

THE ANDHRA SUGARS LIMITED



62nd ANNUAL REPORT 2008-2009



THE ANDHRA SUGARS LIMITED

62nd ANNUAL REPORT

2008 - 2009

BOARD OF DIRECTORS :

Dr. Mullapudi Harischandra Prasad
Chairman & Managing Director

Dr. B. B. Ramaiah
Managing Director (Tech.)

Sri Justice G. Ramanujam (Retd.)

Sri A. Ranga Rao

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

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

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

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

Dr. A.V. Rama Rao

Dr. P. Kotaiah

Sri V. S. Raju

Dr. Alapaty Appa Rao

Dr. Anumolu Ramakrishna

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

VICE PRESIDENT (Finance) :

Sri T. Krishnalah, B.A., F.I.C.W.A., F.C.S.

ADDL. COMPANY SECRETARY :

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

BANKERS :

Andhra Bank
State Bank of Hyderabad
State Bank of India
Bank of Baroda
Indian Bank

STATUTORY AUDITORS :

M/s. Brahmayya & Co.,
Chartered Accountants
Vijayawada.

COST AUDITORS :

M/s. Narasimha Murthy & Co.,
Cost Accountants
Hyderabad.

REGISTERED OFFICE :

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

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THE ANDHRA SUGARS LIMITED

Registered Office: Venkatarayapuram, TANUKU - 534 215
West Godavari District, Andhra Pradesh.

NOTICE TO SHAREHOLDERS

Notice is hereby given that the SIXTY SECOND Annual General Meeting of THE ANDHRA SUGARS LIMITED will be held at the Registered Office of the Company, Venkatarayapuram, Tanuku on Monday, the 14th day of September, 2009 at 3:00 p.m. to transact the following business:

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31st March, 2009 and the Balance Sheet as at that date together with the Reports of Board of Directors and Auditors thereon.
2. To declare Dividend for the year 2008-09.
3. To appoint a Director in place of Sri Justice G. Ramanujam (Retd.) who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Sri V. S. Raju who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Dr. Alapaty Appa Rao who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint a Director in place of Sri A. Ranga Rao who retires by rotation and being eligible offers himself for re-appointment.
7. To appoint Auditors for the year 2009 -10 and fix their remuneration. Present Auditors of the Company, M/s Brahmayya & Co., Chartered Accountants, Vijayawada retire at this Annual General Meeting and are eligible for re-appointment.

SPECIAL BUSINESS:

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

RESOLVED THAT pursuant to the provisions of Sections 198, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 and in partial modification of Resolution No.7 dt. 29.9.2007, consent of the Company be and is hereby accorded for payment of salary of Rs. 2,00,000/- (Rupees Two lakhs only) per month to Dr. Mullapudi Harischandra Prasad, Chairman & Managing Director, from 1.4.2009 to 31.12.2012 i.e., for the balance period of current tenure of his appointment.

RESOLVED FURTHER THAT the terms & conditions relating to commission and perquisites payable as approved by the shareholders vide above said Resolution remain unchanged.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any Financial Year of the Company during the term of office as Managing Director, the salary and perquisites as mentioned above be paid or granted to Dr. Mullapudi Harischandra Prasad as minimum remuneration or such other amount as may be provided in Schedule XIII as amended from time to time or any equivalent statutory re-enactments thereof.

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

RESOLVED THAT pursuant to the provisions of Sections 198, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 and in partial modification of Resolution No.8 dt. 29.9.2007, consent of the Company be and is hereby accorded for payment of salary of Rs.2,00,000 /- (Rupees Two lakhs only) per month to Dr. B.B. Ramaiah, Managing Director (Tech.), from 1.4.2009 to 31.03.2013 i.e., for the balance period of current tenure of his appointment.

RESOLVED FURTHER THAT the terms & conditions relating to commission and perquisites payable as approved by the shareholders vide above said Resolution remain unchanged.

The Andhra Sugars Limited

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any Financial Year of the Company during the term of office as Managing Director (Tech.), the salary and perquisites as mentioned above be paid or granted to Dr. B. B. Ramaiah as minimum remuneration or such other amount as may be provided in Schedule XIII as amended from time to time or any equivalent statutory re-enactments thereof.

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

RESOLVED THAT pursuant to the provisions of Sections 198, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 and in partial modification of Resolution No.15 dt. 29.9.2005, consent of the Company be and is hereby accorded for payment of salary of Rs.1,00,000 /- (Rupees One Lakh only) per month to Sri P. Narendranath Chowdary, Joint Managing Director, from 1.4.2009 to 11.01.2011 i.e., for the balance period of current tenure of his appointment.

RESOLVED FURTHER THAT the terms & conditions relating to commission and perquisites payable as approved by the shareholders vide above said Resolution remain unchanged.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any Financial Year of the Company during the term of office as Joint Managing Director, the salary and perquisites as mentioned above be paid or granted to Sri P. Narendranath Chowdary as minimum remuneration or such other amount as may be provided in Schedule XIII as amended from time to time or any equivalent statutory re-enactments thereof.

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

RESOLVED THAT pursuant to the provisions of Sections 198, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 and in partial modification of Resolution No.9 dt. 29.9.2007, consent of the Company be and is hereby accorded for payment of salary of Rs.1,00,000 /-(Rupees One Lakh only) per month to Sri M. Narendranath, Joint Managing Director, from 1.4.2009 to 31.12.2012 i.e., for the balance period of current tenure of his appointment.

RESOLVED FURTHER THAT the terms & conditions relating to commission and perquisites payable as approved by the shareholders vide above said Resolution remain unchanged.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any Financial Year of the Company during the term of office as Joint Managing Director, the salary and perquisites as mentioned above be paid or granted to Sri M. Narendranath as minimum remuneration or such other amount as may be provided in Schedule XIII as amended from time to time or any equivalent statutory re-enactments thereof.

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

RESOLVED THAT pursuant to the provisions of Sections 198, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 and in partial modification of Resolution No.10 dt.29.9.2007, consent of the Company be and is hereby accorded for payment of salary of Rs. 1,00,000 /- (Rupees One Lakh only) per month to Sri M. Thimmaraja, Joint Managing Director, from 1.4.2009 to 31.12.2012 i.e., for the balance period of current tenure of his appointment.

RESOLVED FURTHER THAT the terms & conditions relating to commission and perquisites payable as approved by the shareholders vide above said Resolution remain unchanged.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any Financial Year of the Company during the term of office as Joint Managing Director, the salary and perquisites as mentioned above be paid or granted to Sri M. Thimmaraja as minimum remuneration or such other amount as may be provided in Schedule XIII as amended from time to time or any equivalent statutory re-enactments thereof.

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

RESOLVED THAT pursuant to the provisions of Sections 198, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 and in partial modification of Resolution No.11 dt. 29.9.2007, consent of the Company be and is hereby accorded for payment of salary of Rs.1,00,000/- (Rupees One Lakh only) per month to Sri P. Achuta Ramayya, Executive Director, from 1.4.2009 to 31.12.2012 i.e., for the balance period of current tenure of his appointment.

RESOLVED FURTHER THAT the terms & conditions relating to commission and perquisites payable as approved by the shareholders vide above said Resolution remain unchanged.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any Financial Year of the Company during the term of office as Executive Director, the salary and perquisites as mentioned above be paid or granted to Sri P. Achuta Ramayya as minimum remuneration or such other amount as may be provided in Schedule XIII as amended from time to time or any equivalent statutory re-enactments thereof.

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

RESOLVED THAT pursuant to the provisions of Sections 198, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 and in partial modification of Resolution No.8 dt. 25.9.2008, consent of the Company be and is hereby accorded for payment of salary of Rs. 60,000 /- (Rupees Sixty thousand only) per month to Sri P.S.R.V.K. Ranga Rao, Executive Director, from 1.5.2009 to 30.04.2014 i.e., for the of current tenure of his appointment.

RESOLVED FURTHER THAT the terms & conditions relating to commission and perquisites payable as approved by the shareholders vide above said Resolution remain unchanged.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any Financial Year of the Company during the term of office as Executive Director, the salary and perquisites as mentioned above be paid or granted to Sri P.S.R.V.K. Ranga Rao as minimum remuneration or such other amount as may be provided in Schedule XIII as amended from time to time or any equivalent statutory re-enactments thereof.

(BY ORDER OF THE BOARD)

Venkatarayapuram
TANUKU – 534 215
18-07-2009

For THE ANDHRA SUGARS LIMITED
Dr. MULLAPUDI HARISCHANDRA PRASAD
Chairman & Managing Director

The Andhra Sugars Limited

NOTES:

1. A Member entitled to attend and vote may appoint a proxy to attend and vote instead of himself on poll and that a proxy need not be a member.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday the 8th September, 2009 to Monday the 14th September, 2009 (both days inclusive).
3. The dividend recommended by Directors, if approved at the Meeting, will be paid to the Shareholders whose names are on the Register of Members as on 14th September, 2009. **In respect of the shares held in Demat Mode, the above dividend will be paid on the basis of beneficial ownership as at end of business hours of 7th September, 2009 as per the details furnished by the Depositories for this purpose.**
4. Shareholders are requested to notify their change of address, if any, to the Company.
5. Shareholders are requested to furnish their Bank Account No. in order to enable the Company to print their Bank Account details on the Dividend Warrants.
6. **Please note that as per the latest SEBI Circular, it has become mandatory for transferee(s) to furnish a copy of his/her/their PAN Card for registration of transfer of shares in Physical form.**
7. As per the provisions of Investors Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, the un-claimed Dividend in respect of Dividend for the year 2000-2001 have been transferred to Investors Education and Protection Fund as envisaged in Section 205C of the Companies Act, 1956.
8. Explanatory Statement under Section 173(2) of the Companies Act, 1956 is attached.
9. **Information about the Directors seeking re-appointment at the 62nd Annual General Meeting as required under Corporate Governance.**

Justice G. Ramanujam joined as a Director on the Board on 30-01-2002.

Justice G. Ramanujam is the retired Chief Justice, Madras High Court. He has considerable experience in industrial and legal field. He is a Director on the Board of The Andhra Petrochemicals Ltd. He is the Chairman of the Audit Committee constituted by the Board of The Andhra Petrochemicals Ltd. Justice G. Ramanujam does not hold any Equity Shares in the Company.

Sri V.S. Raju joined as a Director on the Board on 29-10-2003.

Sri V.S. Raju is former Registrar of Companies, Andhra Pradesh, Hyderabad and Karnataka, Bangalore. He also held the position of Secretary and Deputy Secretary in the Department of Company Affairs, New Delhi. He is practising as an Advocate at Hyderabad and is eminent in Company Law matters. He is a Director on the Board of the Companies viz., JOCIL Ltd., Intensive Air Systems Ltd., Gangavaram Port Ltd., Ind-Bharat Power Infra Ltd., & Leafin India Ltd., (Government of India Nominee). He is the Chairman of the Audit Committee constituted by the Board of JOCIL Ltd. Sri V.S. Raju does not hold any Equity Shares in the Company.

Dr. Alapaty Appa Rao joined as a Director on the Board on 30-04-2004.

Dr. Alapaty Appa Rao holds Ph.D., from Madras University and has long standing experience in the field of Agricultural Sciences. He served as Vice Chancellor of Andhra Pradesh Agricultural University. He is a Director on the Board of Usha Kiran Movies Ltd., and Heritage Foods (India) Ltd. He is Chairman of Audit Committee constituted by the Board of Usha Kiran Movies Ltd., and Member of Audit Committee constituted by the Board of Heritage Foods (India) Ltd. He is also a Member of Salary Committee, Appointment Committee and Share Transfer and Investor Grievance Redressal Committee constituted by the Board of Heritage Foods (India) Ltd. Dr. Alapaty Appa Rao does not hold any Equity Shares in the Company.

Sri A. Ranga Rao joined as a Director on the Board on 18-11-1991.

Sri A. Ranga Rao is a Law Graduate and an Industrialist with considerable experience. He is the Managing Director of Akin Laboratories Pvt. Ltd. He is the Chairman of the Audit Committee constituted by the Board of your Company.

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

SPECIFIC ATTENTION OF SHAREHOLDERS

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

Shareholders

Physical Mode : Bank Account details be furnished to the Company at the earliest in the format enclosed (Last Page)

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

ANNEXURE TO NOTICE

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956.

ITEM NOS.:- 8 to 14

Managing Director / Whole-time Directors were re-appointed as per the details given hereunder:-

Name	Particulars of appointment by Shareholders	Tenure of Appointment	Remuneration	
			Rs.	
Dr. Mullapudi Harischandra Prasad Chairman & Managing Director	60 th Annual General Meeting Special Resolution No.7 Dt. 29-9-2007	01.01.2008 to 31.12.2012	Salary : Rs. 50,000.00 per month Commission : up to 2% of Net Profit Perquisites * : As per Resolution	
Dr. Bolla Bulli Ramaiah Managing Director (Tech.)	60 th Annual General Meeting Special Resolution No.8 Dt. 29-9-2007	01.04.2008 to 31.03.2013	Salary : Rs. 50,000.00 per month Commission : up to 2% of Net Profit Perquisites * : As per Resolution	
Sri P. Narendranath Chowdary Joint Managing Director	58 th Annual General Meeting Special Resolution No.15 Dt.29-9-2005	12.01.2006 to 11.01.2011	Salary : Rs. 40,000.00 per month Commission : up to 1% of Net Profit Perquisites * : As per Resolution	
Sri M. Narendranath Joint Managing Director	60 th Annual General Meeting Special Resolution No.9 Dt. 29-9-2007	01.01.2008 to 31.12.2012	Salary : Rs. 40,000.00 per month Commission : up to 1% of Net Profit Perquisites * : As per Resolution	
Sri M. Thimmaraja Joint Managing Director	60 th Annual General Meeting Special Resolution No.10 Dt. 29-9-2007	01.01.2008 to 31.12.2012	Salary : Rs. 40,000.00 per month Commission : up to 1% of Net Profit Perquisites * : As per Resolution	
Sri P. Achuta Ramayya Executive Director	60 th Annual General Meeting Special Resolution No.11 Dt. 29-9-2007	01.01.2008 to 31.12.2012	Salary : Rs. 40,000.00 per month Commission : up to 1% of Net Profit Perquisites * : As per Resolution	
Sri P.S.R.V.K. Ranga Rao Executive Director	61 st Annual General Meeting Special Resolution No.8 Dt. 25-9-2008	01.05.2009 to 30.04.2014	Salary : Rs. 30,000.00 per month Commission : up to 1% of Net Profit Perquisites * : As per Resolution	

* include House Rent Allowance / Rent Free Accommodation, Medical Reimbursement, Leave Travel Concession, Club Membership Fees, Personal Accident Insurance, Provident Fund, Superannuation Fund, Gratuity, Leave, Telephone and Car.

In view of the general trend prevailing in the industry with regard to payment of managerial remuneration to Managing Director / Whole-time Directors and also having regard to the increased responsibilities in view of the Expansion Projects undertaken, your Board of Directors consider it advisable to enhance the salary payable to Managing Director / Whole-time Directors as mentioned in the respective Resolutions.

The other terms and conditions regarding the commission, perquisites etc., remain unchanged as approved by the shareholders vide above said Resolutions.

Your Directors recommend the Resolutions Nos. 8 to 14 for your approval.

Dr. Mullapudi Harischandra Prasad, Chairman & Managing Director; Sri M. Narendranath, Joint Managing Director and Sri M. Thimmaraja, Joint Managing Director, being related to each other shall be deemed to be interested or concerned in the Resolution Nos. 8, 11 & 12.

Dr. B.B. Ramaiah, Managing Director (Tech.) & Sri P. Narendranath Chowdary, Joint Managing Director, being related to each other shall be deemed to be interested or concerned in the Resolution Nos. 9 & 10.

Sri P. Narendranath Chowdary, Joint Managing Director & Sri P. Achuta Ramayya, Executive Director, being related to each other shall be deemed to be interested in Resolution Nos. 10 & 13.

Except Sri P.S.R.V.K. Ranga Rao, Executive Director, no other Director shall be deemed to be interested or concerned in the Resolution No. 14.

This may be treated as abstract of the modification(s) of the terms and conditions of appointment of the Managing Director/ Whole-time Directors pursuant to Section 302 of the Companies Act, 1956.

(BY ORDER OF THE BOARD)

Venkatapuram
TANUKU – 534 215
18-07-2009

For THE ANDHRA SUGARS LIMITED
Dr. MULLAPUDI HARISCHANDRA PRASAD
Chairman & Managing Director

DIRECTORS' REPORT

To
The Shareholders

Your Directors have pleasure in presenting this SIXTY SECOND ANNUAL REPORT along with the audited Statement of Accounts for the year ending 31st March, 2009.

FINANCIAL RESULTS :

(Rupees in lakhs)

	This Year	Previous Year
Sales	62330.14	51538.09
Other Income	3173.08	2664.26
	65503.22	54202.35
Profit for the year	10156.59	6676.38
Depreciation	3341.71	3218.00
Profit after depreciation	6814.88	3458.38
Less: Short provision of Income-tax	—	177.90
	6814.88	3280.48
Add: Income Tax refund received	1.65	—
Provision for diminution in the value of investment credited back	—	2055.22
Excess provision of Income-tax credited back	12.37	—
	6828.90	5335.70
Provision for Current Tax	1900.00	1050.00
Provision for Fringe Benefit Tax	20.00	20.00
Provision for Deferred Tax	377.33	3.27
Provision for Wealth Tax	4.00	4.00
Profit after Tax	4527.57	4258.43
Add: Balance brought forward from last year	3460.66	3258.86
Profit available for appropriation	7988.23	7517.29
APPROPRIATIONS:		
Transfer to General Reserve	460.00	2500.00
Proposed Dividend on Equity Shares at Rs. 6/- per share (Last year Dividend on Equity Shares at Rs. 5/- per share)	1626.43	1355.35
Tax on distributable profits	243.19	201.28
Balance carried forward to next year	5658.61	3460.66
	7988.23	7517.29

PERFORMANCE:

For the year ended 31st March, 2009 sales stood at Rs. 623.30 Crores against Rs. 515.38 Crores of last year. Profit after depreciation stood at Rs. 68.15 Crores against Profit of Rs. 34.58 Crores of previous year. Profit after tax was Rs. 45.28 Crores compared to Rs. 42.58 Crores achieved previous year. Overall improved performance resulted in increase in turnover and profit.

DIVIDENDS:

For the year 2007-08 a Dividend of Rs. 5/- per Equity Share was paid. Your Directors are glad to recommend a Dividend of Rs. 6/- per Equity Share (on 2,71,07,078 Equity Shares of Rs.10/- each) for the year 2008-09. The outflow towards Dividend payment including tax on distributable profits would amount to Rs. 18.70 Crores. The Dividend, if approved by the Shareholders, will be paid to all the eligible Shareholders.

CAPITAL & RESERVES:

Authorised and Paid-up Capital:

As on 31.3.2009, the Authorised Capital of the Company is Rs.30 Crores and the Paid-up Capital is Rs. 27.11 Crores.

Reserves:

With the transfer of Rs. 4.60 Crores during the year under report, the total Reserves as on 31.3.2009 stood at Rs. 298.86 Crores against Rs. 272.28 Crores as on 31.3.2008.

REVIEW OF OPERATIONS:

SUGAR UNITS:

The three Sugar Units in aggregate crushed 4,41,469 M.Ts of cane during the year 2008-09 as against 11,82,507 M.Ts crushed during the previous year. The crushing operations and cane price paid to cane suppliers for the 2008-09 are :-

The Andhra Sugars Limited

	SUGAR UNIT – I TANUKU		SUGAR UNIT – II TADUVAI		SUGAR UNIT-III BHIMADOLE	
	Fin. Year 2008-09	Fin. Year 2007-08	Fin. Year 2008-09	Fin. Year 2007-08	Fin. Year 2008-09	Fin. Year 2007-08
(A) Crushing details:						
Total cane crushed (MT)	2,02,194	5,00,923	1,34,305	4,58,911	1,04,970	2,22,673
Total No. of days crushed	80	122	72	140	68	139
Total Sugar produced (MT)	20,790	53,684	14,752	53,838	10,877	25,395
Average Recovery	10.22%	10.64%	10.94%	11.45%	10.35%	10.89%
(B) Cane price:						
Statutory Minimum Cane price (per M.T.) Rs.	955.80	955.80	1,036.80	1,045.80	982.80	973.80
Cane price paid (per M.Ts.)* Rs.	1,500.00	1,160.00	1,500.00	1,184.00	1,500.00	1,160.00

* inclusive of Purchase Tax of Rs.60/- per M.T.

- The decrease in cane crush is mainly due to farmers shifting to other crops due to severe harvesting labour shortage.
- Recovery achieved was marginally lower compared to recovery achieved last season.
- With a recovery of 10.94% Sugar Unit-II stood second in the state.
- The sugar produced at Sugar Unit-III has consistently been of below 40 ICUMSA colour. This was possible due to the installation of a New Generation Short Retention Time Clarifier of SRI (Australia) design during the 2007 off-season.
- In view of the need to keep the cane farmers in cane farming, your Company opted to pay a cane price higher than the Statutory Minimum Price fixed by the Government.
- Sugar sales realisation was better compared to last year.

POWER GENERATION :

During the year under report the Co-generation Unit at Taduvai generated 94,15,660 Units of power against 2,69,92,260 Units generated in the previous year. The Power generated through Co-generation is comparatively lower than the previous year due to lower quantity of cane crushed.

PERFORMANCE OF CHEMICAL DIVISIONS:

Performance of the Chemical Divisions continues to be impressive with satisfactory capacity utilisation being achieved. Caustic Soda Unit at Saggonda has achieved a profit of Rs. 51.85 Crores (after depreciation) against Rs. 51.18 Crores (after depreciation) achieved in the previous year. Performance of other Chemicals was also good.

In the last year's Directors' Report mention was made that your Company received US FDA approval and EDQM (European Directorate for Quality Medicines) Certification. With the above approvals, during the year under report your Company exported Aspirin to USA, Germany, Mexico, Spain & Bulgaria. In the coming years your Company's focus would be to widen the export operations.

WIND POWER UNITS:

The Power generated at Ramagiri during the year under report was 21,96,500 Units against 22,51,300 Units generated in the previous year.

The Power generated at Tamil Nadu during the year under report was 1,78,93,350 Units compared to 1,56,96,720 Units of previous year.

PROJECTS:

Keeping in view the benefit of economy of scale and diversification, your Company continues to focus its strategy on an Expansion and Diversification programme.

The Caustic Soda Plant at Saggonda has the capacity to produce 400 TPD.

Steps have been taken for setting up a Poly Aluminium Chloride Plant at Saggonda. All the materials required have been received. The work is in advanced stage of completion. The Plant will have a locational advantage as the main raw-material, Chlorine, a bye-product of Caustic Soda, will be internally sourced. The Plant is expected to commence operation during the current Financial Year.

Work relating to Potassium Carbonate Plant at Tanuku is in the final stage of completion. Main raw-material for this product, Pottasium Hydroxide and Carbondioxide will be sourced internally. The plant is expected to be commissioned during the current Financial Year.

Keeping in view the areas for future diversification your Company purchased land at the Jawharlal Nehru Pharmacy, Visakhapatnam for production of Bulk Drugs. Registration of land purchased has been completed.

Your Company has established a 6.60 MW Wind Farm in Tirunelveli District of Tamil Nadu. This Unit started generating Power. Wind Energy is classified as clean energy and is eligible for Carbon Emission Reduction Trading benefits. Your Company has received the host Country approval. Required procedural formalities have been completed. Application is pending before CDM Executive Board for the final approval. Thereafter your Company will be eligible to avail "carbon credit".

After looking into the feasibility of setting up a coal based Power Project at Saggonda, it was found that this Project would not be feasible in view of coal linkage and other infrastructural constraints. As an alternative your Company is exploring the possibility of setting up a gas based Power Project in view of the expected availability of natural gas and avoiding dependence upon TRANSCO for transmission of power to our Plants at Saggonda.

Keeping in view the future and the need to have a viable size plant, the Sugar Unit-II is geared up to operate at 5500 TCD capacity. Environmental clearances from Ministry of Environment and Forest and State Pollution Control Board clearances have been received.

The Plant at Sugar Unit-III is fully equipped to handle 3800 TCD. Pollution Control Board clearance is awaited. Steps are being taken to augment the capacity of this Plant to handle 5000 TCD.

In view of the encouraging international market potential and approval of your Company's Aspirin Plant facility by various reputed American and European companies, the capacity of Aspirin Plant is proposed to be expanded to 2500 TPD from 1000 TPD. Action has been initiated to obtain various statutory clearances.

These projects are expected to strengthen your Company's product range, accelerate growth and improve revenue generation.

CURRENT YEAR OUTLOOK:

Outlook for the current year appears to be satisfactory. For the First Quarter of the Financial Year 2009-10, the Company has achieved a sales of Rs.147.99 Crores and posted a profit of Rs. 18.87 Crores. Performance of the Chemicals Division is expected to be satisfactory.

DEMATERIALISATION OF EQUITY SHARES:

As of 31st March, 2009 Equity Shares representing 38.97% of the Share Capital have been dematerialised.

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors confirm:

- i. that in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed, in the opinion of the Board of Directors.

The Andhra Sugars Limited

- ii. that the Directors have selected such Accounting Policies and applied them consistently and made judgements and estimates that are responsible and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year ended 31st March, 2009 and of the profit of the Company for that year;
- iii. that the Directors have taken proper and sufficient care for the maintenance of adequate Accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the Directors have prepared the Annual Accounts on a going concern basis.

CORPORATE GOVERNANCE:

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

COMPLIANCE CERTIFICATE OF THE AUDITORS:

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

DIRECTORS:

In terms of Article 111 of the Articles of Association of the Company, Directors Sri Justice G. Ramanujam (Retd.), Sri V. S. Raju, Dr. Alapaty Appa Rao and Sri A. Ranga Rao retire by rotation at the ensuing 62nd Annual General Meeting, and being eligible, offer themselves for re-appointment.

AUDIT COMMITTEE:

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

INDUSTRIAL RELATIONS:

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

SAFETY, HEALTH AND ENVIRONMENT:

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

PARTICULARS OF EMPLOYEES:

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

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

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

FIXED DEPOSITS:

Fixed Deposits aggregating to Rs. 30.44 lakhs held by 74 depositors had fallen due for payment but remained unclaimed as on 31.3.2009. Unclaimed deposits aggregating to Rs. 15.85 lakhs held by 40 depositors have since been renewed/repaid. Still, deposits aggregating to Rs. 14.59 lakhs held by 34 depositors remained unclaimed as on date.

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.

Your Company has made an application to Central Government under the provisions of Section 212(8) of the Companies Act, 1956 seeking exemption from attaching the Accounts of its Subsidiaries to its Accounts for the year 2008-09. The approval is awaited.

SUBSIDIARY COMPANIES:

JOCIL LIMITED:

For the Financial Year ending 31.3.2009, your subsidiary Company, JOCIL Ltd., recorded a profit of Rs. 1521.05 lakhs (before taxation) against Rs. 1225.65 lakhs (before taxation) during the previous year. The Board of Directors have recommended a Dividend of Rs. 8/- per share against a Dividend of Rs. 7/- per share paid last year.

THE ANDHRA FARM CHEMICALS CORPORATION LIMITED:

During the year under report 70 M.Ts of Hydrazine Hydrate was produced against 81 M.Ts in the previous year. Company achieved a sales of Rs. 214 lakhs against Rs. 264 lakhs and incurred a loss of Rs. 17.02 lakhs against a profit of Rs. 16.16 lakhs in the previous year. Directors have not recommended any Dividend on Equity Shares for the year 2008-09.

HINDUSTAN ALLIED CHEMICALS LIMITED:

Directors are on the lookout for a suitable project to be taken up by the Company.

AUDITORS:

M/s Brahmayya & Co., Chartered Accountants, Vijayawada, the present Auditors, retire at the ensuing 62nd Annual General Meeting and are eligible for re-appointment.

COST AUDITORS:

M/s Narasimha Murthy & Co., Cost Accountants, Hyderabad are appointed as Cost Auditors of the Company for the products, which are subject to Cost Audit, for the year ended 31-3-2009.

ACKNOWLEDGEMENT:

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

Venkatarayapuram
TANUKU – 534 215
18-07-2009

For and on behalf of the Board
Dr. MULLAPUDI HARISCHANDRA PRASAD
Chairman & Managing Director

ATTN : SHAREHOLDERS

Your Company has received the approval under Section 212(8) of the Companies Act, 1956 from the Central Government with regard to exemption from attachment of the Accounts of its Subsidiaries to its Accounts for the year ended 31st March, 2009. Shareholders desirous of obtaining the Annual Accounts of the Subsidiaries may obtain the same upon request. The Annual Report and Accounts of the Subsidiary Companies will be kept for inspection at your Company's Registered Office as well as at the Offices of your Subsidiary Companies.

ANNEXURE "A" TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31-03-2009

Statement showing particulars of employees of the Company as required
under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees)
Rules, 1975 as amended and forming part of Report of the Board of Directors for the period from 01-04-2008 to 31-03-2009.

Sl. No.	Name	Designation	Qualification	Experience (Years)	Date of commencement of employment in the Company	Gross Remuneration Rs.	Age (Years)	Particulars of Last Employment (Name of the Concern, Designation and Period)
1)	Dr. Mullapudi Harischandra Prasad	Chairman & Managing Director		62	01-08-1968	16230124	88	Partner, Ex-Managing Agency Firm The Andhra Sugars Ltd., 21 Years
2)	Dr. B. B. Ramaiah	Managing Director (Tech.)	B.Sc., (Hons), Sugar Technology M.Sc., (Chemical Technology) M.Sc., (Wisconsin), A.M.P. (Harvard)	55	01-04-1998	16381118	83	Managing Director (Tech.) The Andhra Sugars Ltd., 28 Years
3)	Sri P. Narendranath Chowdary	Joint Managing Director	B.Sc.	42	12-01-1976	8413199	61	Director, The Andhra Sugars Ltd., 8 Years
4)	Sri M. Narendranath	Joint Managing Director	B.Sc., (Ag.)	35	01-01-1998	10172622	60	Managing Director, Sree Satyanarayana Spinning Mills Ltd., Tanuku. 24 Years
5)	Sri M. Thimmaraja	Joint Managing Director	B.Tech., M.B.A. (Florida)	34	01-08-1978	10295711	58	Director, The Andhra Sugars Ltd., 2 ½ Years
6)	Sri P. Achuta Ramayya	Executive Director	B.Com., M.B.A. (New York)	26	01-08-1983	8235708	54	First Appointment
7)	Shri P.S.R.V.K. Ranga Rao	Executive Director	B.Com.	10	01-05-1999	4427391	39	Director, The Andhra Sugars Ltd., 1 ½ Years

- 1) Gross remuneration includes Salary, Commission on profits, House rent allowance, Company's contribution to Provident Fund, Superannuation Fund, Gratuity Fund, Reimbursement of Medical Expenses, Personal Accident Insurance, Membership Fees to Clubs as may be applicable.
- 2) The Appointments are governed by the provisions of Section 269 read with Schedule XIII of the Companies Act, 1956.

Annexure 'B' to Directors' Report for the year ended 31.03.2009

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

A. CONSERVATION OF ENERGY:

a) Energy Conservation Measures taken:

SUGAR UNIT - I, TANUKU:

Installed a new 70 TPH Boiler operating at 45 kg./Sq. cm. Steam pressure at 420° C and a new 8.9 MW steam turbine.

A Reverse Osmosis Plant has been put into operation and the product is meeting the requirement of our high pressure Boiler of Chemical Plants at Tanuku. Blow down from Boilers is reduced thus resulting in heat economy.

Additional Investments & Proposals:

It is proposed to go for AC Motors for mill drives instead of existing obsolete SS 26 steam turbines. This would enable the Company to go for boiling of all pans on second effect vapour in place of the present practice of boiling pans on first vapour. This is expected to result in a saving of 2% bagasse and the pay back would be achieved by crushing of 4.5 lakhs tonnes.

It is proposed to make long range plan to modify the existing vacuum pans to low head vacuum pans to enable boiling with third effect vapours.

As a step towards better resources management, it is proposed to study the feasibility of collecting all the storm water (from factory area) and recycle the same as feed water to water treatment plant.

SUGAR UNIT – II, TADUVAI:

Energy conservation measures taken.

The erection of a Planetary Gear with motor in place of a conventional gear for crystallisers resulted in reduced power consumption.

SUGAR UNIT – III, BHIMADOLE:

- a) Introduced Sulphited juice heating with 3rd, 2nd and 1st vapour which would result in steam saving of 2.04% on cane.
- b) Using 1st vapour for pan washing and using exhaust condensate for super heated wash water system could result in steam saving of up to 0.5% on cane.

CHEMICAL COMPLEX, KOVVUR :

Inefficient old Cooling Tower was replaced with New Energy Efficient Cooling Tower. Belt drives in Refrigeration Plant have been converted to direct coupling and higher Horse Power Motors in the Plant have been replaced with optimum size Motors resulting in saving of around 15.00 lakhs Units per annum. Cost of Energy saving per annum will be around Rs. 45.00 lakhs @ Rs. 3/- per KWH and the cost of production will be around Rs. 570/- per M.T. @ 24 TPD rate of KOH (Caustic Potash) Production.

CHEMICAL COMPLEX, SAGGONDA:

Variable Frequency Drives (VFDs) are provided for Boiler I.D. and F.D. Fans at Caustic Evaporation Plant. Low Efficient Motors and Light Fittings are replaced with High Energy Efficient Equipment. Energy saving achieved is around 3.5 Lakhs KWH per annum and cost of saving will be around Rs. 10.5 lakhs per annum.

It is proposed to replace No. 1, 100 TPD Caustic Soda Plant Denora 8 Nos. Electrolysers with 2 Nos. UHDE Electrolysers with High Energy Efficient 5th Generation Membrane Cell Elements of capacity 136 TPD as Denora Electrolysers have become 12 years old and Energy consumption and maintenance is on higher side. After installing New Technology UHDE Electrolysers, Energy Saving would be around 298 Lakhs KWH (units) per annum from all the 3 Plants. The cost of saving will be around Rs. 894.00 Lakhs per annum at Rs. 3/- per KWH and the cost of production will be around Rs. 732/- per MT.

Installed two Nos. of pure brine pumps to supply feed brine required for all the three cell halls and inter-connected the discharge lines of both pumps to operate a single pump up to production of 250 M.T. resulting in savings in power up to 1.5 lakhs units per year.

Interconnected the supply and return headers and sumps of all the four cooling towers and stopping some of pumps resulting in saving of approximately 10 lakhs units per year.

Installed two Nos. of polished brine pumps to supply polished brine to the Ionexchange columns. Inter-connected the discharge lines of both pumps to operate only one pump resulting in saving in Power up to 1.50 lakh units per year.

Replaced the old N966WX Membranes with high performance low voltage N2030WX Membranes for the 75 TPD Plant. Saving in power would be around 14 lakhs units per year.

Additional proposals:

Planning to provide variable frequency drives for the various pumps in the brine plant and Dechlorination Plant.

Planning to replace remaining Membranes of 25 TPD and 15 TPD Plants with high performance low power consumption Membranes.

B. TECHNOLOGY ABSORPTION:

Form B annexed.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

	Current Year	Previous Year
a) Used (Rs. in lakhs)		
i) Revenue Account	45.18	68.47
ii) Know-how fee and Service Charges of Engineers	—	24.38
b) Earned (Rs. in lakhs)		
On FOB basis	878.56	29.63

**ANNEXURE
FORM A**

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

PARTICULARS	UM	TANUKU UNITS		KOVVUR UNITS		TADUVAI UNIT		SAGGONDA UNIT		BHIMADOLE UNIT	
		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
A) POWER AND FUEL CONSUMPTION											
1. ELECTRICITY											
A) PURCHASED											
UNITS	KWH	9975700	8718884	22215440	21975894	749700	615700	263374343	276652096	483945	400959
TOTAL AMOUNT	RS.	32617646	30447643	43667702	46523420	3041043	1432428	575723425	664884885	2227836	2004929
RATE/UNIT	RS.	3.27	3.49	1.97	2.12	4.06	2.33	2.19	2.40	4.60	5.00
B) OWN GENERATION											
I) THROUGH DIESEL GENERATOR											
UNITS	KWH	275496	133854	—	—	46672	66388	—	—	139848	181976
UNITS PER LTR OF DIESEL OIL	KWH	3.35	3.21	—	—	2.28	2.04	—	—	2.90	2.12
COST/UNIT	RS.	19.55	26.31	—	—	47.66	33.27	—	—	16.63	25.22
II) THROUGH STEAM TURBINE GENERATOR											
UNITS	KWH	4777800	10985120	—	—	9415660	27222333	—	—	3909540	8497940
KWH PER TONNE OF BEGASSE				—	—	—	—	—	—	—	—
COST/UNIT	RS.	2.21	1.73	—	—	1.21	1.35	—	—	3.33	1.98
2. COAL											
QUANTITY	MT	1897.14	988.13	—	—	—	—	—	—	—	—
TOTAL COST	RS.	7441470	2913633	—	—	—	—	—	—	—	—
AVERAGE RATE	RS.	3922.47	2948.63	—	—	—	—	—	—	—	—
3. FURNACE OIL											
QUANTITY	KL	—	—	490.13	903.28	—	—	768.13	530.75	—	—
TOTAL AMOUNT	RS.	—	—	12418797	16476563	—	—	20944867	9532340	—	—
AVERAGE RATE	RS.	—	—	25337.81	18240.92	—	—	27267.24	17960.13	—	—

**ANNEXURE
FORM A**

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

The Andhra Sugars Limited

PARTICULARS	UM	TANUKU UNITS		KOVVUR UNITS		TADUVAI UNIT		SAGGONDA UNIT		BHIMADOLE UNIT	
		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
4. ONGC NATURAL GAS											
QUANTITY	M ³	3655620	3456233	—	—	—	—	—	—	—	—
TOTAL AMOUNT	RS.	19824516	17290801	—	—	—	—	—	—	—	—
RATE/UNIT (M ³)	RS.	5.42	5.00	—	—	—	—	—	—	—	—
5. HUSK AND FIRE WOOD											
QUANTITY	MT	29.50	111.93	3269.923	2386	12.79	327.62	12561.56	15963.60	173.45	261.10
TOTAL COST	RS.	50945	136264	7259872	3708091	16626	423370	26613135	24852443	355371	353567
AVERAGE RATE	RS.	1726.95	1217.40	2220.20	1554.10	1299.92	1292.26	2118.62	1556.82	2048.84	1354.12
6. PURCHASED BAGASSE											
QUANTITY	MT	711.93	—	—	—	—	—	—	—	218.30	—
TOTAL COST	RS.	1605647	—	—	—	—	—	—	—	416516	—
AVERAGE RATE	RS.	2255.34	—	—	—	—	—	—	—	1908.00	—
7. CHIPPER DUST											
QUANTITY	MT	—	—	—	—	4317	—	—	—	—	—
TOTAL COST	RS.	—	—	—	—	3650020	—	—	—	—	—
AVERAGE RATE	RS.	—	—	—	—	845.50	—	—	—	—	—
8. OTHER INTERNAL GENERATION											
A) BAGASSE											
QUANTITY	MT	61750	150813	—	—	51681	156126	—	—	31932	75822
TOTAL AMOUNT	RS.	—	—	—	—	—	—	—	—	—	—
RATE/UNIT	RS.	—	—	—	—	—	—	—	—	—	—
B) BIOGAS:											
QUANTITY	M ³	4591191	3955211	—	—	—	—	—	—	—	—
TOTAL AMOUNT	RS.	—	—	—	—	—	—	—	—	—	—
RATE/UNIT	RS.	—	—	—	—	—	—	—	—	—	—
C) HYDROGEN											
QUANTITY	MT	—	—	144.50	127.06	—	—	2385.84	2064.66	—	—
				Own Generation in Caustic Potash Plant				Own Generation in Caustic Soda Plant			

B. CONSUMPTION PER UNIT OF PRODUCTION

PRODUCTION		UM	CURRENT YEAR		PREVIOUS YEAR		
			POWER (K.W.H.)	STEAM (M.T.)	POWER (K.W.H.)	STEAM (M.T.)	
1.	Sugar (Tanuku)	QTL	25	0.52	19	0.50	
2.	Alcohol	KL.	181	2.11	179	2.18	
3.	Ethanol	KL.	69	0.61	70	0.59	
4.	Acetic Acid /Anhydride Mix	MT.	685	7.94	829	8.32	
5.	Ethyl Acetate	MT.	432	6.31	509	5.66	
6.	Aspirin	MT.	3026	10.94	3581	11.06	
7.	U.H.25	MT.	6428	164.10	6358	153.20	
8.	M.M.H	MT.	18103	465.85	16174	405.20	
9.	H.T.PB	MT.	1573	24.19	1597	21.26	
10.	Caustic Soda Lye	At Saggonda	MT.	2561	0.75	2494	1.13
11.	Liquid Chlorine	At Kovvur	MT.	470	-	508	-
12.	Liquid Chlorine	At Saggonda	MT.	181	-	275	-
13.	Hydrochloric Acid	At Kovvur	MT.	67	-	76	-
14.	Hydrochloric Acid	At Saggonda	MT.	26	-	25	-
15.	Caustic Potash Lye	At Kovvur	MT.	1599	1.44	1776	1.30
16.	Sulphuric Acid	At Kovvur	MT.	79	0.31	78	0.35
17.	Sulphuric Acid	At Saggonda	MT.	77	0.29	89	0.30
18.	Superphosphate	At Kovvur	MT.	38	-	24	-
19.	Sugar (Taduvai)	QTL	27	0.49	18	0.44	
20.	Sugar (Bhimadole)	QTL	35	0.49	30	0.48	

FORM B

Form for Disclosure of particulars with respect to Technology absorption

RESEARCH & DEVELOPMENT (R&D)

1. Specific areas in which R&D is carried out by the Company.

The focus of your Company for the Research & Development function are:

Cost innovations, process improvisation, process optimisation, waste minimisation, recycle and reuse and introduction of modern methods in sugarcane management, development of improved sugarcane planting and harvesting equipment.

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

The above measures resulted in enhanced productivity, cost reduction, improved quality and yield of existing processes.

3. Future plan of action :

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

4. Expenditure on R&D

(Rupees in lakhs)

a) Capital	:	2.90
b) Recurring	:	95.88
c) Total	:	98.78
d) Total R&D expenditure as percentage of total Turnover	:	0.16 %

TECHNOLOGY ABSORPTION ADAPTATION AND INNOVATION :

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.
 - a) Effective measures introduced in Reactor weighing system, disposal of waste streams through flare and implementing safety measures in manufacture of Hydroxyl Terminated Poly Butadiene (HTPB) manufacture.
 - b) Provision of necessary infrastructure such as Absorbers, Recycling system etc. in UH-25 and HTPB plants to contain emissions.
 - c) Studies on better water Management in Effluent treatment plant through reuse and recycling of wastes.

2. Benefits derived as a result of above efforts, e.g., product improvement, cost reduction, production development, import substitution etc. :
 - a) The measures will help ease in process operation, safety and reliability of the process.
 - b) Proper use of equipment would go a long way in improving the environment, improve the work efficiency and reduce occupational hazards.
 - c) Implementing new system will help in producing quality product with superior claims.
 - d) By adopting better water management methods resulted in minimising effluents.

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.

<ol style="list-style-type: none"> 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. 	<p>- NIL -</p>
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Information Pursuant to Listing Agreement with Stock Exchanges

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

Name of the Stock Exchange	Address
1. Madras Stock Exchange Limited	Exchange Building, Post Box No. 183, 11, Second Line Beach, Chennai - 600 001.
2. National Stock Exchange of India Limited	Exchange Plaza, 5th Floor, Plot No. C/1 G. Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.
3. The Hyderabad Stock Exchange Limited (Not in Operation)	3-6-275, Himayat Nagar, Hyderabad - 500 029..

ANNEXURE TO DIRECTORS' REPORT

CORPORATE GOVERNANCE

MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis Report set out hereunder supplement the Directors' Report and the audited financial statements forming part of this Annual Report.

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

SUGAR INDUSTRY:

Sugar is manufactured at a 5000 TCD capacity plant at Sugar Unit-I at Tanuku, a 5500 TCD capacity plant at Sugar Unit-II at Taduvai and a 1600 TCD capacity plant at Sugar Unit-III at Bhimadole. Molasses which is a by-product from the Sugar Plant is the raw material for your Company's continuous process 30 KL Distillery located at Tanuku. Industrial Alcohol and Ethanol are produced at this Distillery. Industrial Alcohol is the raw material for Ethanol and other organic chemicals manufactured at our chemical Plants at Tanuku. Bagasse which is a residue at the Sugar Plants after extraction of juice is being used as fuel for the Co-generation operation. Carbondioxide which is a by-product of fermentation at the Distillery is purified and used as one of the raw materials to produce Salicylic Acid which goes into the manufacture of Aspirin.

The Sugar Industry is passing through a difficult phase. The total production of cane in our State has been reduced to 45% of the cane crushed during the last crushing season. Exposure of Sugar business to regulatory policy of the Government of India in fixing unrealistic cane price and levy Sugar price, consequently leading to lack of parity between the input and price realisation of the end product, has severely affected the bottom line of the Sugar Industry. In addition to this, acute labour shortage resulted in reduction of cane area due to farmers shifting to other crops.

At this juncture it is necessary for the State and Central Governments to initiate urgent steps to help the Sugar Industry with special emphasis on levy sugar price enhancement and complete decontrol of the Sugar Industry in a phased manner, giving proper incentive to encourage mechanisation and breeding of suitable cane varieties. There is an immediate need for the Government to withdraw tax on self generated electricity to encourage captive power generation, duty free import of sugarcane planters and harvesters to encourage mechanisation to overcome the labour shortage, remunerative price for Ethanol, effective co-ordination of State and Central Governments with the Sugar Industry to help the industry to improve its operational performance.

To cope up with the prevailing scenario, your Company has been offering necessary incentives to the farmers with a view to encourage them to undertake cane cultivation. Mechanisation of cane farming operation has become a necessity to overcome the labour shortage and stabilize cultivation costs. Mechanical Cane Planters are proposed to be provided to our farmers at subsidised costs. A Harvester has been procured for trials to overcome the problem of harvesting labour shortage and minimise harvesting cost. Your Company also plans to join a private cane breeding consortium to breed better cane varieties suiting mechanical harvesting needs. Steam saving measures have been taken to save bagasse.

Co-generation of power is another value added product for the sugar industry. At Sugar Unit-II your Company has a Co-generation Plant. With the commissioning of a 70 Ton Boiler and a 8 MW Turbine at Tanuku, we would have around 3 MW surplus power during the season.

CHLOR-ALKALI PRODUCTS:

Your Company has integrated Inorganic Chemical Complexes at Kovvur and Saggonda, manufacturing a wide range of inorganic Chemicals. Production of Caustic Soda, based on Mercury Cell Technology, at Kovvur has

been discontinued. Hydrogen and Chlorine, the by-products of Caustic Soda manufacture, are used to produce Hydrochloric Acid.

Your Company is the largest manufacturer of Caustic Soda in Southern India. Your Company enjoys a locational advantage by being in South India where demand supply equation is favourable to Caustic Soda.

Power and salt constitute a major part of input cost of Caustic Soda production. Of late, increased power, salt and freight costs has put the Caustic Soda Industry under pressure affecting its competitiveness. Further, dumping from China and the Middle East has become a serious threat to the domestic industry. Though the Government has been taking measures to curb cheap imports by imposition of anti dumping duty, there is a need for the Government to evolve a long term policy to ensure protection to the domestic industries from this dumping. The Chlor-Alkali Industry is facing a challenge of decline in the use of Chlorine, a bye-product of Caustic Soda. Keeping this in mind, your Company has initiated steps for setting up a Poly Aluminum Chloride Plant at Saggonda to utilise Chlorine generated at the Caustic Soda and Caustic Potash Plants.

Your Company's Caustic Soda Plant at Saggonda uses the energy efficient and environmentally friendly Membrane Cells. The expanded 400 TPD Plant has been in operation. Caustic Soda to the bulk customers is being delivered through our own railway wagons to effect deliveries at an economical price. Your Company's presence across the varied Chlor-Alkali product lines will not only lead to diversified revenues but will also bring about stability of operations.

OTHER OPPORTUNITIES:

As a part of the ongoing diversification programme, your Company considers pharma operations as a business line to consider. Formalities with regard to registration of land purchased at the Jawaharlal Nehru Pharmacy, Visakhapatnam has been completed. Initial focus would be to supply fine chemicals and bulk drugs to the Pharma Sector.

With price realisation of Aspirin in the domestic market being low, your Company views international market as a better opportunity. Export orders were executed with reputed Companies in U.S.A., Germany, Mexico, Spain and Bulgaria. Your Company's thrust would be to broaden its exports to other regions so as to increase the revenue generation from this activity.

POWER:

Your Company's major segment is the Chlor-Alkali division, which is power intensive. It is therefore essential to have access to quality and sufficient Power at a competitive price. Your Company has invested in the Andhra Pradesh Gas Power Corporation Ltd., (APGPCL) which is a gas based power generating company located at Vijeswaram in West Godavari District to avail Power that is cheaper than the Power from the State Electricity Board. This provides your Company's Caustic Soda a competitive edge in the market. This is being supplemented by the 7 MW Co-gen Power generated at Sugar Unit II and 2.025 MW Wind Power generated at Ramagiri. With the availability of Gas from KG Basin your Company is exploring the possibility of putting up a Gas based Power Plant, on site, at Saggonda to avoid our dependence on TRANSCO for transmission of power to our Plant.

INTERNAL CONTROL SYSTEM

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

SEGMENT-WISE PERFORMANCE

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

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Your Company has earned a Gross Profit of Rs. 133.80 Crores (before interest and depreciation) against Gross Profit of Rs. 95.55 Crores (before interest and depreciation) in the previous year.

The Fund based working capital limits were enhanced from Rs. 160.00 Crores to Rs. 170.00 Crores by the Consortium of Banks.

The gross Fixed Assets of your Company as on 31.3.2009 is Rs. 711.89 Crores compared to Rs. 649.25 Crores during the previous year 2007-08. Your Company has a net worth of Rs. 325.97 Crores.

Your Company is eligible for interest free Sales Tax Deferment Loan of Rs. 82.07 Crores up to the Financial Year 2012-13. During the year 2008-09, the Company has availed a deferment loan of Rs. 2.69 Crores and the aggregate deferment loan availed as at 31st March, 2009 was Rs. 36.46 Crores leaving a balance of Rs. 45.61 Crores. Your Company has availed interest free loans from the Consortium of Bankers to the extent of Rs. 19.00 Crores as per the facility provided by the Government of India to the Sugar Industry. The loan is repayable in 24 instalments after a moratorium of two years from the date of availment.

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 continue to be cordial. As on 31.3.2009 your Company's employees strength stood at 2,169.

CAUTIONARY STATEMENT

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

REPORT ON CORPORATE GOVERNANCE

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

The Andhra Sugars Ltd., (ASL) always believes that good Corporate Governance ensures proper and adequate protection of the interests of all the 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 31.3.2009, the Board of Directors consisted of 14 Directors.

COMPOSITION AND CATEGORY OF DIRECTORS IS AS FOLLOWS:

Category	Name of the Director
Promoter/Executive Directors	Dr. Mullapudi Harischandra Prasad Chairman & Managing Director
	Dr. B.B. Ramaiah Managing Director (Tech.)
	Sri P. Narendranath Chowdary Joint Managing Director
	Sri M. Narendranath Joint Managing Director
	Sri M. Thimmaraja Joint Managing Director
	Sri P. Achuta Ramayya Executive Director
	Sri P.S.R.V.K. Ranga Rao Executive Director
	Non-Executive and Independent Directors
Sri Justice G. Ramanujam (Retd.)	
Dr. A.V. Rama Rao	
Dr. P. Kotaiah	
Sri V.S. Raju	
Dr. Alapaty Appa Rao Dr. Anumolu Ramakrishna	

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

Dr. Mullapudi Harischandra Prasad - Father of Sri M. Narendranath & Sri M. Thimmaraja
 Sri M. Narendranath & Sri M. Thimmaraja - Brothers
 Dr. B.B. Ramaiah - Sister's Husband of Sri P. Narendranath Chowdary & Sri P. Achuta Ramayya
 Sri P. Narendranath Chowdary & Sri P. Achuta Ramayya - Brothers
 Sri P. Narendranath Chowdary - Daughter's Husband of Dr. B.B. Ramaiah

b) Non-Executive Directors remuneration : Please refer Point No. 6

The Andhra Sugars Limited

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

Name of the Director	Attendance Particulars		Directorship, Chairmanship, Committee Membership and Chairmanship in other Companies			
	Board Meetings	Last AGM	Other Directorship	Chairman	*Committee Membership	*Committee Chairmanship
Dr. M. Harischandra Prasad	4	Yes	8	6	2	2
Dr. B. B. Ramaiah	4	No	3	-	1	1
Sri P. Narendranath Chowdary	4	No	6	-	2	-
Sri M. Narendranath	2	No	4	-	-	-
Sri M. Thimmaraja	2	Yes	2	-	3	-
Sri P. Achuta Ramayya	4	Yes	-	-	-	-
Sri P.S.R.V.K. Ranga Rao	4	No	-	-	-	-
Sri A. Ranga Rao	3	Yes	-	-	-	-
Sri Justice G. Ramanujam	1	No	1	-	1	1
Dr. A.V. Rama Rao	4	No	-	-	-	-
Dr. P. Kotaiah	4	No	5	-	4	2
Sri V.S. Raju	4	No	5	-	3	3
Dr. Alapaty Appa Rao	4	No	2	-	3	1
Dr. Anumolu Ramakrishna	2	No	11	-	9	1

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

* Represents Membership / Chairmanship of Audit committee & Investors Grievance Committee of other Public Limited Companies.

- d) NUMBER OF BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2008-09 AND THE DATES ON WHICH HELD

Sl.No.	Date of Board Meeting
1	26.04.2008
2	28.07.2008
3	25.10.2008
4	24.01.2009

3. CODE OF CONDUCT :

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

4. AUDIT COMMITTEE

- a) A qualified Audit Committee meeting the requirements as stipulated in the Clause 49 of the Listing Agreement has been constituted. Audit Committee consists of 3 Non-Executive

Independent Directors Sri A. Ranga Rao, Dr. P. Kotaiah and Sri V.S. Raju. Sri A. Ranga Rao is Chairman of the Committee. All the Members of the Committee are financially literate and have accounting or related financial management experience.

This Committee also meets the requirement of Section 292A of the Companies Act, 1956.

- b) The terms of reference of the Audit Committee as detailed hereunder are in terms of Clause 49 of the Listing Agreement :
- i) Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
 - ii) Recommending to the Board the appointment, re-appointment and if required the replacement or removal of the Statutory Auditor and fixation of audit fees.
 - iii) Approval of payment to the Statutory Auditors for any service rendered by them.
 - iv) Review with the management the annual financial statements before submission to the Board for approval with particular reference to :
 - a) Matters required to be included in the Directors Responsibility Statement to be included in the Board's Report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
 - b) Changes if any in the accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on exercise of judgement by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transaction.
 - g) Qualification in the draft Audit Report.
 - v) Review with the management, the quarterly financial statements before submission to the Board for approval.
 - vi) Review with the management the 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.

The Andhra Sugars Limited

- xiii) Carrying any other function as mentioned in the terms of reference of the Audit Committee.

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

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of Significant Related Party Transactions (as defined by the Audit Committee)
- c. Management letters / letters of internal control weakness issued by the statutory auditors;
- d. Internal Audit Reports relating to internal control weaknesses
- e. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

- c) NUMBER OF AUDIT COMMITTEE MEETINGS HELD DURING THE FINANCIAL YEAR 2008-09 AND THE DATES ON WHICH HELD

Sl. No.	Dates of Audit Committee Meeting
1	26.04.2008
2	28.07.2008
3	25.10.2008
4	24.01.2009

- d) ATTENDANCE OF THE MEMBERS OF THE AUDIT COMMITTEE AT ITS MEETINGS HELD DURING THE FINANCIAL YEAR 2008-09

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

Executive Director, Vice President (Finance), Chief Internal Auditor, Statutory Auditors and Cost Auditors whenever required also attend the Audit Committee Meetings to answer the queries raised by the Committee Members.

Addl. Company Secretary acts as a Secretary to the Committee.

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

5. SUBSIDIARIES :

- a) Company does not have any material non-listed Indian subsidiary as defined in Clause 49 of the Listing Agreement regarding Corporate Governance.
- b) Company has one un-listed subsidiary Company, which is not in operation.
- c) Minutes of the Board Meeting of the unlisted Subsidiary Company are placed before the Board Meeting of the Holding Company.

6. REMUNERATION COMMITTEE, POLICY, DETAILS

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

The Company does not remunerate nor the Company has any pecuniary relationship with the non-Executive Directors except for the payment of sitting fees for attending each Meeting of the Board or Committee thereof.

Details of the remuneration paid / payable to the Directors during the year 2008-09 are as hereunder:-

Name of Director	Remuneration paid / payable to the Directors			
	Sitting Fees	Salaries & Perquisites	Commission	Total
	Rs.	Rs.	Rs.	Rs.
Dr. M. Harischandra Prasad	Nil	11,12,545	1,51,17,579	1,62,30,124
Dr. B. B. Ramaiah	Nil	12,63,539	1,51,17,579	1,63,81,118
Sri P. Narendranath Chowdary	Nil	8,54,409	75,58,790	84,13,199
Sri M. Narendranath	Nil	26,13,832	75,58,790	1,01,72,622
Sri M. Thimmaraja	Nil	27,36,921	75,58,790	1,02,95,711
Sri P. Achuta Ramayya	Nil	6,76,918	75,58,790	82,35,708
Sri P.S.R.V.K. Ranga Rao	Nil	6,47,997	37,79,394	44,27,391
Sri A. Ranga Rao	60,000	Nil	Nil	60,000
Sri Justice G. Ramanujam	20,000	Nil	Nil	20,000
Dr. A.V. Rama Rao	40,000	Nil	Nil	40,000
Dr. P. Kotaiah	80,000	Nil	Nil	80,000
Sri V. S. Raju	80,000	Nil	Nil	80,000
Dr. Alapaty Appa Rao	40,000	Nil	Nil	40,000
Dr. Anumolu Ramakrishna	20,000	Nil	Nil	20,000

Remuneration is fixed and paid to the Managing Director / Whole-time Directors as approved by the Shareholders of the Company and is in accordance with and subject to the limits prescribed by the Companies Act, 1956. The Company enters into an agreement with the Managing Director / Whole-time Directors relating to their appointment / re-appointment. There is no severance fee.

7. SHAREHOLDING OF NON-EXECUTIVE DIRECTORS :

As on 31.03.2009 Sri A. Ranga Rao holds 200 Equity Shares in the Company. No other Non-Executive Director holds any Equity Shares in the Company. During the year 2008-2009 Company has not issued any convertible instruments.

8. MANAGEMENT

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

9. CEO / CFO CERTIFICATION

In accordance with the requirements of Clause 49(V) of the Listing Agreement the Board of Directors of the Company, Audit Committee and Auditors have been furnished with the requisite certificate from the Managing Director and CFO.

10. SHAREHOLDERS' GRIEVANCES COMMITTEE

- a) The Board has constituted Shareholders' / Investors' Grievances Committee comprising Sri Justice G. Ramanujam (Chairman of the Committee – Non-Executive Independent Director), Sri P. Narendranath Chowdary and Sri M. Thimmaraja as Members of the Committee. The Committee looks into redressal of the Shareholders' complaints like Transfer of Shares, non-receipt of Balance Sheet, non-receipt of declared Dividend and other matters.
- b) The Board has designated Sri M. Palachandra, Addl. Company Secretary as the Compliance Officer.
- c) During the year 2008-09, three Committee Meetings were held on dates viz., 24.04.2008, 22-10-2008 and 24.01.2009. The Company received a total number of 281 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 31.3.2009 no Share Transfers were pending and there were no pending complaints.
- d) ATTENDANCE OF DIRECTORS AT THE SHAREHOLDERS GRIEVANCE COMMITTEE MEETING HELD DURING FINANCIAL YEAR 2008-09

Name of the Director	No. of Meetings attended
Sri Justice G. Ramanujam	1
Sri P. Narendranath Chowdary	3
Sri M. Thimmaraja	3

11. ANNUAL GENERAL BODY MEETINGS

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

Financial Year – 1st April to 31st March			
Financial Year	Venue	Date	Time
2005-2006	Registered Office VENKATARAYAPURAM, TANUKU - 534 215 (A.P.)	20-9-2006	3:00 p.m.
2006-2007	-- do --	20-9-2007	3:00 p.m.
2007-2008	-- do --	25-9-2008	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 Special 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
25-09-2008	1	Re-appointment of Sri P.S.R.V.K. Ranga Rao as Executive Director.
29-09-2007	5	Re-appointment of Managing Director / Whole-time Directors.
20-09-2006	1	Alteration of Articles of Association with regard to revision in the payment of Sitting Fee to the Directors.

12. 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 301 of the Companies Act, 1956 and the same is placed at every Board Meeting for the information of the Directors. Further, necessary approvals have also been obtained from the Central Government under Section 297 of the Companies Act with regard to specific contracts requiring the approval of the Central Government.

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

13. MEANS OF COMMUNICATION

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

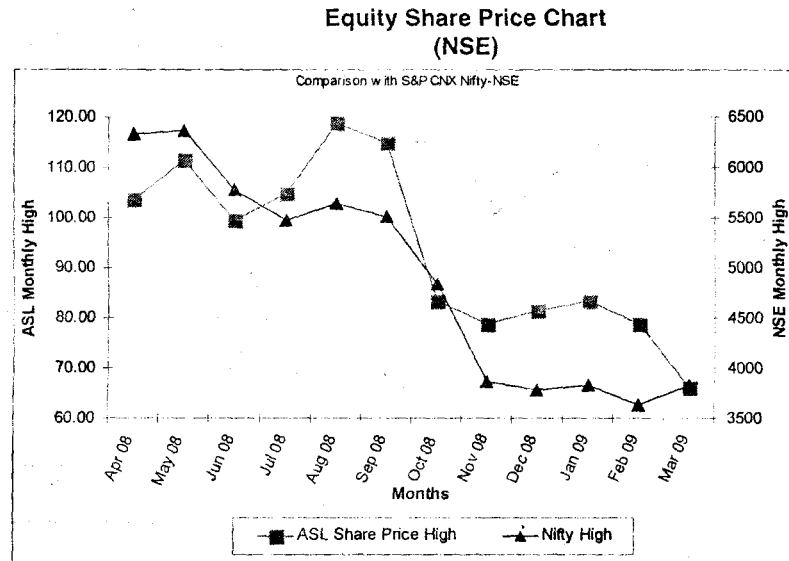
The Andhra Sugars Limited

General Shareholder Information

- (i) Annual General Meeting
Date & Time : Monday, 14th September, 2009, 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 in the first month following each quarter as per the provisions of Listing Agreement.
- (iii) Date of book closure : 8th September, 2009 to 14th September, 2009
(both days inclusive)
- (iv) Dividend payment date : 19th September, 2009
- (v) Listing on Stock Exchanges at: Hyderabad Stock Exchange (Not in operation)
Madras Stock Exchange
National Stock Exchange
- (vi) Stock code : HSE-CODE-ANDSUG, ID No. 158
MSE-CODE-ASR
NSE-CODE-ANDHRSUGAR
- (vii) Stock Market Data : National Stock Exchange

Month	High	Low
	Rs.	Rs.
April, 2008	103.75	80.00
May, 2008	111.45	87.20
June, 2008	99.50	79.00
July, 2008	105.00	76.35
August, 2008	118.80	91.10
September, 2008	114.80	75.00
October, 2008	83.40	51.20
November, 2008	78.70	57.00
December, 2008	81.40	55.10
January, 2009	83.50	66.20
February, 2009	78.80	53.50
March, 2009	66.00	50.60

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



- (ix) Registrars & Share Transfer Agents : Company has not appointed any Share Transfer Agents. The share transfer work is carried out in-house at the Company's Registered Office, Venkatarayapuram, Tanuku – 534 215, West Godavari Dist., (A.P.)

Telephone Nos. 08819-224911 (8 lines)

Fax No. 08819-224168

Email: elr_asltnk@sancharnet.in

info.tnk@theandhrasugars.com

- (x) Share Transfer System : Shareholders have an option to hold the Shares in physical form or in demat form. In the case of physical form, Company is taking care to ensure that the Share Transfer work gets completed within the stipulated time of one month. The Board of Directors have delegated the power of approving transfer of Shares severally to Chairman & Managing Director and two Joint Managing Directors. The Board has also constituted a Share Transfer Committee which has been assigned the task of approving splitting of Shares, Issue of duplicate Share Certificates, consolidation of Share Certificates, change of status of a shareholder and other allied matters. With regard to Shares in demat mode, the procedure is adopted as per the provisions of the Depositories Act, 1996.

- (xi) (a) Shareholding pattern as on 31st March, 2009

Category	No. of Shares Held	% of Shareholding
Promoters	1,45,96,334	53.85
Institutions, Mutual Funds and Banks	3,07,698	1.14
FII's / OCBs	77,600	0.29
NRIs	3,96,469	1.46
Bodies Corporate, Trusts and Clearing Members	19,45,190	7.17
Public	97,83,787	36.09
Total	2,71,07,078	100.00

The Andhra Sugars Limited

(b) Distribution of Shareholding as on 31st March, 2009

Shareholding of Nominal value of Rs.	No. of Shareholders	% to total	Share amount in Rs.	% to Total
Up to 5000	13,821	84.141	2,70,05,120	9.962
5001 to 10000	1,119	6.812	1,27,99,030	4.722
10001 to 20000	654	3.982	1,34,21,170	4.951
20001 to 30000	224	1.364	83,38,790	3.076
30001 to 40000	124	0.755	60,85,540	2.245
40001 to 50000	124	0.755	1,02,69,140	3.788
50001 to 100000	185	1.126	2,17,30,780	8.017
100001 onwards	175	1.065	17,14,21,210	63.239
Total	16,426	100.00	27,10,70,780	100.00

(xii) **Dematerialisation of Equity Shares and liquidity:**

Company's Equity Shares are listed on Hyderabad, Madras and National Stock Exchanges with a view to provide liquidity to the Shareholders. As per the SEBI Notification, the Company's Equity Shares have been compulsorily dematerialised with effect from 25th October, 2000. The Company has appointed XL Softech Systems Ltd., 3 Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034 to establish Electronic connectivity with the Depositories viz., NSDL and CDSL. The ISIN No. is INE715B01013. As on 31.3.2009, 38.97% of Equity Shares has been dematerialised.

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

(xiv) Plant Locations :

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

Wind Power Units:

7. RAMGIRI, Ananthapur Dist., Andhra Pradesh
8. (a) Kurichampatti Village,
(b) Surandai Village, Veeranam Region, Tirunelveli District, Tamilnadu.

(xv) Address for correspondence for all matters including Shares

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

14. NON-MANDATORY REQUIREMENTS :

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

1. The Board

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

2. Remuneration Committee

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

3. Shareholders Rights

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

4. Audit Qualification

There are no qualifications proposed by the Auditors in their Report for the year ending 31st March, 2009, as per the information received from them.

5. Training of Board Members

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

6. Mechanism for evaluating Non-Executive Board Members

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

7. Whistle Blower Policy

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

DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all Board members and Senior Management personnel have affirmed the compliance with The Andhra Sugars Limited Code of Conduct for the year ended 31st March, 2009.

Place : TANUKU
Date : 18-07-2009

Dr. MULLAPUDI HARISCHANDRA PRASAD
Chairman & Managing Director

The Andhra Sugars Limited

CERTIFICATE

To
The Shareholders of
The Andhra Sugars Limited
Tanuku.

We have examined the compliance of conditions of Corporate Governance by The Andhra Sugars Limited for the year ended on 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

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

We state that in respect of investor grievances received during the year ended 31st March, 2009, no investor grievances were pending against the Company as per the records maintained by the Company and presented to the Investor Grievances Committee.

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

Camp : TANUKU
Date : 18th July, 2009

For BRAHMAYYA & CO.,
Chartered Accountants
T.V. RAMANA
(ICAI Membership No. 200523)
Partner

AUDITORS' REPORT

TO
THE SHAREHOLDERS OF
THE ANDHRA SUGARS LIMITED
TANUKU

We have audited the attached Balance Sheet of THE ANDHRA SUGARS LIMITED as at 31 March 2009, its Profit and Loss Account and also the Cash-Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India, which require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003 issued by the Government of India in terms of sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the 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 appears from our examination of such books;
- c. The Balance Sheet and Profit and Loss Account and Cash-flow Statement dealt with by this report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Profit and Loss account and Cash-flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- e. On the basis of written representations received from the Directors, as on March 31, 2009, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - I. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - II. in the case of the Profit and Loss Account, of the Profit for the year ended on that date, and
 - III. in the case of the Cash-flow Statement, of the cash-flows of the Company for the year ended on that date.

Camp : TANUKU
Date : 18th July, 2009

For BRAHMAYYA & CO.,
Chartered Accountants
T.V. RAMANA
(ICAI Membership No. 200523)
Partner

Annexure referred to in paragraph 3 of our report of even date

- 1.1 According to the information and explanations furnished to us, the Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets except in the case of furniture and fixtures.
- 1.2 According to the information and explanations furnished to us, the Company has informed us that it has adopted a phased programme of verification of its fixed assets. In our opinion such a programme is reasonable and adequate in relation to the nature and location of the Fixed Assets. In accordance with the said programme physical verification of fixed assets was not carried out during the year under report.
- 1.3 According to the information and explanations furnished to us, the Company has not disposed of a substantial part of its fixed assets during the year as to affect the going concern assumption in preparing the financial statements under report.
- 2.1 According to the information and explanations furnished to us, during the year under report the Company has physically verified its inventories of Raw materials, Finished goods & stores and spares. In our opinion, the frequency of such verification to the extent carried out is reasonable.
- 2.2 In our opinion, the procedures of physical verification of inventories, as followed by the management in respect of such verification carried out during the year are reasonable and adequate in relation to the size of the Company and the nature of its business.
- 2.3 According to the information furnished to us, the Company is maintaining proper records of its inventory. The discrepancies if any noticed on verification of Raw Materials, Finished goods & Stores and Spares between the physical stocks to the extent verified during the year and the book records were not material, and have been properly dealt with in the books of account.
- 3.1 According to the information and explanations furnished to us, the Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, at the beginning of the year or during the year, and consequently reporting under sub-clauses b, c and d of clause 4(iii) of the Order does not arise during the year.
- 3.2 According to the information and explanations furnished to us, the Company has taken Fixed deposits/ inter-corporate loans aggregating at the date of the Balance Sheet to Rs.6449.75 lakhs from forty nine parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- 3.3 In our opinion, the rate of interest and other terms and conditions on which loans/deposits have been taken by the Company from parties covered in the register maintained under section 301 of the Companies Act, 1956 are not, *prima facie*, prejudicial to the interest of the Company.
- 3.4 According to the information and explanations furnished to us, the Company has been regular in repaying the principal and interest amounts as stipulated on the loans taken by it from the parties covered in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and with regard to the sale of goods and services. Further, during the course of our audit, we have not come across any instances of major weaknesses in internal control system that in our opinion, require correction but have so continued without correction.

- 5.1 Based on the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section.
- 5.2 In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements that have been entered in the Register referred to in Section 301 of the Companies Act have been made at prices which are reasonable having regard to prevailing market prices and other terms of business with such parties, at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A, 58AA and other relevant provisions of the Act and Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information furnished to us, no order has been passed on the Company by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for non-compliance with the provisions of Sections 58A, 58AA of the Companies Act, 1956.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of Cost Records under section 209 (1) (d) of the Companies Act, 1956, wherever prescribed, and we are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. However, we are not required to and have not carried out a detailed audit of the same.
- 9.1 According to the information furnished to us, the Company has been generally regular in depositing with the appropriate authorities, the undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it; and the following undisputed statutory dues were outstanding, as at the date of the Balance Sheet under report, for a period of more than six months from the date they became payable.

Sl.No.	Name of the statute	Period	Amount Rs.	Remarks
1.	Andhra pradesh State Excise Act	Up to Aug., 1976	358290 (establishment charges)	Pending receipt of demand by the Company
2.	Andhra pradesh State Excise Act	August, 1976 to March, 2009	1402450 (Interest on above)	Pending receipt of demand by the Company

The Andhra Sugars Limited

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

Sl.No.	Name of the statute	Nature of the Dues	Amount Rs.	Forum where dispute is pending
1	Water (Prevention and control of Pollution) Cess Act of 1977	Cess	48703	Appellate Committee of the Govt. of AP
2	Sales Tax laws in different States	Sales Tax	29666061	Different appellate authorities
3	Income Tax Act, 1961	Income Tax	5496689	Income Tax Appellate Tribunal
4	Central Excise Act, 1944	Excise Duty	336368	Different departmental appellate authorities
5	Customs Act	Customs Duty	292004	Dy.Comr. Customs
6	Service Tax Law	Service Tax	2977034	Commissioner of Service Tax

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

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

Camp : TANUKU
Date : 18th July, 2009

For BRAHMAYYA & CO.,
Chartered Accountants
T.V. RAMANA
(ICAI Membership No. 200523)
Partner

ACCOUNTING POLICIES

1. GENERAL

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

2. FIXED ASSETS :

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

3. BORROWING COSTS :

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

4. INVESTMENTS :

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

5. INVENTORIES :

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

6. SALES :

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

7. INTER UNIT TRANSFERS :

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

8. EMPLOYEE BENEFITS

a) Short-term Employee Benefits :

Short-term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.

b) Post-Employment Benefits :

- (i) Defined Contribution plans: The Company's superannuation scheme, state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

- (ii) Defined Benefit plans: The employees' gratuity fund schemes and compensated absences schemes are under defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

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

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

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

9. EXPENDITURE :

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

10. DEPRECIATION :

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

- On part of Buildings, Main Plant and Machinery and Electrical Installations of Caustic Soda, Chlorosulphonic Acid, Aspirin, Wind Power at Ramagiri, Power Generation and Sugar Units at Taduvai and Bhimadole and all Buildings, Plant and machinery, Electrical Installations, Weigh Bridges and Scales and Workshop Equipment of Cotton and Oil Products Unit and Sulphuric Acid unit at Saggonda under Straight Line Method.
- On the remaining assets of the above units and all assets of the other units, under Written Down Value Method.
- In respect of Inter Unit transfer of assets, depreciation is computed on the same basis as in the transferor unit.

11. FOREIGN EXCHANGE TRANSACTIONS :

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

12. IMPAIRMENT OF ASSETS :

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

The Andhra Sugars Limited

13. CONTINGENT LIABILITIES :

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

14. INTANGIBLE ASSETS :

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

15. TAXATION :

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

16. DIVIDENDS :

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

17. MISCELLANEOUS EXPENDITURE :

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

Additional Information as required under part - IV of Schedule VI to the Companies Act, 1956.

I.	Registration Details	(Rupees in lakhs)
	a) Registration No.	01-00326
	b) State Code	01
	c) Balance Sheet date	31-03-2009
II.	Capital Raised during the Year	
	a) Public Issue	NIL
	b) Rights Issue	NIL
	c) Bonus Issue	NIL
	d) Private Placement	NIL
III.	<i>Position of Mobilisation & Deployment of Funds</i>	
	a) Total Assets	91136.42
	b) Total Liabilities	91136.42
	Sources of Funds:	
	a) Paid-up Capital	2711.01
	b) Reserves & Surplus	29886.05
	c) Deferred Tax (Net)	6834.57
	d) Secured Loans	17926.95
	e) Unsecured Loans	13437.41
	TOTAL:	<u>70795.99</u>
	Applications of Funds:	
	a) Net Fixed assets	47868.88
	b) Investments	7409.21
	c) Net Current Assets	15517.90
	d) Miscellaneous Expenses	0.00
	TOTAL:	<u>70795.99</u>
IV.	Performance of Company:	
	a) Turnover	62330.14
	b) Other Income	3173.08
	c) Total Expenditure	53549.03
	d) Profit Before Tax	6814.88
	e) Profit After Tax	4527.57
	f) Earnings Per Share in Rs.	16.70
	g) Dividend Rate %	60%
V.	Generic Names of Three Principal Products / Services of Company (As per monetary terms)	
	1. Item Code No. (ITC Code)	170111.09
	Product Description	Sugar
	2. Item Code No. (ITC Code)	281512.00
	Product Description	Caustic Soda
	3. Item Code No. (ITC Code)	280110.00
	Product Description	Chlorine

The Andhra Sugars Limited

BALANCE SHEET AS AT 31st MARCH, 2009

		(Rupees in lakhs)		
		Schedule	31-03-2009	31-03-2008
I SOURCES OF FUNDS				
1) Shareholders' Funds				
a) Capital	1	2711.01	2711.01	
b) Reserves & Surplus	2	29886.05	27228.09	
		<u>32597.06</u>	<u>29939.10</u>	
2) Loan Funds				
a) Secured Loans	3	17926.95	22336.36	
b) Unsecured Loans	4	13437.41	12428.31	
		<u>31364.36</u>	<u>34764.67</u>	
3) Deferred Tax				
a) Liability		7745.90	7316.31	
b) Asset		911.33	859.07	
		<u>6834.57</u>	<u>6457.24</u>	
TOTAL		<u>70795.99</u>	<u>71161.01</u>	
II APPLICATION OF FUNDS				
1) Fixed Assets				
a) Gross Block		71188.97	64925.37	
b) Less: Depreciation		26562.31	23402.38	
c) Net Block	5	44626.66	41522.99	
d) Capital work-in-progress		3242.22	4989.12	
		<u>47868.88</u>	<u>46512.11</u>	
2) Investments	6	7409.21	7253.31	
3) Current Assets, Loans & Advances				
a) Inventories	7	19586.75	24345.00	
b) Sundry Debtors	8	5756.46	3384.47	
c) Cash and Bank Balances	9	974.48	1322.80	
d) Other Current Assets	10	39.39	37.46	
e) Loans and Advances	11	9501.25	9442.39	
		<u>35858.33</u>	<u>38532.12</u>	
Less: Current Liabilities & Provisions:				
a) Liabilities	12	12503.43	13999.64	
b) Provisions	13	7837.00	7136.89	
		<u>20340.43</u>	<u>21136.53</u>	
Net Current Assets		<u>15517.90</u>	<u>17395.59</u>	
TOTAL		<u>70795.99</u>	<u>71161.01</u>	

NOTE: The schedules, notes and Statement on Accounting Policies form an integral part of the Balance Sheet.

Per our report of even date:
For Brahmayya & Company
Chartered Accountants
T.V. RAMANA
Partner

FOR AND ON BEHALF OF THE BOARD
Dr. Mullapudi Harischandra Prasad
A. Ranga Rao
M. Palachandra

Chairman & Managing Director
Director
Addl. Company Secretary

Camp : TANUKU
Date : 18-07-2009

TANUKU
18-07-2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009

		(Rupees in lakhs)	
	Schedule	This Year	Previous Year
INCOME			
Sales		62330.14	51538.09
Less: Excise duty recovered		5139.32	5139.43
		-----	-----
Other Income	14	57190.82	46398.66
Accretion to Stocks	15	3173.08	2664.26
		-----	-----
		60363.90	51674.88
		-----	-----
EXPENDITURE			
Raw Materials consumed		22269.69	21323.36
Payments & Benefits to Employees Expenses	16	4481.79	4545.77
Excise Duty and Taxes	17	15667.44	15327.44
Decretion in stock	18	458.59	923.74
Interest	15	4106.30	---
Depreciation	19	3223.50	2878.19
		3341.71	3218.00
		-----	-----
		53549.02	48216.50
		-----	-----
Profit for the Year		6814.88	3458.38
Add: Income Tax refund received		1.65	0.00
Excess provision of Income Tax		12.37	0.00
Prov. for Diminution in the value of Investments Cr.Back		---	2055.22
		-----	-----
		6828.90	5513.60
Less: Short provision of Income Tax		---	177.90
		-----	-----
Net Profit		6828.90	5335.70
Less: Provisions for:			
Current Tax		1900.00	1050.00
Fringe Benefit tax		20.00	20.00
Deferred Tax		377.33	3.27
Wealth Tax		4.00	4.00
		-----	-----
Profit after tax		4527.57	4258.43
Add: Balance brought forward from last year		3460.66	3258.86
		-----	-----
Balance available for appropriation		7988.23	7517.29
		-----	-----
APPROPRIATIONS			
General Reserve		460.00	2500.00
Dividends (See Directors' Report)	20	1869.62	1556.63
Balance taken to Balance Sheet		5658.61	3460.66
		-----	-----
		7988.23	7517.29
		-----	-----
Basic Earnings per Share:			
(Profit after Tax / No. of Equity Shares)			
Profit after Tax		452756525	425843180
No. of Equity Shares of Rs.10/- each		27107078	27107078
Basic earnings per share		16.70	15.71

NOTE : The schedules, notes and Statement on Accounting Policies form an integral part of the Profit & Loss Account.

Per our report of even date:
For Brahmayya & Company
Chartered Accountants
T.V. RAMANA
Partner

FOR AND ON BEHALF OF THE BOARD
Dr. Mullanpudi Harischandra Prasad
A. Ranga Rao
M. Palachandra

Chairman & Managing Director
Director
Addl. Company Secretary

Camp : TANUKU
Date : 18-07-2009

TANUKU
18-07-2009

The Andhra Sugars Limited

SCHEDULES TO BALANCE SHEET

SHARE CAPITAL

(Rupees in lakhs)

SCHEDULE -1

		As at 31-03-2009	As at 31-03-2008
AUTHORISED CAPITAL			
28750000	Equity Shares of Rs.10/- each	2875.00	2875.00
30000	9.5% First Cumulative Redeemable Preference Shares of Rs.100/- each	30.00	30.00
95000	9.5% Second Cumulative Redeemable Preference Shares of Rs.100/- each	95.00	95.00
		<u>3000.00</u>	<u>3000.00</u>
ISSUED CAPITAL			
27113091	Equity Shares of Rs.10/- each	2711.31	2711.31
		<u>2711.31</u>	<u>2711.31</u>
SUBSCRIBED AND PAID-UP CAPITAL			
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
		<u>2711.01</u>	<u>2711.01</u>

NOTES: The above includes:

- i) 2,08,24,431 Shares allotted as fully paid-up by way of Bonus Shares
- ii) 2,52,000 Shares allotted at par to the shareholders of amalgamating Company pursuant to the scheme of amalgamation (without payment being received in cash).

RESERVES AND SURPLUS

SCHEDULE - 2

1)	GENERAL RESERVE		
	As per last Balance Sheet	22592.74	20400.00
	Add: Transferred from Profit & Loss A/c during the year	460.00	2192.73
		<u>23052.74</u>	<u>22592.73</u>
2)	SECURITIES PREMIUM	1129.40	1129.40
3)	CAPITAL RESERVE		
	Capital investment subsidy	45.00	45.00
	Forfeited Debentures **	0.30	0.30
4)	SURPLUS IN PROFIT & LOSS ACCOUNT	5658.61	3460.66
		<u>29886.05</u>	<u>27228.09</u>

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

(Rupees in lakhs)

SCHEDULE - 3

SECURED LOANS:

	As at 31-03-2009	As at 31-03-2008
FROM BANKS:		
i) Term Loans		
From Banks (against exclusive First Charge on assets created out of the loan)	5775.17	6000.00
ii) Cash Credit (from Banks)	12151.78	16336.36
(Secured by hypothecation of inventories and receivables, and collaterally secured by a Second Charge on the fixed assets of the Company except those at the COP division and Wind Power divisions in Tamilnadu and Ramagiri, ranking pari passu among the members of the consortium of working capital lending banks)		
	<u>17926.95</u>	<u>22336.36</u>

UNSECURED LOANS

SCHEDULE - 4

Fixed Deposits :

From Share Holders	1265.60	1074.35
From Public	6031.25	5522.40
From Directors	2255.45	2050.45

Loans:

From other companies *	239.00	404.00
From Banks - Short-term	---	---
Sales Tax Deferment Loan (Repayable at the end of 14th Year from the year of receipt. First repayment falls due during the accounting year 2012 - 2013)	3646.11	3377.11
	<u>13437.41</u>	<u>12428.31</u>

*Include amounts due to subsidiary companies :

JOCIL Ltd.,	150.00	400.00
Hindustan Allied Chemicals Ltd.,	4.00	4.00

Note :Fixed deposits matured and remaining unclaimed aggregating to Rs.30.44 lakhs are not included above, but shown in Schedule 12.

FIXED ASSETS

SCHEDULE - 5
(Rupees in lakhs)

	GROSS BLOCK				DEPRECIATION BLOCK				IMPAIRMENT BLOCK				NET BLOCK	
	Cost as at 31-3-08	Additions during the year	Deductions during the year	Cost as at 31-3-09	Dep. up to 31-3-08	Dep. for 08-09**	Dep. on Dedn	Dep. up to 31-03-09	Impairment up to 31-03-08	Additions during the year	Deductions during the year	Impairment up to 31-03-09	WDV as at 31-3-09	WDV as at 31-3-08
1) Land *	970.40	2019.86	—	2990.26	---	—	—	—	---	—	—	---	2990.26	970.40
2) Factory & Buildings	4964.15	21.44	2.24	4983.35	1473.35	149.88	0.37	1622.86	---	—	—	---	3360.49	3494.91
3) Plant and Machinery	51020.48	4380.53	134.17	55266.84	18999.48	2704.68	111.83	21592.33	332.28	---	21.97	310.31	33364.20	31684.62
4) Transport Equipment	2093.21	42.56	78.42	2057.35	1028.48	198.59	65.56	1161.51	---	—	—	---	895.84	1064.72
5) Furniture & Fittings	583.82	17.78	2.72	598.88	426.31	34.46	2.08	458.69	---	—	—	---	140.19	157.50
6) Tramways and Railway Sidings	733.00	—	1.01	731.99	208.41	34.37	1.01	241.77	---	—	—	---	490.22	524.59
7) Renewable Energy Plant : Wind Farm	4560.30	—	—	4560.30	934.06	240.78	—	1174.84	---	—	—	---	3385.46	3626.25
TOTAL	64925.36	6482.17	218.56	71188.97	23070.09	3362.76	180.85	26252.00	332.28	—	21.97	310.31	44626.66	41522.99
Previous Year	61932.44	3081.84	88.91	64925.37	19911.30	3239.27	80.47	23070.10	353.25	---	20.97	332.28	41522.99	41667.88

* Including Buildings of the Gross value of Rs.42.50 lakhs constructed on leasehold land at Kakinada.

** Depreciation for the year includes depreciation on impaired assets to the extent of Rs.2091801at Bhimadole and depreciation capitalised to the extent of Rs.13104 at MM division.

The Andhra Sugars Limited

SCHEDULE - 6

(Rupees in lakhs)

INVESTMENTS

A) TRADE INVESTMENTS

1) IN SUBSIDIARY COMPANIES

	As at 31-03-2009	As at 31-03-2008
a) 3,28,760 partly paid Equity Shares of Rs.10/- each (Rs.2.50 per share paid-up) in Hindustan Allied Chemicals Ltd.,(Unquoted)	2.74	2.74
b) 3,45,700 fully paid Equity Shares of Rs.10/- each in The Andhra Farm Chemicals Corpn.Ltd.,(Quoted)	34.57	34.57
c) 24,43,250 fully paid Equity Shares of Rs.10/- each in JOCIL LTD.,(Quoted)	441.79	441.79

2) IN OTHER COMPANIES

a) 1,40,000 fully paid Equity Shares of Rs.10/- each in Sree Akkamamba Textiles Ltd., (Quoted)	1.75	1.75
b) 2,39,45,454 fully paid Equity Shares of Rs.10/- each in The Andhra Petrochemicals Ltd., (a Company under the same management) (Quoted)	3014.82	3014.82
c) 96,64,080 fully paid Equity Shares of Rs.10/- each in Andhra Pradesh Gas Power Corporation Ltd., (Unquoted)	3656.74	3656.74
d) 25,052 fully paid Equity Shares of Rs.10/- each in Andhra Bank (Quoted)	4.31	4.31

B) NON-TRADE INVESTMENTS

a) In Government Securities: National Plan Saving Certificates (lodged with Govt.Departments towards security)		0.12	0.12
b) 10,00,000 Equity Shares of Rs.10/-each in Agri Business Finance (AP) Ltd., (Unquoted)	100		
Less: Calls due	50	50.00	50.00

c) 45,200, 6.75% Tax free U.S.64 bonds of Rs.100/- each in Unit Trust of India. Less:Redeemed during the year	45	---	45.20

d) 7,12,110.482 Units of UTI Mutual Fund Service Industries fund sector Purchased during the year		201.10	0.00
e) 1,391 Equity Shares of Rs.10/- each, fully paid-up in Indian Bank (Quoted)		1.27	1.27
		-----	-----
		7409.21	7253.31
		-----	-----

All the above investments, unless otherwise specified, are long-term investments.

Cost of unquoted investments	3744.16	3744.16
Cost of quoted investments	3665.05	3509.15
	-----	-----
	7409.21	7253.31
	-----	-----
Market value of quoted investments	4107.26	4519.97

The Andhra Sugars Limited

(Rupees in lakhs)

INVENTORIES

(As certified by the Managing Director)

SCHEDULE - 7

	As at 31-03-2009	As at 31-03-2008
Stores and Spares	3431.14	2526.78
Raw Materials	2453.52	3538.99
Work-in-process	245.64	275.73
Finished Goods - at Cost	6442.81	7159.17
- at Market value	6929.23	10819.87
Goods in Transit	84.02	22.48
Crops under cultivation	0.39	1.98
	19586.75	24345.00

SUNDRY DEBTORS

SCHEDULE - 8

a) Debts outstanding for a period exceeding six months		
Unsecured-considered good	153.54	58.79
Unsecured-considered doubtful	19.81	19.81
	173.35	78.60
Less: Provision for Doubtful Debts	19.81	19.81
	153.54	58.79
b) Other Debts: Unsecured-considered good	5602.92	3325.68
	5756.46	3384.47

CASH AND BANK BALANCES

SCHEDULE - 9

Cash and Cheques on hand	7.60	8.93
Balances with Scheduled Banks in		
- Current Accounts	824.47	973.62
- Fixed Deposit Accounts	142.41	321.65
- With Post Office Savings Bank (Maximum balance during the year Rs.220/-)	---	---
Remittance in transit	---	18.60
	974.48	1322.80
Balances with Scheduled Banks, include inter-alia, the following:		
a) In "Unclaimed Dividend Accounts" u/s 205A of the Companies Act, 1956	80.98	109.98
b) Towards unencashed interest/redemption warrants on 16.5% Non Convertible Debentures	0.36	0.88
c) Towards staff security deposit	31.44	30.48

The Andhra Sugars Limited

(Rupees in lakhs)

OTHER CURRENT ASSETS

SCHEDULE - 10

	As at 31-03-2009	As at 31-03-2008
Interest accrued on Investments and deposits	39.39	37.46
	<u>39.39</u>	<u>37.46</u>

LOANS AND ADVANCES

SCHEDULE - 11

Advances (recoverable in cash or in kind for value to be received)		
Unsecured considered good	1747.09	2553.28
Unsecured considered doubtful	0.03	0.03
	<u>1747.12</u>	<u>2553.31</u>
Less: Provision for doubtful Advances	0.03	0.03
	<u>1747.09</u>	<u>2553.28</u>
Prepaid expenses	69.16	65.19
Excise Duty paid in advance (including Cenvat credit pending utilisation)	888.89	1487.96
Advance payment of Direct Taxes	4609.48	4129.05
Income Tax deducted at source	87.40	74.51
Deposits recoverable	961.95	697.60
Claims recoverable	1117.34	374.89
Balance with Customs, Port Trust, etc.,	19.94	59.91
	<u>9501.25</u>	<u>9442.39</u>
Due from a Subsidiary Company (included in "advances" above)	0.28	0.21

LIABILITIES

SCHEDULE - 12

Sundry Creditors		
Due to Micro, Small & Medium Enterprises (see Note No.9)	26.08	—
Due to Others [Includes Rs. 644.39 lakhs (Rs. 279.17 lakhs) due to Directors]	11659.57	13315.91
Due to Subsidiaries	—	—
Advances received against sales	346.61	215.31
Trade Deposits	86.20	86.03
Staff security deposit	29.66	24.40
Interest accrued but not due on Loans & Fixed Deposits [Includes Rs.51.09 lakhs (Rs.52.61 lakhs) due to Directors] [Includes Rs. 0.09 lakhs (Rs.0.09 lakhs) due to Subsidiary Company]	233.73	203.51
Dividends pending encashment *	80.98	109.98
Unclaimed matured Fixed Deposits *	30.44	37.54
Unclaimed interest on matured Deposits * and debentures	10.16	6.96
	<u>12503.43</u>	<u>13999.64</u>

* These amounts have not fallen due for remittance to Investor Education and Protection Fund in accordance with Sec.205 C of the Companies Act, 1956, as at the date of the Balance Sheet.

The Andhra Sugars Limited

PROVISIONS	(Rupees in lakhs)	
	SCHEDULE - 13	
	As at 31-03-2009	As at 31-03-2008
For Income Tax and Fringe Benefit Tax	4992.38	4637.00
For Wealth Tax	10.00	8.00
For Proposed Dividend	1626.43	1355.35
For Tax on Distributable Profits	243.19	201.28
For Employees Compensated Absences	281.14	234.07
For Gratuity	683.86	701.19
	-----	-----
	7837.00	7136.89
	-----	-----

SCHEDULES TO PROFIT & LOSS ACCOUNT

OTHER INCOME	SCHEDULE - 14	
Processing and Job work income	18.45	51.70
Freight and other sales expenses recovered	1434.47	1321.18
Subsidy on Superphosphate sales	1083.67	347.75
Rents received	66.29	56.49
Dividends received	185.47	308.00
Interest from Banks and Others	74.39	73.29
Interest on Investments	0.51	3.05
Miscellaneous receipts	176.52	177.35
Profit on Sale of Assets	34.74	3.86
Provisions/ Credit balances written back	17.79	9.40
Claims received	30.88	190.25
Income from agriculture (Net)	6.90	9.08
Impairment provision written back	1.05	---
Difference in exchange	41.82	112.48
Income of earlier years	0.13	0.38
	-----	-----
	3173.08	2664.26
	-----	-----
1) Dividend income includes:		
i) From Trade Investments - In subsidiaries	171.03	66.15
- In others	14.44	241.85
ii) From Non-Trade Investment	---	---
2) Tax deducted at source :		
— on Interest income	15.46	12.34
— on Contracts	1.04	2.30
— on Rents received	13.66	10.40
— on Technical and professional services	1.19	1.03

(Rupees in lakhs)

SCHEDULE - 15**OPENING AND CLOSING STOCKS**

	As at 31-03-2009	As at 31-03-2008
Opening Stock:		
Work-in-process	275.73	416.60
Finished goods	17979.04	14909.64
Total (A)	<u>18254.77</u>	<u>15326.24</u>
Closing Stock:		
Work-in-process	245.63	275.73
Finished goods	13372.05	17979.04
Total (B)	<u>13617.68</u>	<u>18254.77</u>
Add: (Increase)/Decrease in Excise duty on stocks (C)	<u>530.79</u>	<u>(316.57)</u>
Accretion to stock	---	2611.96
Decretion in stock	<u>4106.30</u>	---

SCHEDULE - 16**PAYMENTS AND BENEFITS TO EMPLOYEES**

Salaries, Wages and Bonus	3782.34	3715.39
Contribution to Provident, Gratuity and other funds	469.12	592.10
Workmen and Staff Welfare Expenses	230.33	238.28
	<u>4481.79</u>	<u>4545.77</u>

MANUFACTURING AND OTHER EXPENSES**SCHEDULE - 17**

Stores & Spares consumed (including packing materials)	1416.46	1507.26
Power and Fuel	7551.98	7760.19
Insurance	79.40	130.28
Sugarcane Development Expenses	100.89	46.56
Repairs to Buildings	133.25	212.53
Repairs to Machinery	1869.64	2482.26
Repairs to Other Assets	440.50	516.54
Advertisement and Sales Promotion	9.19	13.71
Handling, Transport & Expenses at Sales Depots	1671.42	1556.02
Commission on Sales	52.23	59.87
Rent	10.63	9.78
Directors' Sitting Fee	3.40	3.20
Managerial Remuneration (Note No.25)	741.56	394.89
Payments to Auditors (Note No.22)	10.70	11.48
Miscellaneous expenses	512.60	546.80
Donations	28.30	27.00
Loss on sale of Assets	4.04	0.13
Devaluation of Raw Material	452.97	---
Expenses of earlier years	---	0.22
Bad debts	0.00	0.02
Debit balances written off	0.72	---
Assets written off	12.78	4.11
Stores & spares written off	---	---
Loss on sale/ conversion of Investments	---	4.82
Difference in exchange	564.78	39.77
	<u>15667.44</u>	<u>15327.44</u>

The Andhra Sugars Limited

(Rupees in lakhs)

SCHEDULE - 18

EXCISE DUTY AND TAXES	As at 31-03-2009	As at 31-03-2008
Excise Duty (Net)	7.14	0.62
Purchase Tax on Sugarcane	264.60	709.16
Rates and Taxes	186.85	213.96
	<u>458.59</u>	<u>923.74</u>

SCHEDULE - 19

INTEREST		
On Fixed period loans from banks	1168.09	1234.71
On Fixed deposits from Whole- time Directors	295.21	181.53
On Other accounts	1760.20	1461.95
	<u>3223.50</u>	<u>2878.19</u>

SCHEDULE - 20

DIVIDENDS		
Proposed dividend	1626.43	1355.35
Tax on above	243.19	201.28
	<u>1869.62</u>	<u>1556.63</u>

NOTES FORMING PART OF THE ACCOUNTS

The Andhra Sugars Limited

SCHEDULE - 21

(Rupees in lakhs)

	As at 31-03-2009	As at 31-03-2008
1. Estimated amount of contracts remaining to be executed on Capital Account and not provided for	165.34	1653.40
2. 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
3. Claims against the Company not acknowledged as debts relating to the following areas :		
i) Excise	3.36	17.09
ii) Customs	2.92	2.92
iii) Service Tax	29.77	13.43
iv) Sales Tax	26.00	28.14
v) Income Tax	54.97	---
vi) State Levies	159.13	170.70
vii) Suppliers and Service contract	137.29	175.51
viii) Labour related	3.00	17.71
4. 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	—	40.49

b) Under the provisions of "The Levy Sugar Price Equalisation Fund Act, 1976" the excess amount collected over the notified levy sale price pursuant to the interim stay granted by the Courts vests in the fund. In a writ petition No: 1534/76 filed by the Company against these provisions, the High Court of Andhra Pradesh has held that provisions of the said Act are not applicable to the excess collections made prior to 15-6-1972, against which the Union Government filed a civil appeal No: 274/79 before the Supreme Court, which is pending.

While admitting the appeal, the Supreme Court granted stay of operation of Judgement 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. 59.20 lakhs (Rs.57.47 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 this year against payment of buffer stock subsidy dues, which was protested by the Company.

5. "Sundry Creditors" includes Rs.7.53 lakhs received from State Trading Corporation (STC) towards damages for breach of Contract pursuant to the orders of the Appellate Authorities/ Arbitrators. Since, further Appeals preferred by the S.T.C., before the higher appellate authorities are pending, the said amount is not recognised as revenue in the year of receipt, pending disposal of final appeal.
6. The Company has given undertakings / assurance to IDBI not to dispose of its share holdings in The Andhra Petrochemicals Limited, without the prior consent of the IDBI until the loan payable by the said Company to IDBI is fully repaid.
7. In the opinion of the management, all the amounts stated under sundry debtors and loans and advances are recoverable at the values at which they are stated.

The Andhra Sugars Limited

8. Balances in personal accounts of various parties are subject to confirmation by and reconciliation with the said parties.
9. Disclosures on payments and dues to “suppliers” as defined in Micro, Small and Medium enterprises Development Act, 2006 (“The Act”).

	31.03.2009
1. Amount remaining unpaid, beyond the appointed / agreed date at the end of the year	Rs.
(a) Principal amount of bills to be paid	7482
(b) Interest due thereon	208
2. (a) Payments made to suppliers, during the year, but beyond appointed / agreed by	32936
Interest thereon in terms of Sec. 16 of the Act	32
(b) Interest paid along with such payments during the year	0
(c) Interest due and payable at the end of the year, on such payments made during the year	32
3. Amount of interest, for the year, u/s. 16 of the Act, including that accrued and remaining unpaid, at the end of the year	240
4. Total amount of interest, u/s. 16 of the Act, including that arising in earlier years, accrued and remaining unpaid at the end of the year	240

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

10. Loans and Advances in the nature of loans given to subsidiary Hindustan Allied Chemicals Limited as per Clause 32 of the Listing Agreement is Rs.0.28 lakhs as on 31.3.2009. (Maximum balance outstanding during the year is Rs.0.28 lakhs). The investment in the Equity Shares of the company is Nos. 328760.
11. Closing stock units of Wind farm at Ramagiri and power generation unit at Taduvai as per the books of the Company and as confirmed by the AP Genco is subject to reconciliation, to the extent of Rs.11.83 lakhs due to certain matters pending before Honourable High Court of Andhra Pradesh.

The Andhra Sugars Limited

12. SALES

(Rupees in lakhs)

		This year		Previous year	
		Quantity	Value	Quantity	value
Sugar	M.T	97705	17864.90	114720	16030.45
Molasses	M.T	4775	88.33	27325	491.73
Industrial Alcohols & Ethanol	K.L	4599	1698.93	4995	1267.80
Acetic Acid	M.T	1077	384.63	669	235.45
Acetic Anhydride	M.T	680	519.50	539	369.39
Ethyl Acetate	M.T	3	2.05	---	---
Aspirin	M.T	598	1241.23	351	566.85
Caustic Soda	M.T	84695	18543.94	92032	18507.84
Caustic Potash	M.T	9157	6589.97	8068	2977.25
Chlorine	M.T	43909	1341.84	46329	2018.67
Hydrochloric Acid	M.T	118599	1603.96	126787	1825.12
Sodium Hypochlorite	M.T	22308	716.37	14761	450.46
Hydrogen gas	CU.MTR	2168920	550.31	2410811	435.54
Chlorosulphonic Acid	M.T	---	---	---	---
Sulphuric Acid	M.T	69986	7793.06	67823	2764.21
Superphosphate	M.T	13341	400.27	30911	934.96
UDMH/UH25	M.T	128	924.53	166	1127.43
Mono Methyl Hydrazine	M.T	16	369.88	6	125.98
HTPB	M.T	64	442.71	83	500.10
Electrical Energy	KWH	17768220	475.75	15696720	423.81
Cattle Feed	M.T	4042	315.72	3562	232.12
Others			462.26		252.93
		62330.14		51538.09	
Note: The above figures include Excise Duty recovered		5139.32		5139.43	

13. Stores and Spares consumed and the value of 'Sales' are after excluding the value of the Products internally produced and consumed at the market value of :

66.02 **96.51**

14. RAW MATERIALS CONSUMED:

(Rupees in lakhs)

		This year		Previous year	
		Quantity	Value	Quantity	value
Sugarcane	M.T.	441469	6353.09	1182507	13103.08
Phenol	M.T.	653	463.56	388	291.45
Sulphur	M.T.	22853	6865.43	27961	1975.94
Rockphosphate	M.T.	7285	483.82	15350	550.74
Salt	M.T.	151574	3715.98	158686	3040.66
Potassium Chloride	M.T.	11937	3224.33	10951	1399.23
Extractions for Cattle feed	M.T.	2763	215.07	3840	156.55
Other raw materials			948.41		805.71
		22269.69		21323.36	

Note: Where one class of goods is used in the manufacture of another, consumption of raw-materials and sales have been arrived at after deducting inter unit transfers. Excise duty, if any, is adjusted in Schedule No.18.

15. OPENING AND CLOSING STOCKS OF FINISHED GOODS:

(Rupees in lakhs)

The Andhra Sugars Limited

PRODUCTS	UNIT	OPENING STOCKS				CLOSING STOCKS			
		THIS YEAR		PREVIOUS YEAR		THIS YEAR		PREVIOUS YEAR	
		QUANTITY	VALUE	QUANTITY	VALUE	QUANTITY	VALUE	QUANTITY	VALUE
SUGAR	MT	112409	16556.56	95708	13341.76	61067	11235.74	112409	16556.56
MOLASSES	MT	33356	436.51	29920	710.98	19518	834.75	33356	436.51
SULPHURIC ACID	MT	3866	147.04	2471	52.93	4757	139.57	3866	147.04
OLEUM	MT	---	---	---	---	---	---	---	---
SUPERPHOSPHATE	MT	3219	99.27	7175	212.94	2020	113.88	3219	99.27
CAUSTIC SODA	MT	1453	186.88	1024	124.72	2532	402.06	1453	186.88
CAUSTIC POTASH	MT	352	125.31	170	58.56	505	271.83	352	125.31
CHLORINE	MT	153	4.91	215	6.64	178	5.37	153	4.91
SODIUM HYPOCHLORITE	MT	20	0.60	28	0.75	27	0.84	20	0.60
HYDROCHLORIC ACID	MT	297	4.20	508	3.9	480	2.11	297	4.20
INDUSTRIAL ALCOHOLÐANOL	KL	452	66.00	443	66.68	740	122.81	452	66.00
FUSEL OIL	KL	2	0.23	1	0.1	2	0.21	2	0.23
ACETIC ACID	MT	37	7.50	11	2.19	42	10.27	37	7.50
ACETIC ANHYDRIDE	MT	81	37.88	129	67.84	58	45.16	81	37.88
ETHYL ACETATE	MT	14	4.50	16	5.77	15	6.01	14	4.50
CHLOROSULPHONIC ACID	MT	0	0.00	53	3.52	0	0	0	0.00
ASPIRIN	MT	93	185.89	146	101.75	74	132.76	93	185.89
ORGANIC DIERVATIVES OF HYDRZINE OR OF HYDROXYL AMINE	MT	11	71.58	3	19.75	4	22.03	11	71.58
H.T.P.B	MT	1	0.91	5	6.98	17	20.42	1	0.91
HYDROGEN GAS	CU.MTR	2652	0.19	3809	0.19	5415	0.48	2652	0.19
BARIUM SULPHATE	MT	1	—	1	0.05	1	—	1	—
Electrical Energy	UNITS	—	—	1483794	15.88	—	—	—	—
OTHERS			43.08		105.76		5.75		43.08
TOTAL			17979.04		14909.64		13372.05		17979.04

16. PARTICULARS REGARDING CAPACITY AND PRODUCTION:

CLASS OF GOODS	CAPACITY				ACTUAL PRODUCTION		
	LICENCED		INSTALLED		Year ended March, 2009		Year ended March, 2008
1 Sugar							
a. Tanuku	5,000	MT Cane/Day	5,000	MT Cane/Day	20790	MT	53684 MT
Molasses (By-product of Sugar)					9123	MT	22836 MT
b. Taduvai	5,500	MT Cane/Day	5,500	MT Cane/Day	14752	MT	53838 MT
Molasses (By-product of Sugar)					6138	MT	21566 MT
c. Bhimadole	5,500	MT Cane/Day	1,600	MT Cane/Day	10877	MT	25395 MT
Molasses (By-product of Sugar)					5217	MT	11379 MT
2 Alcohol based Chemicals	1,800	MT/annum	1,800	MT/annum	1939	MT	1357 MT
Alcohol based Chemicals (Ethyl Acetate)	1,268	MT/annum	1,268	MT/annum	45	MT	32 MT
Butyl Acetate	1,268	MT/annum	1,268	MT/annum	—		—
3 Industrial Alcohol	9,900	KL/annum	9,900	KL/annum	11536	KL	10324 KL
4 Carbon Dioxide	5,000	MT/annum	5,000	MT/annum	—	MT	— MT
5 Aspirin	2,500	MT/annum	1,000	MT/annum	641	MT	312 MT
6 H.T.P.B.	180	MT/annum	180	MT/annum	80	MT	79 MT
7 Diffusers	4 Nos	per annum	4 Nos	per annum	—	---	—
8 Chemical Equipment	392	MT/annum	500	MT/annum	—	---	—
9 Sugar Factory Boiling House Equipment	1,000	MT/annum	1,000	MT/annum			
10 Organic Derivatives of Hydrazine or of Hydroxyl Amine	250	MT/annum	250	MT/annum	134	MT	174 MT
11 Caustic Soda (Kovvur)							
a. Caustic Soda		MT/annum		MT/annum	—		—
b. Hydrochloric Acid		MT/annum		MT/annum	—	MT	— MT
		(100% basis)		(100% basis)			
c. Chlorine		MT/annum		MT/annum	—	MT	— MT
d. Caustic Potash	2,500	MT/annum	2,500	MT/annum	—	MT	— MT
e. Sodium Hypochlorite	1,650	MT/annum	1,650	MT/annum	7547	MT	7589 MT
f. Caustic Potash (Membrane Cell Process)	16,500	MT/annum	16,500	MT/annum	9456	MT	8036 MT
g. Hydrochloric Acid	6,600	MT/annum	6,600	MT/annum	2775	MT	2464 MT
	(100% basis)		(100% basis)				
h. Chlorine	9,900	MT/annum	9,900	MT/annum	4343	MT	4013 MT

CLASS OF GOODS	CAPACITY				ACTUAL PRODUCTION			
	LICENCED		INSTALLED		Year ended March, 2009		Year ended March, 2008	
12 Sulphuric Acid	45,000	MT/annum	45,000	MT/annum	18681	MT	22066	MT
13 Superphosphate	66,000	MT/annum	66,000	MT/annum	12142	MT	26955	MT
14 Chlorosulphonic Acid	20,000	MT/annum	20,000	MT/annum	0	MT	3	MT
15 Oleum	6,600	MT/annum	6,600	MT/annum	—	MT	—	MT
16 Caustic Soda (Saggonda)								
a. Caustic Soda	132,000	MT/annum	132,000	MT/annum	94736	MT	99144	MT
b. Hydrochloric Acid (100% basis)	40,000	MT/annum	40,000	MT/annum	133999	MT	139337	MT
c. Chlorine	76,000	MT/annum	76,000	MT/annum	40318	MT	43065	MT
d. Sodium Hypochlorite	6,600	MT/annum	6,600	MT/annum	14769	MT	7165	MT
e. Hydrogen gas	1,000	MT/annum	1,000	MT/annum	2171683	CU.MTR	2409654	CU.MTR
f. Barium Sulphate	330	MT/annum	330	MT/annum	—	MT	—	MT
17 Sulphuric Acid (Saggonda)	99,000	MT/annum	99,000	MT/annum	58323	MT	57639	MT
18 Chlorosulphonic Acid (Saggonda)	33,000	MT/annum	—	—	—			
19 Liquid Hydrogen	330	MT/annum	330	MT/annum	—		—	
20 Crushing and processing of seeds and oil bearing vegetable produce	63,000	MT/annum	125	MT/day crushing				
			300	MT/ day Processing				
21 Vegetable oil refining	18,000	MT/annum	60	MT/day	—		—	
22 Hydrogenation of Oils	12,600	MT/annum	40	MT/day	—		—	
23 Cattle and Poultry Feed	15,000	MT/annum	15	MT/day	4042	MT	3562	MT
24 Wind Power (Anantapuram)	2.025	MW	2.025	MW	2196500	units	2251300	units
25 Wind Power (Tamilnadu)	6.600	MW	6.600	MW	17893350	units	15696720	units
26 Electricity (Co-Gen.at Taduvai)	7	MW	7	MW	9415660	units	26992260	units
27 Potassium Carbonate	7500	MT/annum	—					
28 Bagasse	—		—		132919	MT	360992	MT
29 Poly Aluminium Chloride	30000	MT/annum	—		—		—	

1. The above licenced capacities are as registered with the concerned authorities, wherever necessary, consequent to delicensing of the respective products.
2. Production of Electrical energy is net after deductions towards wheeling and banking charges.
3. The installed capacities are as certified by the Managing Director.

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

	(Rupees in lakhs)			
	This year		Previous year	
	Value	Percentage	Value	Percentage
Imported	9676.89	43	3997.75	19
Indigenous	12592.80	57	17325.61	81
	-----	-----	-----	-----
	22269.69	100	21323.36	100
	-----	-----	-----	-----

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

Imported	171.41	4	97.65	2
Indigenous	3804.71	96	4666.39	98
	-----	-----	-----	-----
	3976.12	100	4764.04	100
	-----	-----	-----	-----

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

Capital Goods	279.93	370.77
Components and Spare parts	332.80	163.53
Raw - materials	7821.40	4408.17
	-----	-----
	8434.13	4942.47
	-----	-----

20. Earnings in foreign exchange on FOB basis:

	This year	Previous Year
	878.56	29.63

21. Expenditure incurred in foreign currency:

Books and Periodicals	1.73	0.72
Foreign travel (excluding tickets purchased in India)	9.40	5.62
Delegation fee	2.01	6.19
Professional charges	—	1.11
Managerial remuneration (Medical expenses to Whole-time Directors)	32.04	54.83
Capital work-in-progress - Poly Aluminium Chloride Plant	0.00	24.38

22. Payments made to Auditors:

As Auditors	5.00	5.00
As Tax Auditors and for other Tax matters	1.50	1.15
Fee for Certification including limited review etc.,	2.19	3.38
Reimbursement of out-of-pocket expenses	0.43	0.69
	-----	-----
	9.12	10.22
As Cost Auditors	1.10	0.90
Fee for Certification	0.15	0.15
Reimbursement of out-of-pocket expenses	0.33	0.21
	-----	-----
	10.70	11.48
	-----	-----

The Andhra Sugars Limited

(Rs. in lakhs)

This Year Previous Year

23. During the year the Company has incurred the following expenditure on Research and Development which was included under respective heads in the Profit and Loss Account:

Salaries, Wages and Bonus	64.01	60.05
Contribution to Provident, Gratuity and other funds	9.38	5.09
Workmen and Staff Welfare Expenses	1.29	3.10
Materials consumed	6.25	4.01
Power and Fuel	0.68	0.21
Repairs to Assets	2.96	3.77
Miscellaneous Expenses	5.84	3.18
Depreciation	5.47	0.00
	-----	-----
	95.88	79.41
	-----	-----

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

Salaries, Wages and Bonus	26.18	42.27
Contribution to Provident, Gratuity and other funds	2.52	3.66
Workmen and Staff Welfare Expenses	1.30	2.55
Power and Fuel	2.33	4.55
Insurance	0.00	0.11
Repairs to Buildings	0.04	0.28
Repairs to P & M	0.78	0.83
Miscellaneous Expenses	0.09	0.34
Depreciation	0.13	0.28
	-----	-----
	33.37	54.87
	-----	-----

(B) Revenue expenditure capitalised during the year includes among others:

Salaries, Wages and Bonus	4.50	—
Contribution to Provident, Gratuity and other funds	—	—
Power and Fuel	0.45	—
Miscellaneous Expenses	44.05	—
Borrowing Costs as per AS-16	0.69	—
— Term Loan Processing & Upfront fee, Bank Charges	—	7.52
— Interest Paid to Banks on fixed period loans	94.67	—
	-----	-----
	144.36	7.52
Less: Interest received	0.00	1.46
	-----	-----
	144.36	6.06
	-----	-----

25. Computation of Net Profits in accordance with Sec. 349 of the Companies Act.

(Rupees in lakhs)

Net Profit as per Profit & Loss account		6814.88
Add: Sitting fees	3.40	
Remuneration provided	741.56	
Profit on sale of assets in accordance with Section 349	34.74	
Loss on sale of investments	---	
Depreciation provided	3341.71	
		4121.41

		10936.29
Less: Depreciation in accordance with Sec.350	3341.71	
Profit on sale of assets	34.74	
Impairment provision reversed	1.05	
		3377.50

Net Profit in accordance with Sec.349		7558.79

Details of the remuneration to the Whole-time Directors (including Managing Director)

	This Year	Previous Year
Salary	34.80	34.80
Contribution to Provident, Gratuity and other Funds	9.82	10.00
Other perquisites	54.44	70.92
Commission on profits	642.50	279.17
	-----	-----
	741.56	394.89
	-----	-----

The cost to the Company of the perquisites allowed during the year to the Managing Director (Tech.) & Executive Director in addition to the remuneration shown above works out to Rs.53,251/-. The value of the said perquisites computed in accordance with Income Tax Rules, 1962, works out to Nil.

26. Major components of deferred tax assets and liabilities arising on account of timing

differences are:

<u>Particulars</u>	<u>Assets</u>	<u>Liabilities</u>
1 Depreciation		7745.90
2 Amounts disallowed u/s 43B of Income Tax Act, 1961	904.59	
3 Provision for doubtful debts	6.74	
	-----	-----
	911.33	7745.90
	-----	-----
Deferred Tax (Net)		6834.57

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

	Gratuity	Compensated
	Rs.	<u>Absences</u>
		Rs.
a) Reconciliation for present value of obligations		
Present value of obligations as at the beginning of the year	119305810	18704395
Interest Cost	6880248	954917
Current Service Cost	20668985	3921240
Benefits paid	55012333	9663648
Actuarial loss on obligation	10199535	7842193
Present value of obligations as at the end of the year	125743175	21759097
b) Reconciliation for Fair Value of Plan Assets		
Fair value of plan assets at the beginning of the year	49186815	
Expected return on plan assets	9193653	
Contributions	9888932	
Benefits paid	10912333	
Actuarial gain on plan assets	0	
Fair value of plan assets at the end of the year	57357067	
c) Expenses recognised in statement of Profit & Loss a/c		
Current Service cost	20668985	3921240
Interest Cost	6880248	954917
Expected return on plan assets	9193653	0
Net Actuarial loss recognised in the year	10199535	7842193
Expenses to be recognised in the statement of Profit & Loss A/c.	8156045	12718350
d) Net Liability recognised in the Balance Sheet		
Present value of obligations as at the end of the year	125743175	21759097
Fair value of plan assets as at the end of the year	57357067	0
Funded status	68386108	0
Net Liability recognised in the Balance Sheet	68386108	21759097
e) Actuarial Assumptions		
Assumptions	31/03/2009	31/03/2009
Discount Rate	7.50%	7.50%
Salary Escalation	4%	4%
Attrition rate	1.50%	1.50%
Expected return on plan assets	7.50%	0%
Mortality	LIC 94-96	LIC 94-96
	Mortality Rates	Mortality Rates

28. GENERAL:

In line with the **emerging** industry practice as advocated by the industry association of which the Company is a member and taking **into** consideration of the present realisable value of Chlorine, the Company has treated Chlorine produced **in the** course of manufacture of Caustic Soda and Caustic Potash as a by-product instead of as joint product **until the** preceding year. As a result the inventories of finished goods are valued lower by Rs. 476528/- and **the** profit for the year is lower by Rs. 476528/-.

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

Per our report of **even date:**
For Brahmayya & Company
Chartered Accountants
T.V. RAMANA
Partner

Camp : TANUKU
Date : 18-07-2009

FOR AND ON BEHALF OF THE BOARD

Dr. Mullapudi Harischandra Prasad
A. Ranga Rao
M. Palachandra

Chairman & Managing Director
Director
Addl. Company Secretary

TANUKU
18-07-2009

CASH FLOW STATEMENT FOR THE YEAR

	(Rupees in lakhs)	
	2008-2009	2007-2008
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and extra-ordinary items	6,814.88	3,458.38
ADJUSTMENTS FOR:		
Depreciation	3,341.71	3,218.00
Assets written off	12.78	4.11
Interest (Net)	3,148.60	2,801.85
Impairment provision reversed credited to P&L a/c	(1.05)	—
Profit/Loss on sale of assets(Net)	(30.70)	(3.73)
Dividends received	(185.47)	(308.00)
Issue expenses of shares/debentures written off	—	—
Loss on conversion/sale of investments	0.00	4.82
	-----	-----
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	13,100.75	9,175.43
Trade and other receivables	(1,939.47)	(371.42)
Inventories	4,758.26	(4,766.58)
Trade payables	(1,383.11)	3,847.21
	-----	-----
CASH GENERATED FROM OPERATIONS	14,536.43	7,884.64
Direct taxes paid	(2,330.54)	(1,240.37)
	-----	-----
NET CASH FROM OPERATING ACTIVITIES.... A	12,205.89	6,644.27
	-----	-----
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets(Including Capital Work-in-progress, unallocated capital expenditure)	(4,735.15)	(5,812.62)
Sale of Investments	45.20	16.49
Sale of Fixed assets	55.64	8.06
Purchase of investments	(201.10)	(187.01)
Interest received	74.90	76.34
Dividends received	185.47	308.00
	-----	-----
NET CASH USED IN INVESTING ACTIVITIES....B	(4,575.03)	(5,590.74)
	-----	-----
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from borrowings/loans	(3,400.32)	3,943.27
Dividends paid	(1,355.35)	(1,626.42)
Interest paid	(3,223.50)	(2,878.19)
	-----	-----
NET CASH USED IN FINANCING ACTIVITIES.....C	(7,979.17)	(561.34)
	-----	-----
INCREASE / (-) DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(348.32)	492.19
	-----	-----
Cash and Cash equivalents as on 01.4.2008	1,322.80	830.61
Cash and Cash equivalents as on 31.3.2009	974.48	1,322.80
	-----	-----
	(348.32)	492.19
	-----	-----

Per our report of even date:
For Brahmayya & Company
Chartered Accountants
T.V. RAMANA
Partner

FOR AND ON BEHALF OF THE BOARD

Dr. Mullapudi Harischandra Prasad Chairman & Managing Director
A. Ranga Rao Director
M. Palachandra Addl. Company Secretary

Camp : TANUKU
Date : 18-07-2009

TANUKU
18-07-2009

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

JOCIL LIMITED

1. The Andhra Sugars Limited held 24,43,250 Equity Shares of Rs.10/- each fully paid-up out of the total paid-up shares of 44,40,575 amounting to Rs. 4,44,05,750.
2. The Subsidiary Company earned a profit of Rs.15,21,05,513/- for the year ended 31st March, 2009 and no part of this dealt with in the Holding Company's Accounts.

THE ANDHRA FARM CHEMICALS CORPORATION LIMITED

1. The Andhra Sugars Limited held 3,45,700 Equity Shares of Rs.10/- each fully paid-up out of the total subscribed shares of 4,50,000.
2. The Subsidiary Company incurred a loss of Rs.17,02,051/- for the year ended 31st March, 2009 and no part of this dealt with in the Holding Company's Accounts.

HINDUSTAN ALLIED CHEMICALS LIMITED

1. The Andhra Sugars Limited held 3,28,760 Equity Shares of Rs.2.50 ps per share called and paid-up out of the total subscribed shares of 4,25,012 of Rs.10/- each.
2. The Subsidiary Company earned a profit of Rs.28,929/- for the year ended 31st March, 2009 and no part of this dealt with in the Holding Company's Accounts.

Since the accounting year of the Subsidiary Companies, coincide with that of the Holding Company, furnishing of information relating to material changes of Subsidiary Companies, does not arise.

FOR AND ON BEHALF OF THE BOARD

TANUKU
18-07-2009

Dr. Mullapudi Harischandra Prasad Chairman & Managing Director
A. Ranga Rao Director
M. Palachandra Addl. Company Secretary

**PARTICULARS DISCLOSED PURSUANT TO “ACCOUNTING STANDARD -18
RELATED PARTY DISCLOSURES”**

(A) LIST OF RELATED PARTIES:

1) Subsidiary Companies:

- (a) JOCIL Limited
- (b) The Andhra Farm Chemicals Corpn. Ltd.,
- (c) Hindustan Allied Chemicals Ltd.,

2) Key Management Personnel (KMP):

Wholetime Directors

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

3) Relatives of Key Management Personnel:

Smt. M.Chandramathi Devi	Wife of Dr.M.Harischandra Prasad
Smt. Ch.Ravanamba	Sister of Dr.M.Harischandra Prasad
Smt. J.Gangabhavani Devi	Sister of Dr.M.Harischandra Prasad
Smt. Y.Rajeswari Devi	Sister of Dr.M.Harischandra Prasad
Smt. J.Anantha Lakshmi	Daughter of Dr.M.Harischandra Prasad
Smt. K.Rama Lakshmi	Daughter of Dr.M.Harischandra Prasad
Smt. N.V.Ramanamma	Daughter of Dr.M.Harischandra Prasad
Smt. Y.Narayanamma	Daughter of Dr.M.Harischandra Prasad
Sri B.V.V.S.Ramesh Kumar	Son of Dr.B.B.Ramaiah
Smt. P.Jhansi Jayalakshmi	Wife of Sri P.Narendranath Chowdary
Sri P.V.Krishna Rao	Brother of Sri P.Narendranath Chowdary
Smt. S.B.Ranganayaki	Sister of Sri P.Narendranath Chowdary
Smt. E.Rama Lakshmi	Sister of Sri P.Narendrnath Chowdary
Smt. J.Akkamamba	Sister of Sri P.Narendrnath Chowdary
Smt. J.Usha Rani	Sister of Sri P.Narendrnath Chowdary
Smt. M.Kamala Devi	Sister of Sri P.Narendrnath Chowdary
Smt. N.Anantha Lakshmi	Sister of Sri P.Narendrnath Chowdary
Kum. P.A.L.Satyavathi Devi	Daughter of Sri P.Narendranath Chowdary
Smt. M.Narayanamma	Wife of Sri M.Narendranath
Smt. G.Anuradha	Daughter of Sri M.Narendranath
Smt. G.Jayashree	Daughter of Sri M.Narendranath
Sri M.Vikram Prasad	Son of Sri M.Narendranath

Smt. M.Renuka	Wife of Sri M.Thimmaraja
Smt. G.Devi	Daughter of Sri M.Thimmaraja
Sri M.Mrutyumjaya Prasad	Son of Sri M.Thimmaraja
Smt. P.Sesha Shailaja	Wife of Sri P.Achuta Ramayya
Kum. P.Divya Atchmamba	Daughter of Sri P.Achuta Ramayya
Kum. P.Sruthi Rajeswari	Daughter of Sri P.Achuta Ramayya
Smt. P.Sujatha	Mother of Sri P.S.R.V.K.Ranga Rao
Smt. P.Usha Lakshmi	Wife of Sri P.S.R.V.K.Ranga Rao
Kum. P.Meghana Srisai Sujatha	Daughter of Sri P.S.R.V.K.Ranga Rao
Chy. P.P.Sri Narendrarayudu	Son of Sri P.S.R.V.K.Ranga Rao

4) Enterprises in which Key Management Personnel and/or their relatives have significant influence :

Jaya Industries
Jayalakshmi Fertilisers
Jayalakshmi Estate
Jaya Agro Chemicals
Sree Akkamamba Textiles Limited
Sree Satyanarayana Spinning Mills Limited
Royal Printing Works
S P V K R M Trust, Dommeru
Mullapudi Venkatarayudu Eye Centre
Mullapudi Kamala Devi Cardio Vascular Centre
Sree Mullapudi Venkataramanamma Memorial Hospital
SMTRM Library and Cultural Centre

5) Associate Company:

The Andhra Petrochemicals Limited

(B) TRANSACTIONS WITH THE RELATED PARTIES:

(Corresponding figures related to 31st March, 2008)

(Rupees in lakhs)

PARTICULARS	Subsidiary Companies	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relatives of Key Management Personnel
Purchase of Goods from	115.05 (174.27)	172.60 (286.25)	0.00 (0.00)	14.75 (18.35)	13.93 (21.01)
Purchase of Fixed Assets from	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Services Rendered by	1.22 (0.24)	0.00 (0.00)	0.00 (0.00)	11.90 (10.29)	1.15 (0.88)
Sale of Goods to	762.65 (311.70)	285.28 (563.95)	24.46 (26.27)	0.00 (3.28)	0.00 (0.00)
Sale of Fixed Assets to	19.21 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Services Rendered to	0.40 (0.82)	0.00 (0.00)	1.74 (0.35)	1.08 (1.16)	0.00 (0.77)
Interest Paid to	33.77 (67.22)	0.00 (0.00)	195.86 (185.38)	295.21 (181.53)	453.61 (275.60)
Remuneration (including Comm.) paid to	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	741.56 (394.89)	0.00 (0.00)
Donations Paid to	0.00 (0.00)	25.00 (27.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Dividend Paid to	0.00 (0.00)	72.73 (87.34)	0.00 (0.00)	195.53 (234.09)	345.64 (435.19)
Dividend Received from	171.03 (66.15)	1.40 (1.40)	0.00 (239.45)	0.00 (0.00)	0.00 (0.00)
Balances as at 31-03-2009:					
a) Share Capital held by the Company in	479.10 (479.10)	1.75 (1.75)	3014.83 (959.60)	0.00 (0.00)	0.00 (0.00)
b) Receivables- Trade dues from	0.28 (0.21)	74.64 (8.84)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
c) Share Capital of the Company held by	0.00 (0.00)	140.96 (145.57)	0.00 (0.00)	391.05 (390.59)	695.78 (723.43)
d) Loans/ Intercorporate loans received from	150.00 (400.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
e) Fixed Deposits received from	4.00 (4.00)	0.00 (0.00)	0.00 (0.00)	2255.45 (2050.45)	3582.15 (3041.80)
f) Payables :					
- Trade dues	32.24 (10.26)	0.44 (1.95)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
- Dues on Current a/c	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
- Interest on F Ds.	0.09 (0.09)	0.00 (0.00)	0.00 (0.00)	51.09 (47.19)	86.88 (71.46)
- Remuneration (including Comm.)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	645.19 (280.18)	0.00 (0.00)

AUDITORS' REPORT

To
The Board of Directors
THE ANDHRA SUGARS LIMITED
TANUKU

We have examined the attached Consolidated Balance Sheet of THE ANDHRA SUGARS LIMITED and its subsidiaries as at March 31, 2009, and the Consolidated Profit and Loss Account and the Cash flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in India which require that we plan and perform the audit to obtain reasonable assurance that the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free from material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 "Consolidated Financial Statements", prescribed by Companies (Accounting Standards) Rules, 2006 and on the basis of the separate audited financial statements of THE ANDHRA SUGARS LIMITED and its subsidiaries included in the consolidated financial statements and in accordance with the requirements of Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements", prescribed by Companies (Accounting Standards) Rules, 2006 with regard to the investment of The Andhra Sugars Limited in its Associate Company.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of THE ANDHRA SUGARS LIMITED and its aforesaid subsidiaries, we are of the opinion that:

- a) the Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of THE ANDHRA SUGARS LIMITED and its subsidiaries as at March 31, 2009
- b) the Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of THE ANDHRA SUGARS LIMITED and its subsidiaries for the year then ended, and
- c) the Consolidated Cash-flow Statement is in agreement with the aforesaid consolidated Profit and Loss Account and Balance Sheet and gives a true and fair view of the consolidated cash flows of the Company for the year ended on that date.

Camp : TANUKU
DATE : 18th July, 2009

for BRAHMAYYA & CO
Chartered Accountants
T.V. RAMANA
(ICAI Membership No.200523)
Partner

The Andhra Sugars Limited - Group Consolidated Financial Statements

BALANCE SHEET AS AT 31st MARCH, 2009

(Rupees in lakhs)

	Schedule	31-03-2009	31-03-2008
I SOURCES OF FUNDS:			
1) Shareholders' Funds			
a) Capital	1	2711.01	2711.01
b) Reserves & Surplus	2	37028.05	33632.80
		<u>39739.06</u>	<u>36343.81</u>
2) Minority Interest		4275.11	4008.18
3) Loan Funds			
a) Secured Loans	3	18209.36	22416.01
b) Unsecured Loans	4	13609.40	12215.31
		<u>31818.76</u>	<u>34631.32</u>
4) Deferred Tax (Net)			
a) Liability		8869.47	8404.29
b) Asset		935.27	894.15
		<u>7934.20</u>	<u>7510.14</u>
TOTAL		<u>83767.13</u>	<u>82493.45</u>
II APPLICATION OF FUNDS:			
1) Fixed Assets			
a) Gross Block	5	82572.48	76187.13
b) Less: Depreciation and impairment		32975.56	29281.61
c) Net Block		49596.92	46905.52
d) Capital work-in-progress at cost		3380.09	4992.86
e) Good Will		191.98	191.98
		<u>53168.99</u>	<u>52090.36</u>
2) Investments	6	9218.90	8599.37
3) Current Assets, Loans & Advances			
a) Inventories	7	21412.15	25888.65
b) Sundry Debtors	8	8125.35	5504.23
c) Cash and Bank Balances	9	3401.98	2009.78
d) Other Current Assets	10	58.51	53.62
e) Loans and Advances	11	11599.34	11500.90
		<u>44597.33</u>	<u>44957.18</u>
Less: Current Liabilities & Provisions:			
a) Liabilities	12	13695.10	14672.17
b) Provisions	13	9523.93	8482.23
		<u>23219.03</u>	<u>23154.40</u>
Net Current Assets		21378.30	21802.78
4) Miscellaneous Expenditure	14	0.94	0.94
TOTAL		<u>83767.13</u>	<u>82493.45</u>

NOTE: The schedules, notes and Statement on Accounting Policies form an integral part of the Balance Sheet.

Per our report of even date:
For Brahmayya & Company
Chartered Accountants
T.V. Ramana
Partner

FOR AND ON BEHALF OF THE BOARD
Dr. Mullapudi Harischandra Prasad
A. Ranga Rao
M. Palachandra

Chairman & Managing Director
Director
Addl. Company Secretary

Camp : TANUKU
Date : 18-07-2009

TANUKU
18-07-2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009.

	Schedule	(Rupees in lakhs)	
		This Year	Previous Year
INCOME			
Sales		75843.98	57435.95
Transport charges		464.82	433.23
Other Income	15	3385.55	2830.38
Accretion to /(Decreation in)stocks	16	(3868.72)	2710.89
		<u>75825.63</u>	<u>63410.45</u>
EXPENDITURE			
Raw Materials consumed		34824.80	27935.95
Payments & Benefits to Employees	17	5483.16	5362.13
Expenses	18	19613.74	17906.79
Excise Duty and Taxes	19	472.63	936.19
Interest	20	3223.57	2835.17
Depreciation		3888.52	3772.89
		<u>67506.42</u>	<u>58749.12</u>
Profit for the year		8305.98	4661.33
Add: Profit from Associate		463.63	814.21
Income Tax Refund Received		1.64	
Excess provision of Income Tax		12.37	2.39
Provision for Deminutiion in value of investments credited back		—	2094.42
		<u>8783.62</u>	<u>7572.35</u>
Less: Provisions for			
Current tax		2400.09	1317.60
Deferred tax (Net)		424.06	94.14
Wealth Tax		4.00	4.00
Fringe benefit tax		24.20	22.67
Short provision of Income Tax made in earlier years		7.21	177.90
		<u>5924.06</u>	<u>5956.04</u>
Profit after Tax		5924.06	5956.04
Less: Minority Interest		430.47	394.23
		<u>5493.59</u>	<u>5561.81</u>
Profit after Taxes and Minority Interest		5493.59	5561.81
Add: Balance brought forward from last year		5600.87	4575.77
		<u>11094.46</u>	<u>10137.58</u>
Balance available for appropriation		11094.46	10137.58

The Andhra Sugars Limited - Group Consolidated Financial Statements

	Schedule	(Rupees in lakhs)	
		This Year	Previous Year
General Reserve		735.15	2779.95
Provision for final dividend		1821.92	1526.41
Provision for Tax on distributable profits		276.41	230.35
Balance taken to Balance Sheet		8260.97	5600.87
		<u>11094.45</u>	<u>10137.58</u>
Basic Earnings per Share:			
(Profit after tax/ No.of Equity Shares)			
Profit after tax		5493.59	5561.81
No. of Equity Shares		27107078	27107078
Basic Earnings per share(Face value of Rs.10/- each) Rs.		20.27	20.52
Notes forming part of the accounts.	21		

NOTE : The schedules, notes and Statement on Accounting Policies form an integral part of the Profit & Loss Account.

Per our report of even date:
For Brahmayya & Company
Chartered Accountants
T.V. Ramana
Partner

FOR AND ON BEHALF OF THE BOARD
Dr. Mullapudi Harischandra Prasad
A. Ranga Rao
M. Palachandra

Chairman & Managing Director
Director
Addl. Company Secretary

Camp : TANUKU
Date : 18-07-2009

TANUKU
18-07-2009

SCHEDULES TO CONSOLIDATED BALANCE SHEET

(Rupees in lakhs)

	SCHEDULE - 1	
	As at	As at
	31-03-09	31-03-08
SHARE CAPITAL:		
AUTHORISED CAPITAL		
Equity Shares of Rs.10/- each	2875.00	2875.00
9.5% First Cumulative Redeemable Preference Shares of Rs.100/- each	30.00	30.00
9.5% Second Cumulative Redeemable Preference Shares of Rs.100/- each	95.00	95.00
	<u>3000.00</u>	<u>3000.00</u>
ISSUED CAPITAL		
Equity Shares of Rs.10/- each	2711.31	2711.31
	<u>2711.31</u>	<u>2711.31</u>
SUBSCRIBED AND PAID-UP CAPITAL		
Equity Shares of Rs.10/- each	2710.66	2710.66
Add: Forfeited shares	0.35	0.35
	<u>2711.01</u>	<u>2711.01</u>
RESERVES & SURPLUS		
	SCHEDULE - 2	
	As at	As at
	31-03-09	31-03-08
General Reserve	27135.42	26400.26
Securities Premium	1560.70	1560.70
Capital Reserve	70.67	70.67
Forfeited Debentures	0.30	0.30
Surplus in Profit & Loss A/c	8260.97	5600.87
	<u>37028.06</u>	<u>33632.80</u>
SECURED LOANS		
	SCHEDULE - 3	
	As at	As at
	31-03-09	31-03-08
FROM BANKS :		
Term Loans	5775.17	6000.00
Cash Credit	12434.19	16416.01
	<u>18209.36</u>	<u>22416.01</u>
UNSECURED LOANS:		
	SCHEDULE-4	
Fixed Deposits from Shareholders	1266.24	724.83
Fixed Deposits from Others	8586.88	8003.20
Sales Tax Deferment Loan	3756.28	3487.28
	<u>13609.40</u>	<u>12215.31</u>

FIXED ASSETS

SCHEDULE - 5

(Rupees in lakhs)

The Andhra Sugars Limited - Group Consolidated Financial Statements

	GROSS BLOCK				NET BLOCK		
	Cost as at 31-3-08	Additions during the year	Deductions during the year	Cost as at 31-3-09	Dep.up to 31-3-09	WDV as at 31-3-09	WDV as at 31-3-08
1) Land	1039.93	2019.87	---	3059.80	---	3059.80	1039.93
2) Buildings	5778.68	25.94	2.24	5802.38	2047.52	3754.86	3912.90
3) Plant and Machinery	61115.07	4444.06	136.64	65422.49	27665.89	37756.60	36509.48
4) Vehicles and Materials Handling Equipment	2235.04	103.48	87.75	2250.77	1274.02	976.75	1099.79
5) Furniture & Fittings	721.74	26.04	6.51	741.27	569.55	171.72	190.49
6) Tramways and Railway Sidings	733.00	---	1.01	731.99	241.76	490.23	524.59
7) Renewable Energy Plant: Wind Farm	4560.30	---	---	4560.30	1174.84	3385.46	3626.25
8) Intangible Assets (Computer Software)	3.37	0.11	---	3.48	1.98	1.50	2.09
TOTAL	76187.13	6619.50	234.15	82572.48	32975.56	49596.92	46905.52
Previous year	72209.40	4088.88	111.15	76187.13	29281.61	46905.52	46600.70

The Andhra Sugars Limited - Group Consolidated Financial Statements

(Rupees in lakhs)

INVESTMENTS :

SCHEDULE-6

	As at 31-03-09	As at 31-03-08
TRADE INVESTMENTS :		
- Equity Shares - in Associates (quoted) (See Note No.4 in Schedule 21)	5281.02	4817.39
- in others (quoted)	9.23	9.23
- Equity Shares (un-quoted)	3656.73	3656.73
NON-TRADE INVESTMENTS:		
- Equity Shares (quoted)	10.54	10.54
- Equity Shares (un-quoted)	60.00	60.00
- In Govt. Securities	0.18	0.18
- In Mutual Funds	201.20	45.30
	----- 9218.90 -----	----- 8599.37 -----

INVENTORIES

SCHEDULE-7

(As approved by the respective Managing Directors)

Stores and Spares & Tools and Implements	4118.94	3048.59
Raw Materials	2458.21	3614.00
Work-in-process	623.54	463.48
Finished Goods	14122.50	18733.57
Goods in Transit	84.02	22.48
Crops under cultivation	4.94	6.53
	----- 21412.15 -----	----- 25888.65 -----

SUNDRY DEBTORS

SCHEDULE-8

a) Debts outstanding for a period exceeding six months		
Unsecured-considered good	375.74	440.82
Unsecured-considered doubtful	19.81	19.81
	----- 395.55 -----	----- 460.63 -----
Less: Provision for Doubtful Debts	19.81	19.81
	----- 375.74 -----	----- 440.82 -----
b) Other Debts: Unsecured-considered good	7749.61	5063.41
	----- 8125.35 -----	----- 5504.23 -----

CASH AND BANK BALANCES

SCHEDULE-9

Cash and Cheques on hand	16.61	12.72
Balances with Scheduled Banks in		
Current Accounts	1516.90	1327.38
In Fixed Deposit Accounts	1868.47	651.08
Remittance in Transit	---	18.60
	----- 3401.98 -----	----- 2009.78 -----

The Andhra Sugars Limited - Group Consolidated Financial Statements

(Rupees in lakhs)

OTHER CURRENT ASSETS

SCHEDULE-10

	As at 31-03-09	As at 31-03-08
Interest accrued on Investments and Deposits	58.51	53.62
	<u>58.51</u>	<u>53.62</u>

LOANS AND ADVANCES

SCHEDULE-11

Advances		
(Recoverable in cash or in kind for value to be received)		
Unsecured-considered good	1958.81	2669.13
Unsecured-considered doubtful	0.03	0.03
	<u>1958.84</u>	<u>2669.16</u>
Less: Provision for doubtful Advances	0.03	0.03
	<u>1958.81</u>	<u>2669.13</u>
Prepaid expenses	101.73	92.62
Excise Duty paid in advance	1046.33	1781.68
(including Cenvat credit pending utilisation)		
Service Tax paid in Advance	0.16	1.04
APVAT paid in Advance	1.64	5.79
Advance payment of Income Tax	5811.90	4986.53
Advance payment of Fringe Benefit Tax	15.61	12.29
Income Tax deducted at source	275.80	377.61
Income Tax refund receivable	---	17.03
Sales Tax paid under protest	13.05	---
Deposits recoverable	987.03	722.38
Claims recoverable	1117.34	374.89
Balance with Customs, Port Trust etc.	19.94	59.91
Intercorporate Loans	250.00	400.00
	<u>11599.34</u>	<u>11500.90</u>

LIABILITIES

SCHEDULE-12

Due to Small Scale Industrial Undertakings	40.90	0.00
Due to Others	12538.25	13838.83
[Incl. Rs.695.43 lakhs (Rs.324.96 lakhs) due to Directors of Group Companies]		
Advances received against sales	610.70	341.04
Trade Deposits	94.15	94.86
Staff security deposit	29.67	24.40
Interest accrued but not due on Loans	246.16	207.21
Dividends declared pending payment / encashment	94.16	120.85
Unclaimed matured fixed deposits	30.92	38.02
Unclaimed interest on matured deposits and debentures	10.19	6.96
	<u>13695.10</u>	<u>14672.17</u>

The Andhra Sugars Limited - Group Consolidated Financial Statements

PROVISIONS	(Rupees in lakhs)	
	As at 31-03-09	As at 31-03-08
		SCHEDULE-13
For Income Tax	6247.41	5607.54
For Fringe Benefit Tax	16.95	13.62
For Wealth Tax	10.00	8.00
For Proposed Dividend (Subsidiary companies)	195.50	171.06
For Proposed Dividend	1626.43	1355.35
For Tax on Distributable Profits	276.41	230.35
Provision for Group Gratuity	810.73	798.08
For Employees Compensated Absences	340.50	298.23
	-----	-----
	9523.93	8482.23
	-----	-----

MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	SCHEDULE-14	
Preliminary Expenses		
Issue expenses of Debentures / Shares on rights basis	0.94	0.94
Less: Written off during the year	---	---
	-----	-----
	0.94	0.94
	-----	-----

SCHEDULES TO CONSOLIDATED PROFIT & LOSS ACCOUNT

OTHER INCOME:	SCHEDULE-15	
Income from job works	18.45	51.70
Freight and other sales expenses recovered	1434.47	1321.18
Subsidy on Superphosphate sales	1083.67	347.75
Rents received	68.09	57.80
Dividend income (Gross)	185.97	312.69
Interest received -Banks and others	225.82	220.00
Miscellaneous Receipts	195.99	186.37
Profit on Sale of Assets	37.89	4.60
Provisions no longer required and Credit balances written back	17.84	9.40
Claims received	33.84	193.37
Income from agriculture	6.90	9.08
Difference in exchange	74.56	112.48
Interest income on investments	0.51	3.05
Impairment Provision reversed	1.05	0.00
Income of earlier years	0.50	0.41
Sales tax refund received	---	0.50
	-----	-----
	3385.55	2830.38
	-----	-----

The Andhra Sugars Limited - Group Consolidated Financial Statements

	(Rupees in lakhs)	
	SCHEDULE - 16	
OPENING AND CLOSING STOCKS	This year	Previous year
Opening Stock :		
Work-in-process	463.48	651.79
Finished goods	18733.57	15501.25
	<u>19197.05</u>	<u>16153.04</u>
Closing Stock:		
Work-in-process	623.53	463.48
Finished goods	14122.51	18733.57
	<u>14746.04</u>	<u>19197.05</u>
Add: (increase)/decrease in ED on stocks	582.29	(333.12)
Accretion to /(Decretion in)stocks	(3868.72)	2710.89
PAYMENTS AND BENEFITS TO EMPLOYEES		SCHEDULE-17
Salaries, Wages and Bonus	4530.50	4395.03
Contribution to Provident, Gratuity and other funds	695.18	703.94
Workmen and Staff Welfare Expenses	257.48	263.16
	<u>5483.16</u>	<u>5362.13</u>
MANUFACTURING AND OTHER EXPENSES		SCHEDULE-18
Stores & Spares consumed (including packing materials)	2216.99	1798.58
Power and Fuel	8782.73	8723.11
Insurance	125.10	182.03
Sugarcane Development Expenses	100.89	46.56
Repairs to Buildings	163.42	247.41
Repairs to Machinery	2280.38	2819.39
Repairs to Other Assets	448.26	523.07
Advertisement and Sales Promotion	21.61	19.02
Handling, Transport & Expenses at Sales Depots	2122.75	1746.64
Commission on Sales	180.86	180.54
Rent	18.21	17.09
Directors' Sitting Fee	5.19	5.32
Managerial Remuneration	816.55	457.89
Payments to Auditors	14.29	14.54
Miscellaneous Expenses	615.06	623.42
Donations	53.35	42.00
Loss on sale of Assets	4.22	0.12
Devaluation of Rawmaterials	452.97	—
Expenses of earlier years	---	0.22
Bad debts written off	166.98	0.03
Debit balances written off	0.76	0.14
Tools written off	3.44	2.91
Production Expenses	20.18	17.76
Assets written off	12.91	5.38
Freight on materials	417.15	389.03
Loss on sale/conversion of investments	---	4.82
Claims paid	4.71	—
Difference in exchange	564.78	39.77
	<u>19613.74</u>	<u>17906.79</u>

The Andhra Sugars Limited - Group Consolidated Financial Statements

(Rupees In lakhs)

EXCISE DUTY AND TAXES

	This year	SCHEDULE-19 Previous year
Excise Duty	7.14	0.62
Purchase Tax on Sugarcane	264.60	709.16
Rates and Taxes	200.89	226.41
	<u>472.63</u>	<u>936.19</u>

INTEREST

	SCHEDULE-20
On Debentures and fixed period loans	1184.58
On Fixed deposits/loans from Whole-time Directors	296.15
To Banks and on other Accounts	1742.84
	<u>3223.57</u>

MINORITY INTEREST

	As at 31-03-09	As at 31-03-08
Share capital	212.62	212.62
Add: Share in		
General Reserve	3217.44	2992.59
Capital Reserve	19.00	19.00
Securities Premium	352.45	352.45
Provision for dividend (including tax)	186.90	163.54
Profit and Loss A/c.	286.70	267.98
	<u>4275.11</u>	<u>4008.18</u>
Total		

NOTES FORMING PART OF THE GROUP ACCOUNTS

1. Basis of preparation:

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

Financial Statements of the Subsidiaries used in the consolidation are drawn up to the same reporting date as that of the parent Company, i.e., year ended 31st March 2009.

2. Principles of consolidation:

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

3. Minority Interest:

Subsidiary companies	% Voting power held as at 31 st March, 2009
a. JOCIL	44.97
b. The Andhra Farm Chemical Corporation Limited	23.17
c. Hindustan Allied Chemicals Limited	22.64

4. Associates

The Andhra Sugars Limited and its other group companies hold 28.65% of the share capital of The Andhra Petrochemicals Limited (APL), a Company incorporated in India, as on 31.3.2009. Therefore APL is treated as an associate, and investment in it is recognised in the accounts using the ‘equity method’ as per which the share of profit of the associate Company has been added to the cost of investment, in accordance with the Accounting Standard – 23 “Accounting for Investments in Associates in Consolidated Financial Statements” prescribed by Companies (Accounting Standards) Rules, 2006. The audited accounts of the The Andhra Petrochemicals Limited is considered for the purpose of computing the share of profit from associate for the year ended 31st March 2009.

The accounting policies of APL are broadly comparable to those of ASL. The accounts of associate Company are drawn up to the same reporting date as that of the parent entity.

Particulars of investment in Associate Company by Group companies:

	(Rupees in lakhs)
Gross cost of the investment in Associate Company - (including goodwill of Rs. 489.07 lacs)	3054.83
Less: Dividend received	232.91
Add: Share of post acquisition reserves and surplus	2459.10

Carrying value of investment in associate Company	5281.02

The Andhra Sugars Limited - Group Consolidated Financial Statements

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

Particulars	(Rupees in lakhs)	
	Assets	Liabilities
1. Depreciation	----	8869.47
2. Amounts disallowed u/s 43 B of Income Tax Act, 1961	922.35	----
3. Amounts disallowed under Section 40 (ia) of the Income Tax Act	6.04	----
4. Provision for doubtful debts	6.74	----
5. Loss as per Income Tax to be carried forward	0.14	----
	-----	-----
	935.27	8869.47
	-----	-----
Net deferred tax liability		7934.20

6. CONTINGENT LIABILITIES NOT PROVIDED FOR:

	(Rupees in lakhs)	
	As at 31-3-2009	As at 31-3-2008
a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for	186.73	1666.65
b) Outstanding Guarantees to Banks including letter of credit opened with bankers for purchase of material	282.74	60.15
c) Liability on account of membership in Alkali Manufacturers' Association of India, a company limited by Guarantee	0.01	0.01
d) Uncalled liability on partly paid shares held as investments	24.66	24.66
e) Claims not acknowledged by the Company relating to the following area		
i) Income Tax	117.01	—
ii) Excise	3.36	19.66
iii) Customs	2.92	71.68
iv) Service Tax	29.77	13.43
v) Sales Tax	26.00	28.14
vi) State Levies	345.60	307.90
vii) Suppliers and Service contract	137.29	175.51
viii) Labour related	3.00	17.71
ix) Others	3.13	3.01

7. In the case of The Andhra Sugars Ltd., 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

The Andhra Sugars Limited - Group Consolidated Financial Statements

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 Judgement 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. 59.20 lakhs (Rs.57.47 lakhs) has not been provided for in the accounts pending final legal decision in the matter.

8. In the case of The Andhra Sugars Ltd., "Sundry Creditors" includes Rs.7.53 lakhs received from State Trading Corporation (STC) towards damages for breach of Contract pursuant to the orders of the Appellate Authorities/ Arbitrators. Since, further Appeals preferred by the S.T.C. before the higher appellate authorities are pending, the said amount is not recognised as revenue in the year of receipt, pending disposal of final appeal.
9. In the case of The Andhra Sugars Ltd., the Company has given undertakings / assurance to IDBI not to dispose of its share holdings in The Andhra Petrochemicals Limited, without the prior consent of the IDBI until the loan payable by the said Company to IDBI is fully repaid.
10. In the case of The Andhra Sugars Ltd., in the opinion of the management, all the amounts stated under sundry debtors and loans and advances are recoverable at the values at which they are stated.
11. In the case of The Andhra Sugars Ltd., balances in personal accounts of various parties are subject to confirmation by and reconciliation with the said parties.
12. In the case of The Andhra Sugars Ltd., disclosures on payments and dues to "suppliers" as defined in Micro, Small and Medium Enterprises Development Act, 2006 ("The Act").

	31.03.2009
1. Amount remaining unpaid, beyond the appointed / agreed date at the end of the year,	Rs.
(a) Principal amount of bills to be paid	7482
(b) Interest due thereon	208
2. (a) Payments made to suppliers, during the year, but beyond appointed / agreed by	32936
Interest thereon in terms of Sec. 16 of the Act	32
(b) Interest paid along with such payments during the year	--
(c) Interest due and payable at the end of the year, on such payments made during the year	32
3. Amount of interest, for the year, u/s. 16 of the Act, including that accrued and remaining unpaid, at the end of the year	240
4. Total amount of interest, u/s. 16 of the Act, including that arising in earlier years, accrued and remaining unpaid at the end of the year	240

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

The Andhra Sugars Limited - Group Consolidated Financial Statements

- 13.** In the case of JOCIL Limited, Disclosures required under the Micro, Small & Medium Enterprises Development Act, 2006.

Details	Amount
i) Principal and Interest overdue as on 31.3.2009	Nil
ii) Interest paid on delayed payments during 2008-09	Nil
iii) Interest due on principal amounts paid beyond due dates	Nil
iv) Interest accrued but not due	Nil
v) Total Interest due but not paid	Nil

The above details were prepared based on information furnished by the respective suppliers and available with the Company regarding their status under Micro, Small & Medium Enterprises Development Act, 2006. The said information to the extent furnished by the suppliers has been relied upon by the Company and its auditors for the said purpose.

- 14.** In the case of The Andhra Sugars Ltd., Loans and Advances in the nature of loans given to subsidiary Hindustan Allied Chemicals Limited as per Clause 32 of the Listing Agreement is Rs.0.28 lakhs as on 31.3.2009. (Maximum balance outstanding during the year is Rs.0.28 lacs). The investment in the Equity Shares of the Company is Nos. 328760.
- 15.** In the case of The Andhra Sugars Ltd., Closing stock units of Wind farm at Ramagiri and power generation unit at Taduvai as per the books of the Company and as confirmed by the AP GENCO is subject to reconciliation, to the extent of Rs.11.83 lakhs due to certain matters pending before Honourable High Court of Andhra Pradesh.
- 16.** In the case of JOCIL Limited, the Company billed the entire power supplied to A.P.Transco during the year at Rs.4.23/k.W.h. till April 2008 billing month and thereafter at Rs.4.44 per Kwh. Since the appeals of APERC and AP Transco arising out of petition filed by Bio-mass Energy Developers Association (BEDA), Hyderabad in which the Company is a member for revision of rate is pending before Supreme Court, the Company has recognised the revenue during the year based on the rate at which the AP Transco/SPDCL is currently paying for supplies as per the interim orders of the Appellate Tribunal for Electricity, New Delhi. Accordingly an amount of Rs.287.66 lakhs only been recognised as income and balance of Rs.82.35 lakhs has not been recognised as income during the year.
- 17.** In the case JOCIL Limited, Cash at scheduled Banks in Fixed Deposits includes:
- Rs.12,37,331 (previous year Rs. 8,37,331) deposited towards maintenance of liquid assets under provisions of the Companies (Acceptance of Deposits) Rules,1975.
 - Rs. 67,69,382 (previous year Rs. 19,38,736) towards margin money for Bank Guarantees and Foreign Letters of Credit.
 - Rs.12,53,375 (previous year Rs. 10,22,288) on account of unclaimed dividends.
- 18.** In the case of The Andhra Sugars Ltd., earnings in foreign exchange on FOB basis is Rs. 878.56 Lakhs (Previous year Rs.29.63 Lakhs).
- 19.** In the case of JOCIL Limited, foreign exchange earnings on exports during the year calculated on FOB basis is Rs.19,49,06,344 (Previous year Rs .72,53,734) .
- 20.** Disclosure as required by Accounting Standard-18 (AS-18) "Related Party Disclosures" issued by The Institute of Chartered Accountants of India are given in Annexure - I.

The Andhra Sugars Limited - Group Consolidated Financial Statements

21. Segment information:

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

22. General:

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

Per our report of even date:
For Brahmayya & Company
Chartered Accountants
T.V. Ramana
Partner

FOR AND ON BEHALF OF THE BOARD

Dr. Mullapudi Harischandra Prasad Chairman & Managing Director
A. Ranga Rao Director
M. Palachandra Addl. Company Secretary

Camp : TANUKU
Date : 18-07-2009

TANUKU
18-07-2009

GROUP CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2008-09

(Rupees in lakhs)

	2008-2009	2007-2008
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and extra-ordinary items	8305.98	4661.33
ADJUSTMENTS FOR:		
Depreciation	3888.52	3772.89
Assets written off	13.09	5.38
Interest (Net)	2998.15	2612.1
Impairment provision reversed credited to P&L a/c	(1.05)	—
Profit/Loss on sale of assets(Net)	(33.85)	(4.47)
Dividends received	(185.97)	(312.69)
Loss on conversion/sale of investments	—	4.82
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	14984.87	10739.36
Trade and other receivables	(2186.65)	(861.55)
Inventories	4476.50	(4822.71)
Trade payables	(816.76)	3510.17
CASH GENERATED FROM OPERATIONS	16457.96	8565.27
Direct taxes paid	(2823.58)	(1532.80)
Refund of taxes	—	—
NET CASH FROM OPERATING ACTIVITIES.... A	13634.38	7032.47
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets (including Capital Work-in-progress, unallocated capital expenditure)	(5001.38)	(6810.76)
Sale of Fixed assets	56.04	18.43
Sale of investments	45.20	8.06
Purchase of investments	(201.10)	(187.01)
Interest received	225.41	223.08
Deposits/Withdrawal of Inter corporate advances	150.00	(50.00)
Dividends received	14.94	246.54
NET CASH USED IN INVESTING ACTIVITIES....B	(4710.89)	(6551.66)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings/loans	(2812.57)	3830.32
Dividends paid	(1495.16)	(1803.88)
Interest paid	(3223.55)	(2969.60)
NET CASH FROM FINANCING ACTIVITIES.....C	(7531.28)	(943.16)
INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	1392.21	(95.63)
Cash and Cash equivalents as on 01.4.2008	2009.78	2105.41
Cash and Cash equivalents as on 31.3.2009	3401.99	2009.78
	1392.21	(95.63)

Per our report of even date:
For Brahmayya & Company
Chartered Accountants
T.V. Ramana
Partner

FOR AND ON BEHALF OF THE BOARD
Dr. Mullapudi Harischandra Prasad
A. Ranga Rao
M. Palachandra

Chairman & Managing Director
Director
Addl. Company Secretary

Camp : TANUKU
Date : 18-07-2009

TANUKU
18-07-2009

ANNEXURE – I

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

(A) LIST OF RELATED PARTIES:

1) Key Management Personnel: (Viz. Wholetime Directors)

The Andhra Sugars Limited

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

JOCIL Limited

Sri J. Murali Mohan

The Andhra Farm Chemicals Corporation Limited

Sri P. V. Krishna Rao

2) Relatives of Key Management Personnel:

Sri B.V.V.S. Ramesh Kumar	Son of Dr. B.B.Ramaiah
Smt. M. Chandramathi Devi	Wife of Dr.Mullapudi Harischandra Prasad
Smt. CH. Ravanamba	Sister of Dr.Mullapudi Harischandra Prasad
Smt. J. Gangabhavani Devi	Sister of Dr.Mullapudi Harischandra Prasad
Smt. Y. Rajeswari Devi	Sister of Dr.Mullapudi Harischandra Prasad
Smt. J. Anantha Lakshmi	Daughter of Dr.Mullapudi Harischandra Prasad
Smt. N.V. Ramanamma	Daughter of Dr.Mullapudi Harischandra Prasad
Smt. R.Akkamamba	Daughter of Dr. Mullapudi Harischandra Prasad
Smt. Y. Narayanamma	Daughter of Dr. Mullapudi Harischandra Prasad
Smt. M. Narayanamma	Wife of Sri M. Narendranath
Smt. G. Jayashree	Daughter of Sri M. Narendranath
Smt. G. Anuradha	Daughter of Sri M.Narendranath
Sri M. Vikram Prasad	Son of Sri M. Narendranath
Smt. M. Renuka	Wife of Sri M. Thimmaraja
Smt. G. Devi	Daughter of Sri M.Thimmaraja
Sri M. Mrutyumjaya Prasad	Son of Sri M. Thimmaraja
Smt. P. Jhansi Jayalakshmi	Wife of Sri P. Narendranath Chowdary
Kum. P.A.L. Satyavathi Devi	Daughter of Sri P. Narendranath Chowdary
Smt. S.B. Ranganayaki	Sister of Sri P. Narendranath Chowdary
Smt. E. Rama Lakshmi	Sister of Sri P.Narendranath Chowdary
Smt. J. Akkamamba	Sister of Sri P.Narendranath Chowdary

The Andhra Sugars Limited - Group Consolidated Financial Statements

Smt. J. Usha Rani	Sister of Sri P.Narendranath Chowdary
Smt. N. Anantha Lakshmi	Sister of Sri P.Narendranath Chowdary
Smt. M. Kamala Devi	Sister of Sri P. Narendranath Chowdary
Smt. P. Nagamani Devi	Wife of Sri P.V. Krishna Rao
Smt. S. Archana	Daughter of Sri P.V. Krishna Rao
Sri. P.V. Rayudu	Son of Sri P.V. Krishna Rao
Chy. P. Ravi	Son of Sri P.V. Krishna Rao
Smt. P. Sessa Shailaja	Wife of Sri P. Achuta Ramayya
Kum. P. Divya Atchamamba	Daughter of Sri P. Achuta Ramayya
Kum. P. Sruthi Rajeswari	Daughter of Sri P. Achuta Ramayya
Smt. P. Sujatha	Mother of Sri P.S.R.V.K. Ranga Rao
Smt. P. Usha Lakshmi	Wife of Sri P.S.R.V.K. Ranga Rao
Kum. P. Meghana Srisai Sujatha	Daughter of Sri P.S.R.V.K. Ranga Rao
Chy. P. P. Sri Narendrarayudu	Son of Sri P.S.R.V.K. Ranga Rao
Smt. J.Sunitha Mohan	Wife of Sri J.Murali Mohan
Kum. J. Namrata	Daughter of Sri J.Murali Mohan
Smt. V. Indira	Sister of Sri J.Murali Mohan

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

Jaya Industries
Jayalakshmi Fertilisers
Jayalakshmi Estate
Jaya Agro Chemicals
Jayalakshmi Chemical Enterprises
S P V K R M Trust, Dommeru
Sree Akkamamba Textiles Limited
Sree Satyanarayana Spinning Mills Limited
Mullapudi Venkatarayudu Eye Centre
Mullapudi Kamala Devi Cardio Vascular Centre
Sree Mullapudi Venkataramanamma Memorial Hospital
SMTRM Library and Cultural Centre
Royal Printing Works

4) Associate:

The Andhra Petrochemicals Limited

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(B) TRANSACTIONS WITH THE RELATED PARTIES:

(Corresponding figures related to 31st March, 2008)

(Rupees in lakhs)

PARTICULARS	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relatives of Key Management Personnel
Purchase of Goods from	172.60	0.00	14.75	13.93
	(286.25)	(0.00)	(18.35)	(21.01)
Services rendered by	0.00	0.00	11.90	1.72
	(0.00)	(0.00)	(10.29)	(1.45)
Sale of Goods to	285.28	24.46	0.00	0.00
	(563.95)	(26.27)	(3.28)	(0.00)
Sale of Fixed Assets to	0.00	0.00	0.00	0.00
	(0.00)	(0.00)	(0.00)	(0.00)
Services rendered to	0.00	1.74	1.08	0.00
	(0.00)	(0.35)	(1.16)	(0.77)
Interest paid to	0.00	195.86	296.15	458.31
	(0.00)	(185.38)	(182.20)	(278.04)
Interest received from	0.00	41.54	0.00	0.00
	(0.00)	(22.85)	(0.00)	(0.00)
Remuneration (including Commission) paid to	0.00	0.00	816.55	0.00
	(0.00)	(0.00)	(540.53)	(0.00)
Donations paid to	25.00	0.00	0.00	0.00
	(27.00)	(0.00)	(0.00)	(0.00)
Dividend paid to	72.73	0.00	196.14	346.29
	(87.34)	(0.00)	(234.27)	(435.38)
Dividend received from	1.40	0.00	0.00	0.00
	(1.40)	(239.45)	(0.00)	(0.00)
Balances as at 31-03-2009				
a) Share Capital held by the Company, in	1.75	3054.83	0.00	0.00
	(1.75)	(999.60)	(0.00)	(0.00)
b) Receivables- Trade dues from	74.64	0.00	0.00	0.00
	(8.84)	(0.00)	(0.00)	(0.00)
c) Share Capital of the Company held by	140.96	0.00	392.33	698.74
	(145.57)	(0.00)	(391.87)	(726.39)
d) Fixed Deposits Received from	0.00	0.00	2266.82	3637.48
	(0.00)	(0.00)	(2058.10)	(3062.13)
e) Loans/ Intercorporate loans given to	0.00	250.00	0.00	0.00
	(0.00)	(400.00)	(0.00)	(0.00)
f) Payables : - Trade dues	0.44	0.00	0.00	0.00
	(1.95)	(0.00)	(0.00)	(0.00)
- Interest on F. Ds.	0.00	0.00	51.09	86.88
	(0.00)	(0.00)	(47.19)	(71.46)
- Remuneration (including Commission)	0.00	0.00	695.84	0.00
	(0.00)	(0.00)	(384.57)	(0.00)

STATEMENT SHOWING SEGMENT-WISE ANALYSIS AS ON 31-03-2009

ANNEXURE – II

(Rupees in lakhs)

Description	SUGARS		CAUSTIC SODA		POWER GENERATION		INDUSTRIAL CHEMICALS		SOAP		OTHERS		ELIMINATIONS		CONSOLIDATED	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
REVENUE:																
External sales	17003.05	15397.07	25587.07	22553.10	1122.04	1186.71	19459.51	11970.26	10356.87	4446.60	2780.26	2315.44			76308.80	57869.18
Inter-segment sales	605.39	394.26	1325.66	839.49	1447.06	1802.81	6547.82	3408.68	0.00	0.00	83.19	35.59	10009.12	6480.83		
Total revenue	17608.44	15791.33	26912.73	23392.59	2569.10	2989.52	26007.33	15378.94	10356.87	4446.60	2863.45	2351.03	10009.12	6480.83	76308.80	57869.18
RESULT:																
Segment result before interest, Extra-ordinary items	2223.09	-919.00	7600.04	6131.21	25.51	489.62	2680.73	2788.64	798.00	667.19	1604.09	875.38			14931.46	10033.04
Unallocated corporate expenses less Income															3628.24	2759.59
Operating Profit															11303.22	7273.45
Interest expenses															3223.57	2835.17
Interest income															226.33	223.05
Prov. for Diminution in Investment Withdrawn															0.00	2094.42
Profit before tax															8305.98	6755.75
Provision for current and deferred tax															2859.56	1616.31
Net profit after tax															5924.06	5956.04
OTHER INFORMATION:																
Segment Assets	26507.65	30436.63	31873.74	32534.15	11524.34	11563.76	7749.25	8359.51	1882.46	1670.73	4425.45	2196.47			83962.89	86761.25
Unallocated Corporate Assets															23023.27	18886.60
Total Assets															106986.16	105647.85
Segment Liabilities	4737.69	6284.22	4660.78	4531.17	497.88	513.19	1039.49	2868.82	65.24	18.06	1248.73	-372.17			12248.81	13843.29
Unallocated Corporate Liabilities															50722.18	51452.58
Total Liabilities															62971.99	65295.87
Capital expenditure	79.90	331.44	753.56	2248.49	3458.64	936.16	54.04	328.06	52.24	34.99	2221.12	209.75			6619.50	4088.89
Depreciation	753.30	762.10	1782.60	1719.02	675.85	604.26	377.39	388.39	92.24	102.58	207.14	196.54			3888.52	3772.89
Non-cash Expenditure other than depreciation															0.00	0.00

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The Andhra Sugars Limited - Group Consolidated Financial Statements

NOTES :

1. 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.
2. 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 and its related products and Liquid propellants.
3. The business segments that are disclosed under "Others" comprise Fertilizers, Bulk Drugs, Edible oils and Transportation receipts etc.
4. 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.
5. Inter Segment transfers are priced at market rates.

The Andhra Sugars Limited - Group Consolidated Financial Statements

STATEMENT REGARDING SUBSIDIARY COMPANIES AS ON 31-03-2009

(Rupees in lakhs)

Name of the Subsidiary Company	JOCIL Ltd.	The Andhra Farm Chemicals Corporation Limited	Hindustan Allied Chemicals Limited
1. Capital	444.11	45.00	10.63
2. Reserves	8419.93	384.59	----
3. Total Assets	13526.51	510.18	10.27
4. Total Liabilities	4725.04	80.63	0.47
5. Investments	62.56	0.03	----
6. Total Income	19588.05	647.13	0.46
7. Profit before taxation	1521.06	-17.02	0.29
8. Provision for Tax	552.00	---	0.09
9. Profit after Taxation	969.06	-23.15	0.19
10. Proposed Dividend	355.25	----	----

BANK PARTICULARS

To
The Addl. Company Secretary,
The Andhra Sugars Limited,
Venkatarayapuram
TANUKU - 534 215

Date :

FOR OFFICE USE ONLY	
Ref. No. :	_____
Date :	_____

Dear Sir,

Sub : Payment of Dividend (Year 2008-2009) (Electronic Clearing Service / Bank Particulars

ECS MANDATE

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

- 1. Name of the First Holder (In Block Letters) : _____
- 2. Regd. Folio No. :

--	--	--	--	--	--	--	--	--	--
- 3. Bank & Branch Name & Address : _____

- 4. Account Number
(As appearing on your Cheque Book) : _____
- 5. Ledger Folio Number
(As appearing on your Cheque Book) : _____
- 6. Account Type :
(Saving Bank / Current / Cash Credit A/c) : _____
- 7. 9 Digit Code number of the Bank & Branch :

--	--	--	--	--	--	--	--	--

appearing on the MICR Cheque issued by the Bank. (Please attach a photocopy of cheque for verifying the accuracy of the MICR Code Number)

BANK MANDATE

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

- Bank Name : _____
- Branch Name & Address : _____

- A/c Type (SB / Current / Cash Credit) : _____
- A/c Number (as mentioned in Cheque Book) : _____

(* Strike out which is not applicable)

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

Signature of the first named shareholder : X _____

Name : _____

Address : _____

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



THE ANDHRA SUGARS LIMITED
Registered Office: Venkatarayapuram
TANUKU – 534 215
West Godavari Dist., (A.P.)

To
All the Members,

Sub: Abstract of the Terms of the Agreement circulated pursuant to Section 302 of the Companies Act.

You are kindly aware, shareholders at the 61st Annual General Meeting held on 25th September, 2008 approved the re-appointment of Sri P.S.R.V.K. Ranga Rao as Executive Director for a period of 5 years with effect from 1-5-2009. Accordingly on 10th August, 2009 an agreement was entered into with Sri P.S.R.V.K. Ranga Rao relating to his re-appointment as Executive Director, the abstract of which is given hereunder:

1. Salary : Rs. 30,000/- per month
2. Commission : ½% on the net profits of the Company
3. Tenure : 5 Years with effect from 1-5-2009.
4. Perquisites:
 - i) Housing : Free furnished accommodation or House Rent Allowance at 50% of the Salary.
 - ii) Medical Reimbursement : Medical reimbursement of the expenses incurred for treatment in India or Abroad for self and family
 - iii) Leave Travel Concession : For self and family as per Rules of the Company.
 - iv) Club Fees
 - v) Personal Accident Insurance
 - vi) Provident Fund : Company's contribution at 12% of salary or at such rate as applicable from time to time.
 - vii) Superannuation Fund : Contribution as per Rules of the Company which together with contribution to Provident Fund not to exceed 27% of salary of any ceiling prescribed from time to time.
 - viii) Gratuity : Half a month's salary for each completed year of service.
 - ix) Leave : One month's leave for every 11 months of service. (Encashment of leave at the end of tenure not to be included in computation of ceiling on perquisites)
 - x) Telephone : One or more telephone facility at residence for the use of Company's business.
 - xi) Car : One or more use of Company's car on Company's business.
 - xii) Any other perquisites allowed by the Central Government from time to time.

In the event of loss or inadequacy of profits, the Executive Director will be paid minimum remuneration of salary and perquisites as specified above or as per Schedule XIII to the Companies Act, 1956.

5. Nature of Duties :

To assist the Managing Director in day-to-day administration of Chemical Complex at Saggonda.

6. Memorandum of Interest :

Except Sri P.S.R.V.K. Ranga Rao no other Director is interested in the agreement.

Venkatarayapuram
TANUKU – 534 215
10-08-2009.

For THE ANDHRA SUGARS LIMITED
Dr. MULLAPUDI HARISCHANDRA PRASAD
Chairman & Managing Director

