+C+D]	3153.27	2699.13	1800.88	1259.01

Note -8

(Rs. in Lakhs)

Inventories (valued at lower of cost and net realizable value)	'As At 31st March 2020	'As At 31st March 2019
Raw materials and components at Cost	2555.70	3015.88
Work-in-progress		
: At Cost	308.55	502.16
: At Estimated Realisable Value	31.88	73.46
Finished goods		
: At Cost	2129.53	1873.04
: At Estimated Realisable Value	24346.19	25766.36
Stores and spares at Cost (includes in transit Rs. 1.55 lakhs) '(31 March 2019: Rs .45.55 Lakhs)	7549.10	5863.35
Loose tools	42.87	40.08
Others	6.75	3.80
Total	36970.57	37138.13

The cost of inventories recognized as an expense during the year in respect of continuing operations was Rs. 35400.20 Lakhs for the year ended 31st March, 2020 and Rs. 27888.42 Lakhs for the year ended 31st March, 2019.

The amount of write-down of inventories to net realisable value recognised as an expense was Rs. 3556.22 Lakhs for the year ended 31st March, 2020 and Rs.1942.08 Lakhs for the year ended 31st March, 2019.

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

Note -9

(Rs. in Lakhs)

Trade receivables	Non-current		current	
	As At 31st March 2020	As At 31st March 2019	As At 31st March 2020	As At 31st March 2019
a) Considered good- Secured	—	—	209.58	742.47
b) Considered good - Unsecured	—	—	13105.94	11978.76
c) Trade Receivables which have significant increase in Credit Risk ;	—	—	10.02	10.02
d) Trade Receivables - Credit impaired				
	0.00	0.00	13325.54	12731.25
Less: Provision for doubtful receivables			10.02	10.02
Less :Provision for Loss allowance/Expected Credit Loss			38.58	28.43
Total	0.00	0.00	13276.94	12692.80

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

Credit Risk is the Risk that the Counter Party will not meet its Obligation under a Financial Instrument or Customer Contract leading to Financial Loss.

Note -10

(Rs. in Lakhs)

Cash and bank balances	Current	
	As At 31st March 2020	As At 31st March 2019
<u>Cash and Cash Equivalents :</u>		
Balances with Banks:		
On current accounts	1374.09	1783.46
Deposits with original maturity of less than 3 months		
Cheques/drafts on hand	—	322.01
Cash on hand	16.03	22.51
	1390.12	2127.98
<u>Other Bank Balances :</u>		
Deposits with original maturity for more than 12 months	-	-
For more than 3 months but less than 12 months	1106.68	1001.54
On unpaid dividend account	169.84	158.20
Earmarked Balances with Banks(20 % Liquidity on Fixed Deposits held under The Companies Act 2013)	175.37	861.06
Margin money deposit	36.34	51.25
	1488.23	2072.05
Total	2878.35	4200.03

Note -11

(Rs. in Lakhs)

Share Capital	As At 31st March 2020	As At 31st March 2019
<u>Authorised Shares :</u>		
28750000 (31st March 2019: 28750000)'Equity shares of Rs.10 /- each	2875.00	2875.00
30000(31st March 2019:30000)'9.5% First Cumulative Redeemable Preference Shares of Rs 100/- each.	30.00	30.00
95000 (31st March 2019:95000)'9.5% Second Cumulative Redeemable Preference Shares of Rs 100/- each.	95.00	95.00
Total	3000.00	3000.00
<u>Issued Shares :</u>		
27113091 (31st March 2019: 27113091)'Equity shares of Rs.10 /- each	2711.31	2711.31
Total	2711.31	2711.31
<u>Subscribed and fully paid-up shares :</u>		
27107078 (31st March 2019: 27107078)'Equity shares of Rs.10 /- each fully paid up	2710.71	2710.71
Forfeited amount on 6013 shares of Rs.10/-each, Rs.5/-paid up	0.30	0.30
Total Subscribed and fully paid-up capital	2711.01	2711.01

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period	As At 31st March 2020		As At 31st March 2019	
	No.	Rs.	No.	Rs.
Equity Shares				
At the beginning of the period	271.07	2710.71	271.07	2710.71
Add: Fresh Issue during the year	-	-	0.00	-
Less: Buy Back of Shares during the year	-	-	0.00	-
Outstanding at the end of the period	271.07	2710.71	271.07	2710.71
b.Shareholders holding more than 5% shares	As At 31st March 2020	As At 31st March 2019		
'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 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 27-06-2020.

Note -12

(Rs. in Lakhs)

RESERVES AND SURPLUS		
RESERVES AND SURPLUS	As At 31st March 2020	As At 31st March 2019
Capital Reserves		
Forfeited Debentures *	0.30	0.30
Securities Premium Account	1129.40	1129.40
Surplus in Other Comprehensive Income		
Balance as per last Financial Statements	8229.29	9698.19
OCI for the Year	(8214.40)	(1468.90)
Closing Balance	14.89	8229.29
General Reserve		
Balance as per the last Financial Statements	59345.98	44345.98
Less: Adjustment for Lease Rental under Ind As 116	(16.34)	
Add : Amount transferred from Surplus	10000.00	
Balance in the Statement of Profit And Loss		15000.00
Closing Balance	69329.64	59345.98
Surplus/(Deficit) In The Statement of Profit And Loss		
Balance as per the last Financial Statements	28583.71	30259.51
Profit for the year	19015.59	16572.01
	47,599.30	46831.52
Less : Appropriations		
Interim Equity Dividend	5421.42	0.00
Final Equity Dividend for 2018-19	2710.71	2710.71
Tax on Distributed Profits	1661.54	537.10
Transfer to General Reserve	10000.00	15000.00
Total Appropriations	19793.67	18247.81
Net Surplus In Statement of Profit And Loss	27805.63	28583.71
Total Reserves And Surplus Taken To Balance Sheet	98279.86	97288.68

The Andhra Sugars Limited

* 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 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.
- 2) During the year ended March 31, 2020, the Board of Directors declared an interim dividend of Rs.20/- per share on 14.03.2020. The Interim dividend was paid to all holders of fully paid equity shares and the total interim dividend paid is Rs. 5421.42 Lakhs
- 3) During this year, the Company adopted Ind AS 116 effective from 1st April 2019, using the modified retrospective method. The Company has applied the Standard to its Leases with the cumulative impact recognised on the date of initial application (i.e. 1st April 2019). This has resulted in recognising a right of use Asset of Rs. 82.52 Lakhs and corresponding lease liability of Rs. 98.86 Lakhs. The difference of Rs.16.34 Lakhs has been adjusted to Retaining Earnings as at 01.04.2019.

Note -13

(Rs. in Lakhs)

BORROWINGS:	13.1 Non-current portion		13.2 Current maturities	
	As At 31st March 2020	As At 31st March 2019	As At 31st March 2020	As At 31st March 2019
Other Loans and advances:				
Deferred Sales Tax Loan (Unsecured)	1139.57	1398.81	413.12	923.45
Deposits (unsecured)				
Deposits from Directors/Related Parties	10231.16	13808.90	6425.75	3601.60
Others	2192.80	2259.90	838.10	1418.30
Deposits from Hindustan Allied Chemicals Ltd (Subsidiary)		160.00	160.00	-
Long Term Maturities of Financial Lease Liabilities	16.41			
	13579.94	17627.61	7836.97	5943.35
Total Amount	13579.94	17627.61	7836.97	5943.35
The above amount includes				
Secured borrowings	-	-	0.00	0.00
Unsecured borrowings	13563.53	17627.61	7836.97	5943.35
Amount disclosed under the head "Other current liabilities"	—	—	7836.97	5943.35
Net Amount	13579.94	17627.61	-	-

Note -14

(Rs. in Lakhs)

BORROWINGS	As At 31st March 2020	As At 31st March 2019
Cash credit from Banks (Secured)	2177.54	5447.44
Working Capital Soft Loan-Interest Subvention (Secured)	1653.30	
Deposits (unsecured)		
Deposits from Directors/Related Parties	9.00	331.00
from Others	62.10	21.35
Loans From Directors	38.80	77.64
	3940.74	5877.43
The above amount includes		
Secured borrowings	2177.54	5447.44
Unsecured borrowings	109.90	429.99

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) Foreign Currency Exposure hedged by derivative Instruments as on 31st March 2020 is Nil and as on 31.03.2019 is Nil.

c) 'Short Term Loans as at 31st March 2020 From Banks Comprises of :

(Rs. in Lakhs)

Particulars	Interest Subvention Loan
a) Loan Sanctioned	Rs. 1654.00
b) Loan Availed	Rs. 1654.00
c) No. of Installments	Bullet Repayment on 30.05.2020.
d) Rate of Interest	Interest at 9.95% p.a. out which ,Interest Subvention at 7.00% p.a. will be given as per the Govt.of India Notification.
e) Lending Bank	Andhra Bank
f) Security	Pari Passu First Charge on Current & Fixed Assets of the Company

(Rs. in Lakhs)

Particulars of Inventories and Receivables for Security	Cash Credit	
	As At 31st March 2020	As At 31st March 2019
Inventories	36970.57	37138.13
Trade receivables	13276.94	12692.80

Note -15

(Rs. in Lakhs)

Other financial liabilities (non-current)	As At 31st March 2020	As At 31st March 2019
Trade Deposits	227.67	235.46
Staff Security Deposit	7.92	10.58
Total	235.59	246.04

Note -16

(Rs. in Lakhs)

PROVISIONS	Non-current		Current	
	As At 31st March 2020	As At 31st March 2019	As At 31st March 2020	As At 31st March 2019
Provision for employee benefits:				
Provision for Gratuity	1151.60	969.81	427.15	397.59
Provision for leave benefits	660.36	655.81	288.71	273.97
	1811.96	1625.62	715.86	671.56

(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	Wealth tax
Balance at 1st April 2019	929.79	1367.40	15693.45	0.00
Provision recognised during the year	-			
- In Statement of Profit & Loss	211.18	391.88	249.98	0.00
- In Statement of Other Comprehensive Income	40.70	(90.07)		0.00
Amounts incurred and charged against the provision	(232.60)	(90.45)	2645.04	0.00
Reductions arising from payments				
Reduction resulting from re-measurement or settlement without cost				
Balance at 31st March 2020	949.07	1578.75	13770.00	0.00

Note -17

(Rs. in Lakhs)

OTHER NON-CURRENT LIABILITIES:	As At 31st March 2020	As At 31st March 2019
Outstanding Liabilities for Others	4432.32	4509.07
Total	4432.32	4509.07

Note -17.1

(Rs. in Lakhs)

Deferred Government Grant	As At 31st March 2020	As At 31st March 2019
Deferred sales tax loan	444.56	598.44
Caustic soda-Saggonda unit(capital subsidy)	1.17	1.31
Total	445.73	599.75

Note -18

(Rs. in Lakhs)

Financial Liabilities:	As At 31st March 2020	As At 31st March 2019
18.1 Trade payables		
Due to Micro & Small Enterprises	0.06	0.02
Due to Others	1999.96	3049.94
	2000.02	3049.96
18.2 Other financial Liabilities: (Current)		
Current maturities of long Term Borrowings (Refer Note No. 13.2)	7836.97	5943.35
Current Maturities of Financial Lease liability	43.00	—
Interest accrued but not due on Borrowings	463.57	485.38
Unclaimed Dividend	169.84	158.20
Unclaimed matured deposits and Interest accrued thereon	34.65	46.85
Accrued Salaries and Benefits	1348.83	1403.04
Directors Remuneration Payable	2043.37	2573.78
Staff Security Deposits	9.51	5.87
	11949.74	10616.47
	13949.76	13666.43

Due to Small and Medium Enterprises	As At 31st March 2020	As At 31st March 2019
a) Principal amount and interest due thereon remaining period	0.06	0.02
b) Interest paid in terms of section 16 of MSMED Act	0.06	0.02
c) Interest due and payable for the period of delay excluding interest specified under MSMED Act	0.00	0.00
d) Interest accrued and remaining unpaid at the end of the year	0.06	0.02
e) further interest due and payable in terms of section 23 of MSMED Act, 2006	0.00	0.00

Note -19

(Rs. in Lakhs)

Other Current Liabilities	As At 31st March 2020	As At 31st March 2019
Advance from Customers	628.12	457.00
Statutory Dues	385.79	695.89
Others	2153.16	2443.79
	3167.07	3596.68

Note -20

(Rs. in Lakhs)

Deferred Tax Liability (Net)	As At 31st March 2020	As At 31st March 2019
Deferred Tax Liability		
Deferred Tax liability on Plant Property Equipment	8999.68	12639.92
On legal cases discounting	372.44	627.78
On current investments	40.04	64.62
On Non-current Investments	15.35	15.18
Gross Deferred Tax Liability	9427.51	13347.50
Deferred Tax Asset		
Mat Credit		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	352.54	484.80
On Lease liability	14.95	
Provision for doubtful debts and advances	17.77	21.12
Gross Deferred Tax Asset	385.26	505.92
Net Deferred Tax Liability	9042.25	12841.58

Details of Deferred tax for the year 2019-20

(Rs. in Lakhs)

Deferred tax (Liabilities)/Assets in relation to:	Opening Balance	Recognised in profit/loss	Recognised in other comprehensive income	Closing Balance
Investments	(15.18)		(0.17)	(15.35)
Property, Plant and Equipment	(12639.92)	3640.23		(8999.68)
Financial Assets (Current Investments)	(64.62)	24.58		(40.04)
Legal cases	(627.78)	255.34		(372.44)
Provision for doubtful debts & Expected Credit Loss	21.12	(3.35)		17.77
Expenditure charged to statement of profit and loss in the current year but allowed for tax purposes on payment basis	484.80	(142.51)	10.24	352.54
On Lease Liabilities		14.95		14.95
Others				0.00
Total	(12841.58)	3789.24	10.07	(9042.25)

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,2020

Financial instruments measured at fair value	Carrying amount					Fair value			
	Note	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- Amortised cost	Financial Liabilities- Amortised cost	Total	Level 1	Level 2	Total
Financial instruments measured at fair value									
Financial instruments measured at fair value									
Current Investments	3.1	-	10,777.70	-	-	10,777.70	10,777.70	-	10,777.70
Non Current investments	3	10,306.22	-	-	-	10,306.22	4,142.60	7,926.83	12,069.43
Financial assets not measured at fair value									
Trade receivables	9	-	-	13,276.94	-	13,276.94	-	13,276.94	13,276.94
Cash and Cash Equivalents	10	-	-	1,390.12	-	1,390.12	1,390.12	-	1,390.12
Bank balances other than above	10	-	-	1,488.23	-	1,488.23	1,488.23	-	1,488.23
Inter corporate loans	4	-	-	250.00	-	250.00	250.00	-	250.00
Other Financial Assets	5	-	-	178.88	-	178.88	178.88	-	178.88
		10,306.22	-	16,584.17	-	37,668.09	18227.53	21203.77	39,431.30
Financial liabilities not measured at fair value									
Borrowings	13	-	-	-	21,416.91	21,416.91	21,416.91	-	21,416.91
Trade payables	18	-	-	-	2,000.02	2,000.02	2,000.02	-	2,000.02
Other financial liabilities									
Accrued salaries and benefits	18.2	-	-	-	1,348.83	1,348.83	1,348.83	-	1,348.83
Trade and staff security deposits	15 & 18.2	-	-	-	245.10	245.10	245.10	-	245.10
Cash credit form banks	14	-	-	-	2,177.54	2,177.54	2,177.54	-	2,177.54
Working Capital Soft Loan- Interest Subvention	14	-	-	-	1,653.30	1,653.30	1,653.30	-	1,653.30
Lease Liability under Ind AS 116	13 & 18.2	-	-	-	59.41	59.41	59.41	-	59.41
Deposits from directors/ related parties and others	14	-	-	-	109.90	109.90	109.90	-	109.90
Others	18.2	-	-	-	2,711.43	2,711.43	2,711.43	-	2,711.43
		-	-	-	31,722.44	31,722.44	31722.44	-	31,722.44

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, 2019

Financial instruments measured at fair value	Note	Carrying amount					Fair value					
		Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- Amortised cost	Financial Liabilities- Amortised cost	Total	Level 1	Level 2	Total			
Financial instruments measured at fair value												
Current Investments	3.2	-	11,008.25	-	-	11,008.25	-	-	11,008.25	11,008.25	-	11,008.25
Non Current investments	3	10,306.22				10,306.22			10,306.22	4,150.58	16,192.69	20,343.27
Financial assets not measured at fair value												
Trade receivables	9	-		12,692.80	-	12,692.80	-	12,692.80	12,692.80	-	-	12,692.80
Cash and Cash Equivalents	10			2,127.98	-	2,127.98	-	2,127.98	2,127.98	2,127.98	-	2,127.98
Bank balances other than above	10			2,126.81	-	2,126.81	-	2,126.81	2,126.81	2,126.81	-	2,126.81
Inter corporate loans	4			400.00	-	400.00	-	400.00	400.00	400.00	-	400.00
Other Financial assets	5			242.16	-	242.16	-	242.16	242.16	242.16	-	242.16
		10,306.22	11,008.25	17,589.75	-	38,904.22	-	28,885.49	20,055.78	28,885.49	-	48,941.27
Financial liabilities not measured at fair value												
Borrowings	13						23,570.96		23,570.96	23,570.96	-	23,570.96
Trade payables	18						3,049.96		3,049.96	3,049.96	-	3,049.96
Other financial liabilities												
Accrued salaries and benefits	18.2						1,403.04		1,403.04	1,403.04	-	1,403.04
Trade and staff security deposits	15 & 18.2						251.91		251.91	251.91	-	251.91
Cash credit form banks	14						5,447.44		5,447.44	5,447.44	-	5,447.44
Deposits from directors/ related parties and others	14						429.99		429.99	429.99	-	429.99
Others	18.2						3,264.21		3,264.21	3,264.21	-	3,264.21
		-	-	-	-	37,417.51	37,417.51	-	37,417.51	37,417.51	-	37,417.51

Notes Forming Part of Accounts**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
Un Quoted Equity Instruments in APGPCL	Annual Savings	Rs.1.37 Per Unit	Estimated Based on Company's Past Experience
	No. of Units of Power	1463.12 Lakh Units	Estimated that Company continues to hold the same no. of Equity Shares in the Fore-seeable future.
	Cash flow forecast Period	5 Years	Reviewed the 5 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 (%)	19.34%	Based on the Company's Cost of Equity.

Notes Forming Part of Accounts

Note -21

(Rs. in Lakhs)

Revenue from Operations	This Year	Previous Year
Sale of products:		
Finished goods	102445.60	96958.19
Other operating revenue		
Freight and Sales Expenses Recovered	286.18	232.34
Subsidy Received on Superphosphate Sales	264.24	242.83
Assistance for Cane Price against Export of Sugar under MIEQ	1072.08	—
Processing and Job Work income	0.04	3.00
Revenue from operations (gross)	104068.14	97436.36

The Andhra Sugars Limited

Note -21.1

(Rs. in Lakhs)

Details of Products Sold	This Year	Previous Year
Finished goods sold Sugar	17865.49	12025.50
Industrial Alcohol & Ethanol	4267.50	3429.85
Aspirin	2887.45	3288.18
Caustic Soda	38554.18	42113.39
Caustic Potash	4500.99	4077.75
Chlorine	1322.38	836.18
Hydrochloric Acid	4599.91	3330.10
Sodium Hypochlorite	4046.62	3842.37
Hydrogen gas	993.52	872.37
Sulphuric Acid	7271.28	9212.83
Superphosphate	651.24	594.35
UH25	4018.54	3151.29
Mono Methyl Hydrazine	741.88	662.90
HTPB	992.32	986.86
Wind Power	806.41	795.90
Cattle Feed	1285.43	989.43
Potassium Carbonate	2457.18	2348.34
Poly Aluminium Chloride	1409.26	1490.15
Liquid Hydrogen	780.78	212.05
Others	2993.24	2698.40
	102445.60	96958.19
Traded goods sold	-----	-----
Details of services rendered	-----	-----

Note -22

(Rs. in Lakhs)

Other Income	This Year	Previous Year
Interest Income on		
Bank deposits	105.53	112.16
Inter Corporate Loan to Associate (The Andhra Petrochemicals Ltd.)	----	267.62
Others	212.91	198.68
Dividend income on		
Investments in Subsidiary (Jocil Ltd.)	48.87	97.73
'Investments in Associates (The Andhra Petrochemicals Ltd.)	421.30	----
Long-Term Investments	1.40	1.40
Government Grant		
Saggonda	0.14	0.14
Interest Subvention Loan A/C	----	32.22
Deferred Sales Tax Loan A/C	153.87	230.13
Exchange differences (net)-Loss /(Gain)	84.53	106.72
Income from Agriculture (Net)	2.61	20.25
Rent received	136.32	68.83
Net gain on Sale of Current Investments	834.86	576.11
Gain on revaluation of Current Investments	158.89	184.93
Net gain on Sale of Assets	43.88	98.96
Other non-operating income #	497.16	1746.81
	2702.27	3742.69

(Rs. in Lakhs)

# Other Non-operating Income includes :	This Year	Previous Year
Cessation of Liability on Account of Judicial Pronouncements	---	1043.95
Provision of Doubtful Debts Credited Back	---	146.88
Excess Provision In Earlier Years Credited Back	34.86	56.58
Claims Received	33.23	37.23
Income Not Relating to This year	111.35	3.07
Miscellaneous Scrap Sales	60.94	83.38
Other Misc. Receipts	256.78	375.72
Total	497.16	1746.81

Note -23

(Rs. in Lakhs)

Cost of Raw material consumed	This Year	Previous Year
Inventory at the beginning of the year	3015.88	3169.64
Add: Purchases	31634.72	39798.25
	34650.60	42967.89
Less: Inventory at the end of the year	2555.70	3015.88
Cost of Raw Material Consumed	32094.90	39952.01

(Rs. in Lakhs)

Details of Raw material consumed	This Year	Previous Year
Sugarcane	14944.95	22156.38
Phenol	1056.46	1275.27
Sulphur	3589.88	5206.99
Rockphosphate	369.04	338.08
Salt	4477.46	4095.78
Potassium Chloride	2842.86	2580.81
Alumina Hydride	996.86	907.45
Extractions for Cattle feed	522.52	349.98
Other Rawmaterials	3294.87	3041.27
Total	32094.90	39952.01

(Rs. in Lakhs)

Details of Inventory	This Year	Previous Year
Raw Materials		
Sugar Cane	---	1.87
Phenol	82.39	70.88
Sulphur	498.24	995.10
Rockphosphate	379.22	489.26
Salt	371.49	496.83
Potassium Chloride	569.67	379.50
Alumina Hydride	374.57	138.69
Extractions for Cattle feed	62.30	242.79
Other Rawmaterials	217.82	200.96
Total	2555.70	3015.88

The Andhra Sugars Limited

Note -24

(Rs. in Lakhs)

(Increase)/ Decrease in Inventories	This Year	Previous Year	(Increase)/ Decrease
Inventories at the End of the year			2019-2020
Work in Progress	340.43	575.62	235.19
Finished Goods	26475.72	27639.40	1163.68
	26816.15	28215.02	1398.87
Inventories at the Beginning of the year			2018-2019
Work in Progress	575.62	287.51	(288.11)
Finished Goods	27639.40	14059.67	(13579.73)
	28215.02	14347.18	(13867.84)

(Rs. in Lakhs)

Details of Inventory	This Year	Previous Year
Work-in-progress		
Sugar	59.53	258.35
Molasses	0.93	35.68
Sulphuric Acid	46.32	65.57
Caustic Potash	46.92	26.06
Caustic Soda	26.64	15.37
Aspirin	142.65	44.15
Potassium Carbonate	3.22	7.40
Others	14.22	123.04
Total	340.43	575.62
Finished goods		
Sugar	23113.69	24135.82
Molasses	1044.94	1338.78
Sulphuric Acid	86.78	101.9
Superphosphate	216.73	193.11
Caustic Soda	581.18	159.35
Caustic Potash	160.24	323.76
Chlorine	10.51	8.75
Sodium Hypochlorite	3.04	9.94
Hydrochloric acid	54.59	16.91
Industrial Alcohol& Ethanol	157.85	96.56
Aspirin	487.12	275.05
Organic Derivatives of hydrazine or of hydroxyl amine	244.26	303.41
HTPB	47.1	39.85
Hydrogen Gas	1.88	0.69
Potassium Carbonate	86.50	190.60
Poly Aluminium Chloride	79.84	70.22
Others	99.47	374.7
Total	26475.72	27639.40

Note-25

(Rs. in Lakhs)

Employee Benefit Expense	This Year	Previous Year
Salaries, Wages and Bonus	10495.43	10200.45
Contribution to Provident and other fund	857.73	822.05
Gratuity Expense	391.88	388.97
Staff Welfare Expenses	511.33	342.40
Total	12256.37	11753.87

Note-26

(Rs. in Lakhs)

Depreciation and Amortization Expense	This Year	Previous Year
Depreciation of Tangible Assets	5643.83	4967.33
Amortization of Intangible Assets	5.20	5.20
Total	5649.03	4972.53

Note-27

(Rs. in Lakhs)

Finance Costs	This Year	Previous Year
Interest	2720.73	2886.86
Less:- Capitalisation cost	----	----
Total Interest	2720.73	2886.86
Other Borrowing Costs	42.21	37.10
Total	2762.94	2923.96

Note-28

(Rs. in Lakhs)

Other Expenses	This Year	Previous Year
Consumption of Stores and Spares	1906.43	1804.25
Insurance	232.53	159.57
Sugarcane Development Expenses	152.70	313.06
Rent	0.96	50.02
Rates and Taxes	289.42	207.14
Repairs and maintenance		
Plant and machinery	3048.22	3011.80
Buildings	462.30	578.74
Others	844.12	811.29
Advertising and sales promotion	72.39	62.66
Handling, Transport & Expenses at Sales Depots	4058.00	2375.31
Sales Commission	94.89	50.91
Donations	200.00	75.00
CSR Expenditure	370.59	269.59
Directors' sitting fees	13.75	13.65
Payment to auditors (Refer details below)	31.14	29.84
Bad debts/advances written off	1.28	133.47
Loss Allowance Provided	10.15	1.40
Export Compensation for Sugar Export Under MIEQ 2018-19	546.72	303.02
Excess off Take charges to ISRO	----	65.26
Bank Charges	44.18	64.83
Assets Written off	100.68	241.70
Miscellaneous Expenses	1185.16	1170.86
Total	13665.61	11793.37

The Andhra Sugars Limited

(Rs. in Lakhs)

Payment to Auditors	This Year	Previous Year
As Auditor	15.50	15.50
For Limited review & Other Certifications	8.24	7.04
For Reimbursement of expenses	1.36	1.30
As Cost Auditors	5.00	5.00
Fee for Certification	0.70	0.70
For Reimbursement of expenses	0.34	0.30
Total	31.14	29.84

(Rs. in Lakhs)

CSR Expenditure	This Year	Previous Year
Sree Mullapudi Venkataramanamma Memorial Hospital, Tanuku	308.56	160.00
Sree Pendyala Venkata Krishna Rangaraya Memorial Trust, Dommeru	---	55.00
Tanuku Municipal Park Development Expenditure	56.68	31.97
Rotary Club, Tanuku	---	10.00
Others	5.35	12.62
	370.59	269.59

Note-28(a)

(Rs. in Lakhs)

Items that will not be reclassified to P&L	This Year	Previous Year
Remeasurement of Defined Benefit Plan (Loss)/Gain		
Gratuity	90.07	240.90
Leave Encashment	(40.70)	(60.51)
Increase/Decrease in Fair Value of Investments	(8,273.84)	(1,341.87)
Deferred Tax Liability on above items		
On Actuarial gain of Leave Encashment	10.24	21.14
On Associate, Subsidiary and Joint Venture	(1.20)	(616.42)
On Long Term Non- Quoted Investments	1.03	287.86
Total	(8,214.40)	(1,468.90)

Note -28 (b) EARNINGS PER SHARE

(Rs. in Lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
REarnings per share has been computed as under		
Profit for the year attributable to equity shareholders of the company	19015.59	16572.01
Weighted average equity number of shares outstanding	271.07	271.07
Basic and Diluted Earnings per share (Face value Rs. 10 per share)	70.15	61.14

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, 2020 and March 31, 2019:

Particulars	Gratuity		Compensated absences	
	As at		As at	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Change in benefit obligations				
Benefit obligations at the beginning	3,948.49	3,953.07	929.80	976.54
Service cost	288.24	277.83	149.27	145.58
Interest expenses	291.26	302.25	61.91	72.70
Curtailment (gains)/losses				
Transfer of obligation (net)				
Remeasurements - Actuarial (gains)/losses	(321.56)	(234.85)	40.70	(129.49)
Benefits paid	(84.58)	(349.80)	(232.60)	(135.54)
Benefit obligations at the end	4,121.86	3,948.49	949.07	929.80

(Rs. in Lakhs)

Change in plan assets	Gratuity	
	As at	
	31st March 2020	31st March 2019
Fair value of plan assets at the beginning of the year	2,581.09	2,638.61
Interest income	187.63	191.11
Transfer of assets (net)		
Remeasurements - Return on plan assets excluding amounts included in interest income	5.49	6.04
Contributions	90.45	95.13
Benefits paid	(321.56)	(349.80)
Fair value of plan assets at the end	2,543.10	2,581.09

Amount recognised in Balance Sheet

(Rs. in Lakhs)

Change in plan assets	Gratuity		Compensated absences	
	As at			
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Present value of obligation at the end of the period	4121.86	3948.49	949.07	929.79
Fair value of plan assets at the end of the period	2543.10	2581.09	-	-
Net (liability)/asset recognised in Balance Sheet	1578.75	1367.40	949.07	929.79

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

(Rs. in Lakhs)

Change in plan assets	Gratuity		Compensated absences	
	For the year ended			
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Service cost	291.26	277.83	149.27	145.58
Net interest on the net definite benefit liability/asset	100.62	111.15	61.91	72.70
Expected contributions by employees	-	-	-	-
Return on plan assets	-	-	-	-
Net expense recognised	391.88	388.97	211.18	218.28

Amount for the year ended March 31, 2020 and March 31, 2019 recognized in the statement of other comprehensive income:

(Rs. in Lakhs)

Particulars	Gratuity		Compensated absences	
	For the year ended			
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Actuarial (gain)/losses on obligations for the period	(84.58)	(234.85)	40.70	26.37
Return on plan assets, excluding interest income	(5.49)	(6.04)	-	(155.86)
Net (income)/expenses for the period recognised in OCI	(90.07)	(240.90)	40.70	(129.49)

(Rs. in Lakhs)

Assumptions	Gratuity		Compensated absences	
	year ended			
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Expected return on plan assets	7.62%	8.00%	Nil	Nil
Rate of discounting	6.76%	7.61%	7.61%	7.61%
Rate of salary Increase	9.00%	10.00%	9.00%	10.00%
Rate of employee turnover	2.00%	2.00%	2.00%	2.00%

The Andhra Sugars Limited

Summary of Demographic Assumptions

(Rs. in Lakhs)

Assumptions	Gratuity		Compensated absences		Leave Encashment	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019	31st March 2020	31st March 2019
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
Ajduced Average Furture Service	15.07	12.73	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)

Assumptions	31st March 2020		
	Gratuity	Leave encashment	Sick leave
Expected Cash flow in year 1	427.16	155.00	131.72
Expected Cash flow in year 2	363.71	116.22	27.04
Expected Cash flow in year 3	312.54	102.11	5.50
Expected Cash flow in year 4	298.11	86.66	1.10
Expected Cash flow in year 5	378.22	86.08	0.22
Expected Cash flow in year 6	343.48	74.24	0.05
Expected Cash flow in year 7	311.07	66.01	0.01
Expected Cash flow in year 8	337.45	60.04	-
Expected Cash flow in year 9	347.50	55.73	-
Expected Cash flow in year 10	381.17	50.67	-

Significant estimates: Sensitivity analysis

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

Particulars	Effect on Gratuity Valuation	
	31st March 2020	% Change
Impact on Present value of Defined obligation if salary escalation rate increases by 1%	891.73	11.90
Impact on Present value of Defined obligation if salary escalation rate increases by 1%	764.54	(10.00)
Impact on Present value of Defined obligation if withdrawal rate increases by 1%	814.79	(2.66)
Impact on Present value of Defined obligation if withdrawal rate decreases by 1%	835.22	3.08
Impact on Present value of Defined obligation if discount rate increases by 1%	760.36	(10.56)
Impact on Present value of Defined obligation if discount rate decreases by 1%	898.80	12.86

Summary of Demographic Assumptions

Particulars	Effect on Compensated absences			
	Leave encashment		Sick leave	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Impact on Present value of Defined obligation if salary escalation rate increases by 1%	825.01	4.60	162.32	1.10
Impact on Present value of Defined obligation if salary escalation rate increases by 1%	755.03	(4.30)	158.67	(1.10)
Impact on Present value of Defined obligation if withdrawal rate increases by 1%	784.81	(0.50)	159.59	(0.60)
Impact on Present value of Defined obligation if withdrawal rate decreases by 1%	792.72	0.50	161.40	0.60
Impact on Present value of Defined obligation if discount rate increases by 1%	752.34	(4.60)	160.02	(0.30)
Impact on Present value of Defined obligation if discount rate decreases by 1%	828.80	5.10	160.97	0.30

Other Disclosures:

Assumptions	31st March 2020		
	Gratuity	Leave encashment	Sick leave
Best estimate contribution during the next year	323.34	0.00	0.00
Discontinuance liability	705.68	737.66	0.00

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.

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

Particulars	31st March 2020	31st March 2019
Current Income tax		
Current tax charges	5300.00	8360.00
(Excess)/Short Provisions of Tax	(200.42)	(3.00)
Tax (credit) under Minimum Alternate tax ('MAT')		
Adjustment in respect of Current income tax of previous year		
Deferred Tax		
Relating to origination and reversal of temporary differences	(3789.24)	473.52
Tax Expense reported in the Statement of Profit and Loss	1310.34	8830.52

Other Comprehensive Income ('OCI') Section		
Particulars	31st March 2020	31st March 2019
Deferred tax related to items recognised in OCI during the year		
On Actuarial Gain/Loss of Leave Encashment	10.24	21.14
Unrealised Loss/ (Gain) on FVTOCI Equity Securities	(0.17)	(328.56)
Tax Expense in the OCI Section	10.07	(307.42)

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b) Balance sheet section

Particulars	31st March 2020	31st March 2019
Provision for income tax	13770.00	15693.45
Tax recoverable	15708.12	16509.91
Net of advance tax recoverable	1938.12	816.46

Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019

Particulars	31st March 2020		31st March 2019	
	%	(Rs.in Lakhs)	%	(Rs.in Lakhs)
Accounting profit before Income tax		20325.93		25402.53
At Statutory Income Tax Rate (25.168%)	25.168%	5115.63	34.944%	8876.66
Add /(Less) Adjustment in respect of current income tax of previous year				
Effect of Non Deductible Expenses	0.84%	170.81	0.56%	142.46
Corporate social responsibility expenditure	0.27%	54.44	0.37%	94.21
Weighted deduction on Research and devolpment expense	(0.15%)	(30.26)	(0.03%)	(8.48)
Tax credit on unrealised profit eliminated	0.03%	6.50	(0.25%)	(64.62)
Effect of Accelerated depreciation	0.75%	152.87	(1.37%)	(348.36)
Effect of exempt non operating income	(0.88%)	(177.93)	(0.19%)	(47.26)
Deduction u/s 80IA/80IB	---	---	(0.92%)	(233.94)
Deduction u/s 80G	---	---	(0.20%)	(50.67)
Effect of Rate Change Adjustment	(17.65%)	(3588.34)	---	---
Deferred tax liability recognised	(0.99%)	(200.90)	1.86%	473.52
Adjustment for current tax of prior periods	(0.95%)	(192.48)	(0.01%)	(3.00)
Total				
Income tax reported in Statement of profit and Loss	6.45%	1310.34	34.76%	8830.52

Reconciliation of Deferred tax liabilities (net) (Rs.in lakhs)

Particulars	31st March 2020	31st March 2019
Tax income / (expenses) during the period recognised in Statement of Profit and Loss	3789.24	(473.52)
Tax income / (expenses) during the period recongnised in OCI	10.07	(307.42)
MAT credit entitlement/ (utilisation)	0.00	(1080.58)
	3799.31	(1861.52)

Income tax expense

Particulars	31st March 2020	31st March 2019
Current tax expense		
Current year	5300.00	8,360.00
(Excess)/Short Provisions of Tax	(200.42)	(3.00)
Amount of the benefit arising from a previously unrecognised tax credit that is used to reduce current tax expense		
(A)	5099.58	8357.00
Deferred tax Expense/ (Income)		
Decrease/(Increase) in deferred tax asset	120.66	180.77
Increase/(Decrease) in deferred tax liability	(3919.97)	292.75
(B)	(3799.31)	473.52
Tax expense recognised in the income statement (A+B)	1300.27	8830.52

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

Particulars	31.03.2020	31.03.2019
Trade receivables	13,315.52	12,721.23

The movement in allowance for credit loss in respect of trade receivables during the year is as follows:

Allowance for credit loss	31.03.2020	31.03.2019
Balance at the beginning	28.43	27.03
Loss allowance recognised	10.15	1.40
Balance at the end	38.58	28.43

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

Particulars	Impact on profit			
	2019-20		2018-19	
	increase by 5%	decrease by 5%	increase by 5%	decrease by 5%
Product name				
Sugar	893.27	(893.27)	601.28	(601.28)
Aspirin	144.37	(144.37)	164.41	(164.41)
CS Lye	1,585.19	(1,585.19)	1,808.44	(1,808.44)
CS Flakes	342.52	(342.52)	297.23	(297.23)
Sulphuric acid	363.56	(363.56)	460.64	(460.64)

Raw material price risk

Particulars	Impact on profit			
	2019-20		2018-19	
	increase by 5%	decrease by 5%	increase by 5%	decrease by 5%
Product name				
Sugar cane	(747.25)	747.25	(1,107.82)	1,107.82
Phenol	(52.82)	52.82	(63.76)	63.76
Salt	(223.87)	223.87	(204.79)	204.79
Sulphur	(179.49)	179.49	(260.35)	260.35

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, 2020 of amount Rs. 12069.43 lakhs.</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>

Sensitivity analysis

Particulars	Impact in Other Comprehensive Income			
	2019-20		2018-19	
	increase by 5%	decrease by 5%	increase by 5%	decrease by 5%
The Andhra bank Ltd.	0.12	(0.12)	0.35	(0.35)
The Indian bank Ltd.	0.03	(0.03)	0.19	(0.19)
	0.15	(0.15)	0.54	(0.54)

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.

Particulars	As at 31.03.2020	As at 31.03.2019
Financial assets		
Trade receivables	199.72	395.22
Less:		
Hedged through derivatives	-	-
Foreign exchange forward contracts	-	-
Net exposure to foreign currency risk (assets)	199.72	395.22

The Andhra Sugars Limited

Particulars	As at 31.03.2020	As at 31.03.2019
Financial liabilities		
Trade payables	-	-
Less:		
Hedged through derivatives	-	-
Foreign exchange forward contracts	-	-
Net exposure to foreign currency risk (liabilities)	0	0

Sensitivity analysis

Particulars	Impact in Profit and loss statement			
	2019-20		2018-19	
Liabilities	increase by 1%	decrease by 1%	increase by 1%	decrease by 1%
USD sensitivity	-	-	-	-
Euro sensitivity	-	-	-	-
Assets				
USD sensitivity	2.00	(2.00)	3.95	(3.95)
Euro sensitivity	-	-	-	-
Total	2.00	(2.00)	3.95	(3.95)

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 2020

Particulars	Contractual cash flows			
	Carrying value	Less than 1 year	1-2 years	More than 2 years
Borrowings (Non current)	13,579.94	-	8,785.94	4,794.00
Other Financial liabilities (Non current)	235.59	-	235.59	-
Current maturities of non-current borrowings	3,940.74	3,940.74	-	-
Trade payables (Current)	-	-	-	-
Other financial liabilities(Current)	11,949.74	11,949.74	-	-
	29,706.01	15,890.48	9,021.53	4,794.00

As at 31st March 2020

Particulars	Contractual cash flows			
	Carrying value	Less than 1 year	1-2 years	More than 2 years
Borrowings (Non current)	17,627.61	-	7,887.57	9,740.04
Other Financial liabilities (Non current)	246.04	-	246.04	-
Borrowings (Current)	5,877.43	5,877.43	-	-
Trade payables (Current)	-	-	-	-
Other financial liabilities(Current)	10,616.47	10,616.47	-	-
	34,367.55	16,493.90	8,133.61	9,740.04

Notes Forming Part of Accounts

	As at 31-3-2020	(Rs. in Lakhs) As at 31-3-2019
29. Estimated amount of contracts remaining to be executed on Capital Account and not provided for	434.98	136.37
30. a) Uncalled liability on partly paid shares held as Investments	24.66	24.66
b) Liability on account of membership in Alkali Manufacturers' Association of India, a Company limited by Guarantee	0.01	0.01
c) Other Commitments in respect of sale contracts	3478.57	8503.05
31. Claims against the Company not acknowledged as debts relating to the following areas :		
i) Excise	806.44	818.82
ii) Service Tax	-	218.82
iii) Sales Tax	192.20	148.21
iv) Income Tax	40.98	8.73
v) Other Levies	178.15	178.15
vi) Suppliers and Service Contract	41.70	41.70
vii) Labour related	8.00	10.00
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	1062.96	2002.12
(b) On letter of Credit opened with banker for purchase of Materials	1151.44	497.02
(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	6240.91	19	7276.96	18
Indigenous	25853.99	81	32675.05	82
	32094.90	100	39952.01	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	336.16	10	1378.06	18
Indigenous	2953.43	90	6135.85	82
	3289.59	100	7513.91	100

The Andhra Sugars Limited

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	0.00	234.52
Components and spare parts	410.87	781.27
Raw - materials	4997.23	4988.10
	5408.10	6003.89

(Rs. in Lakhs)

36. Earnings in foreign exchange on FOB basis:

This year	Previous Year
1156.97	1798.38

(Rs. in Lakhs)

37. Expenditure incurred in foreign currency:

	This year	Previous Year
Books, Periodicals & Subscriptions	50.35	42.56
Foreign travel (excluding tickets purchased in India)	54.60	64.24
Delegation fee	0.00	2.06
Others	44.65	0.00
Bank Charges	8.34	13.37

(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	109.90	0.00
b) Revenue Expenditure (charged to appropriate heads)	67.24	181.33
General R & D		
a) Capital Expenditure	10.33	24.28
b) Revenue Expenditure (charged to appropriate heads)	103.86	119.12
	291.33	324.73

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

(Rs. in Lakhs)

	This year	Previous Year
Salaries, Wages and Bonus	105.90	137.48
Contribution to Provident, Gratuity and other funds	12.32	13.81
Workmen and Staff Welfare Expenses	0.98	4.91
Power and Fuel	4.12	3.19
Repair to Others	0.33	0.01
Repairs to Buildings	1.99	15.72
Repairs to P & M	1.66	3.36
Miscellaneous Expenses	0.54	2.12
Depreciation	5.97	5.38
	133.81	185.98

40. Disclosures on payments and dues to "suppliers" as defined in Micro, Small and Medium enterprises Development Act 2006 ("The Act").	31.03.2020
1. Amount remaining un paid to any " Supplier" at the end of the year,	Rs.in Lakhs
(a) Principal amount of bills to be paid	0.00
(b) Interest due thereon	0.06
2. Payments made to suppliers, during the year, but beyond appointed / agreed by	
(a) Payments made to Suppliers.	13.57
(b) Interest paid along with such payments during the year u/s 16 of the Act.	0.00
3. The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under MSMED Act, 2006	0.00
4. Amount of interest accrued and remaining unpaid, at the end of each accounting year	0.06
5. Amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of deductible expenditure under section 23 of MSMED Act, 2006	0.00

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

41. Loans and Advances include an amount of Rs.250.00 Lakhs (Rupees Two Crores Fifty Lakhs only) being the amount given as an Inter Corporate Advances u/s 186 of the Companies Act 2013, to Sree Akkamamba Textiles Ltd, on the following terms and conditions.

	Sree Akkamamba Textiles Ltd
a) Amount of Advance	: Rs.250.00 Lakhs
b) Interest Rate	: 11.00% p.a
c) Security	: Unsecured
d) Purpose	: To meet the gap of working capital
e) Repayable on	: By the end of March 2021.

Delay in transfer of Interest on Fixed Deposits to IEPF.

42. An amount of Rs. 34,159/- being the fixed deposit and interest is due for payment to IEPF account in the month of March 2020. This amount was subsequently transferred to IEPF account on 01.04.2020.

43. 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 encashed 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.

**44. RELATED PARTY DISCLOSURES FOR THE PERIOD 01.04.2019 TO 31.03.2020.
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) : Sri P. Narendranath Chowdary, Managing Director, M. Palachandra, Company Secretary, Sri P.V.S. Viswanadha Kumar, General Manager (Finance) & Addl. Secretary

Whole-time Directors and their Immediate Relatives

Sri Pendyala Narendranath Chowdary : Wife-Smt. Pendyala Jhansi Jayalakshmi, Brother-Sri Pendyala Venkata Krishna Rao, Sisters-Smt. Sri Balusu Ranganayaki Alias Radhika, Smt. Ethirajulu Rama Lakshmi, Smt. Jujjavarapu Usha Rani, Smt. Maddipoti Kamala Devi, Smt. Mullapudi Satyanarayanamma, Smt. Nutakki Anantha Lakshmi.

Sri Mullapudi Narendranath : Wife-Smt. Mullapudi Narayanamma, Son-Sri Mullapudi Vikram Prasad, Daughters-Smt. Gaddipati Anuradha, Goli Jayashree, Sisters-Smt. Jayaraman Anantha Lakshmi, Smt. Kosaraju Rama Lakshmi, Smt. Nidadavolu Venkata Ramanamma, Smt. Yelamarthy Narayanamma,

Sri Mullapudi Thimmaraja : Wife-Smt. Mullapudi Renuka, Son-Sri Mullapudi Mrutyumjaya Prasad, Daughter-Smt. Goli Devi.

Sri Pendyala Achuta Ramayya : Wife-Smt. Pendyala Sesha Shailaja, Daughters-Smt. Pendyala Divya Atchmamba, Smt. Pendyala Sruthi Rajeswari.

Sri P.S.R.V.K.Ranga Rao, Mother-Smt. Pendyala Sujatha, Wife-Smt. Pendyala Usha Lakshmi, Son-Chy. Pendyala Prithvi Sri Narendra Rayudu, Daughter-Kum. Pendyala Meghana Sri Sai Sujatha.

Sri Pendyala Narendranath Chowdary & Sri Pendyala Achuta Ramayya are brothers

Sri Mullapudi Narendranath & Sri Mullapudi Thimmaraja are brothers

Independent Directors :

- Sri A.Ranga Rao (Deceased on 08-03-2020)
- Dr. P.Kotaiah
- Sri V.S.Raju
- Dr.A.V.Rama Rao
- Sri P.A.Chowdary
- Dr.D. Manjulata

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

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

4) Associate Company :

The Andhra Petrochemicals Limited

(B) TRANSACTIONS WITH THE RELATED PARTIES:**Notes Forming Part of Accounts**

(Corresponding figures related to 31st March, 2019)

(Rs. 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	Outstanding As On 31.03.2020
Purchase of Goods from	18.24	7137.77	0.00	32.59	37.00	7225.60	825.13
	(14.79)	(7747.49)	(0.00)	(62.58)	(65.61)	(7890.47)	(388.90)
JOCIL Limited	18.24						
Pendyala Narendranath Chowdary				0.10			
P.S.R.V.K. Ranga Rao				32.49			0.58
Pendyala Sujatha					3.70		0.06
Jujjavarapu Usha Rani					7.26		0.12
Mullapudi Vikram Prasad					24.90		0.65
Pendyala Venkata Krishna Rao							0.01
Andhra Pradesh Gas Power Corporation Limited		6716.10					810.45
Sree Mullapudi Venkataramanamma Memorial Hospital							0.51
Vibhas Polymers Pvt. Limited							12.62
Sree Pendyala Venkata Krishna Rangaraya Memorial Trust							0.13
Others		421.67			1.14		
Inter Corporate Loans given to	0.00	0.00	0.00	0.00	0.00	0.00	250.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(400.00)
Sree Akkamamba Textiles Limited							250.00
Inter Corporate Loans re-payment from	0.00	150.00	0.00	0.00	0.00	150.00	.
	(0.00)	(0.00)	(200.00)	(3000.00)	(0.00)	(3200.00)	
Sree Akkamamba Textiles Limited		150.00					
Fixed Deposits Received from :	0.00	0.00	0.00	545.00	703.16	1248.16	16816.91
	(0.00)	(0.00)	(0.00)	(857.50)	(2212.55)	(3070.05)	(17808.00)
Mullapudi Thimmaraja				250.00			
Pendyala Narendranath Chowdary							2704.45
Pendyala Achuta Ramayya				180.00			
P.S.R.V.K. Ranga Rao				115.00			
Mullapudi Renuka					110.00		
Goli Devi					125.08		
Nidadavolu Venkata Ramanamma					118.00		
Others					350.08		14112.46
Fixed Deposits repaid on maturity/cancellation	0.00	0.00	0.00	289.00	1950.25	2239.25	
	(0.00)	(0.00)	(0.00)	(155.00)	(579.35)	(734.35)	
Mullapudi Narendranath				134.00			
Mullapudi Thimmaraja				100.00			
Pendyala Achuta Ramayya				55.00			
Pendyala Jhansi Jaya Lakshmi					300.95		
Pendyala Sujatha					218.75		
Pendyala Sruthi Rajeswari					493.50		
Others					937.05		

The Andhra Sugars Limited

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 31.03.2020
<u>Loans Received from Directors</u>	0.00	0.00	0.00	75.00	0.00	75.00	38.80
	(0.00)	(0.00)	(0.00)	(43.00)	(0.00)	(43.00)	(77.64)
Pendyala Achuta Ramayya				10.00			
P.S.R.V.K. Ranga Rao				65.00			35.00
Mullapudi Narendranath							1.80
Mullapudi Thimmaraja							2.00
<u>Loans re-paid to Directors</u>	0.00	0.00	0.00	113.84	0.00	113.84	-
	(0.00)	(0.00)	(0.00)	(65.00)	(0.00)	(65.00)	-
Pendyala Achuta Ramayya				53.84			
P.S.R.V.K. Ranga Rao				60.00			
<u>Services Rendered by</u>	0.24	20.21	0.00	40.51	2.36	63.32	-
	(0.00)	(0.00)	(0.00)	(34.93)	(2.36)	(56.38)	-
JOCIL Limited	0.24						
Mullapudi Thimmaraja				5.67			
Royal Printing Works				34.84			
Mullapudi Mrutyumjaya Prasad					2.36		
SreeMullapudi Venkataramanamma Memorial Hospital		12.66					
SreeMullapudi Venkatarayudu Memorial Medical Trust		6.93					
Others		0.62					
<u>Sale of Goods to</u>	826.21	485.25	85.45	0.00	0.00	1396.91	127.04
	(27.45)	(406.71)	(87.73)	(0.00)	(0.00)	(521.89)	(30.60)
JOCIL LIMITED	826.21						102.14
The Andhra Fam Chemicals Corporation Limited							15.52
The Andhra Petrochemicals Limited			85.45				
Jayalakshmi Fertilisers		468.85					9.07
SreeMullapudi Venkataramanamma Memorial Hospital							0.03
Andhra Pradesh Gas Power Corporation Limited							0.28
Others		16.40					
<u>Services Rendered to</u>	0.00	0.44	0.90	0.00	0.00	1.34	-
	(0.00)	(0.03)	(6.46)	(0.00)	(0.00)	(6.49)	-
The Andhra Petrochemicals Limited			0.90				
Andhra Pradesh Gas Power Corporation Limited		0.44					

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 31.03.2020
Interest Paid on Fixed Deposits	16.04	0.00	0.00	461.07	1289.02	1766.13	377.52
	(16.00)	(0.00)	(0.00)	(413.18)	(1215.13)	(1644.31)	(395.34)
Hindustan Allied Chemicals Limited	16.04						
Pendyala Narendranath Chowdary				279.26			60.68
Mullapudi Narendranath				55.65			
Mullapudi Thimmaraja				48.48			
Pendyala Jhansi Jaya Lakshmi					157.10		
Pendyala Sujatha					134.84		
Others				77.68	997.08		316.84
Interest paid to Directors	0.00	0.00	0.00	5.62	0.00	5.62	0.78
	(0.00)	(0.00)	(0.00)	(6.09)	(0.00)	(6.09)	(1.25)
Pendyala Achuta Ramayya				2.42			
P.S.R.V.K. Ranga Rao				2.86			0.71
Mullapudi Narendranath				0.16			0.03
Mullapudi Thimmaraja				0.18			0.04
Independent Directors Sitting Fee Paid to	0.00	0.00	0.00	13.75	0.00	13.75	-
	(0.00)	(0.00)	(0.00)	(13.65)	(0.00)	(13.65)	
A.Ranga Rao				1.60			
Dr. P.Kotaiah				2.50			
V.S.Raju				3.75			
Dr.A.V.Rama Rao				0.90			
P.A.Chowdary				3.50			
Dr.D. Manjulata				1.50			
Remuneration (including Comm.) paid to	0.00	0.00	0.00	2256.58	18.21	2274.79	2047.23
	(0.00)	(0.00)	(0.00)	(2779.83)	(17.39)	(2797.22)	(2577.32)
Mullapudi Narendranath				434.31			403.82
Mullapudi Thimmaraja				434.31			403.88
Pendyala Achuta Ramayya				434.31			407.69
Pendyala Narendranath Chowdary				685.76			638.44
P.S.R.V.K. Ranga Rao				205.42			189.54
Mullapudi Mrutyumjaya Prasad					6.72		0.22
Mullapudi Vikram Prasad					11.49		0.58
M. Palachandra				25.86			1.44
P.V.S. Viswanadha Kumar				36.61			1.62
Donations paid to	0.00	0.00	0.00	0.00	0.00	0.00	-
	(0.00)	(75.00)	(0.00)	(0.00)	(0.00)	(75.00)	
Contribution towards CSR Expenses	0.00	308.56	0.00	0.00	0.00	308.56	-
	(0.00)	(215.00)	(0.00)	(0.00)	(0.00)	(215.00)	
Sree Mullapudi Venkataramanamma Memorial Hospital		308.56					

The Andhra Sugars Limited

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 31.03.2020
<u>Dividend Paid to</u>	0.00	460.21	0.00	1107.70	2050.96	3618.87	-
	(0.00)	(153.40)	(0.00)	(369.46)	(683.43)	(1206.29)	-
Mullapudi Narendranath				326.70			
Mullapudi Thimmaraja				244.42			
Pendyala Achuta Ramayya				140.26			
Pendyala Narendranath Chowdary				203.10			
P.S.R.V.K. Ranga Rao				193.22			
Pendyala Jhansi Jaya Lakshmi					291.08		
Pendyala Sujatha					244.24		
Sree Akkamamba Textiles Limited		90.57					
SreeMullapudi Venkataramanamma Memorial Hospital		267.09					
Others		102.55			1515.64		
<u>Dividend Received from</u>	48.87	1.40	421.30	0.00	0.00	471.57	-
	(97.73)	(1.40)	(0.00)	(0.00)	(0.00)	(99.13)	-
JOCIL Limited	48.87						
The Andhra Petrochemicals Limited			421.30				
Sree Akkamamba Textiles Limited		1.40					
<u>Interest Received on Inter Corporate Loan</u>	0.00	35.85	0.00	0.00	0.00	35.85	-
	(0.00)	(57.7)	(267.62)	(0.00)	(0.00)	(325.32)	-
Sree Akkamamba Textiles Limited		35.85					
C) Balances as at 31-03-2020:							
<u>Share Capital held by the Company, in</u>	479.10	16192.05	3660.56	0.00	0.00	20331.71	-
	(479.10)	(16192.05)	(3660.56)	(0.00)	(0.00)	(20331.71)	-
JOCIL Limited	441.79						
The Andhra Farm Chemicals Corporation Limited	34.57						
Hindustan Allied Chemicals Limited	2.74						
The Andhra Petrochemicals Limited			3660.56				
Andhra Pradesh Gas Power Corporation Limited		16020.79					
Sree Akkamamba Textiles Limited		171.26					
<u>Share Capital of the Company held by</u>	0.00	153.40	0.00	369.23	683.67	1206.30	
	(0.00)	(153.40)	(0.00)	(369.46)	(683.43)	(1206.29)	
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			
Pendyala Jhansi Jaya Lakshmi					97.03		
Pendyala Sujatha					81.41		
Sree Akkamamba Textiles Limited		30.19					
SreeMullapudi Venkataramanamma Memorial Hospital		89.03					
Others		34.18			505.23		

Independent Auditor's Report

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

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of THE ANDHRA SUGARS LIMITED ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates which comprise the Consolidated Balance Sheet as at March 31, 2020, 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 March 31, 2020, 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 and its associates 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 the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>1.Valuation of Investments in Unquoted Equity Shares of Andhra Pradesh Gas Power Corporation Limited (APGPCL)</p> <p>(Refer Note no. 3 to the financial Statements) The company is a shareholder of Andhra Pradesh Gas Power Corporation Limited. Investments in the entity are measured at fair value through income approach. The fair value of investments as on 31st March 2020 is Rs.7754.93 lakhs.</p> <p>The management applies significant judgements and estimations in arriving at the fair value of investments considering the factors such as units of power consumption, cost of government power and savings per unit to be constant for every year and assuming the investments to be made at cost of equity.</p>	<p>We assessed the management's approach to valuation for these investments by performing the following procedures:</p> <ul style="list-style-type: none"> • Understood and evaluated the procedure followed by the management in calculation of savings in power cost. • We have obtained and tested evidence to support the management's assessment regarding the fair value of investment. • We have reviewed various judgements and estimates considered by management in valuation of investment.

The Andhra Sugars Ltd. - Group Consolidated Financial Statements

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>As per the MOU between 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>We have considered this as a key audit matter because any changes in the above factors in the subsequent financial years shall have a significant financial impact</p>	<p><i>Conclusion:</i> Based on the above procedures performed, the management's determination of fair value of investment is reasonable as per principles of Ind AS</p>
<p>2. Determination of Net Realizable Value of inventory of Sugar</p>	
<p>(Refer Note no. 7 to the financial Statements) The company has an inventory of sugar with carrying value of Rs 23113.69 lakhs. The inventory of sugar is valued at lower of cost or Net realizable value.</p> <p>We have considered this as a key audit matter given the significant judgements involved in the consideration of factors such as Minimum sale price, Monthly release quota, mandatory export requirements, fluctuation in selling price and related notifications issued by the government in determination of net realizable value</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> • We understood and tested the design and operating effectiveness of controls as established by the management in determination of net realizable value of inventory of sugar • We have reviewed the various factors considered by the management in determining the net realizable value of sugar <p><i>Conclusion:</i> Based on the above procedures performed, the management's determination of the net realizable value of inventory of sugar as at the year end and comparison with cost for valuation of inventory, is considered to be reasonable.</p>

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is 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, 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 auditors, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. 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 is 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 including its associates 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 and of its associates 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 and of its associates are responsible for assessing the ability of the Group and its associates to 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 and its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

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 and its subsidiary companies which are companies incorporated in India, 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 ability of the Group and its associates 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 and its associates 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.

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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits 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.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which are the independent auditors 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 of three subsidiaries whose financial statements reflect total assets of Rs.25267.29 lakhs as at March 31, 2020, total revenues of Rs.46220.36 lakhs and net cash outflows amounting to Rs.(169.13) lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit (including one associate) of Rs.465.12 lakhs and total comprehensive income of Rs.423.17 lakhs for the year ended March 31, 2020, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have 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 these subsidiaries, associates and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates is based solely on the reports of the other auditors

Our opinion on the consolidated Ind AS financial statements above, 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 reports of the other auditors 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 and the reports of the other auditors.
 - 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 Statement of Cash Flows 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.

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- d) In our opinion, the aforesaid consolidated financial statements comply with the 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 Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on March 31, 2020 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 with reference to the financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company and its subsidiary companies incorporated in India. 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 the matter 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 current year by the Holding Company and its subsidiaries which are incorporated in India is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiaries which are incorporated in India, 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 to the consolidated financial statements.
- (ii) The group and its associates did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company except for an amount of Rs.34,159/- being the Fixed deposit and Interest remitted on 1st April 2020, beyond the due dates and with respect to subsidiary the Andhra Farm Chemicals Corporation Limited, there has been delay in pending transfer of unclaimed dividend of Rs.46,465/- required to be transferred to be investor Education and Protection Fund.

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

Camp: Tanuku
Date: 27-06-2020

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (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 with reference to the financial statements 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 Company as of and for the year ended March 31, 2020, we have audited the Internal Financial Controls with reference to the financial statements of **THE ANDHRA SUGARS LIMITED** (hereinafter referred to as "Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to the financial statements issued by the Institute of Chartered Accountants of India ("the 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 Internal Financial Controls with reference to the financial statements of the Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls with reference to the financial statements (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 the 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 over financial reporting and their operating effectiveness. Our audit of Internal Financial Controls with reference to the financial statements included obtaining an understanding of Internal Financial Controls with reference to the 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 judgement, 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 internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to the 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 over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 the financial statements

Because of the inherent limitations of Internal Financial Controls with reference to the 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 the financial statements to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such Internal Financial Controls with reference to the financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to the financial statements issued by the Institute of Chartered Accountants of India.

For M/s K.S RAO & Co.,
Chartered Accountants
Firm Registration No. 003109S

K. VAMSI KRISHNA
Partner
Membership No:238809

Camp: Tanuku
Date: 27.06.2020

The Andhra Sugars Ltd. - Group Consolidated Financial Statements

CONSOLIDATED BALANCE SHEET AS ON 31st MARCH 2020

(Rupees in lakhs)

Particulars	Notes	As At 31st March 2020	As At 31st March 2019
ASSETS			
Non-current assets			
Property, Plant and Equipment	2	71004.89	69860.51
Capital Work-in-progress		3228.37	5845.52
Investment Property	2.1	4.87	5.99
Other Intangible Assets	2.1	71.11	103.77
Financial Assets			
Investments	3	15868.39	24250.66
Trade Receivables		-	-
Loans	4	50.00	200.00
Others Financial Assets	5	74.66	120.11
Deferred Tax Assets	26	-	-
Other Non-current Assets	6	3294.64	2861.15
Current assets			
Inventories	7	44241.86	42839.39
Financial Assets		-	-
Investments	8	10789.96	11316.15
Trade Receivables	9	21264.49	18418.80
Cash and cash equivalents	10	3750.01	3884.61
Other Bank balances	10	2560.13	2105.09
Loans	11	200.00	200.00
Other Financial Assets	12	189.57	201.88
Current Tax Assets	27	1992.50	966.55
Other Current assets	13	2165.22	2731.73
Assets classified as held for Sale		5.45	5.79
Total Assets		180756.12	185917.70
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	14	2711.01	2711.01
Other Equity	15	112645.72	110370.95
Equity attributable to the equity holders of the company		115356.73	113081.96
Non-controlling interests		8353.18	7863.10
Total Equity		123709.91	120945.06
Deferred Government Grant	16	445.73	599.75
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	17	13579.94	17467.61
Trade Payables			
Total Outstanding dues of Micro Enterprise and Small Enterprise			
Total Outstanding dues of creditors other than Micro Enterprise and Small Enterprise			
Other financial liabilities	18	244.86	254.95
Provisions	19	1908.43	1707.34
Deferred Tax Liabilities	26	9678.05	13467.20
Other non-current liabilities	20	4443.12	4509.07
Current liabilities			
Financial Liabilities			
Borrowings	21	4771.89	6710.65
Trade payables	22		
Total Outstanding dues of Micro Enterprise and Small Enterprise		0.06	0.02
"Total Outstanding dues of creditors other than Micro Enterprise and Small Enterprise"		5147.58	4221.63
Other financial liabilities	23	12059.13	10870.48
Other current liabilities	24	3998.51	4442.93
Provisions	25	768.91	721.01
Current tax Liabilities	27	....	....
Total Equity and Liabilities		180756.12	185917.70

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

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

K. Vamsi Krishna
Partner
Membership No: 238809

P. Narendranath Chowdary
M. Narendranath
M. Palachandra

Chairman & Managing Director
Joint Managing Director
Company Secretary

TANUKU
Date: 27-06-2020

P.V.S. Viswanadha Kumar
TANUKU
Date: 27-06-2020

G.M.(Finance) & Addl. Secretary

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2020
(Rs. in Lakhs)

PARTICULARS	Notes	Current Reporting Period 2019-20	Previous Reporting Period 2018-19
Income			
I Revenue from operations (Gross)	28	147748.32	137637.79
II Other Income	29	3896.43	3776.43
III Total Revenue (I + II)		151644.75	141414.22
IV Expenses			
Cost of raw materials consumed	30	63427.79	70080.10
[Increase]/Decrease in Inventories of finished goods, Work-in-progress.	31	1120.35	(14730.60)
Employee Benefits expense	32	15146.69	14226.20
Power and Fuel		21504.86	21044.20
Finance Costs	33	2849.33	3048.83
Depreciation and amortization expense	34	6241.09	5544.94
Other expenses	35	18725.39	16753.93
Total Expenses (IV)		129015.50	115967.60
V Profit/(Loss) Before Exceptional items & Tax (III-IV)		22629.25	25446.62
VI Exceptional Items		-	-
VII Profit/(Loss) Before Tax (V-VI)		22629.25	25446.62
VIII Profit from Associate		465.12	2390.41
IX Add : Income Tax Refund			0.15
Add : Income Tax Excess Provision Credited Back		(193.79)	136.98
Less : Tax expenses			
Current tax		6015.00	8411.10
Deferred tax		(3780.24)	369.14
Total tax expense		2040.97	8643.11
X Profit/(Loss) for the year after tax (VII + VIII - IX)		21053.40	19193.92
Less:-			
XI Non Controlling Interest		744.87	145.43
XII Profit/(Loss) After Non Controlling Interest (X-XI)		20308.53	19048.48
Other Comprehensive Income			
i) Items that will not be reclassified to P&L		(8298.93)	(1075.95)
ii) Income Tax Relating to Items that will not be "Reclassified to Profit or Loss"		10.07	(307.42)
Share of OCI from Associate		(41.95)	(34.66)
Total Other comprehensive Income	36	(8330.81)	(1418.03)
Less: Non Controlling Interest		(206.64)	26.00
Other Comprehensive Income after Non Controlling Interest		(8124.17)	(1444.03)
Total Comprehensive Income		12722.59	17775.89
Less: Non Controlling Interest		538.23	171.43
Total Comprehensive Income after Non Controlling Interest		12184.36	17604.45
Basic Earning Per Share		74.92	70.27
Diluted Earning Per Share		74.92	70.27

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

Camp: TANUKU

Date: 27-06-2020

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

P Narendranath Chowdary
M. Narendranath

M. Palachandra
P.V.S. Viswanadha Kumar
TANUKU

Date: 27-06-2020

Chairman & Managing Director
Joint Managing Director

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2020 (Rupees in lakhs)

Particulars	Figures for the current reporting period '31st March 2020	Figures for the previous reporting period '31st March 2019
Profit before tax from continuing operations	22,629.25	25,446.62
Adjustments for	-	
Net gain on sale of current investments	(834.97)	(576.11)
Net gain on revaluation of current investments	(158.89)	(184.93)
Interest expense	2,849.33	3,048.83
Interest income	(483.68)	(704.60)
Dividend income	(70.87)	(35.86)
Loss Allowance provided	10.15	1.40
Government Grant amortised	(154.02)	(262.50)
Depreciation/amortization on continuing operation	6,241.09	5,544.94
Loss/[profit] on sale of fixed assets	(1,024.72)	(99.71)
Rent paid under leases	(48.82)	
Remeasurement of defined benefit plans	(19.37)	270.69
Assets written off	101.36	241.92
Operating profit before working capital changes	29,035.83	32,690.69
Movements in working capital:		
Increase/[decrease] in trade payables	1,039.77	(121.45)
Increase/[decrease] in long-term provisions	186.34	72.38
Increase/[decrease] in short-term provisions	44.30	(67.18)
Increase/[decrease] in other liabilities (current)	(1,014.81)	850.07
Increase/[decrease] in other financial liabilities (non-current)	(10.45)	34.81
Increase/[decrease] in other liabilities (non-current)	(68.70)	269.28
Decrease/[increase] in trade receivables	(1,819.38)	(807.74)
Decrease/[increase] in inventories	(1,402.47)	(14,828.95)
Decrease/[increase] in short-term loans and advances	(64.11)	-
Decrease/[increase] in long-term loans and advances	-	(10.80)
Decrease/[increase] in other Bank Balances	(455.03)	(536.66)
Increase/[decrease] in other financial liabilities (current)	(5.30)	
Decrease/[increase] in other current assets	(541.91)	516.88
Decrease/[increase] in other financial assets (current)	45.86	31.90
Cash generated from/[used in] operations	24,969.94	18,093.23
Direct taxes paid [net of refunds]	6,847.05	6,741.92
Net cash flow from/[used in] operating activities (A)	18,122.89	11,351.31
Cash flows from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(5,151.57)	(6,516.30)
Proceeds from sale of fixed assets	1,038.85	113.06
Proceeds of non-current investments	-	-
Purchase of non-current investments	-	-
Purchase of current investments	(53,838.73)	(48,269.78)
Proceeds from sale/maturity of current investments	55,358.66	40,527.20
Proceeds from repayment of Inter-corporate loans	-	-
Interest received	500.90	704.57
Dividends received from subsidiary company	48.87	97.73
Dividends received from Long- Term investments	85.99	35.86
Dividends received from 'Investments in Associates' (The Andhra Petochemicals Ltd.,)	421.30	-
Other Bank Balances	-	-
Net cash flow from/[used in] investing activities (B)	(1,535.73)	(13,307.66)
Proceeds from non-current borrowings	-	-
Inter-corporate loan	150.00	3,200.00
Proceeds from borrowings	(4,109.25)	5,632.13
Interest paid	(2,861.77)	(3,048.83)
Dividends paid including Interim Dividend	(8,239.20)	(2,924.84)
Tax on equity dividend paid	(1,661.54)	(537.10)
Net cash flow from/[used in] in financing activities [C]	(16,721.76)	2,321.36

The Andhra Sugars Ltd. - Group Consolidated Financial Statements

Net increase/[decrease] in cash and cash equivalents (A+B+C)	(134.60)	365.02
Cash and cash equivalents at the beginning of the year	3,884.61	3,519.59
Cash and cash equivalents at the end of the year	3,750.01	3,884.61
Components of cash and cash equivalents		
Cash on hand	20.54	22.51
Cheques/drafts on hand	-	322.01
With banks Accounts	3,162.47	3,409.09
Fixed Deposits (Short Term)	567.00	131.00
Total cash and cash equivalents (Note 10)	3,750.01	3,884.61

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

TANUKU
Date: 27-06-2020

For and on behalf of the Board of Directors
of THE ANDHRA SUGARS LTD,
P. Narendranath Chowday
M. Narendranath

M. Palachandra
P.V.S. Viswanadha Kumar

TANUKU
Date: 27-06-2020

Chairman & Managing Director
Joint Managing Director

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

Ind AS policies of consolidated financial statements

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).

Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

1. certain financial assets and liabilities and contingent consideration that is measured at fair value;
2. assets held for sale - measured at fair value less cost to sell;
3. defined benefit plans - plan assets measured at fair value; and
4. share-based payments

(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.

The Andhra Sugars Ltd. - Group Consolidated Financial Statements

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.

(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) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

(d) Revenue Recognition

Revenue is measured at the transaction price which is determined based on terms of contract and entity's customary practices and net of returns, trade allowances rebates and lifting charges. It includes Excise Duty (till 30.06.2017) but excludes Goods and Services Tax.

Sale of products:

Effective April 1, 2018, Company adopted 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.

(e) 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.

(f) 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.

(g) 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.

The Andhra Sugars Ltd. - Group Consolidated Financial Statements

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.

(h) 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.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

(i) **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.

(j) 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.

(k) 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.

Transition to Ind AS

On transition to Ind AS, the group has elected to continue with the carrying value of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

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).

(l) 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.

m) 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 Organisation with adverse impact on economy and business. Supply chain disruptions in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in all states followed by a nation-wide lockdown from the 25th of March 2020 announced by the Indian Government, to stem the spread of Covid -19. 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 2020. 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.

n) 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.

The Andhra Sugars Ltd. - Group Consolidated Financial Statements

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.

Transition to Ind AS

On transition to Ind AS, the group has elected to continue with the carrying value of all of its investment properties recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

Statement of Changes in Equity for the year ended 31st March 2020

A. Equity share capital (Rs.in Lakhs)

Particulars	No's	INR
As at 31st March, 2018	271.10	2711.01
Changes in equity share capital	0.00	0.00
As at 31st March, 2019	271.10	2711.01
Changes in equity share capital	0.00	0.00
As at 31st March, 2020	271.10	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	
Balance at the end of reporting period - 31st March 2018	74.27	3.84	0.30	1,560.70	51,543.71	33,385.81	10,171.03	(1016.72)	311.46	96,034.41
Profit for the period						19,048.48	(1,363.04)	226.43	(307.42)	19,048.48
Other Comprehensive Income						(2,710.72)	(1,363.04)	226.43		(1,444.03)
Total Comprehensive Income for the year						(2,710.72)	(1,363.04)	226.43		17,604.45
Transfer To/From General Reserve					15,000.00	(557.19)				
Final Dividends						34,166.39				
Dividend Distribution tax						(557.19)				(2,710.72)
Balance at the end of reporting period - 31st March 2019	74.27	3.84	0.30	1,560.70	66,543.71	34,166.39	8,807.99	(790.29)	4.04	110,370.95
Balance at the end of reporting period - 31st March 2019	74.27	3.84	0.30	1,560.70	66,543.71	34,166.39	8,807.99	(790.29)	4.04	110,370.95
Profit for the period						20,308.53	(8,150.91)	16.67	10.07	20,308.53
Other Comprehensive Income						(5,421.42)	(8,150.91)	16.67		(8,124.17)
Total Comprehensive Income for the year						(5,421.42)	(8,150.91)	16.67		12,184.36
Transfer from General Reserve					10,000.00	(10,000.00)				
Adjustment for Lease Rental under IndAs 116					(16.34)					-
Final Dividends						(2,710.71)				(2,710.71)
Interim Dividend						(1,761.13)				(1,761.13)
Dividend Distribution tax										(5,421.42)
Balance at the end of reporting period - 31st March 2020	74.27	3.84	0.30	1,560.70	76,527.37	34,581.66	657.08	(773.62)	14.11	112,645.72

PROPERTY, PLANT AND EQUIPMENT SCHEDULE

Note - 2
(Rs. in lakhs)

Description	COST AS ON 01.04.19	ADDITIONS	DELETIONS	COST AS ON 31.03.2020	DEP. UPTO 31.03.2019	DEP. FOR THE YEAR	DEP. ON DEDUCTIONS	DEP. UPTO 31.03.2020	WDV AS ON 31.03.2020	WDV AS ON 31.03.2019
Land	4,120.39	109.37	0.40	4,229.35	-	-	-	-	4,229.35	4,120.39
Factory Buildings	6,983.37	518.59	-	7,501.96	1,193.42	342.00	-	1,535.42	5,966.54	5,789.95
Plant and Machinery	74,254.92	5,980.83	152.77	80,082.97	17,962.50	5,161.63	52.43	23,071.69	57,011.29	56,292.41
Transport Equipments	5,554.57	713.46	88.38	6,179.66	2,098.77	585.94	74.73	2,609.98	3,569.68	3,455.81
Furniture & Fittings	579.04	68.02	1.47	645.59	377.09	87.10	0.69	463.50	182.09	201.95
Total	91,492.28	7,390.27	243.03	98,639.53	21,631.77	6,176.67	127.85	27,680.59	70,958.95	69,860.51
Previous Year	81,012.39	10,763.52	283.63	91,492.28	16,129.70	5,515.64	13.57	21,631.77	69,860.51	64,882.69

Description	COST AS ON 01.04.19	ADDITIONS	DELETIONS	COST AS ON 31.03.2020	DEP. UPTO 31.03.2019	DEP. FOR THE YEAR	DEP. ON DEDUCTIONS	DEP. UPTO 31.03.2020	WDV AS ON 31.03.2020	WDV AS ON 31.03.2019
Land	-	34.66	-	34.66	-	16.77	-	16.77	17.89	-
Buildings	-	47.86	-	47.86	-	19.81	-	19.81	28.05	-
	0.00	82.52	0.00	82.52	0.00	36.58	0.00	36.58	45.94	0.00

Description	COST AS ON 01.04.19	ADDITIONS	DELETIONS	COST AS ON 31.03.2020	DEP. UPTO 31.03.2019	DEP. FOR THE YEAR	DEP. ON DEDUCTIONS	DEP. UPTO 31.03.2020	WDV AS ON 31.03.2020	WDV AS ON 31.03.2019
Intangible Assets	177.89	-	-	177.89	74.12	32.67	-	106.79	71.10	103.77
Previous Year	175.88	2.01	-	177.89	40.86	33.25	-	74.12	103.77	135.02

Description	COST AS ON 01.04.19	ADDITIONS	DELETIONS	COST AS ON 31.03.2020	DEP. UPTO 31.03.2019	DEP. FOR THE YEAR	DEP. ON DEDUCTIONS	DEP. UPTO 31.03.2020	WDV AS ON 31.03.2020	WDV AS ON 31.03.2019
Investment Property	15.58	-	-	15.58	9.59	1.12	-	10.70	4.87	5.99
Previous Year	15.58	-	-	15.58	8.10	1.49	-	9.59	5.99	7.48

(Rs. in lakhs)

Particulars	31st March 2020	31st March 2019
Capital Work-in-Progress	3,228.37	5,845.52
Total	3,228.37	5,845.52

(Rs. in lakhs)

Particulars	31st March 2020	31st March 2019
Non Current Assets Held for sale	5.45	5.79
Total	5.45	5.79

Depreciation for the year 2019-20 includes Depreciation capitalized in The Andhra Sugars Limite (parent Company) to the extent of Rs.5.38 lakhs (Previous Year for Rs.2.73 lakhs)

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Note-3

(Rs. in Lakhs)

Non-current Investments	As at 31st March 2020	As at 31st March 2019
1) Investment in Associate: 2,90,94,594 (31st March 2019: '2,90,94,594) fully paid Equity Shares of Rs.10/- each in The Andhra Petrochemicals Ltd.,	7934.87	8037.66
2) Investment in Other Companies		
a) 38,704 (31st March 2019: 38,704) fully paid Equity Shares of Rs.10/- each in Andhra Bank	3.57	10.86
b) 1391 (31st March 2019: 1391) Equity Shares of Rs.10/- each , fully paid up in Indian Bank (Quoted)	0.60	3.90
c) 200 (31st March 2019 : 200)Equity Shares of Rs. 10 each fully Paid -Up in The Industrial Finance Corporation of India	0.01	0.03
d) 11,360 (31st March 2019 : 11360) Equity Shares of Rs.10 each fully paid up in Industrial Development Bank of India	2.19	5.30
3) TRADE INVESTMENTS		
a) 1,40,000 (31st March 2019: 1,40,000) fully paid Equity Shares of Rs.10/- each in Sree Akkamamba Textiles Ltd.,	171.26	171.26
b) 1,10,04,080 (31st March 2019 : 1,10,04,080) fully paid Equity shares of Rs.10/- each in Andhra Pradesh Gas Power Corporation Ltd.,	7754.93	16020.79
4) Investment in Govt Securities :-		
a) National Plan Saving Certificates (lodged with Govt. Department towards Security)	0.96	0.86
Total	15868.39	24250.66

Aggregate amount of un quoted Investments	7927.15	16192.94
Aggregate amount of quoted investments	7,941.24	8,057.72
Total	15,868.39	24,250.66
Aggregate Market value of quoted investments	4,792.53	15,920.55
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 2020	As at 31st March 2019
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.,

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Details of material 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 2020	As at 31st March 2019
Jocil Limited	Manufacturers of Fatty acids & Generation of Power	India	55.03	55.03
The Andhra farm Chemicals Corporation Limited	Manufacturers of Hydrozine Hydrite	India	76.83	76.83
Hindustan Allied Chemicals Limited	NIL	India	77.36	77.36

Current Investments	As at 31st March 2020	As at 31st March 2019
Investment in Liquid / Debt Mutual Funds		
HDFC Mutual Fund	1733.47	1208.63
Birla Sun Life Mutual Fund	2904.09	3885.65
Nippon India Mutual Fund	1631.52	2093.68
UTI Mutual Fund	1605.60	1406.71
SBI Mutual Fund	1588.93	801.51
KOTAK Mutual Fund	.....	353.57
BNP Paribas Mutual Fund	.....	417.32
Canara Robeco Mutual Fund	1221.42	617.32
Baroda Pioneer Mutual Fund	.....	300.34
Axis Mutual Fund	100.57	.....
HDFC Liquid Fund- Daily Reinvestment	4.36	231.42
	10789.96	11316.15

Category wise investments- as per Ind AS 107 classification

(Rs. in Lakhs)

	As at 31st March 2020	As at 31st March 2019
Financial assets carried at fair value through profit or loss(FVTPL) Mandatorily measured at FVTPL	10,789.96	11,316.15
Financial assets carried at amortised cost Debt/equity instrument	28,088.86	25,185.25
Financial assets measured at FVTOCI Debt/equity instrument	10,898.91	10,898.91
TOTAL	49,777.73	47,400.31

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 J of note:1.1

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Details of Material Associates

(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 2020	As at 31st March 2019
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.

Details of material 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 2019	As at 31st March 2018
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

(Rs. in Lakhs)

Loans (Non-Current)	As at 31st March, 2020	As at 31st March, 2019
Security Deposit (A)		
Loans to related parties		
Unsecured, considered good (B)	50.00	200.00
Total [A+B]	50.00	200.00

Note -5

(Rs. in lakhs)

Other Financial Assets(Non-Current)	As at 31st March, 2020	As at 31st March, 2019
Security Deposits with government authorities	65.96	65.35
Margin money deposits	8.70	54.76
Total	74.66	120.11

Note -6

(Rs. in Lakhs)

Other Non-current Assets	As at 31st March, 2020	As at 31st March, 2019
Capital Advances	789.16	404.74
[A]	789.16	404.74
Advances other than Capital Advances		
Security Deposits	2316.1	2252.99
(B)	2316.1	2252.99
Prepaid expenses	56.17	18.75
Balance in Gratuity Fund (net of obligations)	133.21	184.67
(C)	189.38	203.42
Total [A+B+C]	3294.64	2861.15

Note -7

(Rs. in lakhs)

Inventories (valued at lower of cost and net realizable value)	As at 31st March, 2020	As at 31st March, 2019
Raw materials and components at Cost	5123.64	4365.27
Work-in-progress		
: At Cost	2220.71	2304.76
: At Estimated Realisable Value	31.88	73.46
Finished goods		
: At Cost	3870.75	3445.30
: At Estimated Realisable Value	24346.19	25766.36
Stores and spares at Cost (includes in transit)	8599.07	6840.36
Loose tools	42.87	40.08
Others	6.75	3.80
Total	44241.86	42839.39

The cost of inventories recognized as an expense during the year in respect of continuing operations was Rs. 69626.85 Lakhs for the year ended 31st March 2020 and Rs. 60085.37 Lakhs for the year ended 31st March 2019.

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

Note -8

(Rs. in lakhs)

Current Investments	As at 31st March, 2020	As at 31st March, 2019
Investment in Mutual Funds	10789.96	11316.15
	10789.96	11316.15

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Note -9

(Rs. in Lakhs)

Trade Receivables (Current)	As at 31st March, 2020	As at 31st March, 2019
a) Considered good- Secured	209.58	742.44
b) Considered good - Unsecured	21093.49	17704.79
c) Trade Receivables which have significant increase in Credit Risk ;	10.02	15.02
d) Trade Receivables - Credit impaired		
Less:	21313.09	18462.25
Provision for doubtful receivables	10.02	15.02
Loss allowance provided	38.58	28.43
Total	21264.49	18418.8

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 cash equivalents	As at 31st March, 2020	As at 31st March, 2019
Cash and Cash Equivalents :		
Balances with Banks:		
On current accounts	2669.16	3398.92
Short Term Deposits	1060.31	131.00
Cheques/drafts on hand	0.00	322.01
Cash on hand	20.54	32.68
(A)	3750.01	3884.61
Other Bank Balances :		
For more than 3 months but less than 12 months	2111.68	861.06
On Unpaid dividend account	24.76	186.75
Earmarked Balances with Banks(20% Liquidity on Fixed Deposits held under The Companies Act 2013)	386.89	1001.54
Margin money deposit	36.80	55.74
(B)	2560.13	2105.09
Total (A+B)	6310.14	5989.70

Note -11

(Rs. in lakhs)

Loans (Current)	As at 31st March, 2020	As at 31st March, 2019
Security Deposit		
(A)		
Loans to related parties		
Unsecured, considered good	200.00	200.00
(B)	200.00	200.00
TOTAL [A+B]	200.00	200.00

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Note -12

(Rs. in Lakhs)

Other Financial Assets (Current)	As at 31st March, 2020	As at 31st March, 2019
Interest accrued on other Deposits	165.07	187.40
Claims receivable	24.50	14.48
Total	189.57	201.88

Note -13

(Rs. in lakhs)

Other Assets(Current)	As at 31st March, 2020	As at 31st March, 2019
Advances other than Capital Advances		
Trade Deposit		
Security Deposits	113.60	100.17
(A)	113.60	100.17
Other Advances		
Advances recoverable in cash or kind		
Considered good- Secured	1397.7	
Considered good - Unsecured	216.09	945.32
Advances which have significant increase in Credit Risk	21.97	21.97
Credit Impaired		
Total	1635.76	967.29
Provision for doubtful debts	21.97	21.97
	1613.79	945.32
Prepaid expenses	348.44	406.02
Balance with Statutory/government Authorities	42.05	1278.68
Others	47.34	1.54
(B)	2051.62	2631.56
Total [A+B]	2165.22	2731.73

Note -14

(Rs. in lakhs)

Share Capital	As at 31st March, 2020	As at 31st March, 2019
Authorised Share Capital:		
2,87,50,000 (31 March 2019 : 2,87,50,000) Equity shares of Rs.10/- each		
30000(31st March 2019:30000)'9.5% First Cumulative Redeemable Preference Shares of Rs 100/- each.		
95000 (31st March 2019:95000)'9.5% Second Cumulative Redeemable Preference Shares of Rs 100/- each.	3000.00	3000.00
Issued Share Capital:		
27113091 (31st March 2019: 27113091)'Equity shares of Rs.10 /- each	2711.31	2711.31
Subscribed and fully paid-up :		
"27107078 (31st March 2019: 27107078)'Equity shares of Rs.10 /- each "fully paid up"	2710.71	2710.71
Forfeited amount on 6013 shares of Rs.10/-each, Rs.5/-paid up	0.30	0.30
Total issued, subscribed and fully paid-up capital	2711.01	2711.01

(Rs. in Lakhs)

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period	As at 31st March, 2020		As at 31st March, 2019	
	No.	Rs.	No.	Rs.
Equity Shares				
At the beginning of the period	271.07	2710.71	271.07	2710.71
Add: Fresh Issue during the year	-	-	-	-
Less: Buy Back of Shares during the year	-	-	-	-
Outstanding at the end of the period	271.07	2710.71	271.07	2710.71

b. Shareholders holding more than 5% shares	As at 31st March, 2020	As at 31st March, 2019
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 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 27-06-2020.

Note -15

(Rs. in lakhs)

Other Equity	As at 31st March, 2020	As at 31st March, 2019
Capital Reserve		
Capitalisation of bonus shares	52.45	52.45
Capital Redemption Reserve	3.84	3.84
Capital Subsidy	21.83	21.82
Total Capital Reserve	78.12	78.12
Forfeited Debentures	0.30	0.30
Securities Premium	1560.70	1560.70
General Reserve		
Balance as per the last Financial Statements	66543.71	51543.71
Less: Indian AS 116 adjustment	(16.34)	
Add: Amount transferred from Retained Earnings	10000.00	15000.00
Closing Balance	76527.37	66543.71
Other Comprehensive Income		
Balance as per the last Financial Statements	8021.74	9465.77
Other Comprehensive Income for the year	(8124.17)	(1444.03)
Less: Transfer to Retained Earnings		
Closing Balance	(102.43)	8021.74
Surplus/(Deficit) in the Statement of Profit and Loss		
Balance as per the last Financial Statements	34166.39	33385.82
Profit for the year	20308.53	19048.48
	54474.92	52434.30
Less : Appropriations		
Final Equity Dividend	2710.71	2710.72
Interim Dividend	5421.42	0.00
Tax on Distributed Profits	1761.13	557.19
Transfer to Other Reserve	10000.00	15000.00
Total Appropriations	19893.26	18267.91
Net Surplus in Statement of Profit and Loss	34581.66	34166.39
Total Reserves and Surplus taken to Balance Sheet	112,645.72	110,370.95

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*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.

General reserve: The general reserve is used from time to time profits from retained earnings for appropriation purposes.

'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) During the year ended March 31, 2020, the Board of Directors declared an interim dividend of Rs.20/- per share on 14.03.2020. The Interim dividend was paid to all holders of fully paid equity shares and the total interim dividend paid is Rs. 5421.42 Lakhs
- 3) During this year, the Company adopted Ind AS 116 effective from 1st April 2019, using the modified retrospective method. The Company has applied the Standard to its Leases with the cumulative impact recognised on the date of initial application (i.e. 1st April 2019). This has resulted in recognising a right of use Asset of Rs. 82.52 Lakhs and corresponding lease liability of Rs. 98.86 Lakhs. The difference of Rs.16.34 Lakhs has been adjusted to Retaining Earnings as at 01.04.2019.

Note -16

(Rs. in Lakhs)

Deferred Government Grant	As at 31st March, 2020	As at 31st March, 2019
Deferred Sales Tax Loan	444.56	598.44
Capital Investment Subsidy Caustic Soda Unit at Saggonda	1.17	1.31
	445.73	599.75

Note -17

(Rs. in lakhs)

BORROWINGS (Non-Current):	As at 31st March, 2020	As at 31st March, 2019
Rupee Term Loans from Banks - Secured		
[A]	---	---
Other Loans and advances:		
Deferred Sales Tax Loan (Unsecured)	1139.57	1398.81
[B]	1139.57	1398.81
Other Loans and advances:		
Deposits (unsecured)		
From Directors/Related Parties	10231.16	13808.9
From Others	2192.80	2259.90
Long Term Maturities of Financial Lease Liabilities	16.41	---
[C]	12440.37	16068.80
Total [A+B+C]	13579.94	17467.61

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Note -18

(Rs. in Lakhs)

Other Financial Liabilities (Non-Current)	As at 31st March 2020	As at 31st March 2019
Trade Deposits	227.67	235.46
Staff Security deposits	7.92	10.58
Deposits Payable-Contractors	9.27	8.91
Total	244.86	254.95
Due to Small and Medium Enterprises	2020	2019
a) Principal amount and interest due thereon remaining period	0.02	0.01
b) Interest paid in terms of section 16 of MSMED Act	0.02	0.01
c) Interest due and payable for the period of delay excluding interest specified under MSMED Act	0.00	0.00
d) Interest accrued and remaining unpaid at the end of the year	0.02	0.01
e) Further interest due and payable in terms of section 23 of MSMED Act, 2006	0.00	0.00

Note -19

(Rs. in lakhs)

PROVISIONS (Non-current)	As at 31st March 2020	As at 31st March 2019
Provision for employee benefits:		
Provision for gratuity	1,151.60	969.81
Provision for leave benefits	756.83	737.53
Total	1,908.43	1,707.34

Note -20

(Rs. in lakhs)

OTHER NON-CURRENT LIABILITIES	As at 31st March 2020	As at 31st March 2019
Trade payables	---	---
Total	-	-
Others		
Outstanding Liabilities for Trade Payables for Expenses	-	-
Outstanding Liabilities for Others-Other than Financial Liability	4,443.12	4,509.07
Total	4,443.12	4,509.07

Note -21

(Rs. in Lakhs)

BORROWINGS (Current):	As at 31st March 2020	As at 31st March 2019
Cash Credit from Banks : Secured	2,177.54	5,447.44
Working Capital Soft Loan-Interest Subvention (Secured)	1,653.30	-
Deposits (unsecured)		
Deposits from Directors/Related Parties	30.40	388.92
Deposits from Share holders and Public	728.48	635.89
Loans From Directors	38.80	77.64
Deposits from Others	143.37	160.76
The above amount includes	4,771.89	6,710.65
Secured borrowings	3,830.84	5,447.44
Unsecured borrowings	941.05	1,263.21
Total [A+B+C]	4,771.89	6,710.65

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Amount disclosed under the head

"Other current liabilities"(Note)

- 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, ISRO Plants and 33 MW Power Plant assets, ranking pari passu among the members of the consortium of working capital lending banks.
- b) Foreign Currency Exposure hedged by derivative Instruments as on 31st March 2020 is Nil and as on 31.03.2019 is Nil.
- c) 'Short Term Loans as at 31st March 2020 From Banks Comprises of :

(Rs. in Lakhs)

Particulars	Interest Subvention Loan
a) Loan Sanctioned	Rs. 1654.00
b) Loan Availed	Rs. 1654.00
c) No. of Installments	Bullet Repayment on 30.05.2020.
d) Rate of Interest	Interest at 9.95% p.a. out which ,Interest Subvention at 7.00% p.a. will be given as per the Govt.of India Notification.
e) Lending Bank	Andhra Bank
f) Security	Pari Passu First Charge on Current & Fixed Assets of the Company

(Rs. in lakhs)

Particulars of Inventories and Receivables for Security	Cash Credit	
	As at 31st March 2020	As at 31st March 2019
Inventories	44241.86	42839.39
Trade receivables	21264.49	18418.80

Note -22

(Rs. in lakhs)

Trade payables	As at 31st March 2020	As at 31st March 2019
Due to Micro and Small Enterprises	0.06	0.02
Due to Others	5,147.58	4,221.63
Total	5,147.64	4,221.65

Note -23

(Rs. in Lakhs)

OTHER FINANCIAL LIABILITIES(Current)	As at 31st March 2020	As at 31st March 2019
Others		
Current Maturities of Long Term Borrowings	7,676.97	5,943.35
Current Maturities of Financial Lease liability	43.00	-
Interest Accrued but not due on borrowings	490.93	515.76
Unclaimed Dividend	195.06	185.18
Unclaimed matured deposits And interest accrued thereon	34.65	46.85
Accrued Salaries and Benefits	1,531.81	1,550.99
Directors Remuneration Payable	2,065.29	2,595.70
Staff Security Deposit	9.51	5.87
Outstanding Liabilities for Others	11.91	26.78
Total	12,059.13	10,870.48

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Note -24

(Rs. in lakhs)

Other Current Liabilities	As at 31st March 2020	As at 31st March 2019
Revenue received in advance	632.73	515.32
Statutory Dues	1,212.62	1,481.03
Others	2,153.16	2,446.58
Total	3,998.51	4,442.93

Note -25

(Rs. in lakhs)

PROVISIONS (Current)	As at 31st March 2020	As at 31st March 2019
Provision for employee benefits:		
Provision for gratuity	427.15	397.59
Provision for leave benefits	341.76	323.42
Total	768.91	721.01

Note -26

(Rs. in lakhs)

Deferred Tax Liability (Net)	As at 31st March 2020	As at 31st March 2019
Deferred Tax Liability		
Deferred Tax Liability on PPE	9,854.55	13,518.26
On Legal Cases Discounting	372.44	627.78
On Current Investments	40.04	64.62
Deferred Tax Liability on Investments	15.35	15.18
Gross Deferred Tax Liability	10,282.38	14,225.84
Deferred Tax Asset		
MAT Credit	9.20	10.38
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	352.54	725.47
Provision for doubtful debts and advances	14.95	22.79
On Non-current Investments	17.77	
Employee benefits related and others	209.87	
Gross Deferred tax Asset	604.33	758.64
Net Deferred Tax Liability	9,678.05	13,467.20

Details of Deferred tax for the year 2019-20

(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	(15.18)		(0.17)	(15.35)
Current Investments	(64.62)	24.58		(40.04)
Property, Plant and Equipment	(13518.26)	3663.71		(9854.55)
Legal cases	(627.78)	255.34		(372.44)
Provision for doubtful debts & Expected credit loss	22.79	(7.84)		14.95
Expenditure charged to statement of profit and loss in the current year but allowed for tax purposes on payment basis	725.47	(383.17)	10.24	352.54
Employee related and others		209.87		209.87
Non-current Investments		17.77		17.77
MAT Credit	10.38	(1.18)		9.20
Total	(13467.20)	3779.08	10.07	(9678.05)

Note -27

(Rs. in lakhs)

Current Tax Assets (Net)	As at 31st March 2020	As at 31st March 2019
Advance tax		
Advance payment of Direct Taxes/TDS	15,969.61	16,907.52
Income Tax Deducted at source	103.34	227.12
Income Tax Refund Receivable	627.57	17.95
	16,700.52	17,152.59
Provision for Tax		
Provision for Income tax	14,708.02	16,186.04
	14,708.02	16,186.04
Total	1,992.50	966.55

(Rs. in lakhs)

Minority Interest	As at 31st March 2019	Increase during the year	Decrease during the year	As at 31st March 2020
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	1,088.40	744.87	(48.14)	1,785.12
OCI Reserves	216.82		(206.64)	10.18
Total	7863.10	744.87	(254.78)	8353.18

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- A 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.

(Rs. in lakhs)

As at 31st March, 2020

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			
Financial instruments measured at fair value													
Current Investments	3.2	-	10,789.96	-	-	10,789.96	-	10,789.96	-	10,789.96	-	-	10,789.96
Non Current investments	3	10,898.91				10,898.91		7,927.15		7,941.24			15,868.39
Financial assets not measured at fair value													
Trade receivables	9	-	-	21,264.49	-	21,264.49	-	21,264.49	-	-			21,264.49
Cash and Cash Equivalents	10	-	-	3,750.01	-	3,750.01	-	-	-	3,750.01	-	-	3,750.01
Bank balances other than above	10	-	-	2,560.13	-	2,560.13	-	-	-	2,560.13	-	-	2,560.13
Intercorporate loans	4	-	-	250.00	-	250.00	-	-	-	250.00	-	-	250.00
Other Financial assets	5	-	-	264.23	-	264.23	-	-	-	264.23	-	-	264.23
		10,898.91	10,789.96	28,088.86	-	49,777.73	-	29,191.64	-	25,555.57	29,191.64	-	54,747.21
Financial liabilities not measured at fair value													
Borrowings	13	-	-	-	21,256.91	21,256.91	-	-	-	21,256.91	-	-	21,256.91
Trade payables	18	-	-	-	-	-	-	-	-	-	-	-	-
Other financial liabilities													
Accrued salaries and benefits	18.2	-	-	-	1,531.81	1,531.81	-	-	-	1,531.81	-	-	1,531.81
Trade and staff security deposits	15 & 18.2	-	-	-	254.37	254.37	-	-	-	254.37	-	-	254.37
Cash credit form banks	14	-	-	-	2,177.54	2,177.54	-	-	-	2,177.54	-	-	2,177.54
Deposits from directors/related parties and others	14	-	-	-	941.05	941.05	-	-	-	941.05	-	-	941.05
Outstanding liabilities for expenses		-	-	-	-	-	-	-	-	-	-	-	-
Others	18.2	-	-	-	2,797.84	2,797.84	-	-	-	2,797.84	-	-	2,797.84
		-	-	-	28,959.52	28,959.52	-	-	-	28,959.52	-	-	28,959.52

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

As at 31st March, 2019

(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				
Financial instruments measured at fair value														
Current Investments	3,2	-	11,316.15	-	-	11,316.15	-	-	-	11,316.15	11,316.15			11,316.15
Non Current investments	3	10,898.91	-	-	-	10,898.91	-	-	-	8,057.75	16,192.91			24,250.66
Financial assets not measured at fair value														
Trade receivables	9	-	-	18,418.80	-	18,418.80	-	-	-	-	18,418.80			18,418.80
Cash and Cash Equivalents	10	-	-	3,884.61	-	3,884.61	-	-	-	3,884.61	-			3,884.61
Bank balances other than above	10	-	-	2,159.85	-	2,159.85	-	-	-	2,159.85	-			2,159.85
Inter corporate loans	4	-	-	400.00	-	400.00	-	-	-	400.00	-			400.00
Other Financial assets		-	-	-	-	-	-	-	-	-	-			-
Interest accrued on fixed deposits	5	-	-	321.99	-	321.99	-	-	-	321.99	-			321.99
		10,898.91	11,316.15	25,185.25	-	47,400.31	-	34,611.71	-	26,140.35	34,611.71	-	-	60,752.06
Financial liabilities not measured at fair value														
Borrowings	13	-	-	-	23,410.96	23,410.96	-	-	-	23,410.96	-			23,410.96
Trade payables	18	-	-	-	-	-	-	-	-	-	-			-
Other financial liabilities														
Accrued salaries and benefits	18.2	-	-	-	1,550.99	1,550.99	-	-	-	1,550.99	-			1,550.99
Trade and staff security deposits	15 & 18.2	-	-	-	260.82	260.82	-	-	-	260.82	-			260.82
Cash credit form banks	14	-	-	-	5,447.44	5,447.44	-	-	-	5,447.44	-			5,447.44
Deposits from officers/related parties and others	14	-	-	-	1,263.21	1,263.21	-	-	-	1,263.21	-			1,263.21
Outstanding liabilities for expenses		-	-	-	-	-	-	-	-	-	-			-
Others	18.2	-	-	-	3,370.27	3,370.27	-	-	-	3,370.27	-			3,370.27
		-	-	-	35,303.69	35,303.69	-	-	-	35,303.69	-	-	-	35,303.69

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.
 (Rs. in lakhs)

Financial Asset	"Unobservable" Inputs	Value Assigned to Key	Approach to Determining Key Assumptions
Un Quoted Equity Instruments in APGPCL	Annual Savings	Rs. 1.37 Per Unit	Estimated Based on Company's Past Experience
	No. of Units of Power	1463.12 Lakh Units	Estimated that Company continues to hold the same no. of Equity Shares in the Foreseeable future.
	Cash flow forecast Period	5 Years	Reviewed the 5 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 (%)	19.34%	Based on the Company's Cost of Equity.

The Andhra Sugars Ltd - Group Consolidated Financial Statements

Notes Forming Part of Accounts

Note -28

(Rs. in Lakhs)

Revenue from operations	This Year	Previous year
Sale of products:		
Finished goods	145732.93	136883.13
Sale of services	392.86	276.49
Other operating revenue		
Freight & Sale Expenses Recovered	286.18	232.34
Subsidy Received on Super phosphate Sales	264.24	242.83
Assistance for Cane Price against Export of Sugar under MIEQ	1072.08	-----
Processing & Job Work Income	0.04	3.00
Revenue from operations (gross)	147748.32	137637.79

Note -29

(Rs. in lakhs)

Other Income	This Year	Previous year
Interest income on		
Bank deposits	242.35	238.30
Others	241.33	198.68
Interest on loan to APL		267.62
Dividend income on		
Long-term investments	1.40	1.40
Current Investments	69.47	34.46
Rent received	137.50	70.31
Net gain on sale of Assets	1024.72	99.71
Government Grant		
Saggonda	0.14	0.14
Interest Subvention Loan A/C	—	32.22
Deferred Sales Tax Loan A/C	153.87	230.13
Exchange difference	302.93	68.88
Loss from Agriculture(Net)	2.61	20.25
Net gain on Sale of Current Investments	834.97	576.11
Net gain on Revaluation of Current Investments	158.89	184.93
Other non-operating income #	726.25	1753.29
Total	3896.43	3776.43

The amount of exchange differences recognised in profit or loss except for those arising on financial instruments measured at fair value through profit or loss is Rs.302.93 lakhs(gain) and Rs.68.88 lakhs (gain) during the period 2019-20 and 2018-19 respectively.

(Rs. in lakhs)

# Other non-operating income includes :	This Year	Previous year
Cessation of Liability on account of Judicial Pronouncements	—	1043.95
Provision for doubtful debts Credit Back	5.00	146.88
Excess Provision In Earlier Years Credited Back	76.21	56.58
Claims Received	69.13	40.58
Weighment Charges Received	2.17	2.60
Income not relating to this year	111.35	3.07
Misc.Scrap Sales	60.94	83.38
Misc. Receipts	401.45	376.25
Total	726.25	1753.29

Notes Forming Part of Accounts

Note -30

(Rs. in Lakhs)

Cost of raw material consumed	This Year	Previous year
Inventory at the beginning of the year	4365.27	5428.58
Add: Purchases	64222.87	69042.10
Less: Sale of raw material	36.71	25.31
Less: Inventory at the end of the year	5123.64	4365.27
Cost of raw material consumed	63427.79	70080.10

Note -31

(Rs. in lakhs)

(Increase)/decrease in inventories	This Year	Previous Year	Increase/ Decrease in Inventory
Changes in Inventories at the end of the year			
Traded goods			
Work in progress	2252.59	2378.22	125.63
Finished goods	28216.94	29211.66	994.72
	30469.53	31589.88	1120.35
Inventories at the beginning of the year			
Traded goods			
Work in progress	2378.22	1267.41	(1110.81)
Finished goods	29211.66	15591.87	(13619.79)
	31589.88	16859.28	(14730.60)

Note -32

(Rs. in lakhs)

Employee benefit expense	This Year	Previous year
Salaries, wages and bonus	12963.52	12300.80
Contribution to provident and other fund	1189.75	1106.78
Gratuity expense	450.86	440.05
Staff welfare expenses	542.56	378.57
Total	15146.69	14226.20

Note -33

(Rs. in lakhs)

Finance Costs	This Year	Previous year
Interest	2786.87	2989.53
Other Borrowing Costs	62.46	59.30
Total	2849.33	3048.83

Note -34

(Rs. in lakhs)

Depreciation and amortization expense	This Year	Previous year
Depreciation of tangible assets	6208.41	5511.69
Amortization of intangible assets	32.68	33.25
Total	6241.09	5544.94

The Andhra Sugars Ltd - Group Consolidated Financial Statements

Notes Forming Part of Accounts

Note -35

(Rs. in Lakhs)

Other expenses	This Year	Previous year
Consumption of stores and spares	5078.71	4735.87
Sugarcane development Expenses	152.70	313.06
Rent	17.75	64.74
Rates and taxes	307.52	240.71
Insurance	307.30	228.75
Repairs and maintenance		
Plant and machinery	3631.49	3490.66
Buildings	470.59	586.37
Others	862.54	838.58
Advertising and sales promotion	81.14	70.12
Handling Transport & Expenses	4755.92	3296.17
Sales commission	324.46	290.00
Bank Charges	44.19	64.85
Directors' sitting fees	26.89	25.12
Payment to auditors (Refer details below)	37.10	35.98
Donations	225.05	75.05
CSR Expenditure	384.52	301.18
Assets Written off	101.36	241.92
Stores & Spare written off	1.13	2.39
Export Compensation for sugar export under MIEQ 2018-19	546.72	303.02
Provision for expected credit loss	1.28	1.40
Bad Debts written -off	—	133.74
Excess off take charges to ISRO	—	65.26
Miscellaneous expenses	1367.03	1348.99
Total	18725.39	16753.93

(Rs. in lakhs)

Payment to Auditors	This Year	Previous year
As Auditor	19.47	19.44
For Limited review & Other Certification	8.62	7.64
For Reimbursement of Expenses	1.36	1.30
As Cost Auditors	6.60	6.60
Fee for Certification	0.70	0.70
For Reimbursement of Expenses	0.34	0.30
Total	37.10	35.98

Notes Forming Part of Accounts

Note -36

(Rs. in Lakhs)

Items that will not be reclassified to P&L	This Year	Previous year
Remeasurement of Defined Benefit Plan Loss/(Gain)	(19.37)	270.68
Increase/Decrease in Fair Value of Investments	(8279.56)	(1346.63)
Deferred Tax Liability on above items		
On Defined Benefit Obligations	10.24	21.14
On Associate, Subsidiary and Joint Venture	(1.20)	(616.42)
On Long Term Non- Quoted Investments	1.03	287.86
Total	(8,288.86)	(1,383.37)
Share of OCI from APL	(41.95)	(34.66)
Total Other comprehensive Income	(8,330.81)	(1,418.03)
Less : Non-Controlling Interest	(206.64)	26.00
Other comprehensive Income after Non Controlling Interest	(8,124.17)	(1,444.03)

EARNINGS PER SHARE

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Earnings per share has been computed as under		
Profit for the year attributable to equity shareholders of the company	20308.53	19048.48
Weighted average equity number of shares outstanding	271.07	271.07
Basic and Diluted Earnings per share (Face value Rs. 10 per share)	74.92	70.27

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, 2020 and March 31, 2019:

(Rs. in lakhs)

Particulars	Gratuity As at		Compensated absences As at	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Change in benefit obligations				
Benefit obligations at the beginning	4,854.80	4,892.53	929.80	976.54
service cost	364.27	336.37	149.27	145.58
Interest expenses	358.39	374.45	61.91	72.70
Curtailment (gains)/losses				
Transfer of obligation (net)				
Remeasurements - Actuarial (gains)/losses	(253.15)	(324.85)	40.70	(129.49)
Benefits paid	(142.24)	(423.69)	(232.60)	(135.54)
Benefit obligations at the end	5,182.08	4,854.81	949.08	929.79

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Notes Forming Part of Accounts

Change in plan assets

(Rs. in Lakhs)

Particulars	Gratuity As at	
	31st March 2020	31st March 2019
Fair value of plan assets at the beginning of the year	3672.08	3710.09
Interest income	271.80	270.77
Transfer of assets (net)		
Remeasurements - Return on plan assets excluding amounts included in interest income	5.16	6.33
Contributions	166.71	108.57
Benefits paid	(379.22)	(423.69)
Fair value of plan assets at the end	3,736.53	3,672.07

Amount recognised in Balance Sheet

(Rs. in lakhs)

Particulars	Gratuity As at		Compensated absences As at	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Present value of obligation at the end of the period	5182.08	4854.80	949.07	929.79
Fair value of plan assets at the end of the period	3736.53	3672.09	-	-
Net (liability)/asset recognised in Balance Sheet	1445.54	1182.71	949.07	929.79

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 2020	31st March 2019	31st March 2020	31st March 2019
Service cost	367.29	336.36	149.27	145.58
Net interest on the net benefit liability/asset	83.57	103.69	61.91	72.70
Net expense recognised	450.86	440.05	211.18	218.28

Amount for the year ended March 31, 2020 and March 31, 2019 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 2020	31st March 2019	31st March 2020	31st March 2019
Actuarial (gain)/losses on obligations for the period	(16.17)	(324.85)	40.70	26.37
Return on plan assets, excluding interest income	(5.16)	(6.33)		(155.86)
Net (income)/expenses for the period recognised in OCI	(21.33)	(331.18)	40.70	(129.49)

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 2020	31st March 2019	31st March 2020	31st March 2019
Expected return on plan assets	7.62%	8.00%		
Rate of discounting	6.76%	7.61%	6.75%	7.65%
Rate of salary Increase	9.00%	10.00%	7.00%-10.00%	7.00%-10.00%
Rate of employee turnover	2.00%	2.00%		

Assumptions

Particulars	Compensated absences Year ended	
	31st March 2020	31st March 2019
Expected return on plan assets	Nil	Nil
Rate of discounting	6.76%	7.61%
Rate of salary Increase	9.00%	10.00%
Rate of employee turnover	2.00%	2.00%

Maturity Profile of Defined Benefit Obligations:

(Rs. in lakhs)

Particulars	31st March 2020		
	Gratuity	Leave encashment	Sick leave
Expected Cash flow in year 1	482.13	155.00	131.72
Expected Cash flow in year 2	434.11	116.22	27.04
Expected Cash flow in year 3	378.70	102.11	5.50
Expected Cash flow in year 4	371.02	86.66	1.10
Expected Cash flow in year 5	413.77	86.08	0.22
Expected Cash flow in year 6	414.03	74.24	0.05
Expected Cash flow in year 7	365.47	66.01	0.01
Expected Cash flow in year 8	384.77	60.04	-
Expected Cash flow in year 9	434.45	55.73	-
Expected Cash flow in year 10	482.18	50.67	-

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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 2020	% change	31st March 2019	% change
if salary escalation rate increases by 1%	891.73	11.90%	1065.71	10.05%
if salary escalation rate decreases by 1%	764.54	(10.00%)	(916.83)	(8.65%)
if withdrawal rate increases by 1%	814.79	(2.66%)	(975.30)	(1.93%)
if withdrawal rate decreases by 1%	835.22	3.08%	1000.51	2.20%
if discount rate increases by 1%	760.36	(10.56%)	(911.59)	(8.95%)
if discount rate decreases by 1%	898.80	12.86%	1074.51	10.65%

(Rs. in lakhs)

Particulars	JOCIL Limited Effect on Gratuity valuation		JOCIL Limited Effect on Gratuity valuation	
	31st March 2020	% change	31st March 2019	% change
if salary escalation rate increases by 1%	1189.57	12.20%	1013.17	11.80%
if salary escalation rate decreases by 1%	949.86	(10.40%)	814.99	(10.10%)
if withdrawal rate increases by 1%	1057.25	(0.30%)	912.19	0.60%
if withdrawal rate decreases by 1%	106.43	0.30%	899.43	(0.80%)
if discount rate increases by 1%	949.3	(10.50%)	815.44	(10.00%)
if discount rate decreases by 1%	1192.9	12.50%	1014.66	12.00%

(Rs. in lakhs)

Particulars	Effect on Compensated absences - (The Andhra Sugars Ltd.)			
	Leave encashment		Sick leave	
	31st March 2020	% change	31st March 2020	% change
if salary escalation rate increases by 1%	825.01	4.60%	162.32	1.10%
if salary escalation rate increases by 1%	755.03	(4.30%)	158.67	(1.10%)
if withdrawal rate increases by 1%	784.81	(0.50%)	159.59	(0.60%)
if withdrawal rate decreases by 1%	792.72	0.60%	161.40	0.60%
if discount rate increases by 1%	752.34	(4.60%)	160.02	(0.30%)
if discount rate decreases by 1%	828.80	5.10%	160.97	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 here under, "as companies take on uncertain long term obligations to make future benefit payments."

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	For the Current reporting period 2019-20	For the Previous reporting period 2018-19
Current Income tax		
Current tax charges	6015.00	8411.10
Adjustment in respect of Current income tax of previous year	(193.79)	(137.13)
Deferred Tax		
Relating to origination and reversal of temporary differences	(3780.24)	369.14
Tax Expense reported in the Statement of Profit and Loss	2040.97	8643.11

Other Comprehensive Income ('OCI') Section

(Rs. in lakhs)

Particulars	For the Current reporting period 2019-20	For the Previous reporting period 2018-19
Deferred tax related to items recognised in OCI during the year	-	-
On Acturial gain of Leave Encashment	10.24	21.14
Unrealised Loss/ (Gain) on FVTOCI Equity Securities	(0.17)	(328.56)
Tax Expense in the OCI Section	10.07	(307.42)

The Andhra Sugars Ltd - Group Consolidated Financial Statements

Notes Forming Part of Accounts

b) Balance sheet section

(Rs. in lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Provision for Tax	14,708.02	16,186.04
Tax recoverable	16,700.52	17,152.59
Net of advance tax recoverable	1,992.50	966.55

Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019

Particulars	For the current reporting period 2019-20		For the Previous reporting period 2018-19	
	%	(Rs.in Lakhs)	%	(Rs.in Lakhs)
Accounting profit before Income tax		22629.25		25446.64
At India's Statutory income tax rate (34.608%)	25.168%	5695.33	34.944%	8892.07
Add/(Less) Adjustment in respect of current income tax of previous year				
Effect of Non Deductible Expenses	0.99%	224.98	0.72%	182.91
Corporate social responsibility expenditure	0.41%	93.27	0.37%	94.21
Deduction on Research and development expense	(0.13%)	(30.26)	(0.03%)	(8.48)
Tax credit on unrealised profit eliminated	0.03%	6.50	(0.25%)	(64.62)
Effect of Accelerated depreciation	0.88%	199.16	(1.14%)	(290.48)
Effect of exempt non operating income	(1.06%)	(240.09)	(0.55%)	(140.43)
Effect of capital gains taxable at lower rate	(0.22%)	(49.37)		
Due to indexation benefit for capital gain	(0.08%)	(18.43)		
Deduction u/s 80IA/80IB			(0.92%)	(233.94)
Deduction u/s 80G	(0.39%)	(89.16)	(0.20%)	(50.67)
Effect of rate change adjustment	(15.86%)	(3588.34)		
Difference due to Lower Tax Rate Applicable on Subsidiaries	0.54%	122.14	0.13%	34.15
Interest on income tax	0.02%	3.79		
Difference due to elimination of Dividend from Group Companies	0.39%	88.29	(0.01%)	(3.61)
MAT credit recognised/utilised for earlier years				
Deferred tax asset recognised	(0.85%)	(191.90)	1.45%	369.13
Adjustment for current tax of prior periods	(0.86%)	(193.78)	(0.54%)	(137.13)
Other Adjustments	0.04%	8.84		
Income tax reported in Statement of profit and Loss	9.02%	2040.97	33.97%	8643.11

Reconciliation of Deferred tax liabilities (net)

(Rs.in lakhs)

Particulars	For the Current reporting period 2019-20	For the Previous reporting period 2018-19
Tax income / (expenses) during the period recognised in Statement of Profit and Loss	3780.24	(369.14)
Tax income / (expenses) during the period recognised in OCI	10.07	(307.42)
MAT credit	(1.18)	(1,081.50)
	3,789.13	(1,758.06)

Notes Forming Part of Accounts

Income tax expense

(Rs. in Lakhs)

Particulars	For the Current reporting period 2019-20	For the Previous reporting period 2018-19
Current tax expense		
Current year	6015.00	8411.10
Amount of the benefit arising from a previously unrecognised tax credit that is used to reduce current tax expense	(193.79)	(137.13)
(A)	5821.21	8273.97
Deferred tax expense		
Decrease/(Increase) in deferred tax asset	(154.31)	(1,561.66)
Increase/(Decrease) in deferred tax liability	3943.46	(196.41)
(B)	3789.13	(1758.07)
Tax expense recognised in the income statement (A+B)	9610.34	6515.90

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 2020	As at 31st March 2019
Trade receivables	21,264.49	18,418.80

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 2020	As at 31st March 2019
Balance at the beginning	27.03	27.03
Loss allowance recognised	1.40	1.40
Balance at the end	28.43	28.43

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:

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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) Sensitivity analysis

(Rs.in lakhs)

Particulars	Impact in Other Comprehensive Income			
	2019-20		2018-19	
	increase by 5%	decrease by 5%	increase by 5%	decrease by 5%
ANDHRA BANK	0.18	(0.18)	0.54	(0.54)
INDIAN BANK	0.03	(0.03)	0.19	(0.19)
IDBI	0.11	(0.11)	0.26	(0.26)
	0.32	(0.32)	0.99	(0.99)

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.

Notes Forming Part of Accounts

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 31.03.2020	As at 31.03.2019
Financial assets		
Trade receivables	1,965.93	2,283.19
Cash & Cash Equivalents	493.31	1,428.91
Less:		
Hedged through derivatives	-	-
Foreign exchange forward contracts	-	-
Net exposure to foreign currency risk (assets)	2,459.24	3,712.10

Particulars	As at 31.03.2020	As at 31.03.2019
Financial liabilities		
Trade payables	--	--
Less:		
Hedged through derivatives	--	--
Foreign exchange forward contracts	--	--
Net exposure to foreign currency risk (liabilities)	0	0

Sensitivity analysis

(Rs.in lakhs)

Particulars	Impact in Profit and loss statement			
	2019-20		2018-19	
	increase by 1%	decrease by 1%	increase by 1%	decrease by 1%
Liabilities				
USD sensitivity	-	-	0	-
Euro sensitivity	-	-	-	-
Assets				
USD sensitivity	24.59	(24.59)	37.12	(37.12)
Euro sensitivity	-	-	-	-
Total	24.59	(24.59)	37.12	(37.12)

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Notes Forming Part of Accounts

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 Consolidated Accounts

(Rs. in Lakhs)

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

	This year		Previous Year	
	Value	Percentage	Value	Percentage
Imported	6240.91	10	7277.42	30
Indigenous	57186.88	90	62802.68	70
	<u>63427.79</u>	<u>100</u>	<u>70080.10</u>	<u>100</u>

(Rs. in Lakhs)

38. 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	336.98	3.21	1378.52	10.20
Indigenous	10157.54	96.79	12139.90	89.80
	<u>10494.52</u>	<u>100</u>	<u>13518.42</u>	<u>100</u>

(Rs. in Lakhs)

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

	This year	Previous Year
Capital Goods	386.03	234.52
Components and spare parts	523.88	979.21
Raw - materials	7438.61	14183.23
	<u>8348.52</u>	<u>15396.96</u>

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		(Rs. in Lakhs)
40. Earnings in foreign exchange on FOB basis:	4947.90	8836.53

		(Rs. in lakhs)
41. Expenditure incurred in foreign currency:		
	This year	Previous Year
Expenditure incurred in foreign currency:		
Books, Periodicals & Subscriptions	50.35	42.56
Foreign travel (excluding tickets purchased in India)	54.60	64.24
Delegation fee	0.00	2.06
Bank Charges	8.34	13.37
Others	47.75	3.15

		(Rs. in lakhs)
42. 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	109.90	0.00
b) Revenue Expenditure (charged to appropriate heads)	67.24	181.33
General R & D		
a) Capital Expenditure	10.33	24.28
b) Revenue Expenditure (charged to appropriate heads)	103.86	119.12
	291.33	324.72

		(Rs. in lakhs)
43. (A) Revenue expenditure does not include the following, which formed part of the cost of capital equipment internally manufactured for captive usage.		
	This year	Previous Year
Salaries, Wages and Bonus	105.90	137.48
Contribution to Provident, Gratuity and other funds	12.32	13.81
Workmen and Staff Welfare Expenses	0.98	4.91
Power and Fuel	4.12	3.19
Repair to Others	0.33	0.01
Repairs to Buildings	1.99	15.72
Repairs to P &M	1.66	3.36
Miscellaneous Expenses	0.54	2.12
Depreciation	5.97	5.38
	133.81	185.98

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Notes Forming Part of Accounts

		(Rs.in lakhs)	
		As at 31-3-2020	As at 31-3-2019
44.	Estimated amount of contracts remaining to be executed on Capital Account and not provided for	6429.81	2193.77
45.	a) Uncalled liability on partly paid shares held as Investments	24.66	24.66
	b) Liability on account of membership in Alkali Manufacturers' Association of India, a Company limited by Guarantee	0.01	0.01
	c) Other Commitments in respect of sale contracts	3478.57	8503.05
46.	Claims against the Company not acknowledged as debts relating to the following areas :		
	i) Excise	838.47	850.85
	ii) Service Tax	-	218.82
	iii) Sales Tax	294.51	187.21
	iv) Income Tax	40.98	71.42
	v) Other Levies	178.15	178.15
	vi) Suppliers and Service Contract	41.70	41.70
	vii) Labour related	8.00	10.00
	viii) Other Contracts	-	4.31
47.	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	1062.96	2002.12
	(b) On letter of Credit opened with banker for purchase of Material	1151.44	497.02
	(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.

Notes Forming Part of Accounts

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

	31.03.2020
	Rs.in Lakhs
1. Amount remaining unpaid to any "Supplier" at the end of the year,	
(a) Principal amount of bills to be paid	0.00
(b) Interest due thereon	0.06
2. Payments made to suppliers, during the year, but beyond appointed / agreed by	
(a) Payments made to Suppliers.	13.57
(b) Interest paid along with such payments during the year u/s 16 of the Act.	0.00
3. The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under MSMED Act, 2006	0.00
4. Amount of interest accrued and remaining unpaid, at the end of each accounting year	0.06
5. Amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of deductible expenditure under section 23 of MSMED Act, 2006	0.00

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

49. Loans and Advances include an amount of Rs.250.00 Lakhs (Rupees Four Crores only) being the amount given as an Inter Corporate Advances u/s 186 of the Companies Act 2013, to SreeAkkamamba Textiles Ltd, on the following terms and conditions.

SreeAkkamamba Textiles Ltd

- | | |
|----------------------|--------------------------------------|
| a) Amount of Advance | : Rs.250.00 Lakhs |
| b) Interest Rate | : 11.00% p.a |
| c) Security | : Unsecured |
| d) Purpose | : To meet the gap of working capital |
| e) Repayable on | : By the end of March 2021. |

50. Delay in transfer of Interest on Fixed Deposits to IEPF.

An amount of Rs. 34,159/- being the fixed deposit and interest is due for payment to IEPF account in the month of March 2020. This amount was subsequently transferred to IEPF account on 01.04.2020.

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51. 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 encashed 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.

52. RELATED PARTY DISCLOSURES FOR THE PERIOD 01.04.2019 to 31.03.2020.

(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) :

Whole-time Directors and their Immediate Relatives

The Andhra Sugars Limited :

Sri Pendyala Narendranath Chowdary : Wife-Smt. Pendyala Jhansi Jayalakshmi, Brother-Sri Pendyala Venkata Krishna Rao, Sisters-Smt. Sri Balusu Ranganayaki Alias Radhika, Smt. Ethirajulu Rama Lakshmi, Smt. Jujjavarapu Usha Rani, Smt. Maddipoti Kamala Devi, Smt. Mullapudi Satyanarayanamma, Smt. Nutakki Anantha Lakshmi.

Sri Mullapudi Narendranath : Wife-Smt. Mullapudi Narayanamma, Son-Sri Mullapudi Vikram Prasad, Daughters-Smt. Gaddipati Anuradha, Goli Jayashree, Sisters-Smt. Jayaraman Anantha Lakshmi, Smt. Kosaraju Rama Lakshmi, Smt. Nidadavolu Venkata Ramanamma, Smt. Yelamarthy Narayanamma,

Sri Mullapudi Thimmaraja : Wife-Smt. Mullapudi Renuka, Son-Sri Mullapudi Mrutyumjaya Prasad, Daughter-Smt. Goli Devi.

Sri Pendyala Achuta Ramayya : Wife-Smt. Pendyala Sesha Shailaja, Daughters-Smt. Pendyala Divya Atchmamba, Smt. Pendyala Sruthi Rajeswari.

Sri P.S.R.V.K.Ranga Rao, Mother-Smt. Pendyala Sujatha, Wife-Smt. Pendyala Usha Lakshmi, Son-Chy. Pendyala Prithvi Sri Narendra Rayudu, Daughter-Kum. Pendyala Meghana Sri Sai Sujatha.

Sri Pendyala Narendranath Chowdary & Sri Pendyala Achuta Ramayya are brothers

Sri Mullapudi Narendranath & Sri Mullapudi Thimmaraja are brothers

Independent Directors :

Sri A.Ranga Rao (Deceased on 08-03-2020)	Dr.A.V.Rama Rao
Dr. P.Kotaiah	Sri P.A.Chowdary
Sri V.S.Raju	Dr.D. Manjulata

Jocil Limited : Sri Jagarlamudi Murali Mohan, Mother-Smt. Jagarlamudi Ganga Bhavani Devi, Wife-Smt. Jagarlamudi Sunitha Mohan, Daughter-Smt. Jagarlamudi Namrata, Sister-Smt. Vemana Indira

The Andhra Farm Chemicals Corporation Limited : Sri Pendyala Venkata Krishna Rao, Sons-Sri Pendyala Venkata Rayudu, Sri Pendyala Ravi, Daughter-Smt. Pendyala Archana

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

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

4) Associate Company :

The Andhra Petrochemicals Limited

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(B) TRANSACTIONS WITH THE RELATED PARTIES:

(Corresponding figures related to 31st,Mar'2019)

(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 31.03.2020
<u>Purchase of Goods from</u>	7137.77	0.00	32.59	37.00	7207.36	825.13
	(7747.49)	(0.00)	(62.58)	(65.61)	(7875.68)	(385.05)
The Andhra Sugars Limited	7137.77	0.00	35.29	37.00		825.13
<u>Inter Corporate Loans given to</u>	0.00	0.00	0.00	0.00	0.00	250.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(400.00)
The Andhra Sugars Limited						250.00
<u>Inter Corporate Loans re-payment from</u>	150.00	0.00	0.00	0.00	150.00	-
	(200.00)	(3000.00)	(0.00)	(0.00)	(3200.00)	-
The Andhra Sugars Limited	150.00	0.00	0.00	0.00		
<u>Fixed Deposits Received from</u>	0.00	0.00	545.00	703.16	1248.16	16849.60
	(0.00)	(0.00)	(857.50)	(2212.55)	(3070.05)	(17874.83)
The Andhra Sugars Limited			545.00	703.16		16656.91
JOCIL Limited						192.69
<u>Fixed Deposits re-paid on maturity</u>	0.00	0.00	289.00	1950.25	2239.25	-
	(0.00)	(0.00)	(155.00)	(579.35)	(734.35)	-
The Andhra Sugars Limited			289.00	1950.25		
<u>Loans Received from Directors</u>	0.00	0.00	75.00	0.00	75.00	38.80
	(0.00)	(0.00)	(43.00)	(0.00)	(43.00)	(77.64)
The Andhra Sugars Limited			75.00			38.80
<u>Loans re-paid to Directors</u>	0.00	0.00	113.84	0.00	113.84	-
	(0.00)	(0.00)	(65.00)	(0.00)	(65.00)	-
The Andhra Sugars Limited			113.84			
<u>Services Rendered by</u>	20.21	0.00	40.51	2.36	63.08	-
	(19.09)	(0.00)	(34.93)	(2.93)	(56.95)	-
The Andhra Sugars Limited	20.21		40.51	2.36		
<u>Sale of Goods to</u>	485.25	85.45	0.00	0.00	570.70	9.38
	(406.71)	(87.73)	(0.00)	(0.00)	(494.44)	(15.08)
The Andhra Sugars Limited	485.25	85.45	0.00	0.00		9.38
<u>Services Rendered to</u>	0.44	0.90	0.00	0.00	1.34	-
	(0.03)	(6.46)	(0.00)	(0.00)	(6.49)	-
The Andhra Sugars Limited	0.44	0.90	0.00	0.00		
<u>Interest Paid on Fixed Deposits</u>	0.00	0.00	463.35	1304.98	1768.33	373.93
	(0.00)	(0.00)	(419.11)	(1230.34)	(1649.45)	(391.79)
The Andhra Sugars Limited			461.07	1289.02		373.93
JOCIL Limited			2.28	15.96		

The Andhra Sugars Ltd. - Group Consolidated Financial Statements

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 31.03.2019
<u>Interest paid to Directors</u>	0.00	0.00	5.62	0.00	5.62	0.78
	(0.00)	(0.00)	(6.09)	(0.00)	(6.09)	(1.25)
The Andhra Sugars Limited			5.62			0.78
<u>Interest Received on Inter Corporate Loan</u>	35.85	0.00	0.00	0.00	35.85	-
	(57.70)	(267.62)	(0.00)	(0.00)	(325.32)	-
The Andhra Sugars Limited	35.85	0.00	0.00	0.00		
<u>Independent Directors Sitting Fee Paid to</u>	0.00	0.00	13.75	0.00	13.75	-
	(0.00)	(0.00)	(13.65)	(0.00)	(13.65)	-
The Andhra Sugars Limited			13.75			
<u>Remuneration (including Commission) paid to</u>	0.00	0.00	2406.90	18.21	2425.11	2087.99
	(0.00)	(0.00)	(2893.13)	(17.39)	(2910.52)	(2587.82)
The Andhra Sugars Limited			2256.58	18.21		2047.23
JOCIL Limited			150.32	0.00		40.76
<u>Donations paid to</u>	0.00	0.00	0.00	0.00	0.00	-
	(75.00)	(0.00)	(0.00)	(0.00)	(75.00)	-
<u>Contribution towards CSR Expenses</u>	308.56	0.00	0.00	0.00	308.56	-
	(215.00)	(0.00)	(0.00)	(0.00)	(215.00)	-
The Andhra Sugars Limited	308.56					
<u>Dividend Paid to</u>	460.21	0.00	1107.73	2051.32	3619.26	-
	(153.40)	(0.00)	(369.51)	(684.15)	(1207.06)	-
The Andhra Sugars Limited	460.21	0.00	1107.70	2050.96		
JOCIL Limited	0.00	0.00	0.03	0.36		
<u>Dividend Received from</u>	1.40	421.30	0.00	0.00	422.70	-
	(1.40)	(0.00)	(0.00)	(0.00)	(1.40)	-
The Andhra Sugars Limited	1.40	421.30				
Balances as at 31-03-2020						
a) Share Capital held by the Company, in	16192.05	3660.56	0.00	0.00	19852.61	-
	(16192.05)	(3660.56)	(0.00)	(0.00)	(19852.61)	-
The Andhra Sugars Limited	16192.05	3660.56				
b) Share Capital of the company held by	153.40	0.00	369.49	687.29	1210.18	-
	(153.40)	(0.00)	(369.72)	(687.05)	(1210.17)	-
The Andhra Sugars Limited	153.40		369.23	683.67		
JOCIL Limited			0.26	3.62		

5. General

Figures have been rounded off to the nearest thousand.
 Previous year figures have been regrouped wherever necessary
 Figures in Brackets are for previous year.

ANNEXURE - II

STATEMENT SHOWING SEGMENT WISE ANALYSIS AS ON 31.03.2020

(Rs. in lakhs)

Description	SUGARS		CAUSTIC SODA		POWER GENERATION		INDUSTRIAL CHEMICALS		SOAP		OTHERS		ELIMINATIONS		CONSOLIDATED	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
REVENUE:																
External sales	19365.31	12340.58	55637.81	56724.67	2054.55	2112.22	44179.85	47826.06	18934.46	11163.39	7576.34	7470.87			147748.32	137637.79
Inter-segment sales	4510.76	4373.60	3688.17	3734.41	14859.00	12169.02	14972.07	8981.81	0.00	0.00	0.09	0.04	38030.09	29258.88		
Total revenue	23876.07	16714.18	59325.98	60459.08	16913.55	14281.24	59151.92	56807.87	18934.46	11163.39	7576.43	7470.91	38030.09	29258.88	147748.32	137637.79
RESULT:																
Segment result before interest	(2,370.42)	(234.43)	16311.25	22424.36	5843.91	5559.57	3088.35	940.21	1216.11	(203.58)	2195.51	812.97			26284.71	29299.10
Extra-ordinary items																
Unallocated corporate expenses less Income															1289.81	1508.25
Operating Profit																
Interest expenses															24994.90	27790.85
Interest income															2849.33	3048.83
"Prov. For Diminution in "Investment Withdrawn"															483.68	704.60
Profit before tax																
Loss from Associate																
"Provision for current "and deferred tax"																
Net profit after tax																
OTHER INFORMATION:																
Segment Assets	33280.30	35526.56	47587.60	46178.49	31689.73	31493.92	20420.07	20895.89	2717.44	3697.77	9838.28	8619.86			145533.42	148412.49
Unallocated Corporate Assets															35222.70	39505.21
Total Assets															180756.12	185917.70
Capital Employed	27114.88	28224.05	39629.54	35761.46	30609.34	27653.07	18235.07	17651.43	2193.31	1703.91	29631.50	41485.69			147413.63	152479.61
Capital Expenditure	84.57	253.38	3145.18	4750.65	36.98	279.85	669.72	93.71	55.62		1105.92	1513.41			5097.99	6891.00
Depreciation	768.87	817.19	2763.30	2063.13	447.32	469.18	821.16	874.07	81.38	86.74	1359.06	1234.63			6241.09	5544.94

Notes:

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

Notes Forming Part of Consolidated Accounts

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)
Parent								
The Andhra Sugars Limited	83.83%	123570.48	89.87%	18250.54	96.89%	(7871.30)	85.18%	10379.24
Subsidiaries								
JOCIL Ltd.	12.68%	18697.17	3.38%	687.42	5.66%	(459.51)	1.87%	227.91
The Andhra Farm Chemicals Corporation Limited	0.03%	44.35	0.00%	(0.80)			(0.01%)	(0.80)
Hindustan Allied Chemicals Limited	0.67%	993.14	3.08%	626.50			5.14%	626.50
Associate								
The Andhra Petrochemicals Limited	2.79%	4108.49	3.67%	744.87	(2.54%)	206.64	7.81%	951.51
	100.00%	147413.63	100.00%	20308.53	100.00%	(8124.17)	100.00%	12184.36

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	01-04-2019 to 31-3-2020	01-04-2019 to 31-3-2020	01-04-2019 to 31-3-2020
4. Share Capital	888.16	45.00	10.63
5. Reserves and Surplus	17164.02	(0.65)	982.51
6. Total Assets	23999.58	96.47	1171.24
7. Total Liabilities	5947.40	52.12	178.1
8. Investments	12.26	-	-
9. Turnover	44624.97	-	-
10. Profit Before Taxation	1764.82	(1.03)	1024.85
11. Provision for taxation	515.64	NIL	214.99
12. Profit after Taxation	1249.18	(1.03)	809.85
13. Proposed Dividend	Rs.1/- per	Rs.1/- per	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

Name of Associates or Joint Ventures	The Andhra Petrochemicals Ltd.
1. Latest audited Balance Sheet Date	31-3-2020
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 attributed to shareholding as per latest audited Balance Sheet	Rs.7385.81 Lakhs
7. Profit or Loss for the Year	Rs.1358.82 Lakhs
I Considered in Consolidation	Rs.465.12 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 THIRD Annual General Meeting of THE ANDHRA SUGARS LIMITED (CIN: L15420AP1947PLC000326) will be held on Saturday, the 26th day of September, 2020 at 3:00 P.M. at the Regd. Office of the Company, Venkatarayapuram, Tanuku- 534215, West Godavari District, Andhra Pradesh to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Statement of Profit & Loss for the year ended 31st March, 2020 and the Balance Sheet as at that date together with the Reports of Board of Directors and Auditors thereon.
2. To confirm Interim Dividend paid as Final Dividend for the year 2019-2020.
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 fix remuneration of Statutory Auditors M/s K.S. Rao & Co., (Firm Regn. No.000513S) Chartered Accountants, Hyderabad, for the Financial Year 2020-21. Board recommends Statutory Auditors remuneration of Rs. 17,00,000/- (Rupees Seventeen Lakhs only) plus reimbursement of travel and out of pocket expenses.

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 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 2020-2021 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."

7. To Consider and if thought fit to pass with or without modifications the following Resolution as a **Special Resolution**.

"RESOLVED THAT pursuant to the provisions of Sections 203, 197 and other applicable provisions, if any, of the Companies Act, 2013 (Act) read with Schedule V to the said Act or any statutory modification or re-enactment of the said Act and such other approvals as may be required the consent of the Company be and is hereby accorded to the appointment of Sri P. Narendranath Chowdary as Managing Director of the Company for a period of five years with effect from 12-01-2021 on the following terms and conditions:-

Sri P. Narendranath Chowdary is not subject to retirement by rotation during the tenure of his office as Managing Director from 12-01-2021 to 11-01-2026.

"RESOLVED FURTHER THAT the Overall Remuneration payable to Sri P. Narendranath Chowdary shall not exceed 3% of the Net Profit of the Company comprising of Salary Rs.3,00,000/- per month, Perquisites (as detailed hereunder) and commission on Net Profit during his above said tenure of Appointment."

The Andhra Sugars Limited

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 and conditions of the above salary and perquisites in such manner as may be agreed to between Sri P. Narendranath Chowdary, 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 Managing Director, the remuneration and perquisites set out above be paid or granted to Sri P. Narendranath Chowdary 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)

For THE ANDHRA SUGARS LIMITED
P. NARENDRANATH CHOWDARY
Chairman Managing Director

Venkatarayapuram
TANUKU - 534 215
27-06-2020

NOTES:

1. The relative Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Item Nos.6, 7 and 8 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 Saturday, the 19th September, 2020 to Saturday, the 26th September, 2020 (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 to 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, 2020 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.
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 are as follows:

Dividend for the Financial Year	Due date for transfer to IEPF
2012-13	24 th September, 2020

9. Pursuant to provisions of Section 124 of the Companies Act, 2013, the unclaimed amount of dividend declared for the year 2011-12 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.

The Andhra Sugars Limited

Shareholders who have not encashed their Dividend Warrants issued in respect of dividend declared for the year 2012-13 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 unencashed.

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

Electronic /

Demat Mode: E-mail ID be furnished to the 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 Equity Shares of the Company in physical mode shall not be effected as per SEBI directions. However, requests for Transmission, Transposition and Issue of Duplicate share certificates etc., will be processed in physical mode.

10. Route map for attending the Annual General Meeting provided.

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 73rd 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 and 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.

ANNEXURE TO NOTICE

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

ITEM NO. 6:

The Board 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, 2020 and remuneration of Rs.6,00,000/- plus applicable taxes, out-of-pocket and travelling expenses have been fixed for this purpose.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, ratification of the remuneration payable to the Cost Auditors for the Financial Year 2020-2021 by way of Ordinary Resolution is being sought from the members as set out at Item No.6 of the Notice.

Your Directors therefore recommend the Resolution for approval.

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

ITEM NO. 7:

Shareholders at the 68th Annual General Meeting of the Company held on 26th September, 2015 approved the appointment of Sri P. Narendranath Chowdary as Managing Director for a period of five years with effect from 12th January, 2016. The said term of appointment will be expiring on 11th January, 2021.

Sri P. Narendranath Chowdary has been the Whole-time Director of the Company since 1976 subsequently he was elevated to the position of Managing Director and thereafter as Chairman & Managing Director. As Managing Director, he was looking after day to day affairs of Chemicals and Fertilisers Division, Kovvur and Saggonda. He implemented and successfully completed various Modernisation and Expansion Programmes. As Chairman & Managing Director, he is overall in-charge of the Company having Substantial Powers and is being duly assisted by Three Joint Managing Directors and One Executive Director. His Head Quarters shall be at the Registered Office, Venkatarayapuram, Tanuku. As Chairman & Managing Director he is involved in Planning, Co-ordination, Development of Company's activities, besides looking after day to day affairs of Chemicals and Fertilisers Division, Kovvur and Saggonda. Under his supervision a 33 MW Coal Based Power Project and other Projects expansion were successfully commenced. His overall Industrial & Corporate experience spans over 5 decades.

He is also Managing Director of Associate Company The Andhra Petrochemicals Limited and is also looking into the affairs of its progress and development.

He is the Member of Stakeholders Relationship Committee and Chairman of Corporate Social Responsibility Committee of the Company.

Your Board of Directors on the recommendation of Nomination and Remuneration Committee recommend the Resolution for your approval.

Except Sri P. Narendranath Chowdary along with his brother Sri P. Achuta Ramayya, no other Director is interested or concerned in the Resolution.

**Addendum to Notice dated 27-06-2020
Convening 73rd Annual General Meeting to be held on 26-09-2020**

8. To Consider and if thought fit to pass with or without modifications the following Resolution as a **Special Resolution**.

"RESOLVED THAT pursuant to Section 14 and other applicable provisions of Companies Act, 2013 and such other approvals as may be required the Articles of Association be altered in the manner as hereunder:

Article 120 of the existing Articles of Association be substituted by the following:-

Every Director shall be paid out of the funds of the Company Rs.40,000/- as Sitting Fee for every meeting of directors and Rs.35,000/- for any Committee thereof, attended by him/her irrespective of the number of days for which the meeting may continue consecutively and he/ she shall be paid all travelling, halting and other expenses incurred by him/ her in attending or returning such Meeting of Board or of any Committee of the Board."

(BY ORDER OF THE BOARD)

Venkatarayapuram
TANUKU - 534 215
13-08-2020

For THE ANDHRA SUGARS LIMITED
P.NARENDRANATH CHOWDARY
Chairman & Managing Director

The Andhra Sugars Limited

**ANNEXURE TO ADDENDUM TO THE NOTICE
Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013.**

Presently Article 120 of the Articles of Association authorises payment of Rs.30,000/- as Sitting Fees for attending each Meeting of the Board and Rs.25,000/- for attending each meeting of Committee.

In view of the general trend prevailing in the Industry and also having regard to the increased responsibility of Directors it is considered advisable to increase Sitting Fees.

Your Directors recommend the Resolution for your approval.

Non-Whole time Directors shall be deemed to be interested to the extent of Sitting Fees received by them.

(BY ORDER OF THE BOARD)

Venkatarayapuram
TANUKU - 534 215
13-08-2020

For THE ANDHRA SUGARS LIMITED
P.NARENDRANATH CHOWDARY
Chairman & Managing Director

CDSL e-Voting System – For Remote e-voting

THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins on 23rd September, 2020 from 9:00 A.M. and ends on 25th September, 2020 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, 2020 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) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders" module.
- (v) 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.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasiusing yourlogin credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physicalshareholders)</p> <ul style="list-style-type: none"> 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 OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) 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.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant The Andhra Sugars Ltd on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) 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.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- (xx) Note for Non - Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to 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.
 - 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 Andhra Sugars Limited

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- 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, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compound, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

(BY ORDER OF THE BOARD)

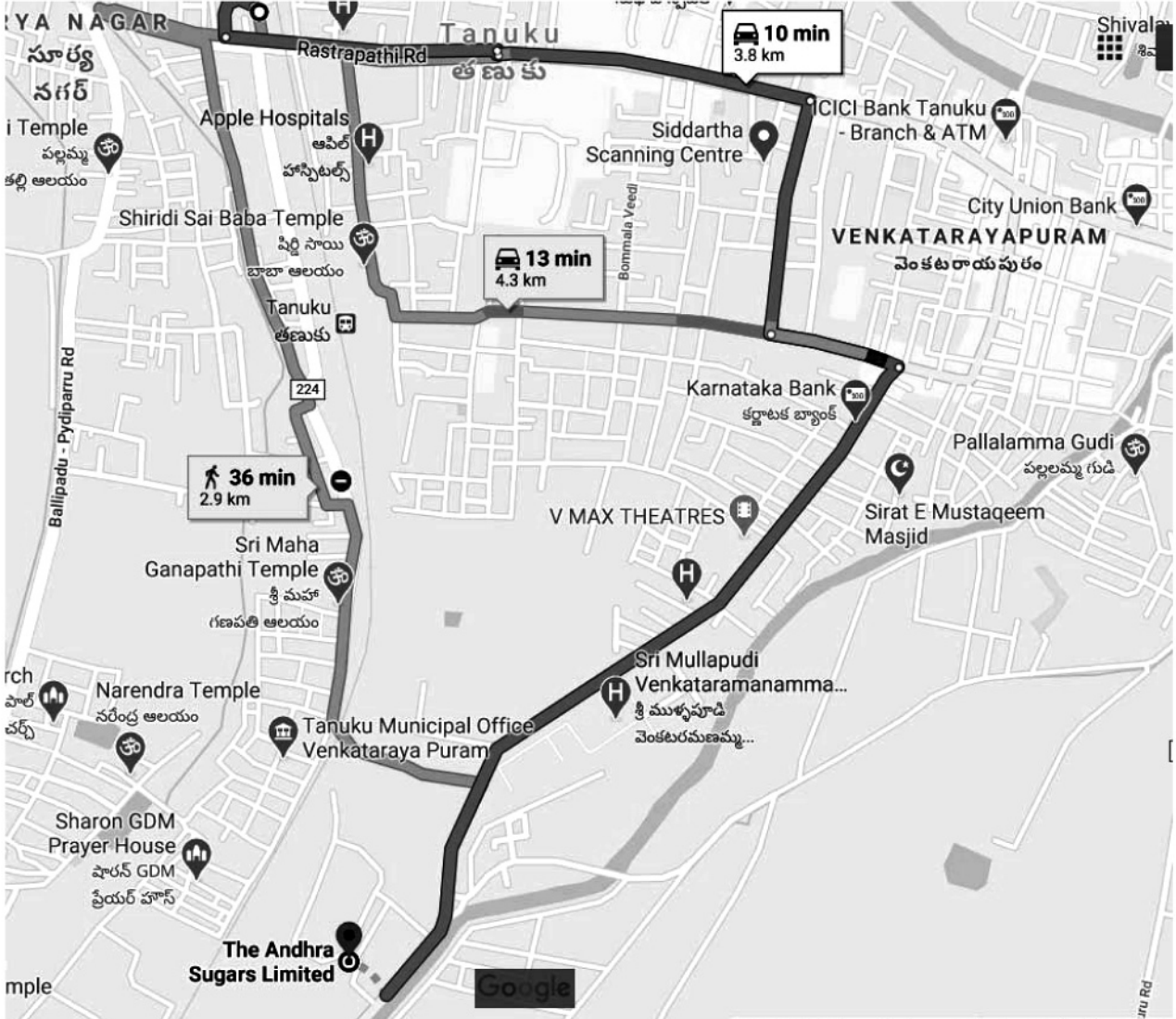
Venkatarayapuram
TANUKU - 534 215
27-06-2020

For THE ANDHRA SUGARS LIMITED
P.NARENDRANATH CHOWDARY
Chairman Managing Director

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

e-mail: investors@theandhrasugars.com
Website: 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: L15420AP1947PLC000326

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

Phone: 08819-224911, Fax: 08819-224168

FORM OF PROXY

I/We, being the member (s) of The Andhra Sugars Limited 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 73rd Annual General Meeting of the Company to be held on Saturday, 26th September, 2020 at 3.00 p.m. at Regd. Office : Venkatarayapuram, Tanuku and at any adjournment thereof in respect of such Resolutions as are indicated below:

Resolu- tion No.	RESOLUTIONS	Option	
		For	Against
1.	Adoption of Audited Financial Statements for the year ended 31st March, 2020		
2.	Approval of dividend for the year 2019-20		
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 fix the Remuneration of Statutory Auditors M/s. K.S. Rao & Co., Chartered Accountants		
	Special Business		
6.	Ratification of remuneration of Cost Auditors		
7.	Appointment of Sri P. Narendranath Chowdary as Managing Director		
8.	Alteration of Articles of Association with regard to increase in Sitting Fees		

Signed this.....day of September, 2020.

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 73rd 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.