



THE ANDHRA SUGARS LIMITED

63rd ANNUAL REPORT

2009 - 2010

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.A.Chowdary, I.R.S. (Retd.)
(with effect from 24.4.2010)

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

VICE PRESIDENT (Finance) :

Sri T. Krishnaiah, 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 THIRD Annual General Meeting of THE ANDHRA SUGARS LIMITED will be held at the Registered Office of the Company, Venkatarayapuram, Tanuku - 534215 on Wednesday the 29th day of September, 2010 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, 2010 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 2009-10.
3. To appoint a Director in place of Sri M. Narendranath who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Sri P. Achuta Ramayya who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Dr. A.V. Rama Rao who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint a Director in place of Dr. P. Kotaiah who retires by rotation and being eligible offers himself for re-appointment.
7. To appoint Auditors for the year 2010-11 and fix their remuneration. The 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 an Ordinary Resolution:

RESOLVED that Sri P. A. Chowdary, I.R.S. (Retd.) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 24th April, 2010 pursuant to Article 116 of the Articles of Association of the Company and who holds office upto the date of the 63rd Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a Notice in writing from a Member of the Company under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company, be and is hereby appointed Director of the Company liable to retire by rotation.

The Andhra Sugars Limited

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

RESOLVED that subject to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956 ("Act") and subject to such other approvals as may be required the consent be and is hereby accorded to the appointment of Sri M. Vikram Prasad (relative of Chairman & Managing Director, Dr. Mullapudi Harischandra Prasad and Joint Managing Director, Sri M. Narendranath), as Manager (Procurement Planning & Inventory Control) on a basic salary of Rs. 29,000/- per month in the scale of Rs. 29,000 – 3,000 – 35,000 – 3,500 – 42,000 plus standard allowances.

FURTHER RESOLVED that in the event of coming into force of any statutory modification / re-enactment of the "Act", the Board of Directors be and is hereby authorised to alter, vary the terms of appointment including remuneration of Sri Mullapudi Vikram Prasad accordingly.

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

RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Article 120 of the Articles of Association of the Company be altered by substituting the figure 20,000 in place of figure 10,000 appearing in the 1st line thereof.

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

RESOLVED THAT subject to the provisions of Sections 269, 198, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals as may be required, consent be and is hereby accorded for the re-appointment of Sri P. Narendranath Chowdary as Joint Managing Director of the Company for a period of 5 years with effect from 12-01-2011 on such salary, commission and perquisites as set out hereunder:-

Sri P. Narendranath Chowdary is not subject to retirement by rotation during the tenure of his office as Joint Managing Director from 12.1.2011 to 11.1.2016.

1. Salary:

Rs.1,00,000/- per month.

2. Commission

Upto 1% of the net profits of the Company subject to an overall ceiling stipulated in Sections 198 & 309 of the Companies Act, 1956.

3. Perquisites:

(i) Housing – if required, free furnished residential accommodation with all facilities and amenities including Gas, Electricity, Water, Furniture/Fittings etc., the monetary value of which may be evaluated as per Rule 3 of the Income-Tax Rules, 1962. The expenditure incurred by the Company on Gas, Electricity, Water and Furnishings shall be subject to a ceiling of 10% of the Salary. In case where the Company does not provide accommodation, House Rent Allowance shall be paid at the rate of 50% of the Salary. (ii) Medical reimbursement of the expenses incurred for the treatment in India / Abroad for self and family, (iii) Leave Travel Concession – for himself and his family as per the rules of the Company, (iv) Club Fees, (v) Personal Accident Insurance, (vi) Provident Fund, Company's contribution towards Provident Fund at 12% of his salary or any rate applicable from time to time, (vii) Superannuation Fund – Company's contribution towards Superannuation Fund as per the rules of the Company, such contribution together with Company's contribution to Provident Fund shall not exceed 27% of the salary as laid down under the Income tax Rules, 1962 or such other ceiling as may be prescribed from time to time, (viii) Gratuity – not exceeding ½ a month's salary for each completed year of service, (ix) Leave – entitled to one month's leave, as per the rules of the Company on full pay for every 11 months of service. Encashment of leave as per the rules of the Company applicable to him at the end of tenure will not be included in computation of ceiling on perquisites, (x) Telephone – one or more free telephone facility at the residence for the use of Company's business, (xi) Car – one or more use of Company's car on Company's business with driver and all expenses of maintenance, repairs and cost of petrol. (provision of Car for use of Company's business and telephone at residence will not be

considered as perquisites), (xii) any other perquisites that may be allowed as per the guidelines issued by the Central Government from time to time.

The above perquisites including salary and commission shall be subject to an overall ceiling of remuneration stipulated under Section 309 of the Companies Act, 1956 read with Schedule XIII thereto or any statutory modification thereof.

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

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

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to alter and vary such salary, commission and perquisites in such manner as may be permitted by any applicable law from time to time during the said period of office and as may agreed to by the Board of Directors of the Company and Sri P. Narendranath Chowdary.

(BY ORDER OF THE BOARD)

Venkatarayapuram
TANUKU – 534 215
9-08-2010

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

NOTES:

1. **A Member entitled to attend and vote may appoint a proxy to attend and vote instead of himself on poll and that a proxy need not be a member.**
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday the 23rd September, 2010 to Wednesday the 29th September, 2010 (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 29th September, 2010. **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 22nd September, 2010 as per the details furnished by the Depositories for this purpose.**
4. Shareholders in Physical mode are requested to notify their change of address, if any, to the Company.
5. Shareholders in Physical mode are requested to furnish their Bank Account No. in order to enable the Company to print their Bank Account on the Dividend Warrants.
6. 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 2001-2002 has been transferred to Investors Education and Protection Fund as envisaged in Section 205C of the Companies Act, 1956. **Shareholders who have not encashed the Dividends in respect of the previous years may make a request to the Company for the payment of unencashed Dividend amount in respect of Dividend declared from the years 2002 - 03 onwards in order to enable the Company to proceed with their request in case the dividend warrants remain unencashed.**
7. Explanatory Statement under Section 173(2) of the Companies Act, 1956 is attached.
8. **Information about the Directors seeking re-appointment at the 63rd Annual General Meeting as required under Corporate Governance:**

Sri M. Narendranath has been associated with your Company as a Director since 3.2.1983 and as Joint Managing Director from 1.1.1998. Sri M. Narendranath is B.Sc. (Ag.) and has rich expertise background in Sugar Technology and Sugar development. He has travelled extensively to Sugar producing Nations and participated in many National and International Seminars conducted in connection with the development of Sugar Industry and Sugar Technology. He was executive Committee Member of the Sugar Processing Research Institute (USA) & Sugar Technologists Inc. (USA) and on the Co-products Commission of the International Society of Sugarcane Technologists. As Joint Managing Director he is in charge of the three Sugar Units at Tanuku, Taduvai and Bhimadole. He holds Directorship in Sree Akkamamba Textiles Ltd., Sree Satyanarayana Spinning Mills Ltd., and Hindustan Allied Chemicals Ltd.

Sri P. Achuta Ramayya is M.B.A. from New York University and has been the Executive Director of the Company since 1.8.1983. As Executive Director he is in charge of entire marketing functions of the Company and also looks after the day to day to affairs of Cotton & Oil Products Division at Guntur. He was past President of Alkali Manufacturers' Association of India. He does not hold other Directorship.

Dr. A.V. Rama Rao is an eminent Scientist. He was former Director of Indian Institute of Chemical Technology and has considerable experience and expertise in the field of Chemical Technology. He is the Chairman & Managing Director of Avra Laboratories Pvt. Ltd., and Director of Avra Synthesis Pvt. Ltd. No Equity Shares are held by Dr. A. V. Rama Rao in the Company.

Dr. P. Kotaiah, former Chairman of NABARD, has vast experience in handling financial matters and industrial experience of more than three and half decades. He holds Directorships on the Board of many Companies viz., Lanco Infotech Ltd., Blossom Industries Ltd., Zen Technologies Ltd., Pridvi Assets Reconstruction and Securitisation Co. Ltd., Lanco Kondapalli Power Pvt. Ltd., Nuzvidu Seeds Pvt. Ltd., and Lanco Babandh Power Ltd.

No Equity Shares are held by Dr. P. Kotaiah 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 cannot 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 NO. 8

Sri P. A. Chowdary, I.R.S. (Retd.) was co-opted as an Additional Director on the Board of the Company with effect from 24th April, 2010. Pursuant to Section 260 of the Companies Act, 1956 read with Article 116 of the Articles of Association of the Company, Sri P. A. Chowdary, I.R.S. (Retd.) will hold office only upto the date of the 63rd Annual General Meeting of the Company. Company has received a notice along with a deposit of Rs. 500/- from a Member under Section 257 of the Companies Act, 1956 signifying his intention to propose Sri P. A. Chowdary, I.R.S. (Retd.) as a candidate for the office of Director. Sri P.A. Chowdary, I.R.S. (Retd.) does not hold any Equity Shares in the Company.

Sri P. A. Chowdary, I.R.S. (Retd.) is a retired Chief Commissioner of Income-tax-I and has vast experience and has held various positions in Income-tax Department. Appointment of Sri P. A. Chowdary, I.R.S. (Retd.) as a Director on the Board will immensely benefit the Company in view of his long standing experience in handling different assignments under Indian Revenue Service.

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

Your Board of Directors recommend the necessary Resolution for your approval.

Except Sri P.A. Chowdary, I.R.S. (Retd.) no other Director is deemed to be interested or concerned in the Resolution.

ITEM NO. 9

Sri M. Vikram Prasad (related to Chairman & Managing Director Dr. Mullapudi Harischandra Prasad and Joint Managing Director Sri M. Narendranath under Section 6 of the Companies Act, 1956) was appointed by the Board on 24th April, 2010 as Manager (Procurement Planning & Inventory Control) on a basic salary of Rs. 29,000/- (Rupees twenty nine thousand only) per month in the scale of Rs. 29,000 – 3,000 – 35,000 – 3,500 – 42,000 plus other applicable allowances and perquisites.

Sri M. Vikram Prasad is a Graduate in Commerce and holds Post Graduate Diploma in Management from University of Glamorgan, U.K. As Manager (Procurement Planning & Inventory Control,) he will be looking after various aspects of Material Procurement Planning and Inventory Management & Control. He will be stationed at Venkatarayapuram, Tanuku Mandal.

As Sri M. Vikram Prasad is related to Chairman & Managing Director and Joint Managing Director (as per provisions of Section 6 of Companies Act, 1956), his appointment to the above said office in the Company requires the approval of the Shareholders as per the provisions of Section 314 of the Companies Act, 1956.

Your Board of Directors recommends the necessary Resolution for your approval.

Directors Dr. Mullapudi Harischandra Prasad and Sri M. Narendranath being related to Sri M. Vikram Prasad shall be deemed to be interested or concerned in the said Resolution.

ITEM NO. 10

As per the provisions of the Companies Act, 1956 read with relevant Rules, your Company is permitted to pay Sitting Fees upto a maximum of Rs. 20,000/- to a Director for attending each Meeting of the Board of Directors or Committee thereof.

As permitted by Article 120 of the Articles of Association of the Company, presently your Company is paying a Sitting Fee of Rs. 10,000/- to each Director for attending each Meeting of the Board or Committee thereof. Your Board of Directors considered it advisable to increase Sitting Fee Payable from Rs. 10,000/- to Rs. 20,000/- for which purpose it is necessary to alter the Article 120 of the Articles of Association of the Company.

Your Board of Directors recommend the necessary Resolution for your approval.

Non Whole-time Directors shall be deemed to be interested or concerned in the Resolution.

ITEM NO. 11

Shareholders at the 58th Annual General Meeting held on 24th September, 2005 approved the re-appointment of Sri P. Narendranath Chowdary as Joint Managing Director for a period of five years with effect from 12th January, 2006. The said term of appointment will be expiring on 11th January, 2011.

Sri P. Narendranath Chowdary has been the Whole-time Director of your Company since 12th January, 1976 looking after day to day activities of Chemical Complex at Kovvur. During his tenure he initiated and successfully completed various expansion / diversification programmes. He is instrumental in setting up new Chemical Complex at Saggonda and expansion of its activities and is also looking after its day to day affairs. It is therefore considered desirable in the best interests of the Company to extend his term of appointment as Joint Managing Director for a further period of five years with effect from 12th January, 2011.

Your Board of Directors recommend the Resolution for your approval.

Apart from Sri P. Narendranath Chowdary, Directors Dr. B. B. Ramaiah and Sri P. Achuta Ramayya being related to Sri P. Narendranath Chowdary shall be deemed to be interested or concerned in the said Resolution.

The terms and conditions as set out in the Resolution may be treated as an abstract of the terms of re-appointment of Sri P. Narendranath Chowdary as Joint Managing Director for a further period of five years with effect from 12-1-2011 pursuant to Section 302(7) of the Companies Act, 1956.

(BY ORDER OF THE BOARD)

Venkatarayapuram
TANUKU – 534 215
9-08-2010

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 THIRD ANNUAL REPORT along with the audited Statement of Accounts for the year ending 31st March, 2010.

FINANCIAL RESULTS :

(Rupees in lakhs)

	This Year	Previous Year
Sales	58203.08	62330.14
Other Income	2943.39	3173.08
	61146.47	65503.22
Profit for the year	13481.84	10156.59
Depreciation	3490.74	3341.71
Profit after depreciation	9991.10	6814.88
Add: Income Tax refund received	2.67	1.65
Excess provision of Income-tax credited back	18.97	12.37
	10012.74	6828.90
Provision for Current Tax	2700.00	1900.00
Provision for Fringe Benefit Tax	---	20.00
Provision for Deferred Tax	633.09	377.33
Provision for Wealth Tax	4.00	4.00
Profit after Tax	6675.65	4527.57
Add: Balance brought forward from last year	5658.61	3460.66
Profit available for appropriation	12334.26	7988.23

APPROPRIATIONS:

Transfer to General Reserve	670.00	460.00
Proposed Dividend on Equity Shares at Rs 5/- per share (Last Year Dividend on Equity Shares at Rs. 6/- per share)	1355.35	1626.43
Tax on distributable profits	184.54	243.19
Balance carried forward to next year	10124.37	5658.61
	12334.26	7988.23

PERFORMANCE:

For the year ended 31st March, 2010 sales is Rs. 582.03 Crores against Rs. 623.30 Crores last year. Profit after depreciation is Rs. 99.91 Crores against a Profit of Rs. 68.15 Crores last year. Profit after tax is Rs. 66.76 Crores against Rs. 45.28 Crores achieved last year. Overall improved performance resulted in an increase in profit.

DIVIDENDS:

For 2008-09 a Dividend of Rs. 6/- per Equity Share was paid. Your Directors recommend a Dividend of Rs. 5/- per Equity Share (on 2,71,07,078 Equity Shares of Rs. 10/- each) for the year 2009-10. The out-flow towards Dividend payment including tax on distributable profits would be Rs. 15.40 Crores. This Dividend, if approved by the Shareholders, will be paid to all the eligible Shareholders.

CAPITAL & RESERVES:

Authorised and Paid-up Capital:

As on 31.3.2010, 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.6.70 Crores during the year under report, the total Reserves as on 31.3.2010 stood at Rs. 350.22 Crores against Rs. 298.86 Crores on 31.3.2009.

REVIEW OF OPERATIONS:

SUGAR UNITS:

The three Sugar Units in aggregate crushed 3,15,163 MT of cane during the 2009-10 season against 4,41,469 MT crushed last year. The crushing operations and cane price paid to cane suppliers for the 2009-10 season are:

	SUGAR UNIT – I TANUKU		SUGAR UNIT – II TADUVAI		SUGAR UNIT-III BHIMADOLE	
	Fin. Year 2009-10	Fin. Year 2008-09	Fin. Year 2009-10	Fin. Year 2008-09	Fin. Year 2009-10	Fin. Year 2008-09
(A) Crushing details:						
Total cane crushed (MT)	1,26,565	2,02,194	1,16,870	1,34,305	71,728	1,04,970
Total No. of days crushed	47	80	42	72	43	68
Total Sugar produced (MT)	11,634	20,790	14,464	14,752	7,930	10,877
Average Recovery	8.83%	10.22%	10.52%	10.94%	9.61%	10.35%
(B) Cane price:						
Fair & Remunerative price (per MT) Rs.	1394.30	955.80	1490.20	1036.80	1421.17	982.80
Cane price paid (per MT)* Rs.	1980.00	1500.00	1980.00	1500.00	1980.00	1500.00

* inclusive of Purchase Tax of Rs.60/- per MT

The Andhra Sugars Limited

- The decrease in cane crush is mainly due to farmers shifting to other crops and due to severe harvesting labour shortage.
- Recovery achieved was lower compared to recovery achieved last season.
- In view of the need to have the cane farmers continue to plant cane, your Company opted to pay a cane price higher than the Fair & Remunerative 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 72,91,780 Units of power against 94,15,660 Units generated last year. The Power generated through Co-generation is comparatively lower than last year due to lower quantity of cane crushed.

PERFORMANCE OF CHEMICAL DIVISION:

Performance of the Chemical Division continues to be impressive with satisfactory capacity utilisation being achieved. The Caustic Soda Unit at Saggonda achieved a profit of Rs. 78.16 Crores (after depreciation) against Rs. 51.85 Crores (after depreciation) achieved last year. Performance of other Chemicals has also been good.

WIND POWER UNITS:

The Power generated at the Ramagiri Wind Farm during the year was 24,35,100 Units against 21,96,500 Units generated last year.

The Power generation at the Tamil Nadu Wind Farms during the year under report is 1,97,96,480 Units against 1,78,93,350 Units of last year.

PROJECTS:

Due to the advantage of economy of scale and diversification, your Company continues to focus its strategy on an expansion and diversification programmes.

A 400 TPD Caustic Soda Plant is in operation at Saggonda. Out of the 400 TPD, 300 TPD is using the energy efficient UHDE Technology and 100 TPD was using the DENORA Technology. This 100 TPD is now being converted to the energy efficient UHDE Technology. The required machinery has arrived at the site. The cost of this replacement is being financed partly by way of term loan and partly through internal generation. This replacement would result in considerable energy saving. This replacement is expected to be completed during the current financial year.

A Hi-strength Hypo Plant to produce Calcium Hypo Chlorite is proposed to be set up at Saggonda. Chlorine which is the main raw material for this product will be internally sourced. This product is extensively used in Water Treatment Plants, Aqua Culture, Dairy, Textile, Leather, Paper and host of other Industries.

The Poly Aluminium Chloride Plant commenced production in June, 2010. Consent for Establishment from the A.P. Pollution Control Board has been received. Chlorine, which is the main raw material for this Plant will be internally sourced to produce this product. Poly Aluminium Chloride is extensively used in Water Purification, Waste Water Treatment and Sugar plants and has emerged as a better substitute to Alum as a clarification agent.

The Potassium Carbonate Plant at Tanuku commenced commercial production in the last week of March, 2010. Consent for Operation has been received. Potassium Hydroxide Lye, the main raw material for this Plant is being sourced internally from our Plant at Kovvur. Glass, Pharma, Food, Detergents and Cleaners, Gas Purification and Textile Industries are the end users of this product. This product has been approved by major customers.

Your Company has received environmental clearance for its planned expansion of the Caustic Potash Plant, Hydrochloric Acid Plant, Sodium Hypo Plant, Mono Chloro Acetic Acid Plant and Single Superphosphate Plant.

Your Company purchased land at the Jawharlal Nehru Pharmacy, Visakhapatnam for the production of Bulk

Drugs. The registration of the land purchased has been completed and possession has been taken. Feasibility study is being done to identify a suitable Pharma product to be produced at this site.

Your Company has established two more Wind Mills at Kundadam village in Tamil Nadu in addition to the Wind Mills at Ramagiri in Ananthapur District of Andhra Pradesh and at the villages of Annaikulam and Kurichanpatti in Tirunelveli District of Tamil Nadu. The Tirunelveli Wind Farms has been registered as a CDM Project with the United Nations Framework for Climatic Change Control (UNFCCC). The two new Wind Mills installed at Kundadam village have been commissioned and action has been initiated to avail the CDM benefits for these units also.

Power constitutes one of the major inputs for the Chemical Plants at Kovvur and Saggonda. Your Company proposes to set up a Gas Based Power Project at Saggonda. Necessary application has been made for the allotment of the required quantities of natural Gas.

With the receipt of approvals from the Ministry of Environment and Forests and the State Pollution Control Board, Sugar Unit III at Bhimadole will be expanded to 6000 TCD capacity in two phases.

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

CURRENT YEAR OUTLOOK:

For the first quarter of 2010-11 profit (after tax) was lower at Rs. 510.40 lakhs compared to a profit of Rs. 1287.50 lakhs achieved during the corresponding quarter of last year. The lower profitability has been due to decrease in the selling price of sugar. The prices of Chloro Alkali products have also been on the decline. This downward trend may have a considerable impact on the Company's overall profitability during the current financial year.

DEMATERIALIZATION OF EQUITY SHARES:

As of 31st March, 2010 Equity Shares representing 39.36% 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.
- 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, 2010 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 M. Narendranath, Sri P. Achuta Ramayya, Dr. P. Kotaiah and Dr. A.V. Rama Rao retire by rotation at the 63rd Annual General Meeting, and being eligible, offer themselves for re-appointment.

Appointment of Sri P. A. Chowdary, I.R.S. (Retd.) who was co-opted as Additional Director on the Board is being placed for the approval of the Shareholders at the 63rd Annual General Meeting.

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Re-appointment of Sri P. Narendranath Chowdary as Joint Managing Director for a further period of five years with effect from 12.01.2011 is being placed for the approval of the Shareholders at the 63rd Annual General Meeting.

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. 36.79 lakhs held by 74 depositors had fallen due for payment but remained unclaimed as on 31.3.2010. Unclaimed deposits aggregating to Rs. 15.84 lakhs held by 33 depositors have since been renewed/repaid. Still, deposits aggregating to Rs. 20.95 lakhs held by 41 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.

Central Government vide its letter No. 47/547/2010-CL-III dt.10-6-2010 has accorded its consent under the provisions of Section 212(8) of the Companies Act, 1956 exempting your Company from attaching the Accounts of its Subsidiaries to its Accounts for the year 2009-10. Shareholders desirous of obtaining the Annual Accounts of the Subsidiaries may obtain the same upon request. The Annual Report and the Accounts of the Subsidiary Companies will be kept for inspection at the Company's Registered Office as well as at the offices of your Subsidiary Companies.

SUBSIDIARY COMPANIES:

JOCIL LIMITED:

For the Financial Year ended 31.3.2010, your subsidiary Company, JOCIL Ltd., recorded a profit of Rs. 3207.01 lakhs (before taxation) against Rs. 1521.05 lakhs (before taxation) last year. Due to the impressive performance of this Subsidiary, their Board of Directors recommended a Dividend of Rs. 10/- per share (against a Dividend of Rs. 8/- per share paid last year) which was approved by the Shareholders at the Annual General Meeting held on 7th August, 2010.

THE ANDHRA FARM CHEMICALS CORPORATION LIMITED:

During the year under report 68 MTs of Hydrazine Hydrate was produced against 70 MTs last year. The Company achieved a sales of Rs. 207 lakhs against Rs. 214 lakhs and incurred a loss of Rs. 16.21 lakhs against the loss of Rs. 23.15 lakhs last year.

HINDUSTAN ALLIED CHEMICALS LIMITED:

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

AUDITORS:

M/s Brahmayya & Co., Chartered Accountants, Vijayawada, the present Auditors, retire at the 63rd 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 31-3-2010.

ACKNOWLEDGEMENT:

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

Venkatarayapuram
TANUKU – 534 215
9-08-2010

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

ANNEXURE "A" TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31-03-2010

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 01-04-2009 to 31-03-2010.

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		63	01-08-1968	26531205	89	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)	56	01-04-1998	25216442	84	Managing Director (Tech.) The Andhra Sugars Ltd., 28 Years
3)	Sri P. Narendranath Chowdary	Joint Managing Director	B.Sc.	43	12-01-1976	13125621	62	Director, The Andhra Sugars Ltd., 8 Years
4)	Sri M. Narendranath	Joint Managing Director	B.Sc., (Ag.)	36	01-01-1998	13169370	61	Managing Director, Sree Satyanarayana Spinning Mills Ltd., Tanuku. 24 Years
5)	Sri M. Thimmaraja	Joint Managing Director	B.Tech., M.B.A. (Florida)	35	01-08-1978	13222327	59	Director, The Andhra Sugars Ltd., 2 ½ Years
6)	Sri P. Achuta Ramayya	Executive Director	B.Com., M.B.A. (New York)	27	01-08-1983	12878524	55	First Appointment
7)	Shri P.S.R.V.K. Ranga Rao	Executive Director	B.Com.	11	01-05-1999	6746848	40	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 31.03.2010

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:

TANUKU UNITS:

A Solar water heating system was commissioned in February, 2010 which heats water to 65°C, saving boiler fuel.

A Condensate recovery system has been developed to recover condensate from the UH-25, UDMH, MMH, Acetic Acid and Ethanol Units. This would facilitate a saving of around 5.76 tonnes of steam per day.

Primary and De-watering Mills of Tandem 1 at Sugar Unit-I at Tanuku have been equipped with AC motors, replacing the steam Turbines. This installation would enable generating an extra 9.1 MW / hour, which is being utilised at our Chemical Units.

A new 70 TPH Boiler has been commissioned. With this, pans were boiled on 2nd effect vapour resulting in bringing down the steam requirement during the season 2009-10. The steam requirement can be further brought down after installing circulators in the pans.

Old tandem breakers retro fitting work is in progress at the Power House. With this installation, there would be a saving of around 600 KW.

SUGAR UNIT – III, BHIMADOLE:

A 180 M² Heating Surface Juice heater has been installed to heat the draft juice with 3rd body vapour to reduce the steam % cane.

CHEMICAL COMPLEX, KOVVUR:

VFDs are proposed to be installed for pumps and compressors to reduce power consumption.

Impact of these measures adopted would result in reduction in production cost of Caustic Potash produced.

CHEMICAL COMPLEX, SAGGONDA:

The conversion of 100 TPD of the Caustic Soda plant from DENORA to UHDE cells is in progress. After completion of this conversion, the energy saving would be around 298 lakh KWH per annum.

B. TECHNOLOGY ABSORPTION:

At the Tanuku Unit, under Research & Development the Company has taken up the development of a True Seed Pan. This project would ensure easy control on graining, better product quality, lesser vapour consumption at the pans and optimize washing at the centrifugal station.

Form B annexed.

The Andhra Sugars Limited

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:	Current Year	Previous Year
a) Used (Rs. in lakhs)		
i) Revenue Account	35.23	45.18
ii) Know-how fee and Service Charges of Engineers	---	—
b) Earned (Rs. in lakhs) On FOB basis	467.00	878.56

**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	9039599	9975700	20034836	22215440	808800	749700	242017021	263374343	399812	483945
TOTAL AMOUNT	RS.	22201631	32617646	36000872	43667702	3247552	3041043	473746797	575723425	1927351	2227836
RATE/UNIT	RS.	2.46	3.27	1.80	1.97	4.02	4.06	1.96	2.19	4.82	4.60
B) OWN GENERATION											
I) THROUGH DIESEL GENERATOR											
UNITS	KWH	103782	275496	—	—	43864	46672	—	—	134348	139848
UNITS PER LTR OF DIESEL OIL	KWH	3.15	3.35	—	—	1.58	2.28	—	—	2.25	2.90
COST/UNIT	RS.	24.74	19.55	—	—	50.55	47.66	—	—	19.27	16.63
II) THROUGH STEAM TURBINE GENERATOR											
UNITS	KWH	4394800	4777800	—	—	7291780	9415660	—	—	3019110	3909540
COST/UNIT	RS.	4.41	2.21	—	—	0.86	1.21	—	—	4.20	3.33
2. COAL											
QUANTITY	MT	1277.00	1897.14	—	—	—	—	—	—	—	—
TOTAL COST	RS.	4237014	7441470	—	—	—	—	—	—	—	—
AVERAGE RATE	RS.	3317.94	3922.47	—	—	—	—	—	—	—	—
3. FURNACE OIL											
QUANTITY	KL	—	—	373.73	490.13	—	—	89.376	768.13	—	—
TOTAL AMOUNT	RS.	—	—	9450063	12418797	—	—	1837365	20944867	—	—
AVERAGE RATE	RS.	—	—	25285.87	25337.81	—	—	20557.70	27267.24	—	—

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
4. ONGC NATURAL GAS											
QUANTITY	M ³	3751481	3655620	—	—	—	—	—	—	—	—
TOTAL AMOUNT	RS.	20455044	19824516	—	—	—	—	—	—	—	—
RATE/UNIT (M3)	RS.	5.45	5.42	—	—	—	—	—	—	—	—
5. HUSK AND FIRE WOOD											
QUANTITY	MT	—	29.50	3518.57	3269.923	—	12.79	6182.93	12561.56	1258.53	173.45
TOTAL COST	RS.	—	50945	7552135	7259872	—	16626	13239704	26613135	1578810	355371
AVERAGE RATE	RS.	—	1726.95	2146.36	2220.20	—	1299.92	2141.33	2118.62	1254.49	2048.84
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	4317	—	—	—	—
TOTAL COST	RS.	—	—	—	—	3960913	3650020	—	—	—	—
AVERAGE RATE	RS.	—	—	—	—	917.43	845.50	—	—	—	—
8. OTHER INTERNAL GENERATION											
A) BAGASSE											
QUANTITY	MT	39349	61750	—	—	39892	51681	—	—	22760	31932
TOTAL AMOUNT	RS.	—	—	—	—	—	—	—	—	—	—
RATE/UNIT	RS.	—	—	—	—	—	—	—	—	—	—
B) BIOGAS:											
QUANTITY	M ³	3713250	4591191	—	—	—	—	—	—	—	—
TOTAL AMOUNT	RS.	—	—	—	—	—	—	—	—	—	—
RATE/UNIT	RS.	—	—	—	—	—	—	—	—	—	—
C) HYDROGEN											
QUANTITY	MT	—	—	129.33	144.50	—	—	1807.00	2385.84	—	—
				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.	32	0.56	25	0.52
2. ALCOHOL	KL.	200	2.33	181	2.11
3. ETHANOL	KL.	90	0.65	69	0.61
4. ACETIC ACID /ANHYDRIDE MIX	MT.	813	8.67	685	7.94
5. ETHYL ACETATE	MT.	405	6.50	432	6.31
6. ASPIRIN	MT.	3125	12.34	3026	10.94
7. U.H.25	MT.	6307	140.83	6428	164.10
8. M.M.H	MT.	20346	574.28	18103	465.85
9. H.T.P.B	MT.	1965	26.87	1573	24.19
10. CAUSTIC SODA LYE AT SAGGONDA	MT.	2587	0.84	2561	0.75
11. LIQUID CHLORINE AT KOVVUR	MT.	311	-	470	-
12. LIQUID CHLORINE AT SAGGONDA	MT.	68	-	181	-
13. HYDROCHLORIC ACID AT KOVVUR	MT.	62	-	67	-
14. HYDROCHLORIC ACID AT SAGGONDA	MT.	27	-	26	-
15. CAUSTIC POTASH LYE AT KOVVUR	MT.	1814	2.99	1599	1.44
16. SULPHURIC ACID AT KOVVUR	MT.	45	0.34	79	0.31
17. SULPHURIC ACID AT SAGGONDA	MT.	75	0.30	77	0.29
18. SUPERPHOSPHATE AT KOVVUR	MT.	27	-	38	-
19. SUGAR (TADUVAI)	QTL.	26	0.50	27	0.49
20. SUGAR (BHIMADOLE)	QTL.	36	0.51	35	0.49

FORM B

Form for Disclosure of particulars with respect to Technology Absorption

RESEARCH & DEVELOPMENT (R&D)

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

Your company is actively involved in Development of new products/processes, Absorption and upgradation of technology, Ensuring regulatory compliance of products, Process optimization, Waste minimization and bye-products utilization and Introduction of modern methods in sugar cane management.

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

The continuous R&D activities of your Company helped in developing new market segment for products, better resource utilization, improving quality & yield of existing processes.

3. Future plan of action:

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

4. Expenditure on R&D		(Rupees in lakhs)
a) Capital	:	37.28
b) Recurring	:	121.05
c) Total	:	158.33
d) Total R&D expenditure as percentage of total Turnover	:	0.27%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

1. Efforts, in brief, made towards Technology Absorption, Adaptation and Innovation

- a) Commercial production of Potassium carbonate.
- b) Studies on sugar seed preparation using true seeding concept in sugar grain process.
- c) Introduction of better water management practices in existing processes.
- d) Setting up of pilot facility for studies on degradation of Phenolic waste water using Upflow Anaerobic Sludge Blanket (UASB) system.

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

- a) The new product development utilizing Raw materials/Intermediates from existing plants contribute in developing related products.
- b) The studies will help in accurate grain control and resulting in better sugar recovery and product quality. This is in line with improvement of existing processes.
- c) Better water management efforts i.e., recycle and reuse of water generated from various processes and R.O systems resulted in reduced water usage and minimize effluents.
- d) The studies will help in designing an efficient treatment system for minimizing pollution.

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

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

Information Pursuant to Listing Agreement with Stock Exchanges

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

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

ANNEXURE TO DIRECTORS' REPORT

CORPORATE GOVERNANCE

MANAGEMENT DISCUSSION AND ANALYSIS:

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

Your Company is engaged in the manufacture and sale of Sugar, Organic and Inorganic Chemicals 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 and Kundadam in Tamil Nadu.

SUGAR INDUSTRY:

Sugar is manufactured at Sugar Unit-I Tanuku, Sugar Unit-II Taduvai and Sugar Unit-III Bhimadole. Molasses which is a bye-product from the Sugar Plant is the raw material for your Company's continuous process 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. Carbon dioxide which is a bye-product of fermentation at the Distillery is purified and used as one of the raw materials to produce Salicylic Acid which goes into the manufacture of Aspirin.

The Sugar Industry has been a major segment of agriculture and rural economy. Over the years it has been subjected to operating constraints. Exposure to cyclical risk and variations, partly due to inherent factors and partly due to regulated restrictions has effected the fortunes of this industry as well as the farmers. The release mechanism adopted by the Regulatory Authority, seasons of large surplus and shortages leading to swings in the prices of Sugar, inconsistent Government policies have always been areas of concern hindering the growth of this industry. Dwindling of area of cane cultivation due to farmers switching over to other crops due to acute labour shortage has compounded the problems. In this scenario decontrol of the industry seems to be the only solution to bring the industry out of the regulatory frame work. It is heartening to note that recently the Government of India has indicated preparedness to decontrol the industry. This is a welcoming sign as it would bring the industry out of the regulatory restrictions and will allow it to operate in a free environment, enabling the factories to expand their plant capacity and also explore the new vistas of diversification. Another area for the Government to look into is the need to evolve policies to support mechanization, which in the future is going to be an essential integral part of cane farming operations. Concessional loans need to be offered for financing the required equipment, import duty concessions need to be given where the machinery is to be imported and other assistance is needed to encourage mechanization in a big way.

Your Company's Plants at Taduvai and Bhimadole are geared to operate at a higher level. Consent for Establishment for expanding Bhimadole Plant to 6,000 TCD has been received from the State Pollution Control Board. Your Company has been giving constant thrust to sugarcane Research & Development to help the farmers in improving the yield per acre. With joining the consortium of cane Breeding, your Company now has undertaken field trials of 130 promising cane varieties to ensure the availability of quality cane varieties to the farmers. A Research Farm is maintained to present to the farmers the best farming practices and their benefits. Necessary incentives are being provided to the farmers to keep them in sugarcane farming business.

With the Government making it mandatory to blend Ethanol with Petrol, the Sugar Industry can view Ethanol business as a value added opportunity. It is important for the Government to evolve a suitable price policy which would be beneficial to both the Industry and the Refineries. Keeping this in view your Company contemplates to initiate necessary steps in this direction, besides supplying Ethanol to the Pharma Industry.

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 bye-products of Caustic Soda manufacture, are used to produce Hydrochloric Acid.

Your Company is the largest manufacturer of Caustic Soda in Southern India. Power constitutes a major input cost of Caustic Soda. Increased power cost is affecting the competitiveness of this Industry. This has necessitated the industry to look for the Energy Efficient operations to reduce the power cost. In this context, your Company's Caustic Soda Plant at Saggonda is operated on Energy Efficient UHDE Technology which is widely used in Chlor-alkali Plants all over the World.

Another area of concern for Caustic Soda Industry has been the disposal of Chlorine, which is a bye-product of Caustic Soda. Due to its hazardous nature it cannot be exported and as such avenues are to be explored to consume the product domestically. With the Paper Industry adopting Chlorine free technology for the manufacture of Paper, the disposal of Chlorine has become even more difficult. Therefore there is a serious need to look into developing down stream products to use Chlorine. Your Company has already started its focus in this area. Besides the Poly Aluminum Chloride Plant, already in operation, other Chlorine based plants such as Hi-strength Hypo, Monochloro Acetic Acid and other Bulk Drugs are being considered in order to utilize the Chlorine inhouse.

In view of the increased fuel cost, the Caustic Soda movement by road is becoming uneconomical. In order to effect deliveries at an economical price, Caustic Soda to bulk customers is being delivered through our own railway wagons. 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. Formalities with regard to registration of land purchased at the Jawaharlal Nehru Pharmacy, Visakhapatnam has been completed and the Company has taken the possession of the land. Your Company is in the process identifying a suitable product at this location.

With the domestic price realization of Aspirin 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 to increase the revenue generation from this activity.

With the establishment of Wind Mills, Carbon Trading Benefits is considered as an additional revenue generating opportunity. Your Company has initiated necessary steps to avail Carbon Trading Benefits in respect of the new Wind Mills commissioned at Kundadam in Tamil Nadu.

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 Vijjeswaram in West Godavari District for Power that is cheaper than Power from the State Electricity Board. This provides your Company's Caustic Soda Unit a competitive edge in the market. This is being supplemented by the 7 MW Co-gen Power generated at Sugar Unit II and 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 at Saggonda to avoid our dependence on TRANSCO for transmission of power to our Plant. With a view to ensure continuous power supply to the Chemical Plants at Tanuku, your Company is making a preliminary study to explore the possibility of setting up a small natural Co-generation Plant at Tanuku.

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.156.44 Crores (before interest and depreciation) against Rs.133.80 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 31.3.2010 is Rs. 743.35 Crores compared to Rs. 711.89 Crores during the previous year 2008-09. Your Company has a net worth of Rs. 377.33 Crores.

Your Company is eligible for interest free Sales Tax Deferment Loan of Rs. 82.07 Crores upto the Financial Year 2012-13. During the year 2009-10, the Company has availed a Deferment Loan of Rs. 2.84 Crores and the aggregate Deferment Loan availed as at 31st March, 2010 was Rs. 39.30 Crores leaving a balance of Rs. 42.77 Crores. Your Company has availed interest free loans from the Consortium of Bankers to an 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 continued to be cordial. As on 31.3.2010 your Company's employees strength stood at 2,214.

CAUTIONARY STATEMENT

Statement 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 31.3.2010, 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 P.A. Chowdary, I.R.S.(Retd.) appointed as Additional Director with effect from 24-4-2010.

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 Director 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 Directorships 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	Yes	3	-	1	1
Sri P. Narendranath Chowdary	4	No	6	-	2	-
Sri M. Narendranath	3	No	3	-	-	-
Sri M. Thimmaraja	3	Yes	2	-	3	-
Sri P. Achuta Ramayya	3	Yes	-	-	-	-
Sri P.S.R.V.K. Ranga Rao	4	Yes	-	-	-	-
Sri A. Ranga Rao	4	Yes	-	-	-	-
Sri Justice G. Ramanujam	-	No	3	-	1	1
Dr. A.V. Rama Rao	3	No	-	-	-	-
Dr. P. Kotaiah	3	No	4	-	4	2
Sri V.S. Raju	3	No	4	-	2	2
Dr. Alapaty Appa Rao	3	No	2	-	3	1
Dr. Anumolu Ramakrishna	2	No	11	-	10	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 2009-10 AND THE DATES ON WHICH HELD

Sl.No.	Date of Board Meeting
1	25.04.2009
2	18.07.2009
3	24.10.2009
4	23.01.2010

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 statements are correct, sufficient and credible.
 - ii) Recommending to the Board the appointment, re-appointment and if required the replacement or removal of the Statutory Auditor and fixation of audit fees.
 - iii) Approval of payment to the Statutory Auditors for any service rendered by them.
 - iv) Review with the management the annual financial statements before submission to the Board for approval with particular reference to :
 - a) Matters required to be included in the Directors Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
 - b) Changes if any in the accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on exercise of judgement by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any Related Party Transaction.
 - g) Qualification in the draft Audit Report.
 - v) Review with the management the quarterly financial statements before submission to the Board for approval.
 - vi) Review with the management performance of Statutory and Internal Auditors, adequacy of the Internal Control Systems.
 - vii) Review the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
 - viii) Discussions with the Internal Auditors any significant findings and follow up thereon.
 - ix) Review the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 - x) Discussions with the Statutory Auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - xi) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

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- xii) To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- 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 Auditors.

c) NUMBER OF AUDIT COMMITTEE MEETINGS HELD DURING THE FINANCIAL YEAR 2009-10 AND THE DATES ON WHICH HELD

Sl. No.	Dates of Audit Committee Meeting
1	25.04.2009
2	18.07.2009
3	24.10.2009
4	23.01.2010

d) ATTENDANCE OF THE MEMBERS OF THE AUDIT COMMITTEE AT ITS MEETINGS HELD DURING THE FINANCIAL YEAR 2009-10

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

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 Secretary to the Committee.

The Audit Committee considers periodically statement of Related Party Transactions at its Meetings.

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 two unlisted subsidiary Companies, viz., The Andhra Farm Chemicals Corporation Ltd., and Hindustan Allied Chemicals Ltd.
- c) Minutes of the Board Meetings of the unlisted Subsidiary Companies are placed before the Board Meeting of the Holding Company.

6. REMUNERATION COMMITTEE, POLICY, DETAILS

- The need for a Remuneration Committee did not arise during the year.
- The Company does not remunerate nor the Company has any pecuniary relationship with the Non-Executive Directors except for the payment of sitting fees for attending each Meeting of the Board or Committee thereof.

Details of the remuneration paid / payable to the Directors during the year 2009-10 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	43,25,595	2,22,05,610	2,65,31,205
Dr. B. B. Ramaiah	Nil	30,10,832	2,22,05,610	2,52,16,442
Sri P. Narendranath Chowdary	Nil	20,22,816	1,11,02,805	1,31,25,621
Sri M. Narendranath	Nil	20,66,565	1,11,02,805	1,31,69,370
Sri M. Thimmaraja	Nil	21,19,522	1,11,02,805	1,32,22,327
Sri P. Achuta Ramayya	Nil	17,75,720	1,11,02,804	1,28,78,524
Sri P.S.R.V.K. Ranga Rao	Nil	11,95,446	55,51,402	67,46,848
Sri A. Ranga Rao	80,000	Nil	Nil	80,000
Sri Justice G. Ramanujam	Nil	Nil	Nil	Nil
Dr. A.V. Rama Rao	30,000	Nil	Nil	30,000
Dr. P. Kotaiah	60,000	Nil	Nil	60,000
Sri V. S. Raju	60,000	Nil	Nil	60,000
Dr. Alapaty Appa Rao	30,000	Nil	Nil	30,000
Dr. Anumolu Ramakrishna	20,000	Nil	Nil	20,000

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

7. SHAREHOLDING OF NON-EXECUTIVE DIRECTORS :

As on 31.03.2010 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 2009-10 Company has not issued any convertible instruments.

8. MANAGEMENT

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

9. CEO / CFO CERTIFICATION

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

10. SHAREHOLDERS' 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 2009-10, four Committee Meetings were held on 25.04.2009, 18-07-2009, 30-10-2009 and 23.01.2010. The Company received a total number of 308 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 31.3.2010 no Share Transfers were pending and there were no pending complaints.
- d) ATTENDANCE OF DIRECTORS AT THE SHAREHOLDERS' / INVESTORS' GRIEVANCES COMMITTEE MEETINGS HELD DURING FINANCIAL YEAR 2009-10

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

11. ANNUAL GENERAL BODY MEETINGS

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

Financial Year – 1 st April to 31 st March			
Financial Year	Venue	Date	Time
2006-2007	Registered Office VENKATARAYAPURAM, TANUKU - 534 215 (A.P.)	29-9-2007	3:00 p.m.
2007-2008	-- do --	25-9-2008	3:00 p.m.
2008-2009	-- do --	14-9-2009	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
29-09-2007	5	Re-appointment of Managing Director / Whole-time Directors.
25-09-2008	1	Re-appointment of Sri P.S.R.V.K. Ranga Rao as Executive Director.
14-09-2009	7	Payment of enhanced managerial remuneration to Managing Director /Whole-time Directors with effect from 1-4-2009 and to Sri P.S.R.V.K. Ranga Rao, Executive Director with effect from 1-5-2009.

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, 1956 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 Web Site www.theandhrasugars.com as required by the Listing Agreement.
- iv. Company has not issued any press release nor made any presentations to the investors or to analysts about its financial results during the year.

The Andhra Sugars Limited

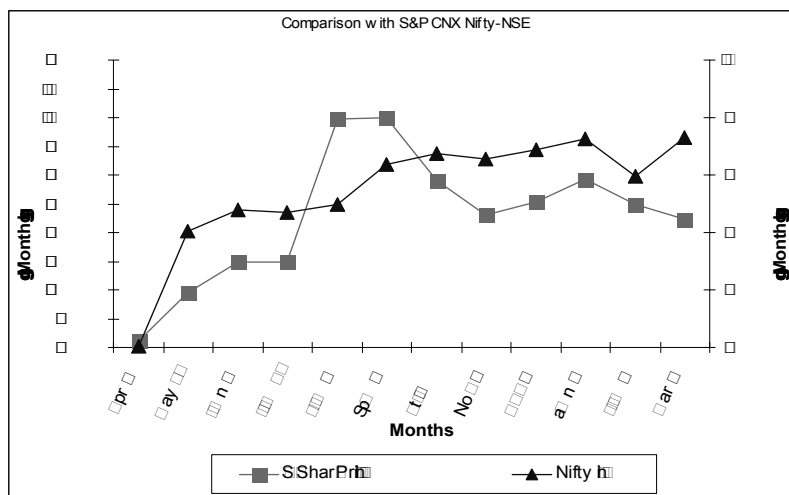
General Shareholder Information

- (i) Annual General Meeting :
Date & Time : Wednesday, 29th September, 2010, 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 : 23rd September, 2010 to 29th September, 2010
(both days inclusive)
- (iv) Dividend payment date : 4th October, 2010
- (v) Listing on Stock Exchanges at: Madras Stock Exchange
National Stock Exchange
- (vi) Stock code : MSE-CODE-ASR
NSE-CODE-ANDHRSUGAR
- (vii) Stock Market Data : National Stock Exchange

Month	High	Low
	Rs.	Rs.
April, 2009	82.40	59.55
May, 2009	99.00	77.10
June, 2009	110.00	85.10
July, 2009	110.00	81.00
August, 2009	159.50	108.10
September, 2009	159.90	130.00
October, 2009	138.20	111.85
November, 2009	125.95	106.60
December, 2009	130.50	112.50
January, 2010	138.50	117.10
February, 2010	129.85	116.25
March, 2010	124.85	110.60

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

EQUITY SHARE PRICE CHART (NSE)



- (ix) Registrars & Share Transfer Agents : Company has not appointed any Share Transfer 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, 2010

Category	No. of Shares Held	% of Shareholding
Promoters	14592784	53.83
Institutions, Mutual Funds and Banks	208629	0.77
FII's / OCBs	—	—
NRIs	424657	1.57
Bodies Corporate, Trusts and Clearing Members	1853437	6.84
Public	10027571	36.99
Total	27107078	100.00

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(b) Distribution of Shareholding as on 31st March, 2010

Shareholding of Nominal value of Rs.	No. of Shareholders	% to total	Share amount in Rs.	% to Total
Up to 5000	13,967	83.640	2,64,59,760	9.761
5001 to 10000	1,151	6.893	1,26,88,360	4.681
10001 to 20000	680	4.072	1,36,69,570	5.043
20001 to 30000	262	1.569	95,70,110	3.531
30001 to 40000	135	0.808	64,90,710	2.394
40001 to 50000	123	0.736	1,02,58,140	3.784
50001 to 100000	199	1.192	2,38,26,140	8.790
100001 onwards	182	1.090	16,81,07,990	62.016
Total	16,699	100.00	27,10,70,780	100.00

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

Company's Equity Shares are listed on Madras and National Stock Exchanges with a view to provide liquidity to the Shareholders. As per the SEBI notification, the Company's Equity Shares have been compulsorily dematerialised with effect from 25th October, 2000. The Company has appointed XL Softech Systems, 3 Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034 to establish Electronic connectivity with the Depositories viz., NSDL and CDSL. The ISIN No. is INE715B01013. As on 31.3.2010, 39.36% of Equity Shares have been dematerialised.

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

(xiv) Plant Locations :

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

Wind Power Units:

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

- (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 Director of the Company as mentioned is not adopted.

2. Remuneration Committee

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

3. Shareholders Rights

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

4. Audit Qualification

There are no qualifications proposed by the Auditors in their Report for the year ending 31st March, 2010, 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 behavior 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, 2010.

Place : TANUKU
Date : 9-08-2010

Dr. MULLAPUDI HARISCHANDRA PRASAD
Chairman & Managing Director

CERTIFICATE

To
The Shareholders of
The Andhra Sugars Limited
Tanuku.

We have examined the compliance of conditions of Corporate Governance by The Andhra Sugars Limited for the year ended on 31st March, 2010 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, 2010, 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 : 9th August, 2010

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

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 31st March 2010, 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 statements 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 31st March, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 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, 2010 ;
 - 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 : 9th August, 2010

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

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 of physical verification of fixed assets, during the year the management has verified all fixed assets of various divisions located at Tanuku, Taduvai and Bhimadole except furniture & fixtures. No material discrepancies were noticed on such physical verification.
- 1.3 According to the information and explanations furnished to us, the company has not disposed of a substantial part of its fixed assets during the year as to affect the going concern assumption in preparing the financial statements under report.
- 2.1 According to the information and explanations furnished to us, during the year under report the company has physically verified its inventories of Raw materials, Finished goods & stores and spares. 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.7162.85 lakhs from forty seven 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 the internal control system, that in our opinion, require correction but have so continued without correction.
- 5.1 Based on the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- 5.2 In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements that have been entered in the Register referred to in Section 301 of the Companies Act have been made at prices which are reasonable having regard to prevailing market prices and other terms of business with such parties, at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of 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	Upto August, 1976	358290 (establishment charges)	Pending receipt of demand by the Company
2.	Andhra pradesh State Excise Act	August, 1976 to March, 2010	1445371 (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	1345603	Income Tax Appellate Tribunal
4	Central Excise Act, 1944	Excise Duty	10354	Different departmental appellate authorities
5	Customs Act	Customs Duty	292004	Dy.Comr. Customs
6	Service Tax Law	Service Tax	6262243	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 : 9th August, 2010

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

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 capitalized.

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 capitalized 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.
- Bye-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.

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 recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

b) Post-Employment Benefits :

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

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

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

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

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

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 recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

13. CONTINGENT LIABILITIES :

Contingent liabilities are not recognized 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 capitalized as intangible assets and amortized on written down value method beginning from the date of capitalization.

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	31-03-2010
II.	Capital Raised during the Year	
	a) Public Issue	NIL
	b) Rights Issue	NIL
	c) Bonus Issue	NIL
	d) Private Placement	NIL
III.	Position of Mobilisation & Deployment of Funds	
	a) Total Assets	84885.64
	b) Total Liabilities	84885.64
	Sources of Funds:	
	a) Paid-up Capital	2711.01
	b) Reserves & Surplus	35021.81
	c) Deferred Tax (Net)	7467.66
	d) Secured Loans	6821.36
	e) Unsecured Loans	14195.61
	TOTAL:	<u>66217.45</u>
	Applications of Funds:	
	a) Net Fixed assets	48239.36
	b) Investments	7409.14
	c) Net Current Assets	10568.95
	d) Miscellaneous Expenses	0.00
	TOTAL:	<u>66217.45</u>
IV.	Performance of Company:	
	a) Turnover	58203.08
	b) Other Income	2943.39
	c) Total Expenditure	48111.30
	d) Profit Before Tax	9991.10
	e) Profit After Tax	6675.65
	f) Earnings Per Share in Rs.	24.63
	g) Dividend Rate %	50%
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, 2010

	Schedule	(Rupees in lakhs)	
		31-03-2010	31-03-2009
I SOURCES OF FUNDS			
1) Shareholders' Funds			
a) Capital	1	2711.01	2711.01
b) Reserves & Surplus	2	35021.81	29886.05
		37732.82	32597.06
2) Loan Funds			
a) Secured Loans	3	6821.36	17926.95
b) Unsecured Loans	4	14195.61	13437.41
		21016.97	31364.36
3) Deferred Tax			
a) Liability		8413.98	7745.90
b) Asset		946.32	911.33
		7467.66	6834.57
TOTAL		66217.45	70795.99
II APPLICATION OF FUNDS			
1) Fixed Assets			
a) Gross Block		74334.52	71188.97
b) Less: Depreciation		29762.63	26562.31
c) Net Block	5	44571.89	44626.66
d) Capital work-in-progress		3667.47	3242.22
		48239.36	47868.88
2) Investments			
	6	7409.14	7409.21
3) Current Assets, Loans & Advances			
a) Inventories	7	13115.52	19586.75
b) Sundry Debtors	8	4420.46	5756.46
c) Cash and Bank Balances	9	1386.81	974.48
d) Other Current Assets	10	45.45	39.39
e) Loans and Advances	11	10268.90	9501.25
		29237.14	35858.33
Less: Current Liabilities & Provisions:			
a) Liabilities	12	10146.15	12503.43
b) Provisions	13	8522.04	7837.00
		18668.19	20340.43
Net Current Assets		10568.95	15517.90
TOTAL		66217.45	70795.99

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 : 9-08-2010

TANUKU
9-08-2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

		(Rupees in lakhs)	
	Schedule	This Year	Previous Year
INCOME			
Sales		58203.08	62330.14
Less: Excise Duty recovered		3044.07	5139.32
		-----	-----
Other Income	14	55159.01 2943.39	57190.82 3173.08
		-----	-----
		58102.40	60363.90
EXPENDITURE			
Purchase of finished goods		23.82	---
Decretion in stock	15	6011.64	4106.30
Raw Materials consumed		18025.40	22269.69
Payments & Benefits to Employees	16	4987.38	4481.79
Manufacturing and Other Expenses	17	13062.83	15667.44
Excise Duty and Taxes	18	346.71	458.59
Interest	19	2162.78	3223.50
Depreciation		3490.74	3341.71
		-----	-----
		48111.30	53549.02
Profit for the Year		9991.10	6814.88
Add: Income Tax refund received		2.67	1.65
Excess provision of Income Tax		18.97	12.37
		-----	-----
Net Profit		10012.74	6828.90
Less: Provisions for:			
Current Tax		2700.00	1900.00
Fringe Benefit tax		---	20.00
Deferred Tax		633.09	377.33
Wealth Tax		4.00	4.00
		-----	-----
Profit after tax		6675.65	4527.57
Add: Balance brought forward from last year		5658.61	3460.66
		-----	-----
Balance available for appropriation		12334.26	7988.23
APPROPRIATIONS			
General Reserve		670.00	460.00
Dividends (See Directors' Report)	20	1539.89	1869.62
Balance taken to Balance Sheet		10124.37	5658.61
		-----	-----
		12334.26	7988.23
Basic Earnings per Share:			
(Profit after Tax / No. of Equity Shares)			
Profit after Tax		6675.65	4527.57
No. of Equity Shares of Rs.10/- each		271.07	271.07
Basic Earnings per share		24.63	16.70

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 : 9-08-2010

TANUKU
9-08-2010

SCHEDULES TO BALANCE SHEET

(Rupees in lakhs)

SCHEDULE - 1**SHARE CAPITAL**

		As at 31-03-2010	As at 31-03-2009
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
		3000.00	3000.00
ISSUED CAPITAL			
27113091	Equity Shares of Rs.10/- each	2711.31	2711.31
		2711.31	2711.31
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
		2711.01	2711.01

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	23052.74	22592.74
	Add: Transferred from Profit & Loss A/c during the year	670.00	460.00
		23722.74	23052.74
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	10124.37	5658.61
		35021.81	29886.05

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

The Andhra Sugars Limited

(Rupees in lakhs)

SCHEDULE - 3

SECURED LOANS:

	As at 31-03-2010	As at 31-03-2009
FROM BANKS:		
i) Term Loans *		
From Banks (against exclusive First Charge on assets created out of the loan)	4081.20	5775.17
ii) Cash Credit (from Banks)	2740.16	12151.78
(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)		
	----- 6821.36 -----	----- 17926.95 -----

* An amount of Rs. 2112.50 lakhs repayable within a period of one year.

UNSECURED LOANS

SCHEDULE - 4

Fixed Deposits : **

From Share Holders	1365.45	1265.60
From Public	6493.15	6031.25
From Directors	2400.55	2255.45
Loans:		
From other companies *	6.00	239.00
Sales Tax Deferment Loan	3930.46	3646.11
(Repayable at the end of 14 th year from the year of receipt. First repayment falls due during the accounting year 2012 - 2013)		
	----- 14195.61 -----	----- 13437.41 -----
*Include amounts due to subsidiary companies :		
JOCIL Ltd.,	---	150.00
Hindustan Allied Chemicals Ltd.,	6.00	4.00

Note : Fixed Deposits matured and remaining unclaimed aggregating to Rs.36.79 lakhs are not included above, but shown in Schedule 12.

** The above unsecured loans includes an amount of Rs. 3532.34 lakhs repayable within a period of one year.

FIXED ASSETS

SCHEDULE - 5
(Rupees in lakhs)

	GROSS BLOCK				DEPRECIATION BLOCK				IMPAIRMENT BLOCK				NET BLOCK	
	Cost as at 31-3-09	Additions during the year	Deductions during the year	Cost as at 31-3-10	Dep. upto 31-3-09	Dep. for 09-10**	Dep. on Dedn	Dep. upto 31-03-10	Impairment upto 31-03-09	Additions during the year	Deductions during the year	Impairment upto 31-03-10	WDV as at 31-3-10	WDV as at 31-3-09
1) Land	2990.26	40.86	---	3031.12	---	---	---	---	---	---	---	---	3031.12	2990.26
2) Factory & Buildings *	4983.35	298.68	10.58	5271.45	1622.86	131.38	8.54	1745.70	---	---	---	---	3525.75	3360.49
3) Plant and Machinery	55266.84	1224.67	153.20	56338.31	21594.05	2903.89	129.01	24368.93	310.31	---	20.91	289.40	31679.98	33364.20
4) Transport Equipment	2057.35	189.71	132.59	2114.47	1161.51	170.89	119.97	1212.43	---	---	---	---	902.04	895.84
5) Furniture & Fittings	598.88	12.24	36.02	575.10	458.70	27.87	34.75	451.82	---	---	---	---	123.28	140.18
6) Tramways and Railway Sidings	731.99	---	---	731.99	241.76	33.50	---	275.26	---	---	---	---	456.73	490.23
7) Renewable Energy Plant : Wind Farm	4560.30	1711.78	---	6272.08	1174.84	244.25	---	1419.09	---	---	---	---	4852.99	3385.46
TOTAL	71188.97	3477.94	332.39	74334.52	26253.72	3511.78	292.27	29473.23	310.31	---	20.91	289.40	44571.89	44626.66
Previous Year	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

* 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.2090844 at Bhimadole and depreciation capitalised to the extent of Rs.13081 at MM division.

INVESTMENTS**SCHEDULE - 6**

(Rupees in lakhs)

	As at 31-03-2010	As at 31-03-2009
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A) TRADE INVESTMENTS**1) IN SUBSIDIARY COMPANIES**

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(Rs.07 matured during the year) (lodged with Govt.Departments towards security)	0.05	0.12
b) 1000000 Equity Shares of Rs.10/-each in Agri Business Finance (AP) Ltd., (Unquoted) Less: Calls due	100 <u>50</u>	50.00
c) 712110.482 Units of UTI Mutual Fund Service Industries fund sector Purchased during the year	201.10	201.10
d) 1391 Equity Shares of Rs.10/- each, fully paid-up in Indian Bank (Quoted)	1.27	1.27

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

Cost of unquoted investments	3744.09	3744.16
Cost of quoted investments	3665.05	3665.05
	-----	-----
	7409.14	7409.21
	-----	-----

Market value of quoted investments	10077.79	4107.26
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The Andhra Sugars Limited

(Rupees in lakhs)

INVENTORIES

(As certified by the Managing Director)

SCHEDULE - 7

	As at 31-03-2010	As at 31-03-2009
Stores and Spares	3233.32	3431.14
Raw Materials	2674.42	2453.52
Work-in-process	216.97	245.64
Finished Goods - at Cost	3498.11	6442.81
- at Market value	3491.33	6929.23
Goods in Transit	1.37	84.02
Crops under cultivation	---	0.39
	-----	-----
	13115.52	19586.75
	-----	-----

SUNDRY DEBTORS

SCHEDULE - 8

a) Debts outstanding for a period exceeding six months		
Unsecured-considered good	236.54	153.54
Unsecured-considered doubtful	15.02	19.81
	-----	-----
	251.56	173.35
Less: Provision for Doubtful Debts	15.02	19.81
	-----	-----
	236.54	153.54
b) Other Debts: Unsecured-considered good	4183.92	5602.92
	-----	-----
	4420.46	5756.46
Due from a Subsidiary Company (included in "b")	0.10	---

CASH AND BANK BALANCES

SCHEDULE - 9

Cash and Cheques on hand	13.51	7.60
Balances with Scheduled Banks in		
- Current Accounts	1123.88	824.47
- Fixed Deposit Accounts	249.42	142.41
	-----	-----
	1386.81	974.48
	-----	-----
Balances with Scheduled Banks, include inter-alia, the following:		
a) In "Unclaimed Dividend Accounts" u/s 205A of the Companies Act, 1956	90.58	80.98
b) Towards unencashed interest/redemption warrants on 16.5% Non Convertible Debentures	---	0.36
c) Towards staff security deposit	31.44	31.44

The Andhra Sugars Limited

(Rupees in lakhs)

OTHER CURRENT ASSETS

SCHEDULE - 10

	As at 31-03-2010	As at 31-03-2009
Interest accrued on Investments and deposits	45.45	39.39
	<u>45.45</u>	<u>39.39</u>

LOANS AND ADVANCES

SCHEDULE - 11

Advances (recoverable in cash or in kind for value to be received)		
Unsecured considered good	2710.79	1747.09
Unsecured considered doubtful	0.03	0.03
	<u>2710.82</u>	<u>1747.12</u>
Less: Provision for doubtful Advances	0.03	0.03
	<u>2710.79</u>	<u>1747.09</u>
Prepaid expenses	77.86	69.16
Excise Duty paid in advance (including Cenvat credit pending utilisation)	848.31	888.89
Advance payment of Direct Taxes	5295.41	4609.48
Income Tax deducted at source	91.03	87.40
Deposits recoverable	879.82	961.95
Claims recoverable	353.06	1117.34
Balance with Customs, Port Trust, etc.,	12.62	19.94
	<u>10268.90</u>	<u>9501.25</u>
Due from a Subsidiary Company (included in "advances" above)	0.91	0.28

LIABILITIES

SCHEDULE - 12

Sundry Creditors		
Due to Micro, Small & Medium Enterprises (see Note No.9)	4.10	26.08
Due to Others	9319.96	11659.57
[Includes Rs 943.74 lakhs (Rs 642.50 lakhs) due to Directors]		
Due to Subsidiaries	49.97	—
Advances received against sales	255.50	346.61
Trade Deposits	92.35	86.20
Staff security deposit	28.67	29.66
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]	256.94	233.73
Dividends pending encashment *	90.58	80.98
Unclaimed matured Fixed Deposits *	36.79	30.44
Unclaimed interest on matured Deposits * and debentures	11.29	10.16
	<u>10146.15</u>	<u>12503.43</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

(Rupees in lakhs)

PROVISIONS

SCHEDULE - 13

	As at 31-03-2010	As at 31-03-2009
For Income Tax and Fringe Benefit Tax	5675.38	4992.38
For Wealth Tax	12.00	10.00
For Proposed Dividend	1355.35	1626.43
For Tax on Distributable Profits	184.54	243.19
For Employees Compensated Absences	409.49	281.14
For Gratuity	885.28	683.86
	-----	-----
	8522.04	7837.00
	-----	-----

SCHEDULES TO PROFIT & LOSS ACCOUNT

OTHER INCOME

SCHEDULE - 14

Processing and Job work income	0.49	18.45
Freight and other sales expenses recovered	1417.38	1434.47
Subsidy on Superphosphate sales	736.95	1083.67
Rents received	61.01	66.29
Dividends received	212.31	185.47
Interest from Banks and Others	76.41	74.39
Interest on Investments	0.03	0.51
Miscellaneous receipts	141.97	176.52
Profit on Sale of Assets	27.90	34.74
Provisions/ Credit balances written back	4.61	17.79
Claims received	22.01	30.88
Income from agriculture (Net)	4.05	6.90
Impairment provision written back	---	1.05
Difference in exchange	221.30	41.82
Tarrif reduction from APGPCL	7.90	---
Income of earlier years	9.07	0.13
	-----	-----
	2943.39	3173.08
	-----	-----
1) Dividend income includes:		
From Trade Investments - In subsidiaries	195.46	171.03
- In others	16.85	14.44
2) Tax deducted at source :		
— on Interest income	8.56	15.46
— on Contracts	1.25	1.04
— on Rents received	8.48	13.66
— on Technical and professional services	0.05	1.19

The Andhra Sugars Limited

(Rupees in lakhs)

SCHEDULE - 15

OPENING AND CLOSING STOCKS

	As at 31-03-2010	As at 31-03-2009
Opening Stock:		
Work-in-process	245.63	275.73
Finished goods	13372.05	17979.04
Total (A)	<u>13617.68</u>	<u>18254.77</u>
Closing Stock:		
Work-in-process	216.97	245.63
Finished goods	6989.44	13372.05
Total (B)	<u>7206.41</u>	<u>13617.68</u>
Add: (Increase)/Decrease in Excise duty on stocks (C)	<u>399.63</u>	<u>530.79</u>
Decretion in stock	<u>6011.64</u>	<u>4106.30</u>

SCHEDULE - 16

PAYMENTS AND BENEFITS TO EMPLOYEES

Salaries, Wages and Bonus	3995.95	3782.34
Contribution to Provident, Gratuity and other funds	743.63	469.12
Workmen and Staff Welfare Expenses	247.80	230.33
	<u>4987.38</u>	<u>4481.79</u>

MANUFACTURING AND OTHER EXPENSES

SCHEDULE - 17

Stores and Spares (including packing materials)	891.78	1416.46
Power and Fuel	6196.87	7551.98
Insurance	50.65	79.40
Sugarcane Development Expenses	93.05	100.89
Repairs to Buildings	162.74	133.25
Repairs to Machinery	1825.42	1869.64
Repairs to Other Assets	379.35	440.50
Advertisement and Sales Promotion	9.66	9.19
Handling, Transport & Expenses at Sales Depots	1564.03	1671.42
Commission on Sales	58.96	52.23
Rent	11.32	10.63
Directors' Sitting Fee	2.80	3.40
Managerial Remuneration (Note No.25)	1108.90	741.56
Payments to Auditors (Note No.22)	16.24	10.70
Miscellaneous expenses	580.06	512.60
Donations	68.10	28.30
Loss on sale of Assets	0.33	4.04
Devaluation of rawmaterials	---	452.97
Bad Debts written off	6.38	---
Debit balances written off	---	0.72
Assets written off	6.97	12.78
Stores & Spares written off	4.79	---
Difference in exchange	24.43	564.78
	<u>13062.83</u>	<u>15667.44</u>

The Andhra Sugars Limited

(Rupees in lakhs)

SCHEDULE - 18

EXCISE DUTY AND TAXES	As at 31-03-2010	As at 31-03-2009
Excise Duty (Net)	2.94	7.14
Purchase Tax on Sugarcane	200.68	264.60
Rates and Taxes	143.09	186.85
	-----	-----
	346.71	458.59
	-----	-----

SCHEDULE - 19

INTEREST		
On Fixed period loans from banks	1185.57	1168.09
On Fixed Deposits from Whole- time Directors	258.04	295.21
On Other accounts	719.17	1760.20
	-----	-----
	2162.78	3223.50
	-----	-----

SCHEDULE - 20

DIVIDENDS		
Proposed dividend	1355.35	1626.43
Tax on above	184.54	243.19
	-----	-----
	1539.89	1869.62
	-----	-----

NOTES FORMING PART OF THE ACCOUNTS

The Andhra Sugars Limited

SCHEDULE - 21

(Rupees in lakhs)

	As at 31-03-2010	As at 31-03-2009
1. Estimated amount of contracts remaining to be executed on Capital Account and not provided for	3280.26	165.34
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	0.10	3.36
ii) Customs	2.92	2.92
iii) Service Tax	62.62	29.77
iv) Sales Tax	26.00	26.00
v) Income Tax	13.46	54.97
vi) State Levies	163.21	159.13
vii) Suppliers and Service contract	93.63	137.29
viii) Labour related	5.00	3.00
4. 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.		
<p>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. 60.93 lakhs (Rs 59.20 lakhs) has not been provided for in the accounts pending final legal decision in the matter. However, an amount of Rs.66.80 lakhs was appropriated during the Financial year 2008-2009 by Govt India, New Delhi, against payment of buffer stock subsidy dues, which was protested by the company.</p>		
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. 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.		
7. Balances in some of the customers accounts are subject to confirmation by and reconciliation with the said parties.		

The Andhra Sugars Limited

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

	31-03-2010
1. Amount remaining unpaid, beyond the appointed / agreed date at the end of the year	Rs.
(a) Principal amount of bills to be paid	167455
(b) Interest due thereon	2147
2. (a) Payments made to suppliers, during the year, but beyond appointed / agreed by Interest thereon in terms of Sec. 16 of the Act	1088458
(b) Interest paid along with such payments during the year	13575
(c) Interest due and payable at the end of the year, on such payments made during the year	---
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	13575
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	15722
	16009

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.

9. 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.0.91 lakhs as on 31.3.2010. (Maximum balance outstanding during the year is Rs.0.91 lakhs). The investment in the Equity Shares of the company is Nos. 328760.

10. 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

11. SALES

		(Rupees in lakhs)			
		This year		Previous year	
		Quantity	Value	Quantity	value
Sugar *	M.T.	76687	20371.31	97705	17864.90
Molasses	M.T.	---	---	4775	88.33
Industrial Alcohols & Ethanol	K.L.	4780	2109.48	4599	1698.93
Acetic Acid	M.T.	458	131.91	1077	384.63
Acetic Anhydride	M.T.	309	269.23	680	519.50
Ethyl Acetate	M.T.	---	---	3	2.05
Aspirin	M.T.	521	949.21	598	1241.23
Caustic Soda	M.T.	81539	18493.49	84695	18543.94
Caustic Potash	M.T.	2699	5570.39	9157	6589.97
Chlorine	M.T.	41889	1040.96	43909	1341.84
Hydrochloric Acid	M.T.	114184	1529.40	118599	1603.96
Sodium Hypochlorite	M.T.	25684	826.69	22308	716.37
Hydrogen gas	CU.MTR	2300460	616.03	2168920	550.31
Chlorosulphonic Acid	M.T.	---	---	---	---
Sulphuric Acid	M.T.	87222	2061.62	69986	7793.06
Superphosphate	M.T.	31753	1042.72	13341	400.27
UDMH/UH25	M.T.	165	1124.95	128	924.53
Mono Methyl Hydrazine	M.T.	14	322.73	16	369.88
HTPB	M.T.	53	301.71	64	442.71
Electrical Energy	KWH	19651200	539.42	17768220	475.75
Cattle Feed	M.T.	3849	383.34	4042	315.72
Potassium carbonate	M.T.	---	---	---	---
Others			518.49		462.26
			-----		-----
			58203.08		62330.14
			-----		-----

*Includes an amount of Rs.20328573/- being the levy sale price increased by Rs. 458.67 /- per bag with effect from 01-10-09 (09-10 sesason) by Govt. of India wide notification number G.S.R.No.527(E)/Ess.Com./ Sugar, dt: 21-06-2010 for which the company initiated its claim with the appropriate authority.

Note: The above figures include Excise Duty recovered **3044.07** 5139.32

12. 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 :

94.84 66.02

13. RAW MATERIALS CONSUMED:

		(Rupees in lakhs)			
		This year		Previous year	
		Quantity	Value	Quantity	value
Sugarcane	M.T.	335585	6448.22	441469	6353.09
Phenol	M.T.	690	402.88	653	463.56
Sulphur	M.T.	34063	1675.84	22853	6865.43
Rockphosphate	M.T.	22575	1776.81	7285	483.82
Salt	M.T.	144819	2751.82	151574	3715.98
Potassium Chloride	M.T.	11199	3459.68	11937	3224.33
Extractions for Cattle feed	M.T.	3031	256.84	2763	215.07
Other raw materials			1253.31		948.41
			-----		-----
			18025.40		22269.69
			-----		-----

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.

14. OPENING AND CLOSING STOCKS OF FINISHED GOODS:

(Rupees in lakhs)

PRODUCTS	UNIT	OPENING STOCKS				CLOSING STOCKS			
		THIS YEAR		PREVIOUS YEAR		THIS YEAR		PREVIOUS YEAR	
		QUANTITY	VALUE	QUANTITY	VALUE	QUANTITY	VALUE	QUANTITY	VALUE
SUGAR	MT	61067	11235.74	112409	16556.56	16642	4295.79	61067	11235.74
MOLASSES	MT	19518	834.75	33356	436.51	17519	752.12	19518	834.75
SULPHURIC ACID	MT	4757	139.57	3866	147.04	3597	67.23	4757	139.57
SUPERPHOSPHATE	MT	2020	113.88	3219	99.27	7893	456.54	2020	113.88
CAUSTIC SODA	MT	2532	402.06	1453	186.88	3222	443.35	2532	402.06
CAUSTIC POTASH	MT	505	271.83	352	125.31	1194	656.18	505	271.83
CHLORINE	MT	178	5.37	153	4.91	115	3.23	178	5.37
SODIUM HYPOCHLORITE	MT	27	0.84	20	0.60	36	1.17	27	0.84
HYDROCHLORIC ACID	MT	480	2.11	297	4.20	277	1.45	480	2.11
INDUSTRIAL ALCOHOLÐANOL	KL	740	122.81	452	66.00	249	80.69	740	122.81
FUSEL OIL	KL	2	0.21	2	0.23	2	0.22	2	0.21
ACETIC ACID	MT	42	10.27	37	7.50	26	7.92	42	10.27
ACETIC ANHYDRIDE	MT	58	45.16	81	37.88	40	34.96	58	45.16
ETHYL ACETATE	MT	15	6.01	14	4.50	15	9.75	15	6.01
ASPIRIN	MT	74	132.76	93	185.89	31	138.61	74	132.76
ORGANIC DIERVATIVES OFHYDRZINE									
OR OF HYDROXYL AMINE	MT	4	22.03	11	71.58	4	16.39	4	22.03
H.T.P.B	MT	17	20.42	1	0.91	6	17.94	17	20.42
HYDROGEN GAS	CU.MTR	5415	0.48	2652	0.19	2126	0.18	5415	0.48
BARIUM SULPHATE	MT	1	—	1	—	1	—	1	—
POTASIUM CARBONATE	MT	—	—	—	—	4	5.72	—	—
OTHERS			5.75		43.08	—	—		5.75
TOTAL			13372.05		17979.04		6989.44		13372.05

15. PARTICULARS REGARDING CAPACITY AND PRODUCTION:

CLASS OF GOODS	C A P A C I T Y				A C T U A L P R O D U C T I O N			
	LICENCED		INSTALLED		Year ended March, 2010		Year ended March, 2009	
1 Sugar								
a. Tanuku	5,000	MT Cane/Day	5,000	MT Cane/Day	11634	MT	20790	MT
Molasses (By-product of Sugar)					6187	MT	9123	MT
b. Taduvai	5,500	MT Cane/Day	5,500	MT Cane/Day	14464	MT	14752	MT
Molasses (By-product of Sugar)					6595	MT	6138	MT
c. Bhimadole	5,500	MT Cane/Day	1,600	MT Cane/Day	7930	MT	10877	MT
Molasses (By-product of Sugar)					3827	MT	5217	MT
2 Alcohol based Chemicals	1,800	MT/annum	1,800	MT/annum	567		1939	
Alcohol based Chemicals (Ethyl Acetate)	1,268	MT/annum	1,268	MT/annum	14	MT	45	MT
Butyl Acetate	1,268	MT/annum	1,268	MT/annum	—		—	
3 Industrial Alcohol	9,900	KL/annum	9,900	KL/annum	10490	KL	11536	KL
4 Carbon Dioxide	5,000	MT/annum	5,000	MT/annum	—	MT	—	MT
5 Aspirin	2,500	MT/annum	1,000	MT/annum	470	MT	641	MT
6 H.T.P.B.	180	MT/annum	180	MT/annum	42	MT	80	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	179	MT	174	MT
11 Caustic Soda (Kovvur)								
a. Caustic Soda		MT/annum		MT/annum	—		—	
b. Hydrochloric Acid		MT/annum (100% basis)		MT/annum (100% basis)	—	MT	—	MT
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	7566	MT	7547	MT
f. Caustic Potash (Membrane Cell Process)	16,500	MT/annum	16,500	MT/annum	8320	MT	9456	MT
g. Hydrochloric Acid	6,600	MT/annum (100% basis)	6,600	MT/annum (100% basis)	2286	MT	2775	MT
h. Chlorine	9,900	MT/annum	9,900	MT/annum	4227	MT	4343	MT

15. PARTICULARS REGARDING CAPACITY AND PRODUCTION:

CLASS OF GOODS	CAPACITY				ACTUAL PRODUCTION			
	LICENCED		INSTALLED		Year ended March, 2010		Year ended March, 2009	
12 Sulphuric Acid	45,000	MT/annum	45,000	MT/annum	20249	MT	18681	MT
13 Superphosphate	66,000	MT/annum	66,000	MT/annum	37626	MT	12142	MT
14 Chlorosulphonic Acid	20,000	MT/annum	20,000	MT/annum	—	MT	—	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	90525	MT	94736	MT
b. Hydrochloric Acid (100% basis)	40,000	MT/annum	40,000	MT/annum	126958	MT	133999	MT
c. Chlorine	76,000	MT/annum	76,000	MT/annum	38379	MT	40318	MT
d. Sodium Hypochlorite	6,600	MT/annum	6,600	MT/annum	18127	MT	14769	MT
e. Hydrogen gas	1,000	MT/annum	1,000	MT/annum	2297171	CU.MTR	2171683	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	79946	MT	58323	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	12600	MT/annum	40	MT/day	—		—	
23 Cattle and Poultry Feed	15000	MT/annum	15	MT/day	3849	MT	4042	MT
24 Wind Power (Anantapuram)	2.025	MW	2.025	MW	2435100	units	2196500	units
25 Wind Power (Tamilnadu)	6.600	MW	6.600	MW	19753860	units	17893350	units
26 Wind Power Project II (Tamilnadu)	3.000	MW	3.000	MW	42620	units	—	
27 Electricity (Co-Gen.at Taduvai)	7.000	MW	7.000	MW	7291780	units	9415660	units
28 Potassium Carbonate	7500	MT/annum	7500	MT/annum	9	MT	—	MT
29 Bagasse	—		—		102006	MT	132919	MT
30 Poly Aluminium Chloride	30000	MT/annum	—		—		—	
31 Electricity (Co-Gen.at Tanuku)	8.900	MW	8.900	MW	2,738,100	units		

The Andhra Sugars Limited

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- 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.

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

	(Rupees in lakhs)			
	This year		Previous year	
	Value	Percentage	Value	Percentage
Imported	6847.58	38	9676.89	0.43
Indigenous	11177.82	62	12592.80	0.57
	-----	-----	-----	-----
	18025.40	100	22269.69	100
	-----	-----	-----	-----

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

Imported	587.52	15	171.41	4
Indigenous	3352.40	85	3804.71	96
	-----	-----	-----	-----
	3939.92	100	3976.12	100
	-----	-----	-----	-----

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

Capital Goods	8.10	279.93
Components and	554.56	332.80
Raw - materials	6572.49	7821.40
	-----	-----
	7135.15	8434.13
	-----	-----

19. Earnings in foreign exchange on FOB basis:

	This year	Previous Year
	467.00	878.56

20. Expenditure incurred in foreign currency:

Books and Periodicals	1.80	1.73
Foreign travel (excluding tickets purchased in India)	22.35	9.40
Delegation fee	1.22	2.01
Professional charges	6.78	—
Managerial remuneration(Medical expenses to WholeTime Directors)	3.07	32.04

21. Payments made to Auditors:

As Auditors	7.00	5.00
As Tax Auditors and for other Tax matters	2.60	1.50
Fee for Certification including limited review etc.,	4.02	2.19
Reimbursement of out-of-pocket expenses	0.72	0.43
	-----	-----
	14.34	9.12
As Cost Auditors	1.10	1.10
Fee for Certification	0.25	0.15
Reimbursement of out-of-pocket expenses	0.55	0.33
	-----	-----
	16.24	10.70
	-----	-----

(Rs. in lakhs)

This Year Previous Year

22. 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	74.04	64.01
Contribution to Provident, Gratuity and other Funds	9.97	9.38
Workmen and Staff Welfare Expenses	3.63	1.29
Materials consumed	16.66	6.25
Power and Fuel	0.65	0.68
Repairs to Assets	1.96	2.96
Miscellaneous Expenses	8.88	5.84
Depreciation	5.26	5.47
	-----	-----
	121.05	95.88
	-----	-----

23. (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	30.60	26.18
Contribution to Provident, Gratuity and other Funds	3.14	2.52
Workmen and Staff Welfare Expenses	1.46	1.30
Power and Fuel	1.43	2.33
Insurance	0.01	---
Repairs to Buildings	0.21	0.04
Repairs to P &M	0.76	0.78
Miscellaneous Expenses	0.02	0.09
Depreciation	0.13	0.13
	-----	-----
	37.76	53.37
	-----	-----

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

Salaries, Wages and Bonus	22.23	4.50
Contribution to Provident, Gratuity and other Funds	1.50	0.45
Power and Fuel	1.13	44.05
Miscellaneous expenses	0.87	0.69
Borrowing Costs as per AS16		
— Interest Paid to Banks on fixed period loans	---	94.67
	-----	-----
	25.73	144.36
	-----	-----

The Andhra Sugars Limited

(Rupees in lakhs)

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

Net Profit as per Profit & Loss account		9991.10
Add: Sitting Fees	2.80	
Remuneration provided	1108.90	
Profit on sale of assets in accordance with Section 349	27.90	
Depreciation provided	3490.74	
	-----	4630.34

		14621.44
Less: Depreciation in accordance with Sec.350	3490.74	
Profit on sale of assets	27.90	
Impairment provision reversed	0.00	3518.64
	-----	-----
		11102.80

Net Profit in accordance with Sec.349		11102.80

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

	This Year	Previous Year
Salary	102.90	34.80
Contribution to Provident, Gratuity and other Funds	18.00	9.82
Other perquisites	44.26	54.44
Commission on profits	943.74	642.50
	-----	-----
	1108.90	741.56
	-----	-----

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.53217/-. The value of the said perquisites computed in accordance with Income Tax Rules 1962, works out to Nil.

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

differences are:

<u>Particulars</u>	<u>Assets</u>	<u>Liabilities</u>
	(Rupees in lakhs)	
1 Depreciation		8412.35
2 Amounts disallowed u/s 43B of Income Tax Act, 1961	939.58	
3 Provision for doubtful debts	6.74	1.63
	-----	-----
	946.32	8413.98
	-----	-----
Deferred Tax (Net)		7467.66

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

	Gratuity	Compensated
	Rs.	Absences
		Rs.
a) Reconciliation for present value of obligations		
Present value of obligations as at beginning of year	125743175	27901213
Interest Cost	10059455	1359539
Current Service Cost	20742031	7986609
Benefits paid	7806081	9529729
Actuarial loss on obligation	5342746	13231888
Present value of obligations as at end of year	154081326	40949520
b) Reconciliation for Fair Value of Plan Assets		
Fair value of plan assets at beginning of year	57357067	
Expected return on plan assets	5843506	
Contributions	10159042	
Benefits paid	7806081	
Actuarial gain on plan assets	---	
Fair value of plan assets at the end of year	65553534	
c) Expenses recognised in statement of Profit & Loss A/c.		
Current Service cost	20668985	7986609
Interest Cost	6880248	1359539
Expected return on plan assets	9193653	---
Net Actuarial loss recognised in the year	10199535	13231888
Expenses to be Recognised in the Profit & Loss A/c.	8156045	22578036
d) Net Liability recognised in the Balance Sheet		
Present value of obligations as at the end of year	154081326	40949520
Fair value of plan assets as at the end of the year	65553534	---
Funded status	88527792	---
Net Liability Recognised in the Balance Sheet	88527792	40949520
e) Actuarial Assumptions		
Assumptions	31/03/2010	31/03/2010
Discount Rate	8.00%	8.00%
Salary Escalation	7.00%	7.00%
Attrition rate	2.00%	2.00%
Expected return on plan assets	7.50%	0%
Mortality	LIC 94-96	LIC 94-96
	Mortality Rates	Mortality Rates

27. GENERAL:

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

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

Camp : TANUKU
Date : 9-08-2010

FOR AND ON BEHALF OF THE BOARD

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

TANUKU
9-08-2010

CASH FLOW STATEMENT FOR THE YEAR

(Rupees in lakhs)

2009- 2010 2008- 2009**A. CASH FLOW FROM OPERATING ACTIVITIES**

Net Profit before Tax and extra- ordinary items	9991.10	6814.88
ADJUSTMENTS FOR:		
Depreciation	3490.74	3341.71
Assets written off	6.97	12.78
Interest (Net)	2086.33	3148.60
Impairment provision reversed credited to P&L A/c.	---	- 1.05
Profit / Loss on sale of assets (Net)	- 27.56	- 30.70
Dividends received	- 212.31	- 185.47
	-----	-----
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	15335.27	13100.75
Trade and other receivables	1251.86	- 1939.47
Inventories	6471.22	4758.26
Trade payables	- 1973.59	- 1383.11
	-----	-----
CASH GENERATED FROM OPERATIONS	21084.76	14536.43
Direct taxes paid	- 2984.03	- 2330.54
	-----	-----
NET CASH FROM OPERATING ACTIVITIES.... A	18100.73	12205.89
	-----	-----

B. CASH FLOW FROM INVESTING ACTIVITIES:

Purchase of Fixed Assets(Including Capital Work- in- progress, unallocated capital expenditure)	- 3885.34	- 4735.15
Sale of Investments	0.08	45.20
Sale of Fixed assets	44.70	55.64
Purchase of investments	---	- 201.10
Interest received	76.44	74.90
Dividends received	212.31	185.47
	-----	-----
NET CASH USED IN INVESTING ACTIVITIES....B	- 3551.81	- 4575.03
	-----	-----

C. CASH FLOW FROM FINANCING ACTIVITIES :

Proceeds from borrowings/loans	- 10347.39	- 3400.32
Dividends paid	- 1626.42	- 1355.35
Interest paid	- 2162.78	- 3223.50
	-----	-----
NET CASH USED IN FINANCING ACTIVITIES.....C	- 14136.59	- 7979.17
	-----	-----

INCREASE / (-) DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	412.33	- 348.32
	-----	-----

Cash and Cash equivalents as on 01.4.2009	974.48	1322.80
Cash and Cash equivalents as on 31.3.2010	1386.81	974.48
	-----	-----

	412.33	- 348.32
	-----	-----

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 : 9- 08- 2010

TANUKU
9- 08- 2010

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.32,07,01,011/- for the year ended 31st March, 2010 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.14,79,929/- for the year ended 31st March, 2010 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.19,77,464/- for the year ended 31st March, 2010 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
9-08-2010

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.Narendranath Chowdary
Smt. J.Akkamamba	Sister of Sri P.Narendranath Chowdary
Smt. J.Usha Rani	Sister of Sri P.Narendranath Chowdary
Smt. M.Kamala Devi	Sister of Sri P.Narendranath Chowdary
Smt. N.Anantha Lakshmi	Sister of Sri P.Narendranath 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

Smt. R.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 Estates
Jaya Agro Chemicals
Sree Akkamamba Textiles Limited
Sree Satyanarayana Spinning Mills Limited
Royal Printing Works
Sree Mullapudi Venkataramanamma Memorial Hospital
Sugarfield Constructions Pvt. Ltd.,
Sri Pendyala Venkata Krishna Rao Memorial Trust
Sree Mullapudi Kamala Devi Cardio Vascular Centre
Sree Mullapudi Thimmaraju Memorial Library and Cultural Centre

5) Associate Company:

The Andhra Petrochemicals Limited

(B) TRANSACTIONS WITH THE RELATED PARTIES:

(Corresponding figures related to 31st March, 2009)

(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	175.28	218.09	0.13	26.70	8.82
	(115.05)	(172.60)	(0.00)	(14.75)	(13.93)
AFCC LTD.,	150.71				
Hindustan Allied Chemicals Ltd	24.52				
APL			0.13		
Jaya Industries		214.56			
Dr. B.B.Ramaiah				19.02	
Sri P.Narendranath Chowdary				3.60	
Sri P V Krishna Rao					1.42
Sri B V V S Ramesh					6.85
Others	0.05	3.53		4.08	0.55
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	0.94	0.00	0.00	12.73	1.47
	(1.22)	(0.00)	(0.00)	(11.90)	(1.15)
JOCIL Ltd.,	0.94				
Sri Mullapudi Thimmaraja				3.54	
Sri Mullapudi Mrutyumjaya Prasad					1.47
Dr. Mullapudi Harishchandra Prasad				8.96	
Others				0.23	
Sale of Goods to	898.18	604.57	23.38	4.25	0.00
	(762.65)	(285.28)	(24.46)	(0.00)	(0.00)
JOCIL Ltd.,	815.46				
AFCC LTD.,	82.72				
APL			23.38		
Jayalakshmi Fertilisers		604.57			
Sri M.Narendranath				4.25	
Sale of Fixed Assets to	0.00	0.00	0.00	0.00	0.00
	(19.21)	(0.00)	(0.00)	(0.00)	(0.00)
Services Rendered to	1.29	0.01	0.50	0.10	0.00
	(0.40)	(0.00)	(1.74)	(1.08)	(0.00)
JOCIL Ltd.,	0.46				
AFCC LTD.,	0.83				
APL			0.50		
Jayalakshmi Fertilisers		0.01			
Dr. B.B.Ramaiah				0.05	
Sri P.Achuta Ramayya				0.05	
Interest Paid to	15.58	0.00	15.53	261.18	435.64
	(33.77)	(0.00)	(195.86)	(295.21)	(453.61)
JOCIL Ltd.,	15.04				
Others	0.54			39.11	435.64
APL			15.53		
Dr. Mullapudi Harishchandra Prasad				68.93	
Sri P.Narendranath Chowdary				93.10	
Sri M.Narendranath				26.31	
Sri M.Thimmaraja				33.73	

(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
Remuneration (including Comm.) paid to	0.00	0.00	0.00	1108.89	0.00
	(0.00)	(0.00)	(0.00)	(741.56)	(0.00)
Dr. Mullapudi Harishchandra Prasad				265.55	
Dr. B.B.Ramaiah				252.16	
Sri P.Narendranath Chowdary				131.26	
Sri M.Narendranath				131.69	
Sri M.Thimmaraja				132.23	
Sri P.Achuta Ramayya				128.79	
Sri P.S.R.V.K.Ranga Rao				67.21	
Donations Paid to	0.00	40.00	0.00	0.00	0.00
	(0.00)	(25.00)	(0.00)	(0.00)	(0.00)
SMVM EDU. TRUST		17.00			
SPVKRM TRUST		10.00			
MKCV CENTER		8.00			
SMTRM LIBRARY		5.00			
Dividend Paid to	0.00	84.57	0.00	227.15	403.09
	(0.00)	(72.73)	(0.00)	(195.53)	(345.64)
Dr. Mullapudi Harishchandra Prasad				39.55	
Sri P.Narendranath Chowdary				25.01	
Sri M.Narendranath				38.13	
Sri M.Thimmaraja				43.86	
Sri P.Achuta Ramayya				28.47	
Sri P.S.R.V.K.Ranga Rao				38.70	
Smt. Pendyala Jhansi Jayalakshmi					42.61
Smt. Pendyala Sujata					46.09
Jayalakshmi Estates					
Jaya Industries					
Jayalakshmi Fertilisers					
Sree Akkamamba Textiles Ltd.,		18.12			
S M V M Hospital		53.42			
Others		13.03		13.44	314.40
Dividend Received from	195.46	1.40	0.00	0.00	0.00
	(171.03)	(1.40)	(0.00)	(0.00)	(0.00)
JOCIL LTD	195.46				
Sree Akkamamba Textiles Ltd.,		1.40			
Balances as at 31-03-2010:					
a) Share Capital held by the Company, in	479.10	1.75	3014.83	0.00	0.00
	(479.10)	(1.75)	(3014.83)	(0.00)	(0.00)
JOCIL LTD.,	441.79				
APL			3014.83		
Sree Akkamamba Textiles Ltd.,		1.75			
Others	37.31				
b) Receivables- Trade dues from	0.91	44.13	0.00	0.00	0.00
	(0.28)	(74.64)	(0.00)	(0.00)	(0.00)
Hindustan Allied Chemicals Ltd	0.91				
Jayalakshmi Fertilisers		44.13			

The Andhra Sugars Limited

(Rupees in lakhs)

PARTICULARS	Subsidiary Companies	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relatives of Key Management Personnel
c) Share Capital of the Company held by	0.00	140.96	0.00	377.88	673.32
	(0.00)	(140.96)	(0.00)	(391.05)	(695.78)
Sri P.Narendranath Chowdary				41.68	
Sri P.Achuta Ramayya				47.45	
Sri M.Narendranath				63.55	
Sri P.S.R.V.K.Ranga Rao				63.79	
Dr. Mullapudi Harishchandra Prasad				65.92	
Sri M.Thimmaraja				73.09	
Smt. Pendyala Jhansi Jayalakshmi					71.01
Smt. Pendyala Sujata					76.81
Jaya Industries		5.96			
Jayalakshmi Fertilisers		13.09			
Sree Akkamamba Textiles Ltd.,		30.19			
S M V M Hospital		89.03			
Others		2.68		22.40	525.50
d) Loans/ Intercorporate loans received from	0.00	0.00	0.00	0.00	0.00
	(150.00)	(0.00)	(0.00)	(0.00)	(0.00)
e) Fixed Deposits Received from	6.00	0.00	0.00	2400.55	4204.25
	(4.00)	(0.00)	(0.00)	(2255.45)	(3582.15)
Hindustan Allied Chemicals Ltd	6.00				
Sri M.Thimmaraja				252.00	
Dr. B.B.Ramaiah				290.00	
Dr. Mullapudi Harishchandra Prasad				667.00	
Sri P.Narendranath Chowdary				878.65	
Others				312.90	4204.25
f) Payables :					
-Trade dues	49.86	40.42	0.00	0.00	0.00
	(32.24)	(0.44)	(0.00)	(0.00)	(0.00)
AFCC Ltd.,	49.86				
Jaya Industries		40.42			
-Interest on FDs.	0.15	0.00	0.00	59.63	102.46
	(0.09)	(0.00)	(0.00)	(51.09)	(86.88)
Hindustan Allied Chemicals Ltd	0.15				
Dr. Mullapudi Harishchandra Prasad				16.58	
Dr. B.B.Ramaiah				6.85	
Sri P.Narendranath Chowdary				21.88	
Sri M.Narendranath				5.22	
Sri M.Thimmaraja				6.43	
Others				2.67	102.46
- Remuneration (including Comm.)	0.00	0.00	0.00	951.53	0.00
	(0.00)	(0.00)	(0.00)	(645.19)	(0.00)
Dr. Mullapudi Harishchandra Prasad				224.09	
Dr. B.B.Ramaiah				223.26	
Sri P.Narendranath Chowdary				112.11	
Sri M.Narendranath				112.11	
Sri M.Thimmaraja				112.11	
Sri P.Achuta Ramayya				111.64	
Sri P.S.R.V.K.Ranga Rao				56.22	

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, 2010, 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, 2010
- 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 : 9th August, 2010

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

The Andhra Sugars Limited - Group Consolidated Financial Statements

BALANCE SHEET AS AT 31st MARCH, 2010

(Rupees in lakhs)

	Schedule	31-03-2010	31-03-2009
I SOURCES OF FUNDS:			
1) Shareholders' Funds			
a) Capital	1	2711.01	2711.01
b) Reserves & Surplus	2	42903.63	37028.05
		45614.64	39739.06
2) Minority Interest		5049.76	4275.11
3) Loan Funds			
a) Secured Loans	3	7169.30	18209.36
b) Unsecured Loans	4	14972.27	13609.40
		22141.57	31818.76
4) Deferred Tax (Net)			
a) Liability		9632.21	8869.47
b) Asset		1088.03	935.27
		8544.18	7934.20
TOTAL		81350.15	83767.13
II APPLICATION OF FUNDS:			
1) Fixed Assets			
a) Gross Block	5	86866.28	82572.48
b) Less: Depreciation and impairment		36682.78	32975.56
c) Net Block		50183.50	49596.92
d) Capital work-in-progress at cost		4413.32	3380.09
e) Goodwill		191.98	191.98
		54788.80	53168.99
2) Investments	6	9100.36	9218.90
3) Current Assets, Loans & Advances			
a) Inventories	7	16109.04	21412.15
b) Sundry Debtors	8	8024.80	8125.35
c) Cash and Bank Balances	9	2485.53	3401.98
d) Other Current Assets	10	51.60	58.51
e) Loans and Advances	11	13177.49	11599.34
		39848.46	44597.33
Less: Current Liabilities & Provisions:			
a) Liabilities	12	11669.22	13695.10
b) Provisions	13	10719.19	9523.93
		22388.41	23219.03
4) Net Current Assets		17460.05	21378.30
Miscellaneous Expenditure	14	0.94	0.94
TOTAL		81350.15	83767.13

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 : 9-08-2010

TANUKU
9-08-2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010.

	Schedule	(Rupees in lakhs)	
		This Year	Previous Year
INCOME			
Sales		84466.88	75843.98
Transport charges		440.75	464.82
Other Income	15	3270.87	3372.32
Accretion to /(Decretion in)stocks	16	(5287.73)	(3868.72)
		82890.77	75812.40
EXPENDITURE			
Raw Materials consumed		38038.34	34824.80
Payments & Benefits to Employees	17	6247.67	5483.16
Expenses	18	18815.74	19613.74
Excise Duty and Taxes	19	361.86	472.63
Interest	20	2202.45	3223.57
Depreciation		4019.35	3888.52
		69685.41	67506.42
Profit for the year		13205.36	8305.98
Add: Profit / Loss from Associate		(156.02)	463.63
Income Tax Refund Received		2.67	1.64
Excess provision of Income Tax		24.16	12.37
Deferred Tax (Credit)		24.50	
		13100.67	8783.62
Less: Provisions for			
Current Tax		3800.20	2400.09
Deferred Tax (Net)		634.48	424.06
Wealth Tax		4.00	4.00
Fringe Benefit Tax		---	24.20
Short provision of Income Tax made in earlier years		0.02	7.21
Profit after Tax		8661.97	5924.06
		8661.97	5924.06
Less: Minority Interest		961.55	430.47
Profit after Taxes and Minority Interest		7700.42	5493.59
Add: Balance brought forward from last year		8260.97	5600.87
Balance available for appropriation		15961.39	11094.46

The Andhra Sugars Limited - Group Consolidated Financial Statements

	Schedule	(Rupees in lakhs)	
		This Year	Previous Year
General Reserve		1220.30	735.15
Provision for final dividend		1599.72	1821.92
Provision for Tax on distributable profits		225.12	276.41
Balance taken to Balance Sheet		12916.25	8260.97
		-----	-----
		15961.39	11094.46
		-----	-----
Basic Earnings per Share:			
(Profit after tax/ No.of Equity Shares)			
Profit after tax		7700.42	5493.59
No.of equity shares		27107078	27107078
Basic Earnings per share(Face value of Rs.10/- each) Rs.		28.41	20.27

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 : 9-08-2010

TANUKU
9-08-2010

SCHEDULES TO CONSOLIDATED BALANCE SHEET

(Rupees in lakhs)

	SCHEDULE - 1	
	As at 31-03-10	As at 31-03-09
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
	3000.00	3000.00
ISSUED CAPITAL		
Equity Shares of Rs.10/- each	2711.31	2711.31
	2711.31	2711.31
SUBSCRIBED AND PAID-UP CAPITAL		
Equity Shares of Rs.10/- each	2710.66	2710.66
Add: Forfeited shares	0.35	0.35
	2711.01	2711.01
RESERVES & SURPLUS		
	SCHEDULE - 2	
	As at 31-03-10	As at 31-03-09
General Reserve	28355.71	27135.41
Securities Premium	1560.70	1560.70
Capital Reserve	70.67	70.67
Forfeited Debentures	0.30	0.30
Surplus in Profit & Loss A/c	12916.25	8260.97
	42903.63	37028.05
SECURED LOANS		
	SCHEDULE - 3	
	As at 31-03-10	As at 31-03-09
FROM BANKS :		
Term Loans	4081.20	5775.17
Cash Credit	3088.10	12434.19
	7169.30	18209.36
UNSECURED LOANS:		
	SCHEDULE-4	
Fixed Deposits from Shareholders	1585.61	1266.24
Fixed Deposits from Others	8946.03	8586.88
Short term loan from banks	400.00	—
Sales Tax Deferment Loan	4040.63	3756.28
	14972.27	13609.40

FIXED ASSETS

SCHEDULE - 5

(Rupees in lakhs)

		GROSS BLOCK				NET BLOCK		
		Cost as at 31-3-09	Additions during the year	Deductions during the year	Cost as at 31-3-10	Dep.upto 31-3-10	WDV as at 31-3-10	WDV as at 31-3-09
1)	Land	3059.80	59.97		3119.77		3119.77	3059.80
2)	Buildings	5802.38	351.35	10.58	6143.15	2204.99	3938.16	3754.86
3)	Plant and Machinery	65422.49	2281.88	161.93	67542.44	30875.54	36666.90	37756.60
4)	Vehicles and Materials Handling Equipment	2250.77	209.36	159.81	2300.32	1336.69	963.63	976.75
5)	Furniture & Fittings	741.27	52.47	40.69	753.05	568.54	184.51	171.72
6)	Tramways and Railway Sidings	731.99	---	---	731.99	275.26	456.73	490.23
7)	Renewable Energy Plant: Wind Farm	4560.30	1711.78	---	6272.08	1419.09	4852.99	3385.46
8)	Intangible Assets (Computer Software)	3.48	---	---	3.48	2.67	0.81	1.50
TOTAL		82572.48	4666.81	373.01	86866.28	36682.78	50183.50	49596.92
Previous year		76187.13	6619.50	234.15	82572.48	32975.56	49596.92	46905.52

The Andhra Sugars Limited - Group Consolidated Financial Statements

(Rupees in lakhs)

INVESTMENTS :	SCHEDULE-6	
	As at 31-03-10	As at 31-03-09
TRADE INVESTMENTS :		
- Equity Shares - in Associates (quoted) (See Note No.4 in Shdule 21)	5162.52	5281.02
- in others (quoted)	9.23	9.23
- Equity Shares - (un-quoted)	3656.74	3656.73
NON-TRADE INVESTMENTS:		
- Equity Shares (quoted)	10.54	10.54
- Equity Shares (un-quoted)	60.00	60.00
- In Govt. securities	0.13	0.18
- In Mutual Funds	201.20	201.20
	9100.36	9218.90
	-----	-----
	-----	-----
INVENTORIES	SCHEDULE-7	
(As approved by the respective Managing Directors)		
Stores and Spares & Tools and Implements	4232.39	4118.94
Raw Materials	2760.77	2458.21
Work-in-process	1148.27	623.54
Finished Goods	7966.24	14122.50
Goods in Transit	1.37	84.02
Crops under cultivation	—	4.94
	16109.04	21412.15
	-----	-----
	-----	-----
SUNDRY DEBTORS	SCHEDULE-8	
a) Debts outstanding for a period exceeding six months		
Unsecured-considered good	278.42	375.74
Unsecured-considered doubtful	15.02	19.81
	293.44	395.55
Less: Provision for Doubtful Debts	15.02	19.81
	278.42	375.74
b) Other Debts: Unsecured-considered good	7746.38	7749.61
	8024.80	8125.35
	-----	-----
	-----	-----
CASH AND BANK BALANCES	SCHEDULE-9	
Cash and Cheques on hand	28.67	16.61
Balances with Scheduled Banks in Current Accounts	2101.58	1516.90
In Fixed Deposit Accounts	355.28	1868.47
	2485.53	3401.98
	-----	-----
	-----	-----

The Andhra Sugars Limited - Group Consolidated Financial Statements

(Rupees in lakhs)

OTHER CURRENT ASSETS	As at 31-03-10	SCHEDULE-10 As at 31-03-09
Interest accrued on Investments and Deposits	51.60	58.51
	-----	-----
	51.60	58.51
	-----	-----
LOANS AND ADVANCES		SCHEDULE-11
Advances (Recoverable in cash or in kind for value to be received)		
Unsecured-considered good	3402.79	1958.81
Unsecured-considered doubtful	0.03	0.03
	-----	-----
	3402.82	1958.84
Less: Provision for doubtful Advances	0.03	0.03
	-----	-----
	3402.79	1958.81
Prepaid expenses	111.94	101.73
Excise Duty paid in advance (including Cenvat credit pending utilisation)	990.23	1046.33
Service Tax paid in Advance	0.21	0.16
APVAT paid in Advance	0.97	1.64
Advance payment of Income Tax	7184.09	5811.90
Advance payment of Fringe Benefit Tax	6.23	15.61
Income Tax deducted at source	191.71	275.80
Sales Tax paid under protest	15.23	13.05
Deposits recoverable	908.41	987.03
Claims recoverable	353.06	1117.34
Balance with Customs, Port Trust etc.	12.62	19.94
Inter-Corporate Loans	---	250.00
	-----	-----
	13177.49	11599.34
	-----	-----
LIABILITIES		SCHEDULE-12
Due to Small Scale Industrial Undertakings	4.10	40.90
Due to Others [Incl.Rs.1008.19 lakhs(Rs.695.43 lakhs) due to directors of Group Companies]	10776.17	12538.25
Advances received against sales	335.04	610.70
Trade Deposits	102.98	94.15
Staff security deposit	28.67	29.67
Interest accrued but not due on Loans	271.86	246.16
Dividends declared pending payment / encashment	101.92	94.16
Unclaimed matured fixed deposits	37.19	30.92
Unclaimed interest on matured deposits and debentures	11.29	10.19
	-----	-----
	11669.22	13695.10
	-----	-----

(Rupees in lakhs)

PROVISIONS	SCHEDULE-13	
	As at 31-03-10	As at 31-03-09
For Income Tax	7462.61	6247.41
For Fringe Benefit Tax	6.50	16.95
For Wealth Tax	12.00	10.00
For Proposed Dividend (Subsidiary Companies)	244.37	195.50
For Proposed Dividend	1355.35	1626.43
For Tax on Distributable Profits	225.12	276.41
Provision for Group Gratuity	920.28	810.73
For Employees Compensated Absences	492.96	340.50
	-----	-----
	10719.19	9523.93
	-----	-----

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	SCHEDULE-15	
OTHER INCOME:		
Income from job works	0.49	18.45
Freight and other sales expenses recovered	1417.38	1434.47
Subsidy on Superphosphate sales	736.95	1083.67
Rents received	62.40	68.09
Dividend income (Gross)	213.21	185.97
Interest received -Banks and others	277.43	225.82
Miscellaneous Receipts	170.24	195.99
Profit on Sale of Assets	35.15	24.66
Provisions no longer required and Credit balances	4.61	17.84
Bad debts written off,now recovered	88.24	---
Claims received	22.42	33.84
Income from agriculture	4.05	6.90
Difference in exchange	221.30	74.56
Interest income on investments	0.03	0.51
Impairment Provision reversed	---	1.05
Tarrif Reduction from APGPCL	7.90	---
Income of earlier years	9.07	0.50
	-----	-----
	3270.87	3372.32
	-----	-----

The Andhra Sugars Limited - Group Consolidated Financial Statements

(Rupees in lakhs)

OPENING AND CLOSING STOCKS

SCHEDULE - 16

	This year	Previous year
Opening Stock :		
Work-in-process	628.08	463.48
Finished goods	14122.51	18733.57
	14750.59	19197.05
Closing Stock:		
Work-in-process	1148.27	623.53
Finished goods	7966.24	14122.51
	9114.51	14746.04
Add: (increase)/decrease in ED on stocks	348.35	582.29
Accretion to /(Decretion in)stocks	(5287.73)	(3868.72)

PAYMENTS AND BENEFITS TO EMPLOYEES

SCHEDULE-17

Salaries, Wages and Bonus	5029.91	4530.50
Contribution to Provident, Gratuity and other funds	936.07	695.18
Workmen and Staff Welfare Expenses	281.69	257.48
	6247.67	5483.16

MANUFACTURING AND OTHER EXPENSES

SCHEDULE-18

Stores & Spares consumed (including packing materials)	2537.51	2216.99
Power and Fuel	8069.73	8782.73
Insurance	101.29	125.10
Sugarcane Development Expenses	93.05	100.89
Repairs to Buildings	248.68	163.42
Repairs to Machinery	2312.29	2280.38
Repairs to Other Assets	387.34	448.26
Advertisement and Sales Promotion	19.70	21.61
Handling, Transport & Expenses at Sales Depots	2654.24	2122.75
Commission on Sales	215.99	180.86
Rent	19.21	18.21
Directors' Sitting Fee	6.76	5.19
Managerial Remuneration	1198.26	816.55
Payments to Auditors	20.12	14.29
Miscellaneous Expenses	687.74	615.06
Donations	128.15	53.35
Loss on sale of Assets	0.36	4.22
Devaluation of Rawmaterials	—	452.97
Expenses of Earlier years	6.38	---
Bad debts written off	---	166.98
Debit balances written off	0.01	0.76
Tools written off	12.52	3.44
Production Expenses	32.68	20.18
Assets written off	7.53	12.91
Freight on materials	—	417.15
Claims paid	—	4.71
Difference in exchange	56.20	564.78
	18815.74	19613.74

The Andhra Sugars Limited - Group Consolidated Financial Statements

(Rupees In lakhs)

EXCISE DUTY AND TAXES

	This year	SCHEDULE-19 Previous year
Excise Duty	2.94	7.14
Purchase Tax on Sugarcane	200.68	264.60
Rates and Taxes	158.24	200.89
	-----	-----
	361.86	472.63
	-----	-----

INTEREST

	As at 31-03-10	SCHEDULE-20 As at 31-03-09
On Debentures and fixed period loans	1210.63	1184.58
On Fixed deposits / loans from whole time Directors	259.86	296.15
To Banks and on other Accounts	731.96	1742.84
	-----	-----
	2202.45	3223.57
	-----	-----

MINORITY INTEREST

	As at 31-03-10	As at 31-03-09
Share capital	212.62	212.62
Add: Share in		
General Reserve	3667.14	3217.44
Capital Reserve	19.00	19.00
Securities Premium	352.45	352.45
Provision for dividend (including tax)	232.86	186.90
Profit and Loss A/c.	565.69	286.70
	-----	-----
Total	5049.76	4275.11
	-----	-----

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 2010.

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, 2010
a. JOCIL Limited	44.97
b. The Andhra Farm Chemicals Corporation Limited	23.17
c. Hindustan Allied Chemicals Limited	22.64

4. Associates

The Andhra Sugars Limited and its other group companies hold 29.03% of the share capital of The Andhra Petrochemicals limited (APL), a company incorporated in India, as on 31.3.2010. Therefore APL is treated as an associate, and investment in it is recognized in the accounts using the ‘equity method’ as per which the share of profit of the associate company has been added to the cost of investment, in accordance with the Accounting Standard – 23 “Accounting for Investments in Associates in Consolidated Financial Statements” prescribed by Companies (Accounting Standards) Rules, 2006. The audited accounts of the The Andhra Petrochemicals limited is considered for the purpose of computing the share of profit from associate for the year ended 31st March 2010.

Particulars of investment in Associate Company by Group companies:

	(Rupees in lakhs)
Gross cost of the investment in Associate Company - (including goodwill of Rs. 4628 lacs)	3092.35
Less: Dividend received	232.91
Add: Share of post acquisition reserves and surplus	2303.08

Carrying value of investment in Associate Company	5162.52

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	----	9630.58
2. Amounts disallowed u/s 43 B of Income Tax Act, 1961	1076.84	----
3. Provision for doubtful debts	6.74	1.63
4. Loss as per Income Tax to be carried forward	4.45	----
	1088.03	9632.31
Net deferred tax liability		8544.18

6. CONTINGENT LIABILITIES NOT PROVIDED FOR:

	(Rupees in lakhs)	
	As at 31-3-2010	As at 31-3-2009
a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for	3746.80	186.73
b) Out standing Guarantees to Banks including letter of credit opened with bankers for purchase of material.	573.31	282.74
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	13.46	54.97
ii) Excise	89.07	3.36
iii) Customs	2.92	2.92
iv) Service Tax	62.62	29.77
v) Sales Tax	26.00	26.00
vi) State Levies	193.70	345.60
vii) Suppliers and Service contract	93.63	137.29
viii) Labour related	5.00	3.00
ix) others	3.24	3.13

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 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.

The Andhra Sugars Limited - Group Consolidated Financial Statements

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.

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 recognized as revenue in the year of receipt, pending disposal of final appeal.
9. 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.
10. In the Case of The Andhra Sugars Ltd., Balances in some of the customers accounts are subject to confirmation by and reconciliation with the said parties.
11. 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").

	31.03.2010
1. Amount remaining unpaid, beyond the appointed / agreed date at the end of the year,	Rs.
(a) Principal amount of bills to be paid	167455
(b) Interest due thereon	2147
2. (a) Payments made to suppliers, during the year, but beyond appointed / agreed by	1088458
Interest thereon in terms of Sec. 16 of the Act	13575
(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	13575
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	15722
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	16009

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

- 12.** 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 31.3.2010	Nil
ii) Interest paid on delayed payments during 2009-10	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.

- 13.** 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.0.91 lakhs as on 31.3.2010. (Maximum balance outstanding during the year is Rs.0.91 lakhs). The investment in the Equity shares of the company is Nos. 328760.
- 14.** 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.
- 15.** In the case of JOCIL Limited, the company billed the entire power supplied to A.P.Transco during the year at Rs.4.66/k.W.h. 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 recognized the revenue during the year based on Rs.3.80 per Kwh the rate at which the AP Transco/SPDCL is currently paying for supplies. Accordingly an amount of Rs.348.79 lakhs only been recognized as income and balance of Rs.79.54 lakhs has not been recognized as income during the year.
- 16.** In the case of JOCIL Limited, The company made provision of Rs.2,70,81,996 towards the electricity duty on the captive consumption of power on account of demand raised by Chief Electrical Inspector to the Govt. of Andhra Pradesh. The demand was contested by the Company.
- 17.** In the case of JOCIL Limited, Cash at scheduled Banks in Fixed Deposits includes:
- a) Rs.35,00,000 (previous year Rs. 12,37,331) deposited towards maintenance of liquid assets under provisions of the companies (Acceptance of Deposits) Rules, 1975.
 - b) Rs. 46,66,377 (previous year Rs. 67,69,382) towards margin money for Bank Guarantees and Foreign Letters of Credit.
 - c) Rs.10,69,623 (previous year Rs. 12,53,375) on account of unclaimed dividends.
- 18.** In the case of The Andhra Sugars Ltd., Earnings in foreign exchange on FOB basis is Rs. 467.00 Lakhs (previous year Rs.878.56 Lakhs)

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19. In the case of JOCIL Limited, Foreign exchange earnings on exports during the year calculated FOB basis Rs.44,61,48,528 (Previous year –Rs.19,49,06,344)

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.

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 : 9-08-2010

TANUKU
9-08-2010

GROUP CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2009-10

(Rupees in lakhs)

	2009-2010	2008-2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and extra-ordinary items	13205.36	8305.98
ADJUSTMENTS FOR:		
Depreciation	4019.35	3888.52
Assets written off	7.56	13.09
Interest (Net)	1924.98	2998.15
Impairment provision reversed credited to P&L a/c	---	(1.05)
Profit/Loss on sale of assets(Net)	(34.81)	(33.85)
Dividends received	(213.21)	(185.97)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	18909.23	14971.64
Trade and other receivables	(412.43)	(2186.65)
Inventories	5303.11	4476.50
Trade payables	(1691.34)	(816.76)
CASH GENERATED FROM OPERATIONS	22108.57	16457.96
Direct taxes paid	(4247.20)	(2823.58)
Refund of taxes	—	—
NET CASH FROM OPERATING ACTIVITIES.... A	17861.37	13634.38
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets(Including Capital Work-in-progress, unallocated capital expenditure)	(5678.75)	(5001.38)
Sale of Fixed assets	57.04	56.04
Sale of investments	0.08	45.20
Purchase of investments	(37.54)	(201.10)
Interest received	277.46	225.41
Deposits/Withdrawal of Inter corporate advances	250.00	150.00
Dividends received	17.75	14.94
NET CASH USED IN INVESTING ACTIVITIES....B	(5113.96)	(4710.89)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings/loans	(9675.19)	(2812.57)
Dividends paid	(1786.21)	(1495.16)
Interest paid	(2202.45)	(3223.55)
NET CASH FROM FINANCING ACTIVITIES.....C	(13663.85)	(7531.28)
INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	- 916.44	1392.21
Cash and Cash equivalents as on 01.4.2009	3401.99	2009.78
Cash and Cash equivalents as on 31.3.2010	2485.55	3401.99
	- 916.44	1392.21

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 : 9-08-2010

TANUKU
9-08-2010

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.M.Harischandra Prasad
Sri 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. N.V.Ramanamma	Daughter of Dr.M.Harischandra Prasad
Smt. R.Akkamamba	Daughter of Dr.M.Harischandra Prasad
Smt. Y.Narayanamma	Daughter of Dr.M.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.Mrutyamjaya 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

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Smt. E.Rama Lakshmi	Sister of Sri P.Narendranath Chowdary
Smt. J.Akkamamba	Sister of Sri P.Narendranath Chowdary
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
Sri P.V.Rayudu	Son of Sri P.V.Krishna Rao
Chy. P.Ravi	Son of Sri P.V.Krishna Rao
Smt. P.Sesha Shailaja	Wife of Sri P.Achuta Ramayya
Smt. R.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
Smt. J.Sunitha Mohan	Wife of Sri J.Murali Mohan
Kum. J. Namrata	Daughter of J.Murali Mohan
Smt. V.Indira	Sister of Sri J.Murali Mohan

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

Jaya Industries
Jayalakshmi Fertilisers
Jayalakshmi Estates
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, 2009)

(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	218.09	0.13	26.70	8.82
	(172.60)	(0.00)	(14.75)	(13.93)
Services Rendered by	0.00	0.00	12.73	2.04
	(0.00)	(0.00)	(11.90)	(1.72)
Sale of Goods to	604.57	23.39	4.25	0.00
	(285.28)	(24.46)	(0.00)	(0.00)
Sale of Fixed Assets to	0.00	0.00	0.00	0.00
	(0.00)	(0.00)	(0.00)	(0.00)
Services Rendered to	0.01	0.50	0.09	0.00
	(0.00)	(1.74)	(1.08)	(0.00)
Interest Paid to	0.00	15.53	263.00	442.55
	(0.00)	(195.86)	(296.15)	(458.31)
Interest Received from	0.00	41.54	0.00	0.00
	(0.00)	(41.54)	(0.00)	(0.00)
Remuneration (including Commission) paid to	0.00	0.00	1192.23	0.00
	(0.00)	(0.00)	(816.55)	(0.00)
Donations Paid to	40.00	0.00	0.00	0.00
	(25.00)	(0.00)	(0.00)	(0.00)
Dividend Paid to	84.57	0.00	227.85	403.84
	(72.73)	(0.00)	(196.14)	(346.29)
Dividend Received from	1.40	0.00	0.00	0.00
	(1.40)	(0.00)	(0.00)	(0.00)
Balances as at 31-03-2010				
a) Share Capital held by the Company, in	1.75	3054.83	0.00	0.00
	(1.75)	(3054.83)	(0.00)	(0.00)
b) Receivables - Trade dues from	44.13	0.00	0.00	0.00
	(74.64)	(0.00)	(0.00)	(0.00)
c) Share Capital of the company held by	140.96	0.00	379.16	676.28
	(140.96)	(0.00)	(392.33)	(698.74)
d) Fixed Deposits Received from	0.00	0.00	2422.59	4283.05
	(0.00)	(0.00)	(2266.82)	(3637.48)
e) Loans/ Intercorporate loans given to	0.00	250.00	0.00	0.00
	(0.00)	(250.00)	(0.00)	(0.00)
f) Payables : - Trade dues	40.42	0.00	0.00	0.00
	(0.44)	(0.00)	(0.00)	(0.00)
- Interest on FDs.	0.00	0.00	59.63	102.46
	(0.00)	(0.00)	(51.09)	(86.88)
- Remuneration (including Commission)	0.00	0.00	1015.93	0.00
	(0.00)	(0.00)	(695.84)	(0.00)

STATEMENT REGARDING SUBSIDIARY COMPANIES AS ON 31-03-2010

(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	10038.82	368.37	19.69
3. Total Assets	16504.32	501.68	30.68
4. Total Liabilities	6121.49	88.34	1.30
5. Investments	100.10	0.03	----
6. Total Income	30509.79	634.34	24.73
7. Profit before taxation	3207.01	-14.80	19.77
8. Provision for Tax	1100.00	---	0.20
9. Profit after Taxation	2107.01	-16.21	19.57
10. Proposed Dividend	444.06	----	----

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 2009-2010) (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.