

THE ANDHRA SUGARS LIMITED

Venkatarayapuram : Tanuku - 534 215, Andhra Pradesh, India.



June 16, 2023

SEC/2023

National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor, Plot No.C/1
G. Block, Bandra Kurla Complex
Bandra (E)
MUMBAI – 400 051.

COMPANY CODE: ANDHRSUGAR

Dear Sirs,

Sub: Clarification – Reg.
Ref: 1. Our email dated 29th May, 2023.
2. Your E-mail dated 12th June, 2023.

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This is with reference to the clarification raised vide the above reference about the Announcement of No Crushing Operations at our Tanuku and Bhimadole Sugar Plants during the 2023-24 season.

Taking into consideration the Economic Capacity Utilization of the Sugar Plants, our Board of Directors decided to not operate these two Sugar Plants in view of insufficient quantity of Cane to operate at Economic Capacity Utilization. Our Company operates three Sugar Plants located at Tanuku, Taduvai and Bhimadole in West Godavari District of Andhra Pradesh. Cane available from our Three Mills zones is being processed at the more recently built Mill, so that it could be operated at Economical Capacity Utilization rather than operating all the Three Mills at Un-economical Capacity Utilization.

Since the inception of the Sugar Milling Industry in West Godavari District, due to non-available of sufficient local labour, services of migrant labour from Prakasam and Gunturu Districts was utilized. With the advent of the Nagarjuna Sagar Irrigation Canal System, Prakasam and Guntur labour stopped migration and services of migrant labour from Srikakulam, Vizianagaram and Visakhapatnam Districts were utilized for the Cane Harvesting Work in West Godavari District.

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With the explosion in setting up of Industries in Visakhapatnam City, Employment possibility increased in that region and the migration of labour from Srikakulam, Vizianagaram and Visakhapatnam Districts reduced causing a shortage of Cane Harvesting labour in West Godavari District resulting in Farmers of West Godavari District reducing area of Cane Cultivation.

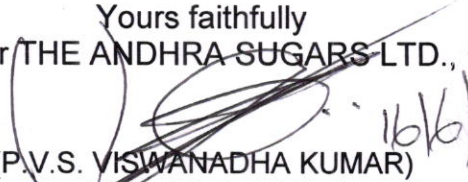
To mitigate this situation, our Company took up introduction of Mechanical Harvesting of Cane by initially buying a Cane Harvester being sold in India from Brazil. As this Harvester was not designed and built to suit our Indian small Farm needs, our Company designed and built a suitable Compact Cane Harvester. With the introduction of Our Design Compact Cane Harvester, Farmers have started planting Cane suitable for Cane Harvesters.

Initially there were a few Hundred acres of Cane planted suitable for Mechanical Harvesting, which has now expanded to a few Thousand acres. It will be of some more time for all the Farmers to switch to planting suitably for Mechanical Harvesting. With Mechanical Harvesting the Harvest Cost has been substantially reduced compared to Manual Harvesting.

Our Company has been working on Mechanization of the Different Operations undertaken in Cane Cultivation to enable Farmers to produce Cane at a lower expenditure and lesser dependence on manual labour.

This is for your Information and Record.

Thanking you,

Yours faithfully
For THE ANDHRA SUGARS LTD.,

(P.V.S. VISWANADHA KUMAR)
Vice President (F) & Addl. Secretary