



Annual Report 2018-2019

Jocil Limited

(A Subsidiary of The Andhra Sugars Limited)

CIN : L28990AP1978PLC002260 • GSTIN : 37AAACJ5606L1ZF

Box 216, Arundelpet P.O., GUNTUR-522 002, AP. • Factory & Regd. Office : DOKIPARRU, GUNTUR-522 438, AP.

Ph : +91 863 2290190 • Fax : +91 863 2290090 • Email : jocil@jocil.net • Web : www.jocil.in

BOARD OF DIRECTORS

P. Narendranath Chowdary

J. Murali Mohan

Mullapudi Thimmaraja

K. Srinivasa Rao

V. S. Raju

M. Gopalakrishna, I.A.S. (Retd.)

(Upto 31.03.2019)

Subbarao V. Tipirneni

M. Mrutyumjaya Prasad

P. Venkateswara Rao

Dr. Manjulata Dasari

K. Rama Seshayya

(From 25.05.2019)

Chairman

Managing Director

Director

Director

Independent Director

Independent Director

Independent Director

Director

Independent Director

Independent Director

Addl. Director

Dy. SECRETARY & AGM (Fin.) (CFO)

K. Raghuram,

F.C.S., F.C.A., F.C.M.A.

STOCK EXCHANGE

National Stock Exchange of India Ltd.,
Exchange Plaza, Bandra Kurla Complex
Bandra (East), Mumbai - 400 051.

BANKERS

Andhra Bank, Main Branch, Guntur.

State Bank of India,
Commercial Branch, Guntur.

SHARE REGISTRAR & TRANSFER AGENT (RTA)

XL Softech Systems Ltd.,
3, Sagar Society, Road No. 2, Banjara Hills,
Hyderabad - 500 034.
Ph : 040-23545913
E-mail : xlfield@gmail.com

AUDITORS

Chevuturi Associates,
Chartered Accountants,
D.No. 33-25-338,
Govindarajulunaidu Street,
Suryaraopet, Vijayawada - 520 002.

COST AUDITORS

Narasimha Murthy & Co.,
104, Pavani Estate,
3-6-365, Himayatnagar,
Hyderabad - 500 029.

SECRETARIAL AUDITORS

Nekkanti SRVVS Narayana & Co.,
Flat No. 407 & 408, Malik Chambers,
Hyderguda,
Hyderabad - 500 029.

An ISO 9001 Certified Company

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NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Forty first Annual General Meeting of the Shareholders of Jocil Limited will be held at the Registered Office of the Company, Dokiparru, Guntur - 522 438, A.P. on Saturday, the 21st September, 2019 at 3.30 p.m. to transact the following business :

Ordinary Business :

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31 March 2019 and the Balance Sheet as at that date together with the Reports of Board of Directors and Auditors thereon.
2. To declare a Dividend for the year 2018-19.
3. To elect a Director in place of Sri Mullapudi Thimmaraja (DIN : 00016711) who retires by rotation and being eligible offers himself for reappointment / re-election.
4. To elect a Director in place of Sri K. Srinivasa Rao (DIN : 00381090) who retires by rotation and being eligible offers himself for reappointment / re-election.

Special Business :

5. To approve the remuneration of the Cost Auditors for the financial year ending 31 March 2020 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act 2013 and the Companies (Audit and Auditors) Rules 2014 (including any statutory modification (s) or re-enactment thereof, for the time being in force), M/s.Narasimha Murthy & Co., Hyderabad, the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31 March 2020, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Sri K. Rama Seshayya (DIN : 05162760) who was appointed by the Board of Directors as Additional Director of the Company w.e.f. 25-05-2019 pursuant to Article 113 of the Articles of Association of the Company, holds office up to the date of the 41st Annual General Meeting of the Company in terms of Sec. 161 of the Companies Act, 2013 (Act) or any statutory modification thereof or any re-enactment of the said Act, be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT pursuant to Sections 149 and 152 and other applicable provisions of the Act and the Rules made thereunder, read with Schedule IV of the said Act, Sri K. Rama Seshayya be and is hereby appointed as Independent Director of the Company for a term of 5 consecutive years commencing from 21-09-2019 to 20-09-2024, not liable to retire by rotation."

Notes :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The proxy form (provided with this report) should reach the Registered Office of the Company duly completed not less than 48 hours before the scheduled time of the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, the 14th September, 2019 to Saturday, the 21st September 2019, both days inclusive.
3. Members are requested to notify any change in address immediately to the Company's Registered Office or Registrar and Transfer Agents.
4. Pursuant to Section 124 of the Companies Act, 2013, the unclaimed dividend for the year ended 31 March 2011 has been transferred to the Investor Education and Protection Fund established by the Central Government.
5. Pursuant to Investors Education and Protection Fund (uploading of information regarding Unpaid and Unclaimed Amounts lying with Companies) Rules 2012 the company will provide/ host the required details of unclaimed amounts referred under Section 124(2) of Companies Act, 2013 on its website and also in the website of the Ministry of Corporate Affairs in the relevant form every year.
6. Pursuant to Section 124 of Companies Act, 2013, the unclaimed shares for the year ended 31 March 2011 have been transferred to Investor Education and Protection Fund established by the Central Government. Members who wish to claim shares from IEPF are required to comply with the provisions specified under IEPF (Accounting, Audit, Transfer and Refund) Rules 2017.
7. Information about the Directors seeking reappointment at the 41st Annual General Meeting as required under Listing Regulations is attached.
8. Holders of Shares/Deposits may nominate a person(s) in Form No. SH-13 / SH-14 as the case may be (provided at the end of this report) in whose favour they wish to vest the Shares / Deposits on their death subject to the provisions of Companies Act, 2013 and Rules made thereunder.
9. The Dividend for the year ended 31 March 2019 as recommended by the Board, if sanctioned at the Annual General Meeting, will be payable to those members whose names appear in the Company's Register of Members on 21st September 2019 as per details provided by Share Transfer Agents (RTA). In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by the Depositories. National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL) for this purpose as on 13th September 2019 after the close of business hours.
10. The Company is providing facility to the shareholders for voting by electronic means and the business may be transacted through such voting. The process and manner of e-voting, time schedule etc., are at Page No.7.

11. Route map for attending the Annual General Meeting is provided at inside back cover page.

ANNEXURE TO THE NOTICE

A. Explanatory Statement as required under Sec. 102 of the Companies Act, 2013.

Item No. 5 :

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s.Narasimha Murthy & Co., Cost Accountants, Hyderabad as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31 March 2020 on a remuneration of Rs. 1,60,000/- and reimbursement of actual traveling, lodging & boarding and out of pocket expenses for attending the work.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors requires the ratification by the shareholders of the Company.

Accordingly, consent of the members is sought by an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31 March 2020.

None of the Directors / Key Managerial Personnel of the Company / their relatives are in any way concerned or interested, financially or otherwise, in the resolution.

The Board recommends for approval of this Ordinary Resolution by the shareholders.

Item No. 6 :

Sri K. Rama Seshayya is a Graduate in Arts and Law. He also did diplomas in Social Service Administration and Human Resources Development. He has vast experience in Human Resource Management and Administration. Earlier he worked in The Andhra Sugars Limited in various capacities and looked after HR, Administration and other allied areas. Presently he is practicing as an Advocate looking after cases pertaining to Human Resource and Insurance.

Board of Directors, on the recommendation of the Nomination & Remuneration Committee, co-opted him as Additional Director from 25-05-2019. He holds office up to the date of the 41st Annual General Meeting. The Board also considered it as advisable to appoint him as Independent Director in view of his fulfilling the criteria stipulated in the Companies Act, 2013 with regard to appointment of Independent Directors. He is independent of the Management.

He is not debarred from holding office of Director by virtue of any SEBI Order or any other such authority.

A copy of the draft letter of appointment setting out the terms & conditions of his appointment is available for inspection at the Registered Office of the Company during business hours on any working day.

Jocil Limited

His appointment would be beneficial to the Company. Your Board, therefore recommends necessary Resolution for your approval.

Other Directorships held : Director, M/s. Roop Classifieds Private Limited

Other Committeeships held : NIL

Except Sri K. Rama Seshayya, no other Director, Key Managerial Personnel and their relatives is or are deemed to be interested or concerned in the Resolution

Hyderabad

25th May 2019.

By Order of the Board of Directors

P. NARENDRANATH CHOWDARY

Chairman

SHAREHOLDERS INSTRUCTIONS FOR E-VOTING

The instructions for shareholders voting electronically are as under :

- i. The voting period begins on 18-09-2019 at 9.00 a.m. and ends on 20-09-2019 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 14-09-2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on to the e-voting website www.evotingindia.com.
- iii. Click on Shareholders.
- iv. Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

For Members holding shares in Demat and Physical Form

| | |
|--|--|
| PAN | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| DOB | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details OR Date of Birth DOB | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (v).</p> |

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for evoting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN of 'JOCIL LIMITED' to vote.
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xix. Note for Non-Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same
- xx. In case you have any queries or issues regarding e-voting, you may refer to the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or send an email to helpdesk.evoting@cdslindia.com.

ABBREVIATED RESUME OF THE DIRECTORS SEEKING REAPPOINTMENT

1. Shri Mullapudi Thimmaraja (DIN : 00016711)

Shri Mullapudi Thimmaraja joined as Director on the Board of the Company on 27-10-1988. He is a graduate in Chemical Engineering and Post Graduate in Business Administration from the University of Florida, U.S.A. For more than three decades he has been the Whole-time Director of the Holding Company, The Andhra Sugars Limited, a multi-product multi division Company manufacturing Sugar and wide range of Organic and Inorganic Chemicals.

Shri Mullapudi Thimmaraja is an industrialist and having vast experience in administration and management of corporate affairs. He is a member of the Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and the Stakeholders Relationship Committee constituted by the Board of Directors of the Company. Shri Mullapudi Mrutyumjaya Prasad, Director on the Board of Directors of the Company is related to him. As on 31 March 2019 he is holding 4,500 equity shares of the Company. Particulars of directorships of other listed companies and memberships in committees are given below.

| Name of the Company | Position | Name of the Committee | Position |
|-----------------------------------|-----------------------|---|------------------------------|
| The Andhra Sugars Limited | Jt. Managing Director | Stakeholders Relationship Committee Corporate Social Responsibility Committee | Member Member |
| The Andhra Petrochemicals Limited | Director | Stakeholders Relationship Committee Nomination & Remuneration Committee Corporate Social Responsibility Committee | Chairman Member Member |

The Company received from him declaration in Form DIR-8 confirming that he has not incurred disqualification under section 164(2) of the Companies Act, 2013 in any of the companies mentioned therein in the previous financial year, and that, he at present, stands free from any disqualification from being a director. He is not debarred from holding office of Director by virtue of any SEBI Order or any other such authority.

2. Shri Kandimalla Srinivasa Rao (DIN : 00381090)

Shri Kandimalla Srinivasa Rao has been a Director of the Company since 1-11-1980. He is an industrialist and having vast experience in business and industry. During his tenure as Director on the Board of the Company he has rendered very valuable services for promotion and development of the Company. As on 31 March 2019 he is holding 3,25,092 equity shares of the Company.

The Company received from him declaration in Form DIR-8 confirming that he has not incurred disqualification under section 164(2) of the Companies Act, 2013 in any of the companies mentioned therein in the previous financial year, and that, he at present, stands free from any disqualification from being a director. He is not debarred from holding office of Director by virtue of any SEBI Order or any other such authority.

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Forty first Annual Report together with the Audited Statement of Accounts for the Financial Year ended 31 March 2019.

| | (Rs. in Lakhs) | |
|--|----------------|----------|
| | 2018-19 | 2017-18 |
| 1. FINANCIAL RESULTS | | |
| Gross sales | 39967.19 | 34782.37 |
| Less : Excise duty | - | 698.59* |
| Net sales | 39967.19 | 34083.78 |
| Processing charges | 276.49 | 63.31 |
| Other income | 168.71 | 214.73 |
| Total income | 40412.39 | 34361.82 |
| Profit for the year before interest and depreciation | 817.15 | 1276.88 |
| Interest | (118.67) | (128.64) |
| Depreciation | (572.41) | (653.38) |
| Profit before tax | 126.07 | 494.86 |
| Provision for current tax | 47.00 | 130.00 |
| Deferred tax - charge / (credit) | (104.39) | (45.59) |
| Excess provision of income tax in earlier years | (133.98) | - |
| Profit after tax | 317.44 | 410.45 |

*Consequent upon introduction of GST w.e.f. 01 July 2017 , Excise Duty up to 30 June 2017 only has been deducted from gross sales.

The turnover of the company for the year at Rs. 399.67 crores has increased by 14.91% over the figure of Rs. 347.82 crores of the previous year. During the year the sales volumes of fatty acids and toilet soap and soap products have increased by 35.58% and 40% respectively as compared to the previous year. Even though the turnover has improved, the profitability has declined due to very low margins arising out of extreme competition. This has resulted in decline in Profit Before Interest and Depreciation to Rs.817.15 lakhs from Rs. 1276.88 lakhs in the previous year. The volume of toilet soap and soap products has increased due to improved market conditions. The Profit Before Tax (PBT) has come down to Rs.1.26 crores as compared to Rs. 4.95 crores in the previous year.

The appropriations from the profit are as detailed below.

| | (Rs. in Lakhs) | |
|---|----------------|---------|
| | 2018-19 | 2017-18 |
| Profit after tax (including other comprehensive income) | 375.26 | 709.68 |
| Balance brought forward from previous year | 2796.88 | 2407.87 |
| Profit for appropriations | 3172.14 | 3117.55 |

APPROPRIATIONS

| | | |
|--|----------------|----------------|
| Dividend (accounted in the year of payment)* | 177.62 | 266.43 |
| Provision for tax on distributed profits @ 20.55529% | | |
| on dividend | 36.51 | 54.24 |
| (accounted in the year of payment) | | |
| Balance carried forward | 2958.01 | 2796.88 |
| TOTAL | 3172.14 | 3117.55 |
| Authorized capital | 1000.00 | 1000.00 |
| Paid-up capital | 888.16 | 888.16 |
| Reserves & surplus | 16481.42 | 16320.29 |

* In accordance with the requirements of Ind AS, dividend is to be accounted in the year of payment. Hence, dividend paid during the year is given instead of dividend declared during the year.

2. DIVIDEND & RESERVES

The Board of Directors have recommend for the approval of the shareholders of the Company for payment of dividend for the year ended 31-03-2019, at Re. One (10%) per equity share of Rs. 10 each, which aggregates to Rs.88,81,150 (excluding Dividend Distribution Tax) on the 88,81,150 equity shares of the Company. In the previous year, the Company paid dividend at Rs.2.00 per equity share of Rs.10 each on 88,81,150 shares amounting to Rs. 1,77,62,300 (excluding Dividend Distribution Tax). The Company does not propose to transfer any amount to reserves.

| 3. OPERATIONS | 2018-19 | 2017-18 |
|----------------------------------|----------------|----------------|
| | MT | MT |
| Production | | |
| (including processed on jobwork) | | |
| a) Fatty acids | 60445 | 45483 |
| b) Toilet soap & soap products | 25766 | 15908 |
| c) Biomass power-kwh | 31207152 | 24914266 |
| d) Wind power-kwh | 12718275 | 14851184 |
| Sales | | |
| a) Fatty acids | 47986 | 35392 |
| b) Toilet soap & soap products | 20579 | 14703 |
| c) Biomass power-kwh | 13054300 | 9603400 |
| d) Wind power-kwh | 12718275 | 14851184 |

4. OUTLOOK

Fatty Acids and Soap

The sales of fatty acids and soap products have improved considerably during the year. Even though the production and sales have improved, the profitability is low due to minimal margins arising out of severe competition. The market for soap noodles is also affected by cheaper imported soap noodles due to the flawed inverted duty structure wherein the duties are lower on finished products and higher on raw materials. This market condition of soap noodles is also affecting sales of fatty acids as majority of fatty acids produced is used for production of soap noodles. GST refund/benefit is continuing for a few units in Himachal Pradesh & Uttarakhand States till March 31, 2020, for the residual period. Whereas, for the Northeast and Jammu & Kashmir States the benefit is upto March 31, 2027. In both cases the benefit is for 10 years from the commencement year of commercial production. As a result, manufacturers in non-exempt areas, doing jobwork are still finding it difficult to market their capacities. However, for lower priced finished soap in the southern market, the opportunities are better for manufacturers in non-exempt areas as the benefits of exemptions are not enough to overcome the added logistical costs. Accordingly, Company has regained quite a few orders from FMCG Majors like HUL & ITC.

Palm stearin and PFAD are the major raw materials for manufacture of fatty acids and soap. These are the by-products derived from the refining of crude palm oil. With the increase in import duties on crude palm oil, local raw material suppliers are not in a position to supply Palm Stearin and PFAD at competitive prices. Also, Export orders obtained by us require the use of Mass Balanced (MB) materials. These MB materials are not available locally. Hence, we are importing them from Malaysia and Indonesia on advance authorisation licenses.

Cost of raw materials is a major component in total cost of production and the fluctuation in raw material prices is a serious cause of concern to the company particularly when the customers demand long term forward contracts while the same is not possible with the raw material suppliers. There is stiff competition from manufacturers particularly from those having backward integration which gives them a cost advantage.

The Company enters into contracts for doing job-work both for fatty acids and soap for major customers wherein the customers themselves supply/cover raw materials required for the total process and we receive processing charges for the manufacture of final products. This helps to safeguard against fluctuations in raw material prices. Presently, the market situation has improved and the Company has obtained export orders for DFA and indigenous orders for Soap Noodles and Toilet Soap from the major customers. In order to meet the additional demand for Soap, the Company is in the process of modifying certain equipment in the existing finishing lines of Soap Plant to suit different requirements of customers and also to increase some capacity.

Biomass Power Plant

During the year under review, the performance of the Biomass Power Plant has improved. The generation from the plant during the year has increased by 62.93 lakh units, a 25% increase when compared to the previous year. Export of power to APSPDCL was stopped from 09 July 2018 to 21 July 2018 and from 01 January 2019 to 13 January 2019 for scheduled maintenance. After the overhaul, the plant performance has improved.

Wind Energy Generators (WEG)

Power generation during the year from the four Wind Energy Generators (WEGs) of 6.3 MW capacity has marginally declined as compared to the previous year. During the year, the power generation from all the four WEGs is 127.18 lakh units as compared to 148.51 lakh units in the previous year due to lower wind velocity. The back down of WEGs for want of evacuation facilities has improved during the year coming down from 5% of machine available hours to 4.44%.

5. FINANCE AND STATUTORY COMPLIANCES

The Company availed working capital facilities under consortium arrangement with Andhra Bank and State Bank of India and the accounts are in order. The company complied with all the legal requirements and there are no outstanding statutory dues as on 31 March 2019.

During the year there have been no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

6. CREDIT RATING

During the year the Credit Rating Agency CARE reaffirmed the credit rating for various facilities as detailed hereunder.

| Nature of Facilities | Rating Assigned |
|-------------------------------|---|
| 1. Working capital facilities | |
| i) Long term facilities | CARE A – (adequate degree of safety regarding timely servicing of financial obligations) |
| ii) Short term facilities | CARE A2 (Strong degree of safety regarding timely payment of financial obligations) |
| 2. Fixed deposits | CARE A2 (FD) (Strong degree of safety regarding timely payment of financial obligations) |

7. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act 2013. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year the Company has not received any complaints on sexual harassment of women at the workplace.

8. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established vigil mechanism as required under Sec. 177 of the Companies Act, 2013 for directors and employees to report genuine concerns as prescribed in the policy. The policy provides adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.

9. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

- a) In accordance with the provisions of the Companies Act 2013 and Articles of Association of the Company, at the ensuing Annual General Meeting, Sri Mullapudi Thimmaraja and Sri K. Srinivasa Rao, Directors retires by rotation and being eligible offers themselves for re-election.
- b) The Company held four Board Meetings during the year. Board Meeting dates and attendance particulars are available in the report on Corporate Governance.
- c) The Company has received declarations from all the five Independent Directors confirming that he/she meets the criteria of independence as provided under sub-section 6 of Sec. 149 of the Companies Act, 2013 at the first meeting of the Board in which he / she participated as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his / her status as an Independent Director.
- d) The Audit Committee consists of 3 Non-Executive Directors of which 2 are Independent Directors. Sri V.S. Raju, Independent Director is the Chairman of the Audit Committee. The remaining 2 members are Sri Mullapudi Thimmaraja, Non-Executive Director and Sri Subbarao V. Tipirneni, Independent Director. The Board accepted all the recommendations of the Audit Committee during the year.
- e) The following Independent Directors were re-appointed by the share holder at their Extra-ordinary General Meeting held on 30th March 2019 for respective periods mentioned against their names.

| Name of the Independent Director | Period of Appointment |
|---|--------------------------|
| 1. Sri V.S. Raju (DIN : 00101405) | 01-04-2019 to 31-03-2024 |
| 2. Sri Subbarao V. Tipirneni (DIN : 00337027) | 01-04-2019 to 30-09-2022 |
| 3. Sri P. Venkateswara Rao (DIN : 06387165) | 01-04-2019 to 30-09-2021 |
| 4. Dr. Manjulata Dasari (DIN : 02788338) | 13-09-2019 to 12-10-2023 |

- f) Sri M. Gopalakrishna, I.A.S. (Retd), Independent Director, retired from his position consequent upon completion of his present term on 31-03-2019. Sri K. Rama Seshayya has been appointed as Additional Director (under Independent category) w.e.f. 25 May 2019.
- g) During the year under review, the Company is having the following persons as Key Managerial Personnel under Sec. 203 of the Companies Act, 2013.

| Name of the Official | DIN / Membership No. | Designation |
|----------------------|----------------------|--|
| Sri J. Murali Mohan | 00114341 | Managing Director |
| Sri K. Raghuram | FCS - 6712 | Dy. Secretary & Asst. General Manager (Fin.) (CFO) |

10. MEETING OF INDEPENDENT DIRECTORS

A separate meeting of Independent Directors as required under Schedule IV of the Companies Act, 2013 was held on 4 April 2019, without presence of Non-Independent Directors. This meeting was conducted to review and evaluate (a) the performance of Non-Independent Directors and the Board as a whole, (b) the performance of the Chairperson of the company, taking into account the views of Executive Directors and Non-Executive Directors and (c) assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The Independent Directors expressed their satisfaction with the performance of Non-Independent Directors and the Board as a whole and Lead Independent Director briefed the outcome of the meeting to the Board.

11. AUDITORS

M/s. Chevuturi Associates, Chartered Accountants, Vijayawada were appointed as Auditors for a period of 5 years at the 39th Annual General Meeting held on 28 September 2017 till the year 2021-22. There are no qualifications, reservations or adverse remarks in the audit report issued by them for the financial year ended 31 March 2019.

12. COST RECORDS AND COST AUDITORS

Company is maintaining cost records as specified by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013. M/s. Narasimha Murthy & Co., Cost Accountants, Hyderabad are conducting the cost audit for applicable products during the year. They are eligible for re-appointment as Cost Auditors for the year 2019-20. There are no qualifications, reservations or adverse remarks in the audit report issued by them for the financial year ended 31 March 2019.

13. SECRETARIAL AUDIT

M/s.Nekkanti S.R.V.V.S. Narayana & Co., Company Secretaries, Hyderabad were appointed as Auditors for secretarial audit for the year 2018-19 under Sec. 204 of the Companies Act, 2013 and they have submitted their report. There are no qualifications, reservations or adverse remarks in the audit report issued by them for the financial year ended 31 March 2019.

14. Pursuant to Sec. 92(3) of the Companies Act, 2013 Annual Return has been placed in the website of the company at www.jocil.in.
15. The information required to be included in the Board of Directors Report under the Companies Act, 2013 and Rules made thereunder is annexed and forms part of this report, details of which are as follows.

| Sl. No. | Particulars | Section | Rule | Annexure No. |
|---------|--|---------------------|----------------------|--------------|
| 1 | Extract of the Annual Return – Form MGT-9 Companies (Management and Administration) Rules, 2014 | 134(3) (a) & 92 (3) | 12(1) | 1 |
| 2 | Company policy on Directors appointment and remuneration etc. provided under sub-sections (3) and (4) of Section 178 | 134 (3) (e) | | 2 |
| 3 | Particulars of loans, guarantees or investments under Section 186 | 134 (3) (g) | | 3 |
| 4 | Particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 in Form AOC -2. Companies (Accounts) Rules, 2014 | 134 (3) (h) | 8(2) | 4 |
| 5 | Conservation of energy, technology absorption and Foreign Exchange earnings and outgo. Companies (Accounts) Rules, 2014 | 134 (3) (m) | 8 (3) (A), (B) & (C) | 5 |
| 6 | Risk management policy for the company including identification therein of elements of risk if any. | 134 (3) (n) | | 6 |
| 7 | Corporate Social Responsibility policy and initiatives taken during the year. Companies (Corporate Social Responsibility policy) Rules, 2014 | 134 (3) (o) | 8 (1) | 7 |
| 8 | Statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and Individual Directors. Companies (Accounts) Rules, 2014 | 134 (3) (p) | 8 (4) | 8 |
| 9 | Financial summary or highlights. Companies (Accounts) Rules, 2014 | 134 (3) (q) | 8 (5) (i) | 9 |
| 10 | Details relating to deposits covered under Chapter V of the Act. Companies (Accounts) Rules, 2014 | 134 (3) (q) | 8 (5) (v) & (vi) | 10 |
| 11 | Ratio of the remuneration of each Director to the median employee's remuneration and such other details. Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 | 197 (12) | 5 (1) | 11 |

| Sl. No. | Particulars | Section | Rule | Annexure No. |
|---------|--|----------|-------|--------------|
| 12 | Particulars of employees in receipt of remuneration not less than Rs. 8,50,000 per month or Rs. 1,02,00,000 per year etc. Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 | 197 (12) | 5 (2) | 12 |
| 13 | Secretarial Audit Report in Form MR-3. Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 | 204 (1) | 9 (1) | 13 |

16. INFORMATION UNDER LISTING REGULATIONS

The Company is committed to maintain the standards of Corporate Governance prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations). The information required to be included in the Annual Report under Schedule V of the Listing Regulations are as follows.

| Sl.No. | Particulars | Para | Annexure No. |
|--------|---|------|--------------|
| 1 | Related Party Disclosures | A | 14 |
| 2 | Management Discussion and Analysis Report | B | 15 |
| 3 | Report on Corporate Governance | C | 16 |
| 4 | Declaration by the Managing Director that all Board Members and Senior Management Personnel affirmed their compliance to the Code of Conduct. | D | 17 |
| 5 | Compliance Certificate from Auditors on Corporate Governance | E | 18 |
| 6 | Disclosures with respect to Demat Suspense Account / Unclaimed Suspense Account | F | 19 |
| 7 | Details of shares transferred to IEPF | G | 20 |

The Company is having a policy to deal with Related Party Transactions and the same may be viewed in the Company's website www.jocil.in. Accounts for disclosures in compliance with the Accounting Standards on "Related Party Disclosures" are given in note no. 34.

17. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the company for that period ;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis;
- e) the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;

Explanation : For the purpose of this clause, the term "internal financial controls" means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

- f) and, the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

18. PERSONNEL

The Directors wish to place on record their appreciation to all the employees of the Company for their sustained efforts and valuable contribution to the performance of the Company during the year.

19. ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation for the wholehearted and sincere cooperation the Company received from various departments of Central and State Governments, Bankers, Auditors, Dealers and Suppliers of the Company. The Directors also would like to express their grateful appreciation for the guidance and cooperation received from the Holding Company, M/s. The Andhra Sugars Limited, Tanuku.

Hyderabad
25 May 2019

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

Annexure - 1**Form No. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31st March, 2019**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

| | |
|--|---|
| i. CIN:- | L28990AP1978PLC002260 |
| ii. Registration Date | 20 February 1978 |
| iii. Name of the Company | Jocil Limited |
| iv. Category / Sub-Category of the Company | Limited by Shares |
| v. Address of the Registered office and contact details | Dokiparru, Medikondur Mandal, Guntur District, Andhra Pradesh, Pin : 522 438 Ph : 0863-2290190 Fax : 0863-2290090 Email : jocil@jocil.net |
| vi. Whether listed company Yes / No | Yes |
| vii. Name, Address and Contact details of Registrar and Transfer Agent, if any | M/s.XL Softech Systems Ltd., Sagar Society, Road No.2, Banjara Hills, HYDERABAD – 500 034. Tel : 040-23545913 / 914 / 915 Fax : 040-23553214 Email : xlfield@gmail.com |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Sl. No. | Name and description of main products / services | NIC Code of the Product / Service | % to total turnover of the company |
|---------|--|-----------------------------------|------------------------------------|
| 1 | Fatty Acids | 304.4 | 65.62 |
| 2 | Soap Products | 305.2 | 27.30 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

| S. No. | Name And Address of The Company | CIN / GLN | Holding / Subsidiary / Associate | % of shares held | Applicable Section |
|--------|---------------------------------|-----------------------|----------------------------------|------------------|--------------------|
| 1 | The Andhra Sugars Limited | L15420AP1947PLC000326 | HOLDING | 55.02 | 2(87) |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding**

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---------------------------------------|---|----------|---------|-------------------|---|----------|---------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| g) Individual/HUF | | | | | | | | | |
| h) Central Govt | | | | | | | | | |
| i) State Govt (s) | | | | | | | | | |
| j) Bodies Corp. | 4886500 | - | 4886500 | 55.02 | 4886500 | - | 4886500 | 55.02 | - |
| k) Banks / FI | | | | | | | | | |
| l) Any Other.... | | | | | | | | | |
| Sub-total A1 | 4886500 | - | 4886500 | 55.02 | 4886500 | - | 4886500 | 55.02 | - |
| (2) Foreign | | | | | | | | | |
| a) NRIs –Individuals | | | | | | | | | |
| b) Other –Individuals | | | | | | | | | |
| c) Bodies Corp. | | | | | | | | | |
| d) Banks / FI | | | | | | | | | |
| e) Any Other.... | | | | | | | | | |
| Sub-total A2 | - | - | - | - | - | - | - | - | - |
| Total shareholding of Promoter | | | | | | | | | |
| A = A1+A2 | 4886500 | - | 4886500 | 55.02 | 4886500 | - | 4886500 | 55.02 | - |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | | | | | | | | | |
| b) Banks / FIs | 50 | - | 50 | - | - | - | - | - | - |
| c) Central Govt. | | | | | | | | | |
| d) State Govt(s) | | | | | | | | | |
| e) Venture Capital Funds | | | | | | | | | |
| f) Insurance Companies | | | | | | | | | |
| g) FIIs | | | | | | | | | |
| h) Foreign Venture Capital Funds | | | | | | | | | |
| i) Others (specify) | | | | | | | | | |
| Sub-total B1 | 50 | - | 50 | - | - | - | - | - | - |
| | | | | | | | | | |

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|--|---|----------|---------|-------------------|---|----------|---------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 187152 | 10,008 | 197160 | 2.22 | 158634 | 10008 | 168642 | 1.90 | (0.32) |
| ii) Overseas | | | | | | | | | |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 2 lakh | 1527572 | 813206 | 2340778 | 26.36 | 1582976 | 743742 | 2326718 | 26.20 | (0.16) |
| ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh | 1169648 | 231674 | 1401322 | 15.78 | 1242100 | 199174 | 1441274 | 16.23 | 0.45 |
| c) Others | - | - | - | - | | | | | |
| i) Bodies (Clearing Mem) | 6309 | - | 6309 | 0.07 | 3919 | - | 3919 | 0.04 | (0.03) |
| ii) NRIs' | 49031 | - | 49031 | 0.55 | 54097 | - | 54097 | 0.61 | 0.06 |
| Sub-total B2 | 2939712 | 1054888 | 3994600 | 44.98 | 3041726 | 952924 | 3994650 | 44.98 | - |
| Total Public Shareholding | | | | | | | | | |
| B=B1+B2 | 2939762 | 1054888 | 3994650 | 44.98 | 3041726 | 952924 | 3994650 | 44.98 | - |
| C. Shares held by Custodian for GDRs & ADRs | | | | | | | | | |
| Grand Total (A+B+C) | 7826262 | 1054888 | 8881150 | 100.00 | 7928226 | 952924 | 8881150 | 100.00 | |

ii) Shareholding of Promoters

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Share holding at the end of the year | | | % change in share holding during the year |
|---------|---------------------------|---|----------------------------------|--|--------------------------------------|----------------------------------|--|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | The Andhra Sugars Limited | 4886500 | 55.02 | - | 4886500 | 55.02 | - | - |

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

| Sl No. | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|------------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| | At the beginning of the year | 4886500 | 55.02 | 4886500 | 55.02 |
| | During the year | No change | No change | No change | No change |
| | At the End of the year | 4886500 | 55.02 | 4886500 | 55.02 |

iv) Shareholding pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| Sl No. | Name of the Shareholder | Shareholding | | | | Cumulative Shareholding during the year | |
|--------|---|--------------|-------------------|---------------|----------------------------------|---|----------------------------------|
| | | Date | Reason for change | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | Mohan Gupta During the year | 31/03/2019 | No transactions | 280000 | 3.15 | 280000 | 3.15 |
| | | 01/04/2018 | | 280000 | 3.15 | 280000 | 3.15 |
| 2 | Geetha Kandimalla During the year | 31/03/2019 | No transactions | 191090 | 2.15 | 191090 | 2.15 |
| | | 01/04/2018 | | 191090 | 2.15 | 191090 | 2.15 |
| 3 | Lakshmi Samrajyam Kandimalla During the year | 31/03/2019 | No transactions | 77998 | 0.88 | 77998 | 0.88 |
| | | 01/04/2018 | | 77998 | 0.88 | 77998 | 0.88 |
| 4 | Vinodchandra Mansukhlal Parekh During the year | 31/03/2019 | No transactions | 38214 | 0.43 | 38214 | 0.43 |
| | | 01/04/2018 | | 38214 | 0.43 | 38214 | 0.43 |
| 5 | Gaylord Sales Private Limited During the year | 31/03/2019 | Purchase | 37743 | 0.42 | 37743 | 0.42 |
| | | 31/03/2019 | | 27869 | 0.31 | 37743 | 0.42 |
| | | 28/12/2018 | Sale | (27869) | (0.31) | 9874 | 0.11 |
| | | 21/12/2018 | Purchase | 27869 | 0.31 | 37743 | 0.42 |
| | | 14/12/2018 | Sale | (3179) | (0.04) | 9874 | 0.11 |
| | | 07/12/2018 | Purchase | 3179 | 0.04 | 13053 | 0.14 |
| | | 06/04/2018 | Sale | (6000) | (0.07) | 9874 | 0.11 |
| | | 01/04/2018 | | 15874 | 0.18 | 15874 | 0.18 |
| | | | | | | | |

| Sl No. | Name of the Shareholder | Shareholding | | | | Cumulative Shareholding during the year | |
|--------|---------------------------------------|--------------|-------------------|---------------|----------------------------------|---|----------------------------------|
| | | Date | Reason for change | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 6 | B Sudhir Kamath During the year | 31/03/2019 | | 35250 | 0.40 | 35250 | 0.40 |
| | | 08/06/2018 | Purchase | 250 | 0.00 | 35250 | 0.40 |
| | | 25/05/2018 | Purchase | 4730 | 0.05 | 35000 | 0.39 |
| | | 06/04/2018 | Purchase | 709 | 0.01 | 30270 | 0.34 |
| | | 01/04/2018 | | 29561 | 0.33 | 29561 | 0.33 |
| 7 | Ashok Kumar Jain During the year | 31/03/2019 | | 34601 | 0.39 | 34601 | 0.39 |
| | | 22/03/2019 | Purchase | 4120 | 0.05 | 34601 | 0.39 |
| | | 04/01/2019 | Purchase | 810 | 0.01 | 30481 | 0.34 |
| | | 07/12/2018 | Purchase | 2340 | 0.02 | 29671 | 0.33 |
| | | 07/09/2018 | Purchase | 5850 | 0.06 | 27331 | 0.31 |
| | | 10/08/2018 | Purchase | 1657 | 0.02 | 21481 | 0.24 |
| | | 13/07/2018 | Purchase | 8153 | 0.09 | 19824 | 0.22 |
| | | 22/06/2018 | Purchase | 2700 | 0.03 | 11671 | 0.13 |
| | | 15/06/2018 | Purchase | 8971 | 0.10 | 8971 | 0.10 |
| | | 01/04/2018 | | - | - | - | - |
| 8 | Rama Devi Bolla | 31/03/2019 | | 33750 | 0.38 | 33750 | 0.38 |
| | | 01/04/2018 | No transactions | 33750 | 0.38 | 33750 | 0.38 |
| 9 | B Raghurama Kamath During the year | 31/03/2019 | | 33562 | 0.38 | 33562 | 0.38 |
| | | 22/03/2019 | Sale | (1438) | (0.01) | 33562 | 0.38 |
| | | 01/02/2019 | Purchase | 4751 | 0.05 | 35000 | 0.39 |
| | | 30/11/2018 | Purchase | 300 | 0.00 | 30249 | 0.33 |
| | | 16/11/2018 | Purchase | 195 | 0.00 | 29949 | 0.33 |
| | | 21/12/2018 | Sale | (1000) | (0.01) | 29754 | 0.33 |
| | | 12/10/2018 | Purchase | 2227 | 0.02 | 30754 | 0.34 |
| | | 05/10/2018 | Purchase | 8527 | 0.09 | 28527 | 0.32 |
| | | 07/09/2018 | Sale | (2725) | (0.03) | 20000 | 0.23 |
| | | 31/08/2018 | Sale | (750) | (0.01) | 22725 | 0.26 |
| | | 24/08/2018 | Sale | (1025) | (0.01) | 23475 | 0.27 |
| | | 10/08/2018 | Sale | (7500) | (0.08) | 24500 | 0.28 |
| | | 20/07/2018 | Purchase | 2000 | 0.02 | 32000 | 0.36 |
| | | 15/06/2018 | Sale | (4181) | (0.04) | 30000 | 0.34 |
| | | 08/06/2018 | Sale | (900) | (0.01) | 34181 | 0.38 |
| | | 20/04/2018 | Purchase | 1111 | 0.01 | 35081 | 0.39 |
| | | 13/04/2018 | Purchase | 3970 | 0.04 | 33970 | 0.38 |
| | | 01/04/2018 | | 30000 | 0.34 | 30000 | 0.34 |
| 10 | JM Financial Services Limited | 31/03/2019 | | 32265 | 0.36 | 32265 | 0.36 |
| | | 01/04/2018 | No transactions | 32265 | 0.36 | 32265 | 0.36 |

The following are ceased to be Top 10 Shareholders due to partial sale of their shareholding during the year 2018-19.

| Sl No. | Name of the Shareholder | Shareholding | | | | Cumulative Shareholding during the year | |
|--------|---|--------------|-------------------|---------------|----------------------------------|---|----------------------------------|
| | | Date | Reason for change | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 11 | Panguluri Dhanalakshmi During the year | 31/03/2019 | | 25000 | 0.28 | 25000 | 0.28 |
| | | 15/06/2018 | Transfer | 10000 | 0.11 | 25000 | 0.28 |
| | | 01/04/2018 | | 35000 | 0.39 | 35000 | 0.39 |
| 12 | B. Sumathi R Kamath During the year | 31/03/2019 | | 31150 | 0.35 | 31150 | 0.35 |
| | | 15/03/2019 | Purchase | 1000 | 0.01 | 31150 | 0.35 |
| | | 25/01/2019 | Purchase | 150 | 0.00 | 30150 | 0.34 |
| | | 02/11/2018 | Purchase | 1000 | 0.01 | 30000 | 0.34 |
| | | 19/10/2018 | Purchase | 798 | 0.01 | 29000 | 0.33 |
| | | 12/10/2018 | Purchase | 2202 | 0.02 | 28202 | 0.32 |
| | | 30/09/2018 | Purchase | 1000 | 0.01 | 26000 | 0.29 |
| | | 14/09/2018 | Sale | (700) | (0.01) | 25000 | 0.28 |
| | | 07/09/2018 | Sale | (4300) | (0.05) | 25700 | 0.29 |
| | | 24/08/2018 | Sale | (2157) | (0.02) | 30000 | 0.34 |
| | | 17/08/2018 | Sale | (1999) | (0.02) | 32157 | 0.36 |
| | | 10/08/2018 | Sale | (5459) | (0.06) | 34156 | 0.39 |
| | | 03/08/2018 | Purchase | 2500 | 0.03 | 39615 | 0.45 |
| | | 15/06/2018 | Sale | (260) | 0.00 | 37115 | 0.42 |
| | | 08/06/2018 | Purchase | 2375 | 0.03 | 37375 | 0.42 |
| | | 06/04/2018 | Purchase | 5000 | 0.05 | 35000 | 0.39 |
| | | 01/04/2018 | | 30000 | 0.34 | 30000 | 0.34 |

v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | Name | Shareholding at the beginning of the year | | | | Cumulative Shareholding during the year | |
|---------|---|---|-------------------|---------------|----------------------------------|---|----------------------------------|
| | | Date | Reason for change | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | P. Narendranath Chowdary, Chairman During the year At the End of the year | 01.04.2018 | | 25000 | 0.28 | 25000 | 0.28 |
| | | - No change | | - | - | - | - |
| | | 31.03.2019 | | 25000 | 0.28 | 25000 | 0.28 |
| 2 | J. Murali Mohan, Managing Director During the year At the End of the year | 01.04.2018 | | 20100 | 0.23 | 20100 | 0.23 |
| | | - No change | | - | - | - | - |
| | | 31.03.2019 | | 20100 | 0.23 | 20100 | 0.23 |

| Sl. No. | Name | Shareholding at the beginning of the year | | | | Cumulative Shareholding during the year | |
|---------|---------------------------------|---|-------------------|---------------|----------------------------------|---|----------------------------------|
| | | Date | Reason for change | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 3 | M. Thimmaraja, Director | 01.04.2018 | | 4500 | 0.05 | 4500 | 0.05 |
| | | - No change | | - | - | - | - |
| | | 31.03.2019 | | 4500 | 0.05 | 4500 | 0.05 |
| 4 | K. Srinivasa Rao, Director | 01.04.2018 | | 325092 | 3.66 | 325092 | 3.66 |
| | | - No change | | - | - | - | - |
| | | 31.03.2019 | | 325092 | 3.66 | 325092 | 3.66 |
| 5 | M. Mrutyumjaya Prasad, Director | 01.04.2018 | | 2250 | 0.02 | 2250 | 0.02 |
| | | - No change | | - | - | - | - |
| | | 31.03.2019 | | 2250 | 0.02 | 2250 | 0.02 |
| 6 | Dr. Manjulata Dasari, Director | 01.04.2018 | | 1006 | 0.01 | 1006 | 0.01 |
| | | No change | | - | - | - | - |
| | | 31.03.2019 | | 1006 | 0.01 | 1006 | 0.01 |

V. INDEBTEDNESS

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

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|-------------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal amount | 11,51,756 | 1,05,32,305 | 5,48,64,699 | 6,65,48,760 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | 5,88,436 | 23,39,574 | 29,28,010 |
| Total | 11,51,756 | 1,11,20,741 | 5,72,04,273 | 6,94,76,770 |
| Change in indebtedness during the financial year | | | | |
| -Addition | - | - | 1,95,19,745 | 1,95,19,745 |
| -Reduction | 11,51,756 | 11,29,098 | - | 22,80,854 |
| Net Change | 11,51,756 | 11,29,098 | 1,95,19,745 | 1,72,38,891 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal amount | - | 94,80,788 | 7,38,41,729 | 8,33,22,517 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | 5,10,855 | 28,82,289 | 33,93,144 |
| Total | - | 99,91,643 | 7,67,24,018 | 8,67,15,661 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

| Sl. no. | Particulars of Remuneration | Total Rs. |
|---------|--|-------------|
| 1. | J. Murali Mohan, Managing Director | |
| | Gross salary | |
| | a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 85,98,982 |
| | b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 | 20,49,033 |
| | c) Profits in lieu of salary under section 17(3) of the Income tax Act, 1961 | - |
| 2. | Stock Option | - |
| 3. | Sweat Equity | |
| 4. | Commission | 6,82,055 |
| | - as % of profit | |
| | - others, specify... | |
| 5. | Others, please specify | |
| | Total (A) | 1,13,30,070 |
| | (Minimum remuneration under Schedule V of the Companies Act, 2013) | |
| 6. | Ceiling as per the Act | 2,40,00,000 |

B. Remuneration to other Directors:**3. Independent Directors**

| Sl. No. | Particulars of Remuneration | Name of the Independent Directors | | | | | Total Rs. |
|---------|---|-----------------------------------|------------------|----------------------|----------------------|----------------------|-----------|
| | | V.S. Raju | M.Gopala-krishna | Subbarao V.Tipirneni | P. Venkate-swara Rao | Dr. Manjulata Dasari | |
| 1. | Fee for attending Board /Committee meetings | 1,20,000 | 30,000 | 95,000 | 70,000 | 70,000 | 3,85,000 |
| 2. | Commission | - | - | - | - | - | - |
| 3. | Others (incidental & daily allowance) | 31,000 | 10,000 | 17,000 | 24,000 | 24,000 | 1,06,000 |
| | Total (1) | 1,51,000 | 40,000 | 1,12,000 | 94,000 | 94,000 | 4,91,000 |

4. Other Non-Executive Directors

| Sl. no. | Particulars of Remuneration | Name of the Other Non-Executive Directors | | | | Total Rs. |
|---------|--|---|---------------|------------------|------------------------|--------------------------|
| | | P. Narendranath Chowdary | M.Thimma-raja | K. Srinivasa Rao | M. Mrutyum-jaya Prasad | |
| 1 | Fee for attending board /committee meetings | 1,40,000 | 1,35,000 | 60,000 | 75,000 | 4,10,000 |
| 2 | Commission | - | - | - | - | - |
| 3 | Others (incidental & daily allowance) | 35,000 | 21,000 | 24,000 | 35,000 | 1,15,000 |
| | Total (2) | 1,75,000 | 1,56,000 | 84,000 | 1,10,000 | 5,25,000 |
| | Total (B)=(1+2) Total Managerial Remuneration (A+B) | | | | | 10,16,000 1,23,46,070 |

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

| Sl. no. | Particulars of Remuneration | Total Rs. |
|---------|---|-----------------------|
| 1. | K. Raghuram, Dy. Secretary & AGM (Finance) Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 (including arrears) | 14,60,400 2,57,210 |
| 2. | Stock option | |
| 3. | Sweat equity | |
| 4. | Commission - as % of profit - others, specify... | |
| 5. | Others, please specify | |
| | Total | 17,17,610 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure - 2**COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION**

(Sec. 134(3)(e) and Sec. 178 (3 & 4) of Companies Act, 2013)

The Board of Directors constituted Nomination and Remuneration Committee consisting of four directors of which two are independent directors. The Nomination and Remuneration Committee formulated a criteria for determining qualifications, positive attributes and independence of a Director and a policy on remuneration for the Directors, Key Managerial Personnel (KMP) and other employees as detailed below and recommended to the Board and the Board approved the same.

Criteria for appointment :

- The appointee should possess adequate qualification, expertise and experience for the position they considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is appropriate for the concerned position.
- Managing Director or Executive Director can be appointed for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of the term.

- c) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- d) No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director, provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- e) At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.
- f) The Committee shall specify the manner for effective evaluation of performance of the Board, its Committees and individual Directors to be carried out by the Board and review its implementation and compliance.
- g) The Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the rules and regulations.
- h) The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to utilize the services of KMP, Senior Management Personnel even after attaining the retirement age, for the benefit of the Company.

Policy on remuneration :

- a) The remuneration/compensation/commission etc., to the Managing Director / Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/commission etc., shall be subject to the prior / post approval of the Shareholders of the Company and Central Government, as may be required by any Statute.
- b) The remuneration and commission to be paid to the Managing Director/ Whole-time Director shall be in accordance with the percentage/conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the Rules made thereunder.
- c) The Managing Director/Whole-time Director/KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee.

- d) If, in any financial year, the Company has no profits or its profits are inadequate and if it is not able to comply, the Company shall pay remuneration to its Managing Director/ Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 with such provisions, with the previous approval of the Central Government.
- e) The Non-Executive/Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof, provided that the amount of such fees shall not exceed the amount prescribed under Articles of Association of the Company. In addition to the remuneration payable as sitting fees they shall be paid traveling / hotel and other expenses as determined by the Board from time to time for attending and returning from, meetings of the Board of Directors or any committee thereof or in connection with the business of the Company.
- f) An Independent Director shall not be entitled to any stock option of the Company.

Annexure - 3

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS DURING THE YEAR

Section 134(3)(g) and Sec 186(4) of the Companies Act, 2013

Para A(2) of Schedule V to Listing Regulations

| Sl.No. | Name of the Company | Amount Rs. | Remarks |
|--------|-------------------------------------|------------|---------|
| | Particulars of loans given - NIL | - | - |

During the year the Company has not made any investments, not given any guarantees and not provided any security to any person or other body corporate.

Annexure - 4

FORM NO. AOC-2

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

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

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

2. Details of material contracts or arrangement or transactions at arm's length basis : Nil
 - (a) Name(s) of the related party and nature of relationship
 - (b) Nature of contracts/arrangements/transactions
 - (c) Duration of the contracts / arrangements / transactions
 - (d) Salient terms of the contracts or arrangements or transactions including the value if any
 - (e) Date(s) of approval by the Board, if any
 - (f) Amount paid as advances, if any

For Jocil Limited

Hyderabad
25th May 2019.

(P. NARENDRANATH CHOWDARY)
Chairman

**REPORT ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND
FOREIGN EXCHANGE EARNINGS AND OUTGO**

[Section 134 (3) (m) of the Companies Act, 2013 & Rule 8 (3) of Companies (Accounts) Rules, 2014]

(A) Conservation of energy –

- | | |
|--|--|
| (i) The steps taken or impact on conservation of energy | : 1. Temperature of Feed Water going to Deaerator of Boiler is increased by recovering the heat from condensate, thus reducing steam consumption at deaerator. 2. Thermodynamic steam traps are replaced with more efficient modular steam traps on main steam line to reduce steam losses. 3. Sweet Water temperature is increased in Storage Tank by recovering heat from condensate thus reducing steam consumption in Treatment Plant. |
| (ii) The steps taken by the company for utilising alternate sources of energy; | : Nil |
| (iii) The capital investment on energy conservation equipment; | : Nil |

(B) Technology absorption –

- | | |
|---|--|
| (i) Efforts made towards technology absorption | : The indigenous technology available is being utilised and upgraded continuously to satisfy the needs of the customers. |
| (ii) Benefits derived like product improvement, cost reduction, product development or import substitution | : The company is able to improve the customer acceptability of the products. |
| (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) | : Nil |
| (a) the details of technology imported; | |
| (b) the year of import | |
| (c) whether the technology been fully absorbed | |
| (d) if not fully absorbed, areas, where absorption has not taken place and the reasons thereof; | |
| (iv) The expenditure incurred on Research and Development (Rs.in lakhs) | : Nil |

(C) Foreign exchange earnings and Outgo-

- | | |
|--|--------------------|
| (i) The Foreign Exchange earned in terms of actual inflows during the year and | : Rs. 70,38,15,113 |
| (ii) The Foreign Exchange outgo during the year in terms of actual outflows | : Rs. 93,93,06,117 |

Annexure - 6**RISK MANAGEMENT POLICY**

(Sec. 134(3)(n) of Companies Act, 2013)

The Company formulated Risk Management Policy on the recommendations of the Audit Committee of the Board of Directors. The Policy provides for review of the operations of the organization, identification of potential threats to the organization, estimating the likelihood of their occurrence and then taking appropriate actions to address the most likely threats. The Policy also provides for periodical placement of such a report before the Board for its review and to ensure that management controls risk through means of a properly defined frame work.

The Board is of the opinion that the risk of fire to plant & machinery and current assets, fluctuations in raw material prices and changes in Government Policies are the elements of risk that may threaten the existence of the Company.

Annexure - 7**REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR THE YEAR 2018-19**

(Section 134 (3)(o) of Companies Act, 2013 and Rule 8 (1) of Companies (Corporate Social Responsibility Policy) Rules, 2014)

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. Participation of business enterprises in building economic, social and environmental capital will enhance social sustainability. Design and implement CSR programs for sustainable development in the areas of health, safety, environment, poverty eradication, skill development, resource enhancing etc.,

The company has undertaken to extend Rs. One Crore financial assistance to Acharya Nagarjuna University, Guntur for construction of a building for the Department of International Business in the premises of the University. The Company is extending financial assistance to educational Institutions/Trusts for promotion of education irrespective of religion, caste etc.

Web link '<http://jocil.in/CSR-POLICY%20.pdf>' to the CSR policy and projects or programs of the company.

2. The Composition of the CSR Committee

| Director | Position |
|--------------------------|---|
| P. Narendranath Chowdary | Chairman - Non-Executive Director |
| J. Murali Mohan | Member - Executive Director |
| Mullapudi Thimmaraja | Member - Non-Executive Director |
| P. Venkateswara Rao | Member - Independent Non-Executive Director |

3. Average net profit of the company for last three financial years

| Year | Net Profit during the year u/s.198 (Adjusted) Rs. |
|-------------------------|--|
| 2017-18 | 6,05,10,360 |
| 2016-17 | 11,36,56,037 |
| 2015-16 | 28,46,45,547 |
| Total for 3 years | 45,88,11,944 |
| Average profit per year | 15,29,37,315 |

4. Prescribed CSR Expenditure (two per cent of the amount as in items 3 above) : Rs.30,58,746

5. Details of CSR spent during the financial year;

(a) Total amount to be spent for the financial year; Rs.30,58,746

(b) Amount unspent, if any; NIL

(c) Manner in which the amount spent during the financial year is detailed below:

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|--------|---|--|---|--|--|---|---|
| S. No. | CSR project or activity identified | Sector in which the project is covered | Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken | Amount outlay (budget) project or program wise | Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads : | Cumulative expenditure up to the reporting period | Amount spent: Direct or through implementing agency |
| 1. | To encourage and propagate Literature and Fine Arts | Promoting Education | Venkatarayapuram, TANUKU-534215, West Godavari District, Andhra Pradesh | Rs. 8,09,000 | Rs. 8,09,000 | Rs. 8,09,000 | Through implementing agency- 'Sree Mullapudi Timma Raju Memorial Library & Cultural Centre, Tanuku., W.G. Dist. |
| 2. | Construction of a building for the 'Department of International Business' in Acharya Nagarjuna University | Promoting Education | Local area – Acharya Nagarjuna University Campus, Guntur District, Andhra Pradesh | Rs. 100,00,000 | Rs. 20,00,000 | Rs. 1,00,00,000 | Through implementing agency – Acharya Nagarjuna University, Nagarjuna Nagar, Guntur Dist. |
| 3. | Construction of compound wall for MPUP School, Vemuluripadu, Guntur Dist. | Promoting Education | Local Area - MPUP School, Vemuluripadu, Guntur Dist. | Rs. 2,50,000 | Rs. 2,50,000 | Rs. 2,50,000 | Through implementing agency- Mandal Parishad Upper Primary School, Vemuluripadu, Guntur Dist. |

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. - Not applicable –
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the company.
- CSR committee confirms that the CSR activities undertaken, implementation and monitoring are in compliance with the CSR objective and policy of the company.

Chief Executive Officer /
Managing Director

Chairman
CSR Committee

Annexure – 8

STATEMENT ON EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

(Sec. 134 (3)(p) of Companies Act 2013 and Rule 8(4) of Corporate (Accounts) Rules, 2014)

The Company is having Nomination and Remuneration Policy formulated by Nomination and Remuneration Committee and approved by the Board of Directors under Section 178 of the Companies Act, 2013. The Policy contains criteria for evaluation of the Board of its own performance during the year and that of its Committees and Individual Directors.

In accordance with the criteria for evaluation contained in the policy of the Company the Board of Directors carried out evaluation of its own performance during the year and that of its four Committees – Audit Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. The performance evaluation of the Individual Directors was also carried out as per the evaluation criteria contained in the policy.

FINANCIAL SUMMARY

(U/s.134(3) (q) of the Companies Act, 2013 and Rule 8 (5) (i) of Companies (Accounts) Rules, 2014

(Rs. in Lakhs)

| | Year ending 31st March | | | | | | | | | |
|----------------------------------|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| OPERATING RESULTS | | | | | | | | | | |
| Gross Sales & Other Income | 32694 | 42226 | 43634 | 46088 | 42201 | 37014 | 43543 | 41478 | 35060 | 40412 |
| Operating Profit | 3773 | 3790 | 3090 | 3677 | 2819 | 2730 | 3631 | 1885 | 1277 | 817 |
| Depreciation | 511 | 682 | 888 | 1001 | 1026 | 667 | 804 | 706 | 653 | 572 |
| Interest | 55 | 263 | 342 | 382 | 163 | 95 | 113 | 160 | 129 | 119 |
| Profit before Tax | 3207 | 2845 | 1860 | 2294 | 1630 | 1968 | 2714 | 1019 | 495 | 126 |
| Profit after Tax | 2137 | 1943 | 1250 | 1462 | 1133 | 1311 | 1794 | 821 | 410 | 317 |
| Dividend paid | 444 | 355 | 444 | 533 | 444 | 533 | 622 | 266 | 178 | 89 |
| Dividend rate (%) | 100 | 80 | 50 | 60 | 50 | 60 | 70 | 30 | 20 | 10 |
| Retained Earnings | 1619 | 1530 | 734 | 838 | 614 | 670 | 1045 | 501 | 196 | 210 |
| Earning per Share (Rs.) | 48.12 | 21.87 | 14.08 | 16.46 | 12.75 | 14.76 | 20.20 | 9.24 | 4.62 | 3.57 |
| Return on Net worth(%) | 18.49 | 14.75 | 8.98 | 9.92 | 7.45 | 8.31 | 10.73 | 4.66 | 2.28 | 1.76 |
| Debt Equity Ratio | 0.10 | 0.35 | 0.22 | 0.24 | 0.08 | 0.07 | 0.05 | 0.16 | 0.04 | 0.05 |
| Book Value (Rs.) | 260.00 | 296.67 | 156.72 | 165.95 | 171.25 | 177.58 | 188.20 | 198.23 | 202.10 | 202.74 |
| SOURCES OF FUNDS | | | | | | | | | | |
| Equity Capital | 444 | 444 | 888 | 888 | 888 | 888 | 888 | 888 | 888 | 888 |
| Reserves | 11114 | 12730 | 13030 | 13850 | 14320 | 14883 | 15826 | 16717 | 17060 | 17117 |
| Borrowings | 1130 | 4623 | 3008 | 3569 | 1211 | 1051 | 904 | 2842 | 665 | 833 |
| Net Capital Employed | 12688 | 17797 | 16926 | 18307 | 16419 | 16822 | 17618 | 20447 | 18613 | 18838 |
| APPLICATION OF FUNDS | | | | | | | | | | |
| Gross Fixed Assets | 12846 | 15211 | 16324 | 17391 | 17433 | 17502 | 7183 | 7609 | 7689 | 8094 |
| Depreciation | 6594 | 7263 | 8141 | 9037 | 10011 | 10705 | 804 | 1511 | 2163 | 2735 |
| Net Fixed Assets | 6252 | 7948 | 8183 | 8354 | 7422 | 6797 | 6379 | 6098 | 5526 | 5359 |
| Net Current Assets & Investments | 6436 | 9849 | 8743 | 9953 | 8997 | 10025 | 11239 | 14379 | 13087 | 13479 |
| Net Assets Employed | 12688 | 17797 | 16926 | 18307 | 16419 | 16822 | 17618 | 20477 | 18613 | 18838 |
| TO EXCHEQUER | | | | | | | | | | |
| Excise Duty & Service Tax | 2876 | 4566 | 4986 | 5320 | 4576 | 4866 | 4430 | 3995 | 1023 | - |
| Sales Tax and Other Taxes | 824 | 1139 | 1156 | 961 | 741 | 604 | 629 | 566 | 220 | - |
| GST | - | - | - | - | - | - | - | - | 3658 | 5623 |
| Income Tax | 1100 | 830 | 600 | 850 | 650 | 700 | 1025 | 255 | 130 | 47 |
| Total Taxes & Duties | 4800 | 6535 | 6742 | 7131 | 5967 | 6170 | 6084 | 4816 | 5031 | 5670 |

Annexure - 10**REPORT ON FIXED DEPOSITS**

[Section 134(3) (q) of the Companies Act, 2013 and Rule 8(5) (v) & (vi) of the Companies (Accounts) Rules, 2014]

- i) The details, relating to deposits covered under Chapter V of the Companies Act, 2013
- | | |
|---|--|
| | Rs. |
| (a) Deposits accepted during the year | : 8,33,22,517 |
| (b) Remained unpaid or unclaimed as at the end of the year | : NIL |
| (c) Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved- | : No defaults in repayment of deposits or payment of interest thereon. |
| (i) At the beginning of the year | : NIL |
| (ii) Maximum during the year | : NIL |
| (iii) At the end of the year | : NIL |
- ii) The details of deposits which are not in compliance with the requirement of Chapter V of the Act
- | | |
|--|-------|
| | : NIL |
|--|-------|

Annexure - 11

RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEES' REMUNERATION AND SUCH OTHER DETAILS

(Section 197(12) of Companies Act, 2013 and Rule 5 (1) of the Companies (Appointment & Remuneration) Rules, 2014)

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year
Shri J. Murali Mohan – Managing Director : 74:1
(all the other directors are non-executive directors)
- (ii) The percentage increase/(decrease) in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year : (5.56)
Shri J. Murali Mohan, Managing Director & (Commission was restricted due to inadequacy of profits)
Shri K. Raghuram, Dy. Secretary & AGM (Finance) : Not applicable – Since during the previous year he was appointed only for part of the year (i.e., w.e.f. 01.12.2017)
- (iii) The percentage increase/(decrease) in the median remuneration of employees in the financial year : (1.25%)
- (iv) The number of permanent employees on the rolls of company : 735
- (v) Affirmation that the remuneration is as per the remuneration policy of the company : Yes

**PARTICULARS OF EMPLOYEES AS REQUIRED UNDER RULE 5(2) OF
THE COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014**

| | |
|--|---|
| i) Name | : Sri J. Murali Mohan |
| ii) Designation | : Managing Director |
| iii) Remuneration received | : Rs. 1,13,30,070 |
| iv) Nature of employment, whether contractual or otherwise; | : Contractual for a period of three years |
| v) Qualifications | : B.Tech (Chem. Engg.) & MBA |
| vi) Experience | : 40 Years |
| vii) Date of commencement of employment | : 16-02-1990 |
| viii) Age | : 69 Years |
| ix) Last employment held before joining the company | : Marketing Manager, ITC Ltd.(ILTD Division) |
| x) The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) Rule (5) | : Not applicable |
| xi) Whether relative of any director or manager of the company and if so, name of such director or manager; | : -No- |

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT**

For the financial year ended 31st March 2019

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

To
The Members,
Jocil Limited,
Dokiparru – 522 438,
Medikondur Mandal,
Guntur District,
Andhra Pradesh.

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

Based on our verification of the Jocil Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31 March, 2019 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company during the Audit Period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the Audit Period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);

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

- i) Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

- ii) Listing Agreements entered into by the Company with the National Stock Exchange.
- iii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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

- a) The Hazardous Wastes (Management, Handling and Transboundary Movement) Rule, 2008
- b) Drugs & Cosmetics Act, 2002 and rules made there under
- c) Legal Metrology Act, 2009 and rules made there under

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

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

Decisions at the Board Meetings, as represented by the management, were taken unanimously.

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

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

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

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

Proprietor

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

Date : 16-05-2019

Place : Hyderabad

Note:

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

ANNEXURE – A

To
The Members,
Jocil Limited,
Dokiparru – 522 438,
Medikondur Mandal,
Guntur District,
Andhra Pradesh

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

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

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

Company Secretaries

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

Proprietor

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

Date : 16-05-2019

Place : Hyderabad

Annexure – 14**RELATED PARTY DISCLOSURE UNDER PARA A OF SCHEDULE V TO LISTING REGULATIONS**

(Amount in Rs.)

| S. No. | Name of the Company / Firm in which the Directors are interested | Amount of loans / advances / investments / outstanding as on 31-03-2019 | Max. amount of loans / advances / investments outstanding during the year 2018-19 |
|--------|--|---|---|
| 1. | Nil | - | - |

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a. Industry Structure and Developments :

The Company is engaged in the manufacture of Stearic Acid, Fatty Acids, Refined Glycerine, Soap Noodles, Toilet Soap, Industrial Oxygen and in the generation of Power from biomass and wind. Nonedible vegetable oils and fatty acid distillates, both indigenous and imported, are used as raw materials for manufacturing the finished products. The products manufactured are marketed directly from the factory as well as through Depots and C&F Agents located in major cities across the country. The Company also undertakes to manufacture Soap Noodles and Toilet Soap on jobwork for reputed customers.

The Company is having 6 MW Biomass Cogeneration Captive Power Plant located within the factory premises and the surplus power is sold to APSPDCL. It is also having four Wind Energy Generators (WEGs) of total 6.30 MW set up in Tamil Nadu and the power generated from these plants is sold to Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO).

Majority of the Fatty Acids produced in the industry are consumed as raw material in Soap industry for making Toilet Soap. Hence performance of toilet soap industry will also have its impact on the demand for fatty acids. Stearic Acid is a chemical used in rubber, plastic, metal polish, cosmetics, paints and number of other industries and any changes in demand by the major user industries may lead to fluctuations in demand. Glycerine and Industrial Oxygen are by-products.

The country is short of both edible and non-edible vegetable oils. However, in India, refineries with huge capacities have been set up for processing Crude Vegetable Oils like Palm Oil mainly imported from Malaysia and Indonesia and some that is available domestically. By-products generated from these refineries viz., RBD Palm Stearine (RBDPS) and Palm Fatty Acid Distillate (PFAD) and imported Crude Palm Stearine, a blend of RBDPS & PFAD, are the raw materials to the Company. As a result, the Company indirectly depends on imports for its raw material supplies. Consequently the supply and demand position in the international market for vegetable oils influence the indigenous market.

The Malaysian and Indonesian Governments impose export duty varying from time to time on crude oil to encourage value addition prior to exports. This turns out as additional cost to consumers in India. Further, fluctuation in crude oil (fossil) prices also have impact on edible and non-edible oils due to their usage in production of biofuels.

Inverted duty structure for imports (higher duty for raw materials and lower duty for finished products) is a major problem for manufacturers of soap noodles. There is no customs duty on soap noodles imported (vide Customs Notification No. 46/2011 (as amended from time to time) imported from Asian Countries under Indian Free Trade Agreement) whereas lauric acid one of the major raw materials in the manufacture of soap noodles attracts customs duty at 7.5%. As a result indigenous manufacturers are placed at a disadvantage in competing with import of soap noodles.

The fuels intended for running the biomass power plant are Rice Husk, firewood like Cotton Stalk, Chili

Stalk, English Thumma etc., available in the surrounding areas. Their availability is seasonal and also depends on availability of labour and farm works during the season. Transportation and storage of biomass fuels are the other problems due to low bulk density. They are also fire hazardous. After carrying out the scheduled maintenance activity the capacity utilization of the power plant during the year has improved as compared to previous year. Steam and power requirements of Process Plants are met from the Biomass Power Plant. The Company constructed a Reservoir by spending about Rs.3.50 crores for storing water to meet part of its requirements during off season to save on cost and to reduce dependence on outside sources. Minor works relating to this are expected to be completed by end July 2019.

Continuous development efforts are being made to absorb the latest technologies and practices. Quality Management Systems (QMS) Standard ISO 9001:2015 obtained from a renowned certification agency, TUV SUD South Asia Pvt. Ltd., Mumbai is being followed by the Company, Det Norske Veritas (DNV) also confirmed ISO 22716:2007 on the Company for following GMP Guidelines of Standard in the manufacture of Glycerine.

With the implementation of SAP, an Enterprise Resource Planning (ERP) software, day-to-day reports, required data for filing GST returns etc., could be accurately and easily generated by the company. The initial problems that arose while implementation of the SAP have been sorted out and at present the system is functioning smoothly.

b. Opportunities and Threats :

Raw material cost is a major component in the cost of production of fatty acids and soap products. International market prices of edible oils and non-edible oils highly influence the raw material prices. During the year the market witnessed very wide fluctuations in raw material prices. Competitors having backward integration have an edge over the Company because of cheaper and secured source of raw materials. Volatility of raw material prices and demand by bulk consumers of fatty acids and soap products for contracts of large quantities for future delivery is a big challenge to the Company when similar facility for advance coverage of raw materials is not available to hedge the risks. Retention of high volume customers is considered very important and hence very competitive rates are having to be quoted with hidden risks.

GST refund/benefit for a few units is continuing in Himachal Pradesh & Uttarakhand States till March 31, 2020, for the residual period. Whereas, for the Northeast and Jammu & Kashmir States the benefit is upto March 31, 2027. In both cases the benefit is for 10 years from the commencement year of commercial production. However, manufacturing of low cost soap in Northeast for southern markets does not seem to be entirely viable. Due to the good rapport with FMCG Majors like HUL & ITC, our company is able to market the capacities much better now.

Toilet Soap market is dominated by a few well established brands and manufacturers. Toilet Soap being a consumer product requires extensive market network, brand image, advertisement etc., for successful marketing. Since the Company is not having its own brands it depends on brand owners for utilizing the capacity. Most of these brand owners are having their own facilities in GST benefited areas and approach

the Company only when they find logistical advantage. However, the present market situation has improved and the Company obtained export orders for DFA and indigenous orders for Soap Noodles and Toilet Soap from some major customers. Accordingly, capacity utilisation of Soap Plant has improved during the year.

Export of Power generated from biomass to APSPDCL was stopped from 9 July 2018 to 21 July 2018 and from Jan 2019 to 13 Jan 2018 due to scheduled maintenance. APERC proposes to continue the same variable cost approved for FY 2018-19 for Biomass units for future years from FY 2019-20 to FY 2023-24 due to non-availability of indicative fuel price escalation. Biomass Energy Development Association (BEDA) is representing the issue with the Commission.

The generation of power from WEGs has declined to 127.18 lakh units as against 148.51 lakh units in the previous year. As a result revenue from sale of power from Wind Energy Generators decreased to Rs.371.97 lakhs from Rs. 423.22 lakhs. It is mainly due to low wind of 49.95% when compared to 41.20% in the previous year in spite of reduction of grid failure from 5% to 4.49%. The Company continues to receive payments from TANGEDCO delayed by about 10 months after the due date.

c. Segment-wise or Product-wise performance :

Segment-wise performance of the Company is at Note No. 31 to the Accounts.

d. Outlook :

The Company expects the Government to recognize the inverted duty structure for soap noodles and correct the anomaly to enable the industry to face the competition from import of soap noodles effectively. In order to cater to the additional toilet soap requirements of major customer, M/s.HUL, the Company is in the process of modifying certain equipment in the existing finishing lines of Soap Plant to suit different requirements of customers and also to increase some capacity.

e. Risks and Concerns:

The wide fluctuations in raw material prices in the international market affect the prices of final products which may result in conditions sometimes favourable or at other times unfavourable to the Company, in spite of taking precautions to avoid risks in price fluctuations.

Generation of power by Biomass Power Plant depends on availability of biomass, its cost and willingness of AP TRANSCO to accept exports. Generation of power by wind mills depends on wind velocity and the policy of TANGEDCO to prioritize evacuation over the other sources of energy available to it. The profitability of Biomass Power Plant and Wind Energy Generators largely depends upon the purchase price fixed by the Governments for purchase of energy from renewable sources of energy as a promotional measure.

f. Internal Control System and their adequacy:

The Company has proper and adequate internal control procedures commensurate with its size and

nature of business. These internal control procedures ensure protection to the resources of the Company and compliance with the policies, procedures and statutes.

The internal controls are supplemented by internal audit by M/s. Mastanaiah & Co., Chartered Accountants, Guntur. The internal controls and internal audit ensure that appropriate financial records are available for preparing financial statements and other data for maintaining accountability of assets. The Report of the Auditors on Internal Financial Controls under Sec.143(3)(i) of the Act is provided as Annexure – B to the Independent Auditors' Report.

g. Discussion on Financial Performance with respect to Operational Performance:

The financial performance of the Company with respect to operational performance in 2018-19 is less satisfactory as compared to 2017-18. While the operations have improved by about 10%, the Profit Before Interest and Depreciation dropped by 36% due to extreme competition and unfavourable market conditions.

h. Material developments in Human Resources / Industrial Relations front, including number of people employed:

The Company employed 735 persons as on 31 March 2019 both in the factory and office. The Management of the Company maintains good relations with the employees. There have been no labour problems since the inception of the Company in 1980.

i. Details of significant changes in key financial ratios.

| Ratio | 2018-19 | 2017-18 | Change % | Explanation for change |
|--------------------------------|---------|---------|----------|--|
| 1) Debtors Turnover | 7.47 | 4.94 | 51.21 | Increase in turnover and decrease in accounts receivable |
| 2) Inventory Turnover | 24.54 | 20.30 | 20.89 | – |
| 3) Interest Coverage Ratio | 2.06 | 4.85 | -57.53 | Decrease in earnings before interest and tax |
| 4) Current Ratio | 4.81 | 4.68 | 2.78 | – |
| 5) Debt Equity Ratio | 0.05 | 0.04 | 25.00 | Increase in debt |
| 6) Operating Profit Margin (%) | 0.006 | 0.018 | -66.01 | Decrease in operating profit |
| 7) Net Profit Margin (%) | 0.008 | 0.012 | -33.03 | Decrease in net profit |

j. Details of change in Return on Net worth

| Ratio | 2018-19 | 2017-18 | Change % | Explanation for change |
|---------------------|---------|---------|----------|--|
| Return on net Worth | 0.018 | 0.023 | -22.90 | Decrease in Profit after Tax due to very low margins arising out of extreme competition. |

REPORT ON CORPORATE GOVERNANCE

(Para C of Schedule V to the Listing Regulations)

1. Company's Philosophy on code of Corporate Governance:

The Company's Governance philosophy is based on trusteeship, transparency, professionalism, accountability, honesty and integrity in its functions and conduct of business with due respect to laws and regulations. It always believes that healthy Corporate Governance leads to operations and actions that serve the underlying goal of continuously enhancing the value that the Company can create for the stakeholders viz., Shareholders, Employees, Customers, Suppliers, Lenders, Government and other parties having association with the company.

The Company's governance framework is based on the following principles :

- Appropriate composition and size of the Board, with each member bringing in expertise in their respective domains.
- Availability of information to the members of the Board and its Committees to enable them to discharge their fiduciary duties.
- Timely disclosure of material operational and financial information to the stakeholders.
- Systems and process in place for internal control.
- The Management is the trustee of the shareholders' capital and not the owner.

2. Board of Directors :**a) Composition –**

The present strength of the Board of Directors is ten of which nine are Non-Executive Directors including five Independent Directors.

b) In the Financial Year 2018-19, the Board met four times. The meetings were held on -
29 May 2018, 03 August 2018, 05 November 2018 and 12 February 2019**c) Familiarization programmes for Board Members**

The Board members are provided with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and its committee meetings on business and performance updates of the Company and business strategy. Detailed presentations on the Company's business segments were made at the meetings of the Directors held during the year. Site visit to plant is organized for the Directors to enable them to understand the operations of the company. Details of familiarization programmes imparted to Independent Directors are disclosed at the website www.jocil.in

d) The details of the composition of the existing Board of Directors, their shareholding, attendance of each Director at the Board Meetings and at the last Annual General Meeting, number of other Directorships and Membership in Committees of other Companies held are as follows:

| Name of the Director & Designation | Shares held in the company by Non-Executive Director as on 31-3-2019 | Status* | No. of other Directorships & Chairmanships held | | | Memberships & Chairmanships in committees of other companies held | | No. of Board Meetings attended | Attendance at last AGM held Y / N | Relation with other Directors |
|---|--|---------|---|---------|----------|---|----------|--------------------------------|-----------------------------------|--|
| | | | Public | Private | Chairman | Member | Chairman | | | |
| P. Narendranath Chowdary, Chairman | 25,000 | NE | 7 | - | 3 | 4 | 2 | 4 | Y | Father of Mullapudi Mrutyumjaya Prasad |
| J. Murali Mohan, Managing Director | Not Applicable | E | 1 | - | - | 1 | 1 | 4 | Y | |
| Mullapudi Thimmaraja, Director | 4,500 | NE | 2 | - | - | 2 | 1 | 3 | N | |
| K. Srinivasa Rao, Director | 3,25,092 | NE | - | 6 | - | - | - | 4 | N | |
| V.S. Raju, Director | Nil | INE | 3 | - | - | 2 | - | 4 | Y | |
| M. Gopalakrishna, Director (up to 31.3.2019) | Nil | INE | 7 | 1 | - | 6 | 1 | 2 | N | Son of Mullapudi Thimmaraja |
| Subbarao V. Tipirneni, Director | Nil | INE | 3 | - | - | - | - | 3 | N | |
| Mullapudi Mrutyumjaya Prasad, Director | 2250 | NE | - | 1 | - | - | - | 3 | Y | |
| P. Venkateswara Rao, Director | Nil | INE | 1 | - | - | - | - | 4 | N | |
| Dr. Manjulata Dasari, Director | 1006 | INE | 2 | 1 | - | 2 | 1 | 4 | N | |
| K. Ramaseshaya, Addl. Director (from 25.5.2019) | - | INE | 1 | - | - | - | - | - | - | |

Chairmanships / Memberships of Committees only includes Audit Committee and Stakeholders Relationship Committee in public limited Companies other than Jocil Limited.

*E – Executive; NE – Non-Executive; INE – Independent & Non-Executive

e) Details of our Directors directorships in other Listed Entities.

| Sl. No. | Name of the Director | Name of the listed entities where he / she is a Director | Category |
|---------|--|--|------------------------------------|
| 1 | P. Narendranath Chowdary | The Andhra Sugars Limited | Executive Director |
| 2 | J. Murali Mohan | The Andhra Petrochemicals Limited | Executive Director |
| 3 | Mullapudi Thimmaraja | - | - |
| 4 | K. Srinivasa Rao | The Andhra Sugars Limited | Executive Director |
| 5 | V.S. Raju | The Andhra Petrochemicals Limited | Non-Executive Director |
| | | - | - |
| | | The Andhra Sugars Limited | Non-Executive Independent Director |
| | | NCL Industries Limited | Non-Executive Independent Director |
| 6 | M. Gopalakrishna, IAS (Retd.) (Up to 31.03.2019) | BGR Energy Systems Limited | Non-Executive Independent Director |

| Sl. No. | Name of the Director | Name of the listed entities where he / she is a Director | Category |
|---------|--------------------------------------|--|------------------------------------|
| | | Pitti Laminations Limited | Non-Executive Independent Director |
| | | Olectra Greentech Limited | Non-Executive Independent Director |
| | | Suven Life Sciences Limited | Non-Executive Independent Director |
| 7 | Subbarao V. Tipirneni | - | - |
| 8 | Mullapudi Mrutyumjaya Prasad | - | - |
| 9 | P. Venkateswara Rao | The Andhra Petrochemicals Limited | Non-Executive Independent Director |
| 10 | Dr. Manjulata Dasari | The Andhra Sugars Limited | Non-Executive Independent Director |
| | | The Andhra Petrochemicals Limited | Non-Executive Independent Director |
| 11 | K. Rama Seshayya (w.e.f. 25.05.2019) | - | - |

f. Skills / expertise / competence of the Board of Directors

| | Skill Area | Description | Essential/ Desirable |
|-----------|--------------------------------|---|----------------------|
| 1. | Risk & Compliance | | |
| | a) Operational Risk Compliance | Identify key risks to the organisation related to each key area of operations. | Essential |
| | b) Legal Risk & Compliance | Ability to monitor risk and compliance and knowledge of legal and regulatory requirements. | Essential |
| | c) Financial & Audit | Experience in accounting and finance to analyse statements, assess financial viability, contribute to financial planning, oversee budgets and oversee funding arrangements. | Essential |
| | d) Technology | Knowledge of IT governance and systems including privacy, data management and security. | Desirable |
| 2. | Strategy & Policy | | |
| | a) Strategy | Ability to identify and critically assess strategic opportunities and threats to the organisation. Develop strategies in contest to our policies and business objectives. | Essential |
| | b) Policy Development | Ability to identify key issues for the organisation and develop appropriate policy parameters within which the organisation should operate. | Essential |

| Skill Area | Description | Essential/ Desirable |
|---------------------------------------|--|-------------------------|
| c) Crisis Management | Ability to constructively manage crisis, provide leadership around solutions and contribute to communications strategy with stakeholders. | Essential |
| 3. Industry | | |
| a) Industry Specific Skills | Experience and knowledge with respect to the industry in which the Company operates. | Essential |
| 4. Management & Leadership | | |
| a) Executive Management | Experience in evaluating performance of senior management, and oversee strategic human capital planning. Experience in industrial relations and organisational change management programmes. | Essential |
| b) Leadership | Make decisions and take necessary actions in the best interest of the organisation, and represent the organisation favourably. Analyse issues and contribute at board level to solutions. | Essential |
| c) Negotiation | Possess excellent negotiation skills, with the ability to drive stakeholder support for board decisions. | Desirable |
| 5. Board Conduct | | |
| a) Ethics and Integrity | Understand role as director and continue to self-educate on legal responsibility, ability to maintain board confidentiality, declare any conflicts. | Essential |
| b) Contribution | Ability to constructively contribute to board discussions and communicate effectively with management and other directors. | Essential |
| 6. Personal | | |
| a) Diversity | Adds gender, age and/or ethnic diversity to the Board. Diversity can lead to better board outcomes. | Desirable |
| b) Previous Board Experience | Has director experience (past or present) on other public company or private company Boards. | Essential |
| c) Board Training | Has completed formal training in director role and duties including training in governance and risk. | Desirable |

- g. The Board confirms that in the opinion of the Board, the independent directors fulfil the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.
- h. During the year under review no independent director has resigned from the Board.

3. Audit Committee :

The Audit Committee comprises of three members and the Chairman is an Independent Director. All the members including the Chairman of the Committee are Non-Executive Directors.

The composition of the Audit Committee and the details of meetings held and attended are as follows:

| Director | Position | Meetings held | Meetings attended |
|-----------------------|----------------|---------------|-------------------|
| V.S. Raju | Chairman -INED | 3 | 3 |
| Mullapudi Thimmaraja | Member - NED | 3 | 3 |
| Subbarao V. Tipirneni | Member -INED | 3 | 3 |

INED – Independent Non-Executive Director

NED – Non-Executive Director

During the period under review, three meetings of the Committee were held on 03 August 2018, 05 November 2018 and 12 February 2019. Audit Committee meeting convened to be held on 29 May 2018 could not be held due to lack of quorum.

Managing Director, Internal Auditors, Statutory Auditors and Cost Auditors attended the Audit Committee Meetings to answer the queries raised by the Committee members.

Dy. Secretary & AGM (Finance) acts as a Secretary to the Committee.

Broad terms of reference of the Audit Committee include –

- Recommendation for appointment, remuneration and terms of appointment of auditors of the company. Approval of payment for any other service by the auditors.
- Oversight of financial reporting process and the disclosure of financial information
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Examination of the financial statements and the auditors' report thereon.
- Approval or any subsequent modification of transactions of the company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Monitoring the end use of funds raised through public offers and related matters.
- Investigation of any activity within its terms of reference.
- Compliance with listing and other legal requirements relating to financial statements.
- Review of the functioning of Whistle Blower Mechanism.
- Appointment of internal auditors and review of internal audit reports.
- Appointment of Chief Financial Officer
- Review of compliance of the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015.

4. Nomination and Remuneration Committee :

The Nomination and Remuneration Committee comprises of four members and two of them are Independent Directors. All the members are Non-Executive Directors. The composition of the Nomination and Remuneration Committee and the details of meetings held and attended are as follows :

| Director | Position | Meetings held | Meetings attended |
|--------------------------|-----------------|---------------|-------------------|
| V.S. Raju | Chairman - INED | 3 | 3 |
| P. Narendranath Chowdary | Member - NED | 3 | 3 |
| Mullapudi Thimmaraja | Member - NED | 3 | 2 |
| Subbarao V. Tipirneni | Member - INED | 3 | 2 |

INED – Independent Non-Executive Director NED – Non-Executive Director

During the period under review, 3 meetings of the Committee were held on 29 May 2018, 05 November 2018 and 12 February 2019. The Managing Director attended the meetings to answer the queries raised by the Committee members. Dy. Secretary & AGM (Finance) acts as a Secretary to the Committee.

Terms of reference in brief as specified by the Board of Directors –

- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board for their appointment and removal.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
- To formulate criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

The Company is having Nomination and Remuneration Policy formulated by Nomination and Remuneration Committee and approved by the Board of Directors. The policy contains criteria for performance evaluation of Independent Directors. The criteria, among others - exercise of objective independent judgment in the best interests of the Company, ability to contribute and monitor corporate governance practices, adherence to code of conduct, willingness to devote time, contribution in development of strategy, ability to present his/ her views convincingly in diplomatic way, listens and takes on Board the views of other members etc.

5. Remuneration of Directors

- a) Sitting fees is paid to Non-Executive Directors in accordance with the provisions of the Companies Act, 2013.

| Name of the Director | Sitting fees paid for attending meetings of the Board of Directors / Committees of Directors Rs. |
|------------------------------|---|
| P. Narendranath Chowdary | 1,40,000 |
| Mullapudi Thimmaraja | 1,35,000 |
| K. Srinivasa Rao | 60,000 |
| V.S. Raju | 1,20,000 |
| M. Gopalakrishna | 30,000 |
| Subbarao V. Tipirneni | 95,000 |
| Mullapudi Mrutyumjaya Prasad | 75,000 |
| P. Venkateswara Rao | 70,000 |
| Dr. Manjulata Dasari | 70,000 |

- b) Non-Executive Directors do not have any pecuniary relationship with the Company except for the payment of sitting fee payable to them.
- c) Shri J. Murali Mohan, Managing Director has been paid the following remuneration during the year in accordance with the provisions of the Companies Act, 2013 read with Schedule V therein:

| | |
|--|------------------------|
| Salary | : Rs. 56,40,000 |
| House Rent Allowance | : Rs. 28,20,000 |
| Commission | : Rs. 6,82,055 |
| Contribution to Provident Fund and other Funds | : Rs. 15,22,800 |
| Other Perquisites | : Rs. 5,26,233 |
| Value of Earned Leave provided | : Rs. 1,38,982 |
| Contribution to Group Gratuity | : Rs. - |
| Total | <u>Rs. 1,13,30,070</u> |

The appointment of Managing Director is on a contract for a period of 3 years w.e.f. 16 February 2018 and there is no provision for notice period or severance fee on either side.

None of the Directors are provided with Stock options.

6. Stakeholders Relationship Committee

Company has Stakeholders Relationship Committee comprising of five directors under the Chairmanship of a Non-executive Director to specially look into shareholders issues including share transfer, transmission, issue of duplicate certificates and redressing of shareholder complaints.

The composition and the details of meetings held of Stakeholders Relationship Committee are given below.

| Director | Position | Meetings held | Meetings attended |
|---|----------|---------------|-------------------|
| P. Narendranath Chowdary | Chairman | 4 | 4 |
| J. Murali Mohan | Member | 4 | 4 |
| Mullapudi Thimmaraja | Member | 4 | 3 |
| M. Mrutyumjaya Prasad | Member | 4 | 3 |
| Dr. Manjulata Dasari (Elected as member in SRC on 05.11.2018) | Member | 4 | 1 |

During the period under review four meetings of the Committee were held on 29 May 2018, 03 August 2018, 05 November 2018 and 12 February 2019.

M/s.XL Softech Systems Ltd, 3, Sagar Society, Road No.2, Banjara Hills, HYDERABAD – 500 034 acts as the Company's Share Registrar and Transfer Agent (RTA). Sri K. Raghuram, Dy. Secretary & AGM (Finance) of the Company acts as the Compliance Officer to the Committee.

The Company received a total number of 4 requests/complaints during the year in respect of various matters such as 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 March 2019 there were no pending complaints/requests from the shareholders

7. General Body Meetings :

The last three Annual General Meetings were held as under :

| Financial Year | Date | Time | Place |
|----------------|------------|---------|---|
| 2015-2016 | 03-09-2016 | 3.30 PM | Regd. Office, Dokiparru, Guntur Dist., A.P. |
| 2016-2017 | 28-09-2017 | 3.30 PM | Regd. Office, Dokiparru, Guntur Dist., A.P. |
| 2017-2018 | 29-09-2018 | 3.30 PM | Regd. Office, Dokiparru, Guntur Dist., A.P. |

The special resolutions passed by the members at the previous three Annual General Meetings are as follows:

- A) 2015-16 – Nil
- B) 2016-17 – Reappointment of Managing Director for a period of 3 years w.e.f.16 February 2018
- C) 2017-18 – Nil

There was no occasion to pass Special Resolutions through postal ballot on any of the matters required to be so passed under the provisions of the Companies Act 2013.

Further no such proposal is under consideration for the shareholders approval in the forthcoming Annual General Meeting.

On 30 March 2019 Extra-ordinary General Meeting was held for obtaining approval of shareholders by way of Special Resolution with regard to the following.

1. Re-appointment of Shri V.S. Raju (DIN :00101405) as a Non-Executive Independent Director of the Company for a term of 5 consecutive years from 01-04-2019 to 31-03-2024.
2. Re-appointment of Shri Subbarao V. Tipirneni (DIN :00337027) as a Non-Executive Independent Director of the Company for a term of 3 consecutive years and 6 months from 01-04-2019 to 30-09-2022.
3. Re-appointment of Shri P. Venkateswara Rao (DIN :06387165) as a Non-Executive Independent Director of the Company for a term of 2 consecutive years and 6 months from 01-04-2019 to 30-09-2021.
4. Re-appointment of Dr. Manjulata Dasari (DIN :02788338) as a Non-Executive Independent Director of the Company for a term of 4 consecutive years and 1 month from 13-09-2019 to 12-10-2023.

8. Means of Communication

Quarterly results approved by the Board are usually published in Business Standard (English) and Andhra Bhoomi (Telugu) newspapers. In addition to this the Company is communicating its results to National Stock Exchange where the shares are listed. Further, the quarterly results are also placed on the company's website, www.jocil.in. No presentations have been made to institutional investors or to the analysts.

9. General Shareholder Information

a) Annual General Meeting

Date and Time : 21-09-2019 at 3.30 p.m.

Venue : Registered Office :
Jocil Ltd., Dokiparru, Medikondur Mandal,
Guntur District, A.P.

b) Financial Year : 2018 -19

c) Dividend Payment Date : 26-09-2019

Date of Book Closure : 14-09-2019 to 21-09-2019

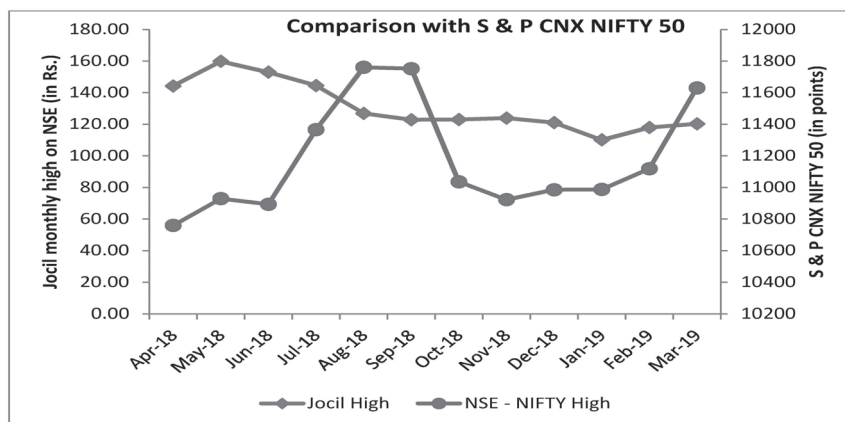
d) Listing on Stock Exchanges : National Stock Exchange of India Ltd., (NSE)
Exchange Plaza, Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051.
The Company has paid the Listing Fees for the year
2018-2019 to NSE.

e) Stock Code : ISIN – INE839G01010

f) Stock Market data -

| Month | In Rs. per Share | | | | Total Traded Shares Qty. in Nos. |
|--------|------------------|-----------|-------------|---------------|----------------------------------|
| | High Price | Low Price | Close Price | Average Price | |
| Apr-18 | 173.35 | 148.00 | 150.90 | 157.42 | 82,971 |
| May-18 | 164.00 | 140.70 | 142.00 | 148.90 | 39,639 |
| Jun-18 | 168.80 | 139.15 | 153.15 | 153.70 | 1,27,670 |
| Jul-18 | 169.75 | 145.55 | 157.65 | 157.65 | 43,288 |
| Aug-18 | 165.90 | 135.70 | 139.95 | 147.18 | 57,546 |
| Sep-18 | 147.00 | 110.00 | 130.10 | 129.03 | 54,130 |
| Oct-18 | 137.40 | 113.00 | 128.00 | 126.13 | 39,808 |
| Nov-18 | 131.00 | 113.75 | 126.65 | 123.80 | 28,537 |
| Dec-18 | 131.75 | 115.10 | 129.25 | 125.37 | 14,354 |
| Jan-19 | 133.00 | 115.10 | 118.05 | 122.05 | 20,140 |
| Feb-19 | 120.20 | 103.00 | 114.00 | 112.40 | 21,267 |
| Mar-19 | 127.75 | 110.00 | 110.90 | 116.22 | 45,990 |

g) Comparison of performance in comparison with S&P CNX Nifty



- h) The company has been complying with all the listing requirements of the stock exchange and the securities of the company continue to be traded in the exchange without any suspension from the beginning.
- i) Registrar and Transfer Agents (RTA) : XL Softech Systems Ltd.,
3, Sagar Society, Road No. 2,
Banjara Hills, Hyderabad-500 034.
Tel : 040-23545913/914/915
Fax : 040-23553214
Email : xlfield@gmail.com
- j) Share transfer system : The Board of Directors delegated the power of transfer of securities to the Share Registrar and Transfer Agents (RTA). The Company is taking care to comply with the provisions relating to share transfers under Listing Regulations.

k) Shareholding pattern as on 31 March 2019.

| S.No. | Category | No. of shares | % of holding |
|-------|---------------------------------|---------------|--------------|
| 1 | Promoters | 48,86,500 | 55.02 |
| 2 | Financial Institutions | - | - |
| 3 | Mutual Funds | - | - |
| 4 | Banks | - | - |
| 5 | Foreign Institutional Investors | - | - |
| 6 | Non-Resident Indians | 54,097 | 0.61 |
| 7 | Bodies Corporate | 1,68,642 | 1.90 |
| 8 | Clearing Members | 3,919 | 0.04 |
| 9 | Indian Public | 37,67,992 | 42.43 |
| | Total | 88,81,150 | 100.00 |

| Shareholdings of nominal value of shares held (Rs.) | Shareholders | | Share Amount | |
|---|--------------|--------|--------------|--------|
| | Nos. | % | In Rs. | % |
| Upto 5,000 | 2980 | 77.97 | 40,20,430 | 4.53 |
| 5,001 - 10,000 | 334 | 8.74 | 26,47,550 | 2.98 |
| 10,001 - 20,000 | 205 | 5.36 | 30,52,610 | 3.44 |
| 20,001 - 30,000 | 97 | 2.54 | 24,67,550 | 2.78 |
| 30,001 - 40,000 | 34 | 0.89 | 11,72,060 | 1.32 |
| 40,001 - 50,000 | 36 | 0.94 | 16,51,220 | 1.86 |
| 50,001 - 1,00,000 | 75 | 1.96 | 52,70,660 | 5.93 |
| 1,00,001 & above | 61 | 1.60 | 6,85,29,420 | 77.16 |
| Total : | 3822 | 100.00 | 8,88,11,500 | 100.00 |

l) Dematerialisation of Shares

| Electronic / Physical | % |
|-----------------------|-------|
| NSDL - 18,75,068 | 21.11 |
| CDSL - 60,53,158 | 68.16 |
| Physical - 9,52,924 | 10.73 |

89.27% of Company's Paid-up Equity Share Capital has been dematerialised upto 31 March 2019 (88.12% upto 31 March 2018). Trading in Equity Shares of the Company is permitted only in dematerialized form.

m) Outstanding GDRs/ADRs/ Warrants or any convertible instruments: Nil

n) The risk of price variation in raw materials and finished goods in which the Company deals is partly covered by purchasing raw materials as and when sales are booked for future delivery. There is no market provision for hedging the risks in price variations of the commodities in which the Company deals. Foreign exchange requirements for imports are covered by foreign exchange earnings from exports. In view of the availability of this natural hedge no further hedging is done for foreign exchange risks either for imports or for exports.

- o) Plant locations : Dokiparru Village
Medikondur Mandal
Guntur District, A.P.,
Pin : 522 438.
- Wind Power Units :
Kurichampatti Village
V.K. Pudur Taluk
Tirunelveli Dist.
T.N., Pin : 627 860.
- Surandai Village
V.K. Pudur Taluk
Tirunelveli Dist.
T.N., Pin : 627 860.
- Kasturirangapuram Village
Radhapuram Taluk
Tirunelveli Dist.
T.N., Pin : 627 112
- Velayuthampalayam Village
Dharapuram Taluk
Tirupur Dist., T.N.
Pin : 638702
- p) Address for correspondence : Dokiparru
Medikondur Mandal
Guntur Dist., A.P.
Pin : 522 438.
- Telephone No. : 0863-2290190/92
Fax No. : 0863-2290090
E-mail : jocil@jocil.net
Website : www.jocil.in
- q) Revision in credit ratings is provided in point no.6 of Directors Report.
- r) Dividend Declared for the last 7 Years

| Financial Year | Dividend Declaration Date | Dividend per Share of Rs.10 each - Rs. | Remarks |
|----------------|---------------------------|--|------------------|
| 2018-19 | 21 September 2019 | 1.00 | Interim dividend |
| 2017-18 | 29 September 2018 | 2.00 | |
| 2016-17 | 28 September 2017 | 3.00 | |
| 2015-16 | 14 March 2016 | 7.00 | |
| 2014-15 | 19 September 2015 | 6.00 | |
| 2013-14 | 06 September 2014 | 5.00 | |
| 2012-13 | 24 August 2013 | 6.00 | |

s) Transfer of unpaid/unclaimed amounts/shares to Investor Education and Protection Fund

During the year under review, the Company has credited Rs.1,75,656 being the unpaid/unclaimed dividend for the year 2010-11 to the Investor Education and Protection Fund (IEPF) pursuant to Section 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

Further, pursuant to the provisions of IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time 950 (Cumulative Total of 28,297) equity shares being the unclaimed shares for the year 2010-11 were credited to the IEPF.

10. Other Disclosures :

- i. There were no materially significant pecuniary or business transactions of the Company with its promoters, Directors or the Management, or their 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 Holding Company, Directors, Companies and Firms in which the Directors are interested. These contracts are in the ordinary course of Company's business and the concerned Directors regularly make full disclosures to the Board of Directors regarding the nature of their interest. Full particulars of contracts entered into with the parties in which Directors are directly or indirectly concerned or interested are entered in the Register of Contracts maintained under Section 189(1) of the Companies Act, 2013 and the same is placed at every Audit Committee Meeting and Board Meeting for information and approval.

- ii. There were no instances of non-compliance by the Company and no penalties, strictures on the Company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to Capital markets during the last three years.
- iii. The Company has established vigil mechanism as required under Sec. 177(10) of the Companies Act, 2013 for directors and employees to report genuine concerns as prescribed in the policy. The policy provides adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. No personnel have been denied access to the Audit Committee.
- iv. The Company has complied with all the mandatory requirements. The non-mandatory requirements not complied with will be adopted at the appropriate time.
- v. The Company is not having any subsidiaries.
- vi. Policy on dealing with related party transactions of the Company is available at www.jocil.in
- vii. Hedging for commodity price risks is as discussed at Item No. 9 (n) above.
- viii. The company has not raised any funds through preferential allotment or qualified institutional placement.
- ix) Certificate from a company secretary in practice.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To

The Members of

Jocil Limited

Dokiparru (V), Medikondur (M),

Guntur (Dist), Andhra Pradesh - 522438

We have examined the relevant registers, records, forms ,returns and disclosures received from the Directors of Jocil Limited having CIN L28990AP1978PLC002260 and having registered office at Dokiparru (V), Medikondur (M), Guntur (Dist), Andhra Pradesh - 522438 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India and the Ministry of Corporate Affairs:

| Sl. No. | Name of Director | DIN |
|---------|--------------------------------|----------|
| 1. | Pendyala Narendranath Chowdary | 00015764 |
| 2. | Mullapudi Thimmaraja | 00016711 |
| 3. | Vuppalapati Sitarama Raju | 00101405 |
| 4. | Jagarlamudi Murali Mohan | 00114341 |
| 5. | Tipirneni Venkata Subbarao | 00337027 |
| 6. | Kandimalla Srinivasa Rao | 00381090 |
| 7. | Mullapudi Mrutyumjaya Prasad | 01500271 |
| 8. | Dasari Manjulata | 02788338 |
| 9. | Parvataneni Venkateswara Rao | 06387165 |
| 10. | Gopala Krishna Muddusetty | 00088454 |

Ensuring the eligibility of, for the appointment/continuity of, every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Company Secretaries

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

Place : Dokiparru

Date : 16 May 2019

Proprietor

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

- x) There are no instances of non-acceptance of any recommendations of any committee of the Board.
- xi) Details of total fees for all services paid by the company to the statutory auditors, M/s.Chevuturi Associates, Vijayawada are as follows.

| | |
|---------------------------|--------------|
| For Statutory Audit | Rs. 3,50,000 |
| For Limited Review Report | Rs. 30,000 |
| Total | Rs. 3,80,000 |

11. The Company has complied with all the requirements of Corporate Governance under Sub Para 2 to 10 in Para C of Schedule V to the Listing Regulations.
12. Implementation of discretionary requirements under Part E of Schedule II to Listing Regulations
- The Chairman's office expenses incurred in performance of his duties are not reimbursed by the Company.
 - Half yearly declaration of financial results including summary of significant events have not been sent to the household of shareholders.
 - There are no audit qualifications in the Company's financial statement for the year under reference. It is always the Company's endeavour to present financial statements without any qualification.
 - The Company is having separate persons appointed to the posts of Chairman and Managing Director.
 - The Internal Auditors to the Company report directly to the Audit Committee.
13. Compliance with provisions dealing with Corporate Governance in Listing Regulations.
- The constitution of Board of Directors, Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee are in accordance with Regulation 17 to 20 of Listing Regulations. In terms of the company's corporate governance policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibility of supervision of the company as trustees of the shareholders.
Adequate powers are delegated to the Committees to take suitable decisions on the issues arising to meet the exigencies of the business of the Company.
 - Regulation 21 dealing with constitution of Risk Management Committee is not applicable to the Company.
 - The Company is having Vigil Mechanism for Directors and the Employees to report genuine concerns as required under Regulation 22.
 - The Company formulated a policy on materiality of related party transactions and on dealing with related party transactions in compliance with Regulation 23 and complies with the same.
 - The Company is not having subsidiary companies.
 - The Company complies with the obligations with respect to Independent Directors and Employees including Senior Management, Key Managerial Persons, Directors and Promoters under Regulation 25 and 26.
 - Quarterly Compliance Report on Corporate Governance is filed with the NSE along with material related party transactions if any as required under Regulation 27.
 - The Company maintains functional website www.jocil.in containing the information required under Clauses (b) to (i) of Regulation 46 (2).

Annexure-17

**DECLARATION BY THE MANAGING DIRECTOR UNDER PARA D OF
SCHEDULE V TO LISTING REGULATIONS**

To

The Members of Jocil Limited

This is to affirm that the Board of Directors of Jocil Limited has adopted a Code of Conduct for its Directors and Senior Management Personnel in compliance with the provisions of para D of Schedule V to Listing Regulations. Board Members and Senior Management Personnel of the Company have confirmed the compliance of provisions of the said code for the financial year ended 31st March 2019.

Place : Hyderabad

Date : 25 May 2019

J. MURALI MOHAN

Managing Director.

Annexure - 18

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Jocil Limited

We have examined the compliance of conditions of corporate governance by Jocil Limited for the year ended 31st March, 2019, as stipulated in Para E of Schedule V to Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said clause. 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, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company..

For CHEVUTURI ASSOCIATES.,
Chartered Accountants
Firm Regn. No. 000632S

RAGHUNADHA RAO BALINENI
Partner
ICAI Memb. No. 028105

Place : Hyderabad

Date : 25 May 2019

Annexure - 19

DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT

Equity shares in the Demat Suspense Account or Unclaimed Suspense Account -- NIL

Annexure - 20

DETAILS OF SHARES TRANSFERRED TO INVESTOR EDUCATION AND PROTECTION FUND

Unclaimed Equity shares credited to the IEPF (Pertaining to the year 2010-11)

| Sl. No. | Opening Balance as on 01.4.2018 | Date of Transfer to IEPF in FY 2018-19 | No. of shareholders whose shares were transferred to IEPF | | No. shares transferred to IEPF during FY 2018-19 | Type of Shares transferred | Cumulative No. of Shares transferred to IEPF |
|---------|---------------------------------|--|---|------------|--|----------------------------|--|
| | | | In FY 2018-19 | Cumulative | | | |
| 1 | 27,347 | 01.12.2018 | 3 | 35 | 950 | Physical | 28,297 |

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JOCIL LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Jocil Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the State of affairs of the Company as at March 31, 2019, its Profit, total comprehensive Income, changes in equity and cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report

including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

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

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be

communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of accounts.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Chevuturi Associates

Chartered Accountants

Firm Registration No.0006325

(RAGHUNADHA RAO BALINENI)

Partner

(Membership No: 028105)

Place: Camp: Hyderabad

Date : 25 May 2019

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in paragraph 2 under "Report on other legal and regulatory requirements" section of our report to the members of JOCIL LIMITED for the year ended March 31, 2019.

We report that:

1. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) The company has a programme of physical verification to cover all items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the programme, certain fixed assets were physically verified by the management during the year and according to the information and explanations given to us, no material discrepancies have been noticed on such verification.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
2. In respect of its inventories:
 - a) According to the information and explanations furnished to us, the Company has physically verified its inventories during the year and no discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
3. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Consequently, clauses (iii)(a),(b) and (c) of paragraph 3 of the Order are not applicable.

4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act with respect to the loans and investments made.
5. In respect of deposits accepted by the company, it has complied with the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. According to the information furnished to us, no order has been passed on the Company by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for non-compliance with the provisions of sections 73 to 76 of the Act.
6. 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 148(1) of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed audit of the same.
7.
 - a) According to the information furnished to us, the Company is regular in depositing with appropriate authorities, the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Customs duty, Cess and any other statutory dues wherever applicable to it during the year.
 - b) There were no undisputed statutory dues in arrears in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Customs duty, Cess and other material statutory dues as at the date of the Balance Sheet under report, for a period of more than six months from the date they became payable.
 - c) According to the information furnished to us, the following amounts of Value added tax, Excise duty and Customs duty have been disputed by the Company, and hence were not remitted to the authorities concerned at the date of the Balance Sheet under report.

| Name of the Statute | Nature of Dues | Amount (Rs.) (net of amounts paid under protest) | Period to which it relates | Forum where dispute is pending |
|----------------------|-------------------------------------|--|-------------------------------|-----------------------------------|
| AP VAT | Availment of Input tax credit | 10,40,037 2,24,341 43,650 | 2005-06 2006-07 2007-08 | STAT, Vizag |
| | Purchase tax on Biomass | 25,91,765 | 2012-16 | |
| Customs Act, 1962 | Classification of goods imported | 32,03,124 | 2012-13 | CESTAT, Chennai |

8. In our opinion and according to the information and explanations furnished to us by the Company, there were no defaults in repayment of dues to banks. However, the company has not borrowed any loans from financial institutions, government or raised any funds by way of issue of debentures.

9. The company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. During the year, the company has not borrowed any term loans from the banks or from any other financial institutions. Accordingly paragraph 3(ix) of the Order is not applicable.
10. According to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanation given to us and based on examination of the records of the company, the company has paid/provided remuneration for managerial personnel in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Act.
12. The company is not a nidhi company. Accordingly reporting under provisions of para 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on examination of records of the company, transactions with the related parties are in compliance with the provisions of section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly paragraph 3(xv) of the Order is not applicable.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Chevuturi Associates

Chartered Accountants

Firm Registration No.000632S

(RAGHUNADHA RAO BALINENI)

Partner

(Membership No: 028105)

Place: Camp: Hyderabad

Date : 25 May 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **Jocil Limited** ("the Company") as of 31st March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Chevuturi Associates

Chartered Accountants

Firm Registration No.0006325

(RAGHUNADHA RAO BALINENI)

Partner

(Membership No: 028105)

Place: Camp: Hyderabad

Date : 25 May 2019

BALANCE SHEET AS AT 31st March, 2019

(Amount in Rs.)

| | Note | As at 31-3-2019 | As at 31-3-2018 |
|---|------|----------------------|----------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 48,75,05,123 | 52,64,72,005 |
| Capital work-in-progress | 3 | 3,94,73,307 | 1,45,89,415 |
| Intangible assets | 3 | 88,70,454 | 1,14,73,423 |
| Financial assets | | | |
| i) Investments | 4 | 5,60,20,304 | 5,92,68,633 |
| ii) Loans | 5 | - | - |
| iii) Other financial assets | 6 | 65,32,898 | 65,23,398 |
| Other non-current assets | 7 | 1,98,44,388 | 2,10,50,099 |
| Total non-current assets | | 61,82,46,474 | 63,93,76,973 |
| Current assets | | | |
| Inventories | 8 | 57,01,25,530 | 55,56,24,999 |
| Financial assets | | | |
| i) Investments | 4 | 3,07,89,911 | 10,09,49,532 |
| ii) Trade receivables | 9 | 57,45,40,337 | 49,21,45,779 |
| iii) Cash and cash equivalents | 10 | 17,66,81,187 | 18,02,40,877 |
| iv) Loans | 5 | - | - |
| v) Other financial assets | 6 | 14,47,786 | 38,55,931 |
| Current tax assets (Net) | 11 | 65,79,115 | 10,44,185 |
| Other current assets | 7 | 14,36,27,521 | 14,56,59,772 |
| Total current assets | | 150,37,91,387 | 147,95,21,075 |
| Total Assets | | 212,20,37,861 | 211,88,98,048 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 12 | 8,88,16,250 | 8,88,16,250 |
| Other equity | 12 | 164,81,41,539 | 163,20,28,871 |
| Total equity | | 173,69,57,789 | 172,08,45,121 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities : | | | |
| i) Other financial liabilities | 13 | 8,91,000 | 8,91,000 |
| Provisions | 14 | 81,71,965 | 68,68,099 |
| Deferred tax liabilities (Net) | 15 | 6,36,00,039 | 7,40,39,022 |
| Other non-current liabilities | 16 | - | - |
| Total non-current liabilities | | 7,26,63,004 | 8,17,98,121 |
| Current liabilities | | | |
| Financial liabilities | | | |
| i) Short-term borrowings | 17 | 8,33,22,518 | 6,65,48,760 |
| ii) Trade payables | 18 | - | - |
| - Total outstanding dues of Micro and Small Enterprises | | - | - |
| - Total outstanding dues of creditors other than Micro and Small Enterprises | | 11,91,05,840 | 13,48,62,187 |
| iii) Other financial liabilities | 13 | 2,25,98,263 | 2,08,45,390 |
| Other current liabilities | 16 | 8,26,71,189 | 8,87,03,200 |
| Provisions | 14 | 47,19,258 | 52,95,269 |
| Total current liabilities | | 31,24,17,068 | 31,62,54,806 |
| Total liabilities | | 38,50,80,072 | 39,80,52,927 |
| Total equity and liabilities | | 212,20,37,861 | 211,88,98,048 |
| Corporate Information | 1 | | |
| Significant accounting policies and notes forming integral part of financial statements | 2-44 | | |

As per our report of even date :

For CHEVUTURI ASSOCIATES.,
Chartered Accountants
Firm's Registration No.000632S
RAGHUNADHA RAO BALINENI, Partner
Membership No. 028105
Hyderabad
25th May, 2019

For and on behalf of the Board

P. NARENDRANATH CHOWDARY Chairman

J. MURALI MOHAN

Managing Director

K. RAGHURAM

Dy. Secretary & AGM (Fin.) (CFO)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March, 2019

Jocil Limited

(Amount in Rs.)

| | Note | Year ended 31-3-2019 | Year ended 31-3-2018 |
|---|------|-------------------------|-------------------------|
| REVENUE | | | |
| Revenue from operations | 19 | 402,43,68,092 | 348,45,68,118 |
| Other income | 20 | 1,68,70,592 | 2,14,72,532 |
| Total Income | | 404,12,38,684 | 350,60,40,650 |
| EXPENSES | | | |
| Cost of materials consumed | 21 | 301,42,54,509 | 237,78,40,501 |
| Purchases of stock-in-trade | | - | - |
| (increase)/decrease in inventories of finished goods, | | | |
| Stock-in-trade and work-in-progress | 22 | (8,62,76,040) | 12,22,42,203 |
| Excise duty | | - | 6,98,59,382 |
| Employee benefits expense | 23 | 24,72,32,632 | 22,49,52,832 |
| Finance costs | 24 | 1,40,87,185 | 1,41,96,532 |
| Depreciation and amortization expense | 25 | 5,72,40,998 | 6,53,38,008 |
| Other expenses | 26 | 78,20,92,129 | 58,21,24,956 |
| Total Expenses | | 402,86,31,413 | 345,65,54,414 |
| Profit before exceptional items and tax | | 1,26,07,271 | 4,94,86,236 |
| Exceptional items | | - | - |
| Profit Before Tax | | 1,26,07,271 | 4,94,86,236 |
| Tax Expense: | 27 | | |
| Current tax | | 47,00,000 | 1,30,00,000 |
| Excess provision of income-tax in earlier years | | (1,33,98,343) | - |
| Deferred Tax - charge/(credit) | | (1,04,38,983) | (45,59,201) |
| Profit After Tax | | 3,17,44,597 | 4,10,45,437 |
| Other comprehensive income | | | |
| A. Items that will not be reclassified subsequently to profit and loss account (net of tax) | | | |
| a) Changes in fair value of investments | | (32,48,329) | 3,19,46,777 |
| b) Remeasurement of defined employee benefit plans | | 90,29,793 | (20,24,454) |
| Total comprehensive income | | 3,75,26,061 | 7,09,67,760 |
| Earnings Per Share - basic and diluted | | 3.57 | 4.62 |
| (PAT before OCI/Wgt avg no. of shares) | | | |
| Corporate information | 1 | | |
| Significant accounting policies and notes forming integral part of financial statements | 2-44 | | |

As per our report of even date :
 For CHEVUTURI ASSOCIATES.,
 Chartered Accountants
 Firm's Registration No.000632S
 RAGHUNADHA RAO BALINENI, Partner
 Membership No. 028105
 Hyderabad
 25th May, 2019

For and on behalf of the Board

P. NARENDRANATH CHOWDARY Chairman

J. MURALI MOHAN

Managing Director

K. RAGHURAM

Dy. Secretary & AGM (Fin.) (CFO)

CASH FLOW STATEMENT

| | 2018-19 Rs. | 2017-18 Rs. |
|--|----------------|----------------|
| I. Cash Flow from Operating Activities | | |
| Net profit before tax | 1,26,07,271 | 4,94,86,236 |
| Add/Less: Adjustments for : | | |
| Depreciation | 5,72,40,998 | 6,53,38,008 |
| Finance costs | 1,40,87,185 | 1,41,96,532 |
| Interest income | (1,25,53,526) | (85,26,018) |
| Assets written off | 21,719 | 16,865 |
| Profit on sale of assets | (75,255) | (1,85,838) |
| Remeasurement of defined benefit plans | 90,29,973 | (20,24,454) |
| Dividends received | (34,45,705) | (6,39,128) |
| Operating profit before working capital changes | 7,69,12,660 | 11,76,62,204 |
| Add/Less: Adjustments for working capital | | |
| Inventories | (1,45,00,531) | (47,60,099) |
| Trade and other receivables | (8,32,29,170) | 48,90,22,906 |
| Trade payables | (1,93,07,630) | (20,42,86,451) |
| Cash generated from operations | (4,01,24,671) | 39,76,38,560 |
| Less: Direct taxes paid | 31,63,457 | 91,90,450 |
| Net cash (used in)/from operating activities A | (3,69,61,214) | 38,84,48,110 |
| II. Cash Flow from Investing Activities | | |
| Purchase of fixed assets/capital work in progress | (3,41,15,254) | (81,85,655) |
| Proceeds from sale of fixed assets | 84,746 | 2,52,143 |
| Proceeds from sale/(investments) in mutual funds (net of redemption) | 7,01,59,621 | (10,06,39,128) |
| Repayment of inter corporate loans given | - | 1,00,01,541 |
| Interest received | 1,25,53,526 | 85,26,018 |
| Dividend received | 34,45,705 | 6,39,128 |
| Other bank balances | 3,23,485 | 14,04,887 |
| Net cash from /(used in) investing activities B | 5,24,51,829 | (8,80,01,066) |
| III. Cash Flow from Financing Activities | | |
| Proceeds from /(repayment)of borrowings | 1,67,73,758 | (21,76,37,341) |
| Finance costs | (1,40,87,185) | (1,41,96,532) |
| Dividends & dividend distribution tax paid | (2,14,13,393) | (3,20,67,430) |
| Net cash used in financing activities C | (1,87,26,820) | (26,39,01,303) |
| Net (decrease)/increase in cash and cash equivalents (A+B+C) | (32,36,205) | 3,65,45,741 |
| Cash and cash equivalents at the beginning of the period | 16,37,62,622 | 12,72,16,881 |
| Cash and cash equivalents at the end of the period | 16,05,26,417 | 16,37,62,622 |
| (Refer note.no.10A) | | |
| Net (decrease)/increase in cash and cash equivalents | (32,36,205) | 3,65,45,741 |

Changes in liability arising from financing activities.

| Particulars | Opening Balance Rs. | Net Cash Flow Rs. | Non Cash Changes (Forex) Rs. | Closing Balance Rs. |
|---|---------------------------|-------------------------|------------------------------------|---------------------------|
| Long term borrowings | - | - | - | - |
| Short term borrowings (refer note no. 17) | 6,65,48,759 | 1,67,73,758 | - | 8,33,22,517 |

As per our report of even date :

For CHEVUTURI ASSOCIATES.,
Chartered Accountants
Firm's Registration No.0006325
RAGHUNADHA RAO BALINENI, Partner
Membership No. 028105
Hyderabad
25th May, 2019

For and on behalf of the Board

P. NARENDRANATH CHOWDARY Chairman

J. MURALI MOHAN

Managing Director

K. RAGHURAM

Dy. Secretary & AGM (Fin.) (CFO)

Statement of changes in equity for the year ended 31.03.2019

A. Equity Share Capital

| Particulars | No's | Rs. |
|--|-----------|-------------|
| As at 1st April, 2017 | 88,81,150 | 8,88,11,500 |
| Add: Forfeited shares (Amount originally paid up) | - | 4,750 |
| Changes in equity share capital | | |
| As at 31st March, 2018 | 88,81,150 | 8,88,16,250 |
| Changes in equity share capital | | |
| As at 31st March, 2019 | 88,81,150 | 8,88,16,250 |

B. Other Equity

| Particulars | Reserves and Surplus | | | | Items of Other Comprehensive Income | | Total Rs. |
|--|------------------------|---------------------------|--|--------------------------|---|--------------------------------------|---------------|
| | Capital Reserve Rs. | Securities Premium Rs. | Other Reserves (General reserve) Rs. | Retained Earnings Rs. | Equity instruments through Other Comprehensive Income Rs. | Actuarial Gains / (Losses) Rs. | |
| Balance at the beginning of reporting period - 1st April 2017 | 39,66,150 | 7,83,75,000 | 127,00,00,000 | 22,82,77,225 | 1,39,01,097 | (13,90,931) | 159,31,28,541 |
| Profit for the year | | | | 4,10,45,437 | | | 4,10,45,437 |
| Other comprehensive income | | | | 4,10,45,437 | 3,19,46,777 | (20,24,454) | 2,99,22,323 |
| Total comprehensive income for the year | | | | | 3,19,46,777 | (20,24,454) | 7,09,67,760 |
| Transfer from retained earnings | | | | (2,66,43,450) | | | (2,66,43,450) |
| Final dividend | | | | (54,23,980) | | | (54,23,980) |
| Balance at the end of reporting period - 31st March 2018 | 39,66,150 | 7,83,75,000 | 127,00,00,000 | 23,72,55,232 | 4,58,47,874 | (34,15,385) | 163,20,28,871 |
| Profit for the Year | | | | 3,17,44,597 | | | 3,17,44,597 |
| Other comprehensive income | | | | 3,17,44,597 | (32,48,329) | 90,29,793 | 57,81,464 |
| Total comprehensive income for the year | | | | | (32,48,329) | 90,29,793 | 3,75,26,061 |
| Transfer from general reserve | - | - | - | (1,77,62,300) | - | - | - |
| Final dividend | | | | (36,51,093) | | | (1,77,62,300) |
| Dividend distribution tax | | | | | | | (36,51,093) |
| Balance at the end of reporting period - 31st March 2019 | 39,66,150 | 7,83,75,000 | 127,00,00,000 | 24,75,86,436 | 4,25,99,545 | 56,14,408 | 164,81,41,539 |

As per our report of even date :

For CHEVUTURI ASSOCIATES.,

Chartered Accountants

Firm's Registration No.0006325

RAGHUNADHA RAO BALINENI, Partner

Membership No. 028105

Hyderabad

25th May, 2019

For and on behalf of the Board

P. NARENDRANATH CHOWDARY

J. MURALI MOHAN

K. RAGHURAM

Chairman

Managing Director

Dy. Secretary & AGM (Fin.) (CFO)

I. NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Jocil Limited (hereinafter referred to as Jocil) is engaged in the manufacture of Stearic Acid, Fatty Acids, Soap Noodles, Toilet Soap, Glycerine and Industrial Oxygen. The manufacturing facilities of Jocil and its Registered Office are located at Dokiparru Village, Medikondur Mandal, Guntur District, Andhra Pradesh. It is also having a 6 MW Biomass Cogeneration Captive Power Plant to meet the power requirements of the manufacturing activity and surplus power is sold to AP Transco. Jocil is also having 4 Wind Energy Generators in the State of Tamil Nadu and the power generated is sold to Tamil Nadu Generation and Distribution Corporation Limited. Jocil is a subsidiary to The Andhra Sugars Limited (ASL), Tanuku, W.G.District, Andhra Pradesh. As on 31-03-2019 ASL owned 55.02% of the Jocil's equity share capital.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These Financial Statements are prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act ("The Act") read together with Companies (Indian Accounting Standards) Rules 2015 (as amended). The financial statements have also been prepared with relevant presentation requirements of the Act.

b) Basis of preparation of financial statements

These financial statements have been prepared under historical cost convention on accrual basis of accounting except for certain financial instruments which are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

c) Operating cycle

All assets have been classified as current or non current as per the company's normal operating cycle and other criteria set out in the schedule III to the act and Ind AS-I Presentation of Financial statements, based on the nature of the products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

d) Use of estimates and judgments

The preparation of the company's financial statements in conformity with Ind AS requires the management of the Company to make judgments, estimates and assumptions that affect the application of accounting policies and reported amount of assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Uncertainty about these assumptions and estimates could result in outcomes that require adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The following are the critical judgments and estimates that have been made in the process of applying the company's accounting policies that have the most significant effect on the amounts recognized in the financial statements.

i) Depreciation / amortization and useful lives of property plant and equipment and intangible assets:

Property, plant and equipment and intangible assets are depreciated/amortised based on the useful lives specified under schedule II of Companies Act, 2013. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortization to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/amortization for future periods is revised if there are significant changes from previous estimates.

ii) Recoverability of trade receivable:

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, past history of receivables, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of nonpayment.

iii) Fair value measurement of financial instruments:

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent available. Where Level 1 inputs are not available, the fair value is measured using valuation techniques, including the discounted cash flow model, which involves various judgments and assumptions. The Company also engages third party qualified valuers to perform the valuation in certain cases. The appropriateness of valuation techniques and inputs to the valuation model are reviewed by the Management.

iv) Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably

estimated. The timing of recognition and quantification of the liability require the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

v) Impairment of non-financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

vi) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

vii) Income Taxes:

The Company's tax jurisdiction is India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions.

viii) Defined benefit obligations:

The Company uses actuarial assumptions viz., discount rate, mortality rates, expected rate of return on plan assets, salary escalation rate etc., to determine such employee benefit obligations.

ix) Other estimates:

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

The judgments, estimates and underlying assumptions are made with the management's best knowledge

of the business environment and are reviewed on an on going basis. Accounting estimates could change from period to period. Actual results could differ from these estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

II. SIGNIFICANT ACCOUNTING POLICIES

a) Property, plant and equipment

An item of Property, Plant and Equipment that qualified as an asset is measured at initial recognition at Cost. Following initial recognition, items of property, plant and equipment (PPE) are carried at cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management.

The company identifies and determines cost of each part of PPE separately, if the part has a cost which is significant to the total cost of that items of PPE and has useful life that is materially different from that of the remaining items.

Advances paid for acquisition of Property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets. Cost of the assets not put to use before such date are disclosed under 'Capital Work-in-progress'. Any subsequent expenditure relates to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. Items of spare parts are recognized as Property, plant and equipment when they meet the definition of PPE. The cost and related depreciation are eliminated from the PPE upon sale or retirement of the asset and the resultant gain or losses are recognized in statement of profit and loss.

b) Intangible assets

Intangible assets are stated at cost of acquisition less accumulated amortization. Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis from the date they are available for use.

c) Borrowing costs

Borrowing Costs, that are directly attributable to the acquisition or construction of assets, that necessarily take a substantial period of time to get ready for its intended use, are capitalised as part of the cost of qualifying asset when it is possible that they will result in future economic benefits and the cost can be measured reliably.

d) Depreciation and amortization

Depreciation is recognized so as to write off the cost of assets less their residual values based on useful lives as specified in Schedule II of the Companies Act, 2013 as follows:

- i) Under straight line method in respect of plant and machinery of wind power division.
- ii) Under written down value method on the remaining assets of the company.
- iii) The intangible assets, being computer software is amortized over a period of 5 years on straight line method.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end.

e) Inventories

- i) Finished goods are valued at lower of cost or net realizable value.
- ii) Cost of work-in-progress and finished goods includes appropriate portion of overheads etc.,
- iii) Raw materials, stores and spares are valued at cost using weighted average method.
- iv) Work-in-progress, raw materials, stores, spares, material in transit, are valued at cost except where the net realizable 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.
- v) By-products and scrap are valued at net realizable value.

f) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

- i) Revenue from sale of products is recognised when the entity satisfies a performance obligation by transferring the promised goods to customers and the goods are transferred when the customer obtains control over the goods and the company retains no effective control over the goods sold. Revenue is measured at the fair value of the consideration taking into account contractually defined terms of payment. Revenue is reduced for discounts, rebates and other similar allowances.

When there is any uncertainty as to the measurement or collectability of consideration, revenue recognition to the extent of amount of uncertainty is postponed until such uncertainty is resolved.

- ii) Amounts collected on behalf of third parties such as GST, VAT and service tax are excluded from Revenue. Revenue includes excise duty (Till 30.6.2017) since it flows into the entity on its own account.
- iii) Revenue realized on processing charges is recognized to the extent of completion of job as per the agreements/arrangements with the concerned parties.
- iv) Power purchased from other units is accounted at market price at which the power is purchased from external party.
- v) Interest income is recognized using effective interest method.
- vi) Dividend income is recognized when the right to receive payment is established.

g) Taxes on income

Income tax expense comprises the sum of tax currently payable and deferred tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Current tax is determined at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The carrying amount of deferred tax assets is reviewed at the end of each year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities are recognized as income or expense in the year of enactment. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

h) Segment reporting

The operating segments of the entity are identified based on the revenues earned and expenses incurred whose operating results are regularly reviewed by the entity's decision maker to make decisions about resources to be allocated to the segment and assess its performance for which discrete financial information is available.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company.

Inter segment revenue has been accounted for based on the market related prices.

Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated expenses".

i) Retirement benefits

The Company provides retirement benefits in the form of Provident Fund, Superannuation and Gratuity etc., contribution to Provident Fund, a defined contribution scheme, is made at the prescribed rates to the Provident Fund Commissioner and is charged to the Statement of Profit and Loss. There is no other obligation other than the contribution payable.

Certain employees of the company are eligible for superannuation and company has no obligation

beyond its monthly contribution to LIC. The periodic contribution is charged to the statement of profit and loss account.

Gratuity, a defined Benefit scheme is covered by a Group Gratuity cum Life Assurance policy with LIC. The cost of providing benefits is determined using the projected unit credit method with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial losses and gains, the effect of changes to the asset ceiling and actual return on plan assets, in excess of the yield computed by applying the discount rate used to measure the defined benefit obligation, is reflected in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Such remeasurement losses/gains are not reclassified to profit or loss subsequently.

The liability in respect of compensated absences due or expected to be availed within one year from the balance sheet date is recognized on the basis of undiscounted value of estimated amount required to be paid. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of actuarial valuation using projected unit credit method at the end of each year.

j) Research & development expenditure

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

k) Foreign exchange transactions

The functional currency of the company is the Indian rupee and the financial statements are presented in Indian rupee.

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

- i) Foreign currency denominated monetary items are translated into the relevant functional currency at exchange rate at the balance sheet date. The gains and losses resulting from such translations are included in net profit in the statement of profit and loss.
- ii) Foreign currency denominated non-monetary items are reported using the exchange rate at which they were initially recognized.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in statement of profit and loss.

l) Impairment of assets

- i) Financial assets (other than at fair value)

The company assesses at each balance sheet date whether a financial asset or a group of financial assets

is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The company recognizes lifetime expected losses for all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ii) Non financial assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amount may not be recoverable. If any such indication exists, the recoverable amount (i.e higher of the fair value less cost of sale and value in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount and the carrying amount of the asset is increased to its revised recoverable amount subject to maximum of carrying amount.

m) Provisions, contingent liabilities and contingent assets

Provisions are recognised when there is a present obligation as a result of past event, it is probable that the company will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Where the effect of time value of money is material, the amount of provision is the present value of the expenditure to be required to settle the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. The company does not recognise contingent liabilities but the same are disclosed in the notes.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

n) Financial instruments

Initial recognition:

The company recognizes financial assets and liabilities when it becomes a party to the contractual provisions of the instruments. All financial assets and liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than the financial assets and liabilities at fair value through profit and loss) are added to or

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

Subsequent measurement:

i) Financial assets carried at amortized cost:

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets at fair value through other comprehensive income.

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

De-recognition of financial asset

The company de-recognises financial assets when the contractual right to the cash flows from the asset expires or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. The effective method is a method of calculating the amortization cost of a financial liability and of allocating interest expense over the relevant period. The effective interest is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

De-recognition of financial liability

The company de-recognises financial liabilities when the company's obligations are discharged, cancelled or expired. The difference between the initial carrying amount of the financial liabilities and their redemption value is recognized in the statement of profit and loss over the contractual terms using the effective interest method.

o) Earning per equity share

Basic earning per equity share is computed by dividing the net profit attributable to the equity shareholders of the company by the weighted average number of equity shares during the period. The company did not have any potentially dilutive securities in any of the years presented.

The number of equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of financial statements by the board of directors.

p) Cash flow statement

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

q) Dividends

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

r) Government Grants

Government grants are not recognized until there is reasonable assurance that the company will comply with the conditions attaching to them and that the grants will be received .

Government grants related to revenue are recognized on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate. When the grant relates to an asset, it is recognized as deferred revenue in the Balance sheet and transferred to the statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

III. RECENT ACCOUNTING PRONOUNCEMENTS

- a) Ind AS 116 Leases : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value.

Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or

- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted.

However, at present, the company does not have any contracts in the nature of lease which have material impact.

b) Amendment to Ind AS 19 – Plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

c) Amendment to Ind AS 12 –

i) Appendix C, Uncertainty over Income Tax Treatments :

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing

which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

ii) Accounting for dividend distribution taxes :

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

3. PROPERTY, PLANT AND EQUIPMENT

| Particulars | Land | Buildings | Plant and Equipment | Furniture and Fixtures | Vehicles | Office Equipment | Total |
|----------------------------------|-----------|-------------|---------------------|------------------------|-----------|------------------|--------------|
| Gross Carrying Value | | | | | | | |
| - At cost (deemed cost) | | | | | | | |
| As at 1st April 2017 | 87,05,117 | 5,67,14,555 | 65,25,36,262 | 92,94,287 | 40,81,279 | 59,53,368 | 73,72,84,868 |
| Additions | - | - | 1,51,974 | 3,46,307 | 25,42,970 | 1,05,860 | 31,47,111 |
| Disposals | - | - | - | 13,727 | 1,06,505 | 9,548 | 1,29,780 |
| As at 31st March 2018 | 87,05,117 | 5,67,14,555 | 65,26,88,236 | 96,26,867 | 65,17,744 | 60,49,680 | 74,03,02,199 |
| Additions | - | - | 1,48,62,014 | 5,30,875 | - | 1,08,151 | 1,55,01,040 |
| Disposals | - | - | 9,491 | 55,166 | - | 13,337 | 77,994 |
| As at 31st March 2019 | 87,05,117 | 5,67,14,555 | 66,75,40,759 | 1,01,02,576 | 65,17,744 | 61,44,494 | 75,57,25,245 |
| Accumulated Depreciation | | | | | | | |
| As at 1st April 2017 | - | 1,04,41,921 | 13,38,39,853 | 24,62,940 | 18,00,831 | 21,18,569 | 15,06,64,114 |
| Additions | - | 45,58,739 | 5,36,34,981 | 27,84,014 | 11,83,527 | 10,50,571 | 6,32,11,832 |
| Disposals | - | - | - | 1,900 | 40,802 | 3,050 | 45,752 |
| As at 31st March 2018 | - | 1,50,00,660 | 18,74,74,834 | 52,45,054 | 29,43,556 | 31,66,090 | 21,38,30,194 |
| Depreciation charge for the year | - | 40,56,835 | 4,69,75,662 | 17,60,931 | 9,32,206 | 7,15,771 | 5,44,41,405 |
| On disposals | - | - | - | 44,806 | - | 6,671 | 51,477 |
| As at 31st March 2019 | - | 1,90,57,495 | 23,44,50,496 | 69,61,179 | 38,75,762 | 38,75,190 | 26,82,20,122 |
| Net Book Value | | | | | | | |
| As at 31st March 2019 | 87,05,117 | 3,76,57,060 | 43,30,90,263 | 31,41,397 | 26,41,982 | 22,69,304 | 48,75,05,123 |
| As at 31st March 2018 | 87,05,117 | 4,17,13,895 | 46,52,13,402 | 43,81,813 | 35,74,188 | 28,83,590 | 52,64,72,005 |

| Net book value | As at 31st March, 2019 Rs. | As at 31st March, 2018 Rs. |
|------------------------|----------------------------------|----------------------------------|
| Land | 87,05,117 | 87,05,117 |
| Buildings | 3,76,57,060 | 4,17,13,895 |
| Plant and equipment | 43,30,90,263 | 46,52,13,402 |
| Furniture and fixtures | 31,41,397 | 43,81,813 |
| Vehicles | 26,41,982 | 35,74,188 |
| Office equipment | 22,69,304 | 28,83,590 |
| Total | 48,75,05,123 | 52,64,72,005 |

Note: Working capital loans obtained by the company from Andhra bank and SBI are secured by way of second charge on fixed assets of the company on pari passu basis.

3. CAPITAL WORK-IN-PROGRESS

| | Rs. |
|-----------------------------|---------------|
| Carrying value - At Cost | |
| As at 1st April, 2017 | 2,27,89,371 |
| Additions | 50,38,544 |
| Capitalised during the year | (1,32,38,500) |
| As at 31st March, 2018 | 1,45,89,415 |
| Additions | 3,79,88,636 |
| Capitalised during the year | (1,31,04,744) |
| As at 31st March, 2019 | 3,94,73,307 |

3. INTANGIBLE ASSETS

| | Computer Software Rs. | Total Rs. |
|-------------------------|-----------------------------|--------------|
| Gross carrying value | | |
| - At cost (deemed cost) | | |
| As at 1st April 2017 | 7,60,953 | 7,60,953 |
| Additions | 1,32,38,500 | 1,32,38,500 |
| Disposals | - | - |
| As at 31st March 2018 | 1,39,99,453 | 1,39,99,453 |
| Additions | 2,01,542 | 2,01,542 |
| Disposals | - | - |
| As at 31st March 2019 | 1,42,00,995 | 1,42,00,995 |

Depreciation

| | | |
|----------------------------------|-----------------------------------|---------------------------|
| As at 1st April 2017 | 3,99,854 | 3,99,854 |
| Additions | 21,26,176 | 21,26,176 |
| Capitalised during the year | - | - |
| As at 31st March 2018 | 25,26,030 | 25,26,030 |
| Depreciation charge for the year | 28,04,511 | 28,04,511 |
| On disposals | - | - |
| As at 31st March 2019 | 53,30,541 | 53,30,541 |
| | 53,30,541 | 53,30,541 |
| Net Book Value | | |
| As at 31st March 2019 | 88,70,454 | 88,70,454 |
| As at 31st March 2018 | 1,14,73,423 | 1,14,73,423 |
| Net Book Value | As at 31st March, 2019 | As at 31st March, 2018 |
| Computer software | 88,70,454 | 1,14,73,423 |

4. NON CURRENT INVESTMENTS

| | As at 31st March, 2019 | As at 31st March, 2018 |
|--|-----------------------------------|-----------------------------------|
| | Rs. | Rs. |
| A. Investment in equity instruments | | |
| (At fair value through Other Comprehensive Income) | | |
| (i) Quoted - trade | | |
| a) 13,652 Equity shares of Rs.10/- each fully paid up in Andhra Bank Limited | 3,82,939 | 5,67,922 |
| (ii) Quoted - non trade | | |
| a) 10,07,981 equity shares of Rs.10/- each fully paid up in Andhra Petrochemicals Limited | 5,50,86,161 | 5,78,58,109 |
| b) 200 equity shares of Rs.10/- each fully paid up in The Industrial Finance Corporation of India | 2,760 | 3,910 |
| c) 11,360 equity shares of Rs.10/- each fully paid up in Industrial Development Bank of India | 5,29,944 | 8,20,192 |
| Total investment in quoted equity instruments (a) | 5,60,01,804 | 5,92,50,133 |

B. Investment in government securities

| | | |
|---|-------------|-------------|
| a) National savings certificates | 18,500 | 18,500 |
| Total investment in government securities (b) | 18,500 | 18,500 |
| Total investment (a+b) | 5,60,20,304 | 5,92,68,633 |
| Aggregate amount of quoted investments - | | |
| - At cost | 1,35,36,374 | 1,35,36,374 |
| - Market value | 5,60,01,804 | 5,92,50,133 |
| Aggregate amount of unquoted investments | 18,500 | 18,500 |

Category wise - Investments as per Ind AS 109 Classification

| | As at 31st March, 2019 | | As at 31st March, 2018 | |
|---|---------------------------|----------------------|---------------------------|----------------------|
| | Fair value of Investments | Dividends recognised | Fair value of Investments | Dividends recognised |
| | Rs. | Rs. | Rs. | Rs. |
| Financial assets measured at: | | | | |
| (i) Fair value through other comprehensive income | | | | |
| a) 13,652 equity shares of Rs.10/- each fully paid up in Andhra Bank Limited | 3,82,939 | - | 5,67,922 | - |
| b) 10,07,981 equity shares of Rs.10/- each fully paid up in Andhra Petrochemicals Ltd | 5,50,86,161 | - | 5,78,58,109 | - |
| c) 200 equity shares of Rs.10/- each fully paid up in The Industrial Finance Corporation of India | 2,760 | - | 3,910 | - |
| d) 11,360 equity shares of Rs.10/- each fully paid up in Industrial Development Bank of India | 5,29,944 | - | 8,20,192 | - |
| | 5,60,01,804 | - | 5,92,50,133 | - |

4. CURRENT INVESTMENTS (at FVTPL*)

| | As at 31st March, 2019 | As at 31st March, 2018 |
|--|------------------------|------------------------|
| | Rs. | Rs. |
| Quoted and non-trade | | |
| Investments in mutual funds | | |
| HDFC-Liquid Fund - dividend - daily reinvest 22,691.949 units @ 1,019.82/- each) | 2,31,41,708 | 10,09,49,532 |
| Reliance-Liquid Fund - dividend - daily reinvest plan 5,002.946 units @ 1,528.74/- each) | 76,48,203 | - |
| Total current investments | 3,07,89,911 | 10,09,49,532 |

*FVTPL : Fair value through profit and loss.

5. LOANS

Particulars

| | Non-Current | | Current | |
|----------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | As at 31st March, 2019 | As at 31st March, 2018 | As at 31st March, 2019 | As at 31st March, 2018 |
| | Rs. | Rs. | Rs. | Rs. |
| Unsecured, considered good | | | | |
| a) Inter corporate loans | - | - | - | - |
| Total | - | - | - | - |

6. OTHER FINANCIAL ASSETS

| | Non-Current | | Current | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | As at 31st March, 2019 | As at 31st March, 2018 | As at 31st March, 2019 | As at 31st March, 2018 |
| | Rs. | Rs. | Rs. | Rs. |
| Security deposits with government authorities and others | 65,32,898 | 65,23,398 | - | - |
| Claims and other advances receivable | - | - | 14,47,786 | 38,55,931 |
| Total | 65,32,898 | 65,23,398 | 14,47,786 | 38,55,931 |

7. OTHER ASSETS

| | Non-Current | | Current | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | As at 31st March, 2019 | As at 31st March, 2018 | As at 31st March, 2019 | As at 31st March, 2018 |
| | Rs. | Rs. | Rs. | Rs. |
| Unsecured, considered good | | | | |
| a) Advances for capital goods | 13,77,179 | 78,48,399 | - | - |
| b) Advances to creditors against supplies | | | 67,10,413 | 1,99,45,769 |
| c) Prepaid expenses | | | 94,86,874 | 86,40,477 |
| d) Balances with statutory authorities: | | | | |
| Taxes paid under protest | | | 25,91,765 | - |
| GST and other tax deposits | | | 12,46,84,512 | 11,65,70,337 |
| e) Accrued interest | | | 1,53,957 | 5,03,189 |
| f) Balance in gratuity fund (net of obligations) | 1,84,67,209 | 1,32,01,700 | - | - |
| Total | 1,98,44,388 | 2,10,50,099 | 14,36,27,521 | 14,56,59,772 |

8. INVENTORIES

| | As at 31st March, 2019 Rs. | As at 31st March, 2018 Rs. |
|----------------------------|---|---|
| a) Raw materials | 13,49,38,676 | 22,58,93,994 |
| b) Raw material in transit | - | - |
| c) Work-in-progress | 18,02,60,190 | 9,79,89,809 |
| d) Finished goods | 15,72,25,710 | 15,32,20,051 |
| e) Stores and spares | 9,77,00,954 | 7,85,21,145 |
| Total | 57,01,25,530 | 55,56,24,999 |

Note:

- All the above inventories are offered as security in respect of working capital loans availed by the company from Andhra bank and SBI.
- The cost of inventories recognised as an expense during the year was Rs.361,97,81,823/- (Previous year Rs.279,90,05,476/-)
- There are no inventories expected to be recovered after more than 12 months.
- The mode of valuation of inventories has been stated in note no. 2 (ii) (e) of Significant accounting policies.

9. TRADE RECEIVABLES

| | As at 31st March, 2019 Rs. | As at 31st March, 2018 Rs. |
|--|---|---|
| Secured, considered good | - | - |
| Unsecured, considered good | 57,45,40,337 | 49,21,45,779 |
| Trade receivables which have significant increase in credit risk | - | - |
| Trade receivables - credit impaired | 5,00,000 | 5,00,000 |
| Less: Provision for impairment loss | 5,00,000 | 5,00,000 |
| Total | 57,45,40,337 | 49,21,45,779 |

Notes:

- The average credit period of trade receivables varies from 15-45 days.
- The above does not include any amount due from related parties.
- The company has used practical expedient by computing the expected credit loss for doubtful trade receivables based on the ageing of receivables, history of recoverability from the customers, credit worthiness of the customers etc.,
- During the year, the company has recognised loss allowance of Rs.Nil under 12 months expected credit loss model.
- Of the above trade receivables balance Rs.27,26,92,859 (as at 31st March 2018 Rs.19,49,67,451) is due from one of the company's large customers, who represent more than 10% of the trade receivables.

10. CASH AND CASH EQUIVALENTS

| | As at 31st March, 2019 Rs. | As at 31st March, 2018 Rs. |
|--|----------------------------------|----------------------------------|
| Balances with banks | | |
| a. In current accounts | 1,46,25,209 | 1,98,76,486 |
| b. In EEFC account | 14,48,84,771 | 6,51,15,833 |
| c. Fixed deposit accounts (short-term) | - | 7,86,00,000 |
| Cash on hand | 10,16,437 | 1,70,303 |
| Total - A | 16,05,26,417 | 16,37,62,622 |
| Other bank balances | | |
| a. Earmarked balances with banks held as margin money against LC and guarantees | 4,02,750 | 24,29,852 |
| b. Earmarked balances with banks towards unclaimed dividends | 26,52,020 | 25,48,403 |
| c. Fixed deposit repayment reserve | 1,31,00,000 | 1,15,00,000 |
| Total - B | 1,61,54,770 | 1,64,78,255 |
| Total (A+B) | 17,66,81,187 | 18,02,40,877 |

11. CURRENT TAX ASSETS (Net)

| | | |
|--------------------------------------|--------------------|--------------------|
| Provision for income-tax | 4,67,69,642 | 50,40,00,000 |
| Less: Taxes paid | 5,33,48,757 | 50,50,44,185 |
| Current tax liability/(Asset) | (65,79,115) | (10,44,185) |

12. EQUITY SHARE CAPITAL**Authorised share capital**

| | No's | Equity Rs. |
|------------------------------|--------------------|---------------------|
| As at 1st April 2017 | 1,00,00,000 | 10,00,00,000 |
| Changes in equity | - | - |
| As at 31st March 2018 | 1,00,00,000 | 10,00,00,000 |
| Changes in equity | - | - |
| As at 31st March 2019 | 1,00,00,000 | 10,00,00,000 |

Issued share capital

Equity shares of Rs. 10 each issued, subscribed and fully paid

| | No's | Rs. |
|-----------------------|-----------|-------------|
| As at 1st April 2017 | 88,81,150 | 8,88,16,250 |
| Changes in equity | - | - |
| As at 31st March 2018 | 88,81,150 | 8,88,16,250 |
| Changes in equity | - | - |
| As at 31st March 2019 | 88,81,150 | 8,88,16,250 |

The above amount includes Rs.4,750/- being shares forfeited and amount originally paid up on forfeited shares.

Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a face value of Rs.10/- each. Each holder of equity share is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to approval of shareholders in the Annual General Meeting, except in the case of interim dividend. In the event of liquidation of Company, the holders of equity share will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

Details of shareholders holding more than 5% of total number of shares

| Name of the Share Holder | As at 31st March, 2019 | | As at 31st March, 2018 | |
|---------------------------|------------------------|--|------------------------|--|
| | No of Shares held | % out of total number of shares of the Company | No of Shares held | % out of total number of shares of the Company |
| The Andhra Sugars Limited | 48,86,500 | 55.02 | 48,86,500 | 55.02 |
| | 48,86,500 | 55.02 | 48,86,500 | 55.02 |

- Out of total equity shares issued and subscribed, 48,86,500 shares are held by holding company The Andhra Sugars Limited, Tanuku.
- No bonus shares were issued out of last five financial years.
- None of the shares were issued pursuant to a contract without payment being received in cash.

12. OTHER EQUITY**Capital reserves**

| | Rs. |
|-------------------------|-----------|
| As at 1st April 2017 | 39,66,150 |
| Changes during the year | - |

| | |
|---|---------------|
| As at 31st March 2018 | 39,66,150 |
| Changes during the year | - |
| As at 31st March 2019 | 39,66,150 |
| Securities premium | Rs. |
| As at 1st April 2017 | 7,83,75,000 |
| Changes during the year | - |
| As at 31st March 2018 | 7,83,75,000 |
| Changes during the year | - |
| As at 31st March 2019 | 7,83,75,000 |
| General reserve | Rs. |
| As at 1st April 2017 | 127,00,00,000 |
| Changes during the year | - |
| As at 31st March 2018 | 127,00,00,000 |
| Changes during the year | - |
| As at 31st March 2019 | 127,00,00,000 |
| Surplus in statement of profit and loss | Rs. |
| As at 1st April 2017 | 24,07,87,391 |
| Add: Profit for the year transferred from statement of profit and loss | 7,09,67,760 |
| | 31,17,55,151 |
| Less: Final Dividend for the Financial year 2016-17 proposed & paid during the year | 2,66,43,450 |
| Dividend distribution tax on final dividend paid during the year | 54,23,980 |
| Less:- Profit for the year transferred to general reserve | - |
| As at 31st March 2018 | 27,96,87,721 |
| Less: Final dividend for the financial year 2017-18 proposed & paid during the year | 1,77,62,300 |
| Dividend distribution tax on final dividend paid during the year | 36,51,093 |
| | 25,82,74,328 |
| Add: Profit for the year transferred from statement of profit and loss | 3,75,26,061 |
| | 29,58,00,389 |
| Less:- Profit for the year transferred to general reserve | - |
| As at 31st March 2019 | 29,58,00,389 |

Dividend : The Board of Directors at its meeting held on 25 May 2019 have recommended a dividend of Re. 1 each per share of face value of Rs. 10 each for the financial year ended 31 March 2019. The said dividend is subject to approval of shareholders at the ensuing Annual General Meeting of the Company and hence not recognised as a liability.

| | |
|--|-----------|
| Dividend proposed @ Re. 1.00 per share | 88,81,150 |
| Dividend distribution tax on above | 18,25,546 |

Summary of other equity

| | As at 31st March, 2019 Rs. | As at 31st March, 2018 Rs. |
|--|----------------------------------|----------------------------------|
| Capital reserves | 39,66,150 | 39,66,150 |
| Securities premium | 7,83,75,000 | 7,83,75,000 |
| General reserve | 127,00,00,000 | 127,00,00,000 |
| Surplus in statement of profit and loss (Incl. OCI) | 29,58,00,389 | 27,96,87,721 |
| | 164,81,41,539 | 163,20,28,871 |

Nature of reserves:

- Capital Reserve : Capital reserve represents incentive given by the government in the year 1995 for furtherance of industry.
- Securities premium : Securities premium represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of Sec.52 of Companies Act, 2013.
- General reserve : The general reserve is created by way of transfer of part of the profits before declaring dividend pursuant to the provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.
- Retained earnings : Retained earnings are the profits that the company has earned till date less transfers to general reserves and dividends paid to shareholders.

13. OTHER FINANCIAL LIABILITIES

| | Non-Current | | Current | |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | As at 31st March 2019 Rs. | As at 31st March 2018 Rs. | As at 31st March 2019 Rs. | As at 31st March 2018 Rs. |
| a) Refundable security deposits from agents | 8,91,000 | 8,91,000 | - | - |
| b) Interest accrued but not due | | | 33,93,144 | 29,28,010 |
| c) Interest accrued and due | | | - | - |
| d) Unclaimed dividend | | | 26,52,020 | 25,48,403 |
| e) Employee related payments | | | 1,42,13,691 | 1,41,38,879 |
| f) Other liabilities | | | 23,39,408 | 12,30,098 |
| Total | 8,91,000 | 8,91,000 | 2,25,98,263 | 2,08,45,390 |

14. PROVISIONS

| | Non-Current | | Current | |
|------------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | As at 31st March 2019 | As at 31st March 2018 | As at 31st March 2019 | As at 31st March 2018 |
| | Rs. | Rs. | Rs. | Rs. |
| a) Provision for employee benefits | | | | |
| - Leave encashment (unfunded) | 81,71,965 | 68,68,099 | 47,19,258 | 52,95,269 |
| Total | 81,71,965 | 68,68,099 | 47,19,258 | 52,95,269 |

15. DEFERRED TAX LIABILITIES (NET)

| | As at 31st March 2019 | As at 31st March 2018 |
|--|----------------------------------|----------------------------------|
| | Rs. | Rs. |
| Comprises temporary differences attributable to: | | |
| Liability: | | |
| Depreciation | 8,78,33,696 | 9,89,87,365 |
| Asset: | | |
| Employee benefits related and others | 2,40,66,737 | 2,47,73,623 |
| Provisions | 1,66,920 | 1,74,720 |
| Net deferred tax liability | 6,36,00,039 | 7,40,39,022 |

Movement in deferred tax assets/liabilities

| | As at 31st March 2017 | Charge/(Credit) to P&L a/c | As at 31st March 2018 | Charge/(Credit) to P&L a/c | As at 31st March 2019 |
|--|----------------------------------|---|----------------------------------|---|----------------------------------|
| | Rs. | Rs. | Rs. | Rs. | |
| Deferred tax liabilities/ (assets) in relation to: | | | | | |
| Depreciation | 10,32,13,824 | (42,26,459) | 9,89,87,365 | (1,11,53,669) | 8,78,33,696 |
| Expenses allowable under Income tax when paid | (2,46,15,601) | (3,32,742) | (2,49,48,343) | 7,14,686 | (2,42,33,657) |
| Total | 7,85,98,223 | (45,59,201) | 7,40,39,022 | (1,04,38,983) | 6,36,00,039 |

16. OTHER LIABILITIES

| | Non-Current | | Current | |
|--------------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | As at 31st March 2019 Rs. | As at 31st March 2018 Rs. | As at 31st March 2019 Rs. | As at 31st March 2018 Rs. |
| a) Advance received against sales | - | - | 42,80,542 | 53,87,099 |
| b) Statutory liabilities | - | - | 7,83,90,647 | 8,33,16,101 |
| Total | - | - | 8,26,71,189 | 8,87,03,200 |

17. SHORT TERM BORROWINGS

| | As at 31st March 2019 Rs. | As at 31st March 2018 Rs. |
|-------------------------------------|---------------------------------|---------------------------------|
| A. Secured | | |
| Loans repayable on demand : | | |
| a) Working capital loans from banks | | |
| i) Andhra Bank | - | 6,72,492 |
| ii) State Bank of India | - | 4,79,264 |
| B. Unsecured | | |
| a) Fixed deposits from | | |
| i) Shareholders | 6,14,54,358 | 4,70,57,681 |
| ii) Directors | 57,91,679 | 70,56,094 |
| iii) Others | 1,60,76,481 | 1,12,83,229 |
| Total | 8,33,22,518 | 6,65,48,760 |

Note:

- Working capital loans from Andhra Bank and SBI are secured by way of hypothecation of current assets of the company on pari passu basis.
- The above loans carries interest at following rates:
Andhra Bank @9.60% and SBI @9.90%
- Fixed deposits accepted during the year carries interest @9.50%. The company made no defaults in repayment of deposits on due date.

18. TRADE PAYABLES

| | As at 31st March, 2019 Rs. | As at 31st March, 2018 Rs. |
|--|----------------------------------|----------------------------------|
| Dues to : Small and Micro enterprises | - | - |
| : Other than Small and Micro enterprises | 11,91,05,840 | 13,48,62,187 |
| Total | 11,91,05,840 | 13,48,62,187 |

Disclosures required under the Micro, Small and Medium Enterprises Development Act, 2006.

Based on, and to the extent of information received from the suppliers with regard to their status under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), on which the auditors have relied, the disclosure requirements with regard to the payments made/due to Micro, Small and Medium Enterprises are given below:

| | 2018-19 | 2017-18 |
|---|---------|---------|
| 1) Amount remaining unpaid beyond the appointed/agreed date at the end of the year | | |
| a) Principal | Nil | Nil |
| b) Interest due thereon | Nil | Nil |
| 2) Payments made to suppliers during the year beyond appointed/agreed date | | |
| a) Principal | Nil | Nil |
| b) Interest paid on such payments | Nil | Nil |
| c) Interest remaining unpaid as on date of balance sheet | Nil | Nil |
| 3) Total amount of interest for the year accrued and remaining unpaid at the end of the year | Nil | Nil |
| 4) Total amount of interest including that arising in earlier years accrued and remaining unpaid at the end of the year | Nil | Nil |

| 19. REVENUE FROM OPERATIONS: | 2018-19 | | 2017-18 | |
|-----------------------------------|-------------|---------------|-------------|---------------|
| | MT | Rs. | MT | Rs. |
| Fatty acids | 47,986 | 261,36,37,831 | 35,392 | 218,93,50,400 |
| Soap products | 20,579 | 108,73,95,278 | 14,703 | 91,23,88,381 |
| Glycerine | 1,571 | 9,33,11,686 | 3,259 | 20,18,16,425 |
| Pitch | 2,215 | 4,70,77,179 | 3,123 | 4,29,39,619 |
| Industrial oxygen (cu.mtrs) | 6,56,259 | 65,68,922 | 6,11,209 | 60,34,918 |
| Wind power (kwh) | 1,27,18,275 | 3,71,97,359 | 1,48,51,184 | 4,23,21,881 |
| Biomass power (kwh) | 1,30,54,300 | 8,51,47,084 | 96,03,400 | 5,81,19,211 |
| Others | | 1,25,94,228 | | 90,67,552 |
| Revenue from sale of products (A) | | 398,29,29,567 | | 346,20,38,387 |

1) The sale of Bio-mass power does not include 1,81,52,852 kwh value of Rs.9,99,78,879/- (P.Y.1,53,10,866 kwh value of Rs.10,48,79,432/-) consumed internally.

2) The above includes excise duty of - Rs. 6,98,59,382

| PROCESSING CHARGES RECEIVED: | 2018-19 | | 2017-18 | |
|------------------------------|---------|-------------|---------|-----------|
| | MT | Rs. | MT | Rs. |
| Toilet soap | 4,523 | 2,76,48,978 | - | - |
| Soap noodles | - | - | 886 | 63,20,855 |
| Cattle feed | - | - | 2 | 9,718 |
| Revenue from services (B) | | 2,76,48,978 | | 63,30,573 |

| OTHER OPERATING REVENUE : | 2018-19 | 2017-18 |
|--|----------------------|----------------|
| | Rs. | Rs. |
| Export incentives - duty drawback | 27,05,313 | 43,43,014 |
| MEIS incentives | 1,10,84,234 | 1,18,56,144 |
| Other operating revenue (C) | 1,37,89,547 | 1,61,99,158 |
| Total revenue from operations (A+B+C) | 402,43,68,092 | 348,45,68,118 |

20. OTHER INCOME

| | 2018-19 | 2017-18 |
|--|-----------------------|----------------|
| | Rs. | Rs. |
| Interest received from banks & others (From financial assets recognised at amortised cost) | 1,25,53,526 | 85,26,018 |
| Dividend received - current investment (From financial assets recognised at FVTPL*) - Non-current investment | 34,45,705 - | 6,39,128 - |
| (From financial assets recognised at FVTOCI**) | | |
| Rental charges received | 1,47,788 | 96,912 |
| Difference in foreign exchange (net) | - | 1,13,35,844 |
| Sale of scrap | - | 54,280 |
| Profit on sale of assets | 75,255 | 1,85,838 |
| Claims/refunds received | 3,35,213 | 2,71,778 |
| Weighment charges received | 2,60,042 | 3,11,470 |
| Credit balances written back | 124 | 16,182 |
| Miscellaneous receipts | 52,939 | 35,082 |
| Total | 1,68,70,592 | 2,14,72,532 |

*FVTPL : Fair value through profit and loss.

**FVTOCI : Fair value through other comprehensive income.

Note:

- Interest from banks and others includes interest earned on fixed deposits with banks and from customers on delays in payments. These financial assets are measured at amortised cost.
- The dividend income is earned from current investments designated as at FVTPL and from non-current term investments designated as at FVTOCI.

21. COST OF MATERIAL CONSUMED

| | 2018-19 | 2017-18 |
|----------------------------|---------------|---------------|
| | Rs. | Rs. |
| Opening stock | 22,58,93,994 | 8,76,15,000 |
| Purchases | 292,58,29,954 | 254,56,07,818 |
| | 315,17,23,948 | 263,32,22,818 |
| Less: Sale of raw material | 25,30,879 | 2,94,88,323 |
| Closing stock | 13,49,38,560 | 22,58,93,994 |
| Total | 301,42,54,509 | 237,78,40,501 |

Components of materials consumed :

| | 2018-19 | | 2017-18 | |
|------------------------|---------|---------------|---------|---------------|
| | MT | Rs. | MT | Rs. |
| Non edible oils | 35,104 | 166,62,50,000 | 32,553 | 156,85,43,070 |
| Fatty acid distillates | 32,487 | 134,25,98,377 | 15,316 | 80,92,97,431 |
| Others | | 54,06,132 | | - |
| | | 301,42,54,509 | | 237,78,40,501 |

Comparison between consumption of imported and indigenous raw materials during the year

| | 2018-19 | | 2017-18 | |
|------------|---------------|-----|---------------|-----|
| | Value | % | Value | % |
| Imported | 99,04,94,459 | 33 | 21,78,53,375 | 9 |
| Indigenous | 202,37,60,050 | 67 | 215,99,87,126 | 91 |
| | 301,42,54,509 | 100 | 237,78,40,501 | 100 |

22. (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

| Particulars | 2018-19 | 2017-18 |
|-------------------------------------|---------------|--------------|
| | Rs. | Rs. |
| A. Opening stock | | |
| Finished goods | 15,32,20,051 | 16,11,21,153 |
| Work-in-progress | 9,79,89,809 | 21,23,30,910 |
| Stock-in-trade | - | - |
| | 25,12,09,860 | 37,34,52,063 |
| B. Closing stock | | |
| Finished goods | 15,72,25,710 | 15,32,20,051 |
| Work-in-progress | 18,02,60,190 | 9,79,89,809 |
| Stock-in-trade | - | - |
| | 33,74,85,900 | 25,12,09,860 |
| (A-B) | (8,62,76,040) | 12,22,42,203 |
| (Increase)/decrease of stocks Total | (8,62,76,040) | 12,22,42,203 |

Details of opening and closing stock of finished goods:

| | 2018-19 | | 2017-18 | |
|-----------------------------|---------|---------------------|---------|---------------------|
| | MT | Rs. | MT | Rs. |
| Opening stocks: | | | | |
| Fatty acids | 1,608 | 8,74,02,213 | 1,190 | 7,55,49,947 |
| Soap products | 1,188 | 6,40,07,320 | 1,136 | 7,61,68,702 |
| Glycerine | 14 | 8,67,443 | 9 | 4,08,339 |
| Industrial oxygen (cu.mtrs) | 203 | 1,788 | 406 | 2,987 |
| Others | | 9,41,287 | | 89,91,178 |
| | | <u>15,32,20,051</u> | | <u>16,11,21,153</u> |
| Closing stocks: | | | | |
| Fatty acids | 1,626 | 8,49,86,382 | 1,608 | 8,74,02,213 |
| Soap products | 1,341 | 6,75,46,023 | 1,188 | 6,40,07,320 |
| Glycerine | 9 | 3,30,364 | 14 | 8,67,443 |
| Industrial oxygen (cu.mtrs) | 1,022 | 9,545 | 203 | 1,788 |
| Others | | 43,53,396 | | 9,41,287 |
| | | <u>15,72,25,710</u> | | <u>15,32,20,051</u> |

Details of opening and closing stock of work-in-progress:

| | 2018-19 | 2017-18 |
|---------------------|---------------------|---------------------|
| | Rs. | Rs. |
| Opening WIP: | | |
| Fatty acids | 6,53,34,025 | 10,71,38,528 |
| Soap products | 1,32,88,712 | 2,08,42,329 |
| Glycerine | 1,93,67,072 | 1,77,87,756 |
| Oils | - | 6,65,62,297 |
| | <u>9,79,89,809</u> | <u>21,23,30,910</u> |
| Closing WIP: | | |
| Fatty acids | 11,03,56,042 | 6,53,34,025 |
| Soap products | 2,20,08,096 | 1,32,88,712 |
| Glycerine | 4,78,96,052 | 1,93,67,072 |
| | <u>18,02,60,190</u> | <u>9,79,89,809</u> |

23. EMPLOYEE BENEFITS EXPENSE

| | 2018-19 | 2017-18 |
|---|---------------------|---------------------|
| | Rs. | Rs. |
| Salaries, wages and bonus | 21,00,35,069 | 19,24,59,903 |
| Contribution to PF, Gratuity, ESI and other funds | 3,35,80,674 | 2,80,29,284 |
| Workmen and staff welfare expenses | 36,16,889 | 44,63,645 |
| Total | <u>24,72,32,632</u> | <u>22,49,52,832</u> |

24. FINANCE COSTS

| | 2018-19 Rs. | 2017-18 Rs. |
|-----------------------------------|--------------------|--------------------|
| Interest paid to banks and others | 1,18,67,195 | 1,28,64,032 |
| Other borrowing costs | 22,19,990 | 13,32,500 |
| Total | <u>1,40,87,185</u> | <u>1,41,96,532</u> |

25. DEPRECIATION AND AMORTIZATION

| | 2018-19 Rs. | 2017-18 Rs. |
|--------------|--------------------|--------------------|
| Depreciation | 5,44,36,487 | 6,32,11,832 |
| Amortization | 28,04,511 | 21,26,176 |
| Total | <u>5,72,40,998</u> | <u>6,53,38,008</u> |

26. OTHER EXPENSES

| | 2018-19 Rs. | 2017-18 Rs. |
|---|----------------|----------------|
| Stores and spares consumed (including process and packing materials) | 29,59,08,344 | 18,36,78,154 |
| Power and fuel (Includes materials used for generation of power) | 27,95,58,092 | 23,74,86,821 |
| Rents | 14,71,805 | 9,67,957 |
| Repairs to machinery | 4,79,18,670 | 3,60,79,534 |
| Repairs to buildings | 7,62,823 | 10,39,833 |
| Repairs to other assets | 27,28,692 | 17,05,857 |
| Insurance | 69,18,396 | 60,17,481 |
| Rates & taxes | 33,57,143 | 31,84,026 |
| Payment to auditors : | | |
| As auditors towards statutory audit | 3,50,000 | 3,25,000 |
| As tax auditors | 1,80,000 | 1,60,000 |
| Fee for tax representation & certification | 60,000 | 1,30,000 |
| Fee to cost auditors | 1,60,000 | 1,50,000 |
| Other expenses: | | |
| Tools written off | 2,39,077 | 21,112 |
| Advertisement and sales promotion expenses | 7,45,605 | 4,16,212 |

| | | |
|--|---------------------|---------------------|
| Freight outward, export sales & consignment expenses | 9,20,86,452 | 5,83,23,570 |
| Commission on sales | 2,39,09,427 | 2,57,85,632 |
| Directors sitting fees and travelling expenses | 11,46,751 | 11,48,203 |
| Donations | 5,000 | 5,000 |
| CSR expenses | 31,59,000 | 38,01,000 |
| Difference in foreign exchange (net) | 37,84,346 | - |
| Bad debts written off | 27,497 | - |
| Miscellaneous expenses | 1,75,93,290 | 2,16,82,699 |
| Assets written off | 21,719 | 16,865 |
| Total | <u>78,20,92,129</u> | <u>58,21,24,956</u> |

27. INCOME TAX

| | 2018-19 | 2017-18 |
|--|----------------------|--------------------|
| Current-tax | | |
| Provided for current year | 47,00,000 | 1,30,00,000 |
| Deferred tax | | |
| Credit taken during the year | (1,04,38,983) | (45,59,201) |
| Total income-tax expense recognised during the year | <u>(57,38,983)</u> | <u>84,40,799</u> |
| Reconciliation of income-tax expense with the tax on accounting profit as follows: | | |
| Profit before tax | 1,26,07,271 | 4,94,86,236 |
| Income-tax expense @ 33.384% (Pr. Year @33.063%) | 42,08,811 | 1,63,61,634 |
| Tax effect on depreciation difference | 55,29,243 | 50,01,509 |
| Tax on expenses disallowed | 55,71,509 | 12,63,954 |
| Tax on incomes exempt/not taxable | (89,01,394) | 4,76,067 |
| Tax effect on expenses allowed | (17,08,170) | (1,01,03,164) |
| Current tax provision - A) | <u>47,00,000</u> | <u>1,30,00,000</u> |
| Decrease of deferred tax liability on account of fixed assets | (1,11,53,669) | (42,26,459) |
| Decrease/(Increase) of deferred tax on account financial assets and other assets | 7,14,686 | (3,32,742) |
| Deferred tax credit - B) | <u>(1,04,38,983)</u> | <u>(45,59,201)</u> |
| Total income tax expense (A+B) | <u>(57,38,983)</u> | <u>84,40,799</u> |

28. PARTICULARS OF PRODUCTION

| | Production | |
|------------------------------|------------|----------|
| | 2018-19 | 2017-18 |
| | TPA | TPA |
| Fatty acids | 60445 | 45483 |
| Toilet soap | 4809 | 117 |
| Soap products | 20957 | 15791 |
| Glycerine | 2024 | 3507 |
| Industrial oxygen (cu. mtrs) | 660536 | 612847 |
| Biomass power (kWh) | 31207152 | 24914266 |
| Wind power (kWh) | 12718275 | 14851184 |
| TPA = Tonnes per annum | | |

Note:

- Production of fatty acids includes 12305 MT (previous year 9057 MT) utilized for captive consumption at soap plant and Nil MT (previous year – 614 MT) processed on behalf of others.
- Production of glycerine includes 457 MT (previous year 244 MT) consumed for captive consumption at soap plant.
- Production of industrial oxygen includes captive consumption of 3458 cubic meters (Previous year 1841 cu. mtrs).
- Power generation includes 1,81,52,852 units (previous year 1,53,10,866 units) utilized for captive consumption.

29. Value of imports made by the Company during the financial year calculated on CIF basis.

| | 2018-19 | 2017-18 |
|-------------------|---------------------|---------------------|
| | Rs. | Rs. |
| Raw materials | 91,95,12,601 | 20,42,81,073 |
| Stores and spares | 1,97,93,516 | 1,21,51,715 |
| Total | <u>93,93,06,117</u> | <u>21,64,32,788</u> |

- Company incurred expenditure in foreign currency \$ 2,125 (Rs.1,54,806) (previous year \$2125) (Rs.1,37,084) on consultancy services and certification fees € 2000 (Rs.1,60,100) during the year (previous year- Nil).
- 30.** Comparison between consumption of imported and indigenous spares and components during the year charged to appropriate heads of account.

| | 2018-19 | | 2017-18 | |
|------------|---------------------|---------------|---------------------|---------------|
| | Value (Rs.) | % | Value (Rs.) | % |
| Imported | 46,042 | 0.01 | 3,29,777 | 0.08 |
| Indigenous | 60,04,05,256 | 99.99 | 42,08,35,198 | 99.92 |
| | 60,04,51,298 | 100.00 | 42,11,64,975 | 100.00 |

31. SEGMENT INFORMATION

(Current year figures are in bold font)

| | Chemicals | Soap | Power | Unallocated | Eliminations | Consolidated |
|---|----------------------|----------------------|---------------------|----------------------|-----------------------|----------------------|
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| Revenue | | | | | | |
| External | 277,63,97,441 | 111,63,38,540 | 13,16,32,111 | | | 402,43,68,092 |
| Revenue | 245,28,59,963 | 92,36,43,962 | 10,80,64,193 | | | 348,45,68,118 |
| Inter-segment | 70,76,44,817 | | 21,05,09,147 | | (91,81,53,964) | |
| Revenue | 51,08,46,786 | | 17,66,63,575 | | (68,75,10,361) | |
| Total revenue | 348,40,42,258 | 111,63,38,540 | 34,21,41,258 | | (91,81,53,964) | 402,43,68,092 |
| (See Note below) | 296,37,06,749 | 92,36,43,962 | 28,47,27,768 | | (68,75,10,361) | 348,45,68,118 |
| Result | | | | | | |
| Segment result | 10,79,80,265 | (1,77,40,990) | 2,17,95,531 | | | 11,20,34,805 |
| | 15,92,32,910 | (2,84,58,716) | 82,04,451 | | | 13,89,78,645 |
| Unallocated expenditure net of unallocated income | | | | (9,78,93,874) | | (9,78,93,874) |
| | | | | (8,38,21,896) | | (8,38,21,896) |
| Operating profit | | | | | | 1,41,40,931 |
| | | | | | | 5,51,56,749 |
| Interest expenses | | | | 1,40,87,185 | | 1,40,87,185 |
| | | | | 1,41,96,532 | | 1,41,96,532 |
| Interest income | | | | 1,25,53,526 | | 1,25,53,526 |
| | | | | 85,26,018 | | 85,26,018 |
| Profit before tax | | | | | | 1,26,07,272 |
| | | | | | | 4,94,86,236 |
| Provision for tax | | | | | | 47,00,000 |
| | | | | | | 1,30,00,000 |
| Deferred tax credit/ (Charge) | | | | | | 1,04,38,983 |
| | | | | | | 45,59,201 |

| | Chemicals | Soap | Power | Unallocated | Eliminations | Consolidated |
|--|---------------------------------------|-------------------------------------|-------------------------------------|--------------------------------------|--------------|--|
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| Excess provision of I.T. in earlier years | | | | | | 1,33,98,343 - |
| Profit after taxation | | | | | | 3,17,44,598 4,10,45,437 |
| Other Information | | | | | | |
| Segment assets | 141,83,61,289 | 36,97,77,497 | 36,94,07,083 | | | 215,75,45,869 |
| | 129,54,40,283 | 38,26,89,730 | 30,89,40,418 | | | 198,70,70,430 |
| Unallocated corporate assets | | | | (3,55,08,008) 13,18,27,618 | | (3,55,08,008) 13,18,27,618 |
| | | | | | | 212,20,37,861 |
| Total assets | | | | | | 211,88,98,048 |
| Segment liabilities | 24,51,31,742 6,00,49,425 | 19,93,85,800 13,98,17,364 | 28,24,78,996 13,63,44,499 | | | 72,69,96,539 33,62,11,288 |
| Unallocated corporate liabilities | | | | (34,19,16,470) 6,18,41,462 | | (34,19,16,470) 6,18,41,462 |
| Total liabilities | | | | | | 38,50,80,068 39,80,52,750 |
| Capital employed | 117,32,29,547 123,53,90,858 | 17,03,91,696 24,28,72,366 | 8,69,28,087 17,25,95,918 | 30,64,08,462 6,99,85,979 | | 173,69,57,791 172,08,45,121 |
| Capital expenditure during the year | - - | 9,57,317 - | - - | 3,96,29,157 81,85,655 | | 4,05,86,474 81,85,655 |
| Depreciation for the year | 2,59,45,475 3,16,59,544 | 86,74,090 72,77,013 | 1,62,84,588 1,68,55,220 | 63,36,845 95,46,232 | | 5,72,40,998 6,53,38,008 |

Note:

- The Company has considered business segment as the primary segment for disclosure. The products included in each of the reported domestic business segments are
 - Chemicals – fatty acids
 - Soap – toilet soap and soap products
 - Power – power generated by biomass power plant and wind energy generators (WEGs)
- Segment revenue relating to each of the above domestic business segments includes income from processing on behalf of others wherever applicable.

- c. The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Operations segments have been identified considering the following.
- the nature of products and services
 - the differing risks and returns
 - the organization structure and
 - the internal financing reporting systems
- d. The Company predominantly operates in Indian market and has no production facilities or any significant sales outside India. Hence there are no separate reportable geographical segments.
- e. Inter segment transfers are priced at market related rates.

| | As at 31-03-2019 Rs. | As at 31-03-2018 Rs. |
|--|----------------------------|----------------------------|
| 32. Contingent liabilities not provided for – | | |
| a) Estimated amount of contracts remaining to be executed and not provided for which commitment is made (towards raw materials and stores) | 20,74,94,353 | 21,73,60,883 |
| b) Claims against the Company not admitted as debts relating to: | | |
| i) Excise, customs and service tax | 32,03,124 | 1,28,90,035 |
| ii) Income-tax | - | - |
| iii) State levies | 38,99,793 | 15,89,620 |
| iv) Other contracts | 4,31,907 | 4,19,877 |
| 33. Foreign exchange earnings on exports during the year calculated on FOB basis Rs.70,38,15,113 (Previous year Rs. 28,95,34,372). | | |

34. RELATED PARTY DISCLOSURES

- a) List of related parties and description of relationship:
1. Holding Company : The Andhra Sugars Ltd.
 2. Key managerial personnel : J. Murali Mohan, Managing Director
 3. Relatives of key managerial personnel
- | | |
|---------------------|----------|
| a) J. Ganga Bhavani | Mother |
| J. Sunita Mohan | Wife |
| J. Namrata | Daughter |
| V. Indira | Sister |
| J. Murali Mohan | HUF |

b) Related party transactions

(Amount in Rs.)

(Current year figures are in bold font)

| Particulars | Holding Company | Key Managerial Personnel | Relatives of Key Managerial Personnel |
|------------------------------|---------------------------------|-----------------------------------|---------------------------------------|
| Purchase of goods | 27,45,414 21,42,014 | - | - |
| Sale of goods | 14,79,327 29,12,474 | - | - |
| Receiving of services | | | |
| J. Sunita Mohan | - - | - - | 57,000 57,000 |
| Interest Paid | - | 5,93,211 12,47,556 | - |
| J. Sunita Mohan | - - | - - | 84,618 74,247 |
| J. Ganga Bhavani | - - | - - | 2,32,138 2,02,467 |
| J. Namrata | - - | - - | 5,81,895 4,97,821 |
| J. Murali Mohan (HUF) | - - | - - | 6,22,349 5,51,400 |
| Remuneration paid | - - | 1,13,30,070 1,19,96,578 | - - |
| Dividend paid | 97,73,000 1,46,59,500 | 5,120 7,680 | |
| J.Murali Mohan (HUF) | - | - | 35,080 52,620 |
| J.Sunita Mohan | - - | - - | 10,672 16,008 |
| J.Ganga Bhavani | - - | - - | 8,100 12,150 |
| J.Namrata | - - | - - | 3,600 5,400 |
| V.Indira | - - | - - | 15,000 22,500 |

| Particulars | Holding Company | Key Managerial Personnel | Relatives of Key Managerial Personnel |
|---------------------------------|--------------------|--------------------------|---------------------------------------|
| Balances as at 31-3-2019 | | | |
| a) Share capital of the Company | 4,88,65,000 | 25,600 | - |
| held by | 4,88,65,000 | 25,600 | - |
| J.Murali Mohan (HUF) | - | - | 1,75,400 |
| | - | - | 1,75,400 |
| J.Sunita Mohan | - | - | 53,360 |
| | - | - | 53,360 |
| J.Ganga Bhavani | - | - | 40,500 |
| | - | - | 40,500 |
| J.Namrata | - | - | 18,000 |
| | - | - | 18,000 |
| V. Indira | - | - | 75,000 |
| | - | - | 75,000 |
| b) Fixed Deposits received | - | 57,91,679 | - |
| from | - | 70,56,094 | - |
| J. Sunita Mohan | - | - | 9,29,949 |
| | - | - | 8,54,271 |
| J. Ganga Bhavani | - | - | 26,58,498 |
| | - | - | 22,59,890 |
| J. Namrata | - | - | 63,76,653 |
| | - | - | 54,25,613 |
| J. Murali Mohan (HUF) | - | - | 69,25,586 |
| | - | - | 60,40,505 |
| c) Remuneration payable | - | 10,50,256 | - |
| | - | 14,82,804 | - |

35. Disclosure required by Ind AS - 19 "Employee benefits"

I. Defined contribution plans

During the year, the Company has recognized the following contribution amounts in the Statement of Profit and loss.

| | Year ended 31-3-2019 | Year ended 31-3-2018 |
|--|-------------------------|-------------------------|
| | Rs. | Rs. |
| Employer's contribution to provident fund | 1,78,38,552 | 1,54,63,144 |
| Employer's contribution to superannuation fund | 45,12,960 | 41,41,429 |
| Employer's contribution to employees state insurance | 62,07,518 | 53,72,164 |
| Total recognized in the statement of profit and loss | <u>2,85,59,030</u> | <u>2,49,76,737</u> |

II. Defined benefit plans :

| | Gratuity | |
|---|--------------------|--------------------|
| | 31-3-2019 | 31-3-2018 |
| | Rs. | Rs. |
| Present value of obligations at beginning of the year | 9,39,46,799 | 8,50,68,598 |
| Interest cost | 72,20,181 | 66,50,237 |
| Current service cost | 58,53,997 | 44,52,122 |
| Past service cost | - | 1,34,907 |
| Benefits paid | (73,89,068) | (38,81,268) |
| Net actuarial loss | <u>(90,00,555)</u> | <u>15,22,203</u> |
| Present value of obligations at end of the year | <u>9,06,31,354</u> | <u>9,39,46,799</u> |

Reconciliation for changes in fair value of plan assets

| | | |
|--|---------------------|---------------------|
| Fair value of plan assets at beginning of the year | 10,71,48,498 | 10,27,37,883 |
| Expected return | 79,65,646 | 80,91,870 |
| Contribution by employer | 13,44,249 | 7,02,264 |
| Benefits paid | (73,89,068) | (38,81,268) |
| Re-measurements - return on assets | 29,238 | (5,02,250) |
| Fair value of plan assets at end of the year | <u>10,90,98,563</u> | <u>10,71,48,499</u> |

Reconciliation of present value of defined benefit obligations and fair value of plan assets

| | | |
|---|---------------------|---------------------|
| Present value of defined benefit obligations at end of the year | 9,06,31,354 | 9,39,46,799 |
| Fair value of plan assets at end of the year | <u>10,90,98,563</u> | <u>10,71,48,499</u> |
| Fund balance/(plan liability) recognised in the balance sheet | <u>1,84,67,209</u> | <u>1,32,01,700</u> |

Expenses recognized in the Statement of Profit and Loss

| | | |
|---|-------------------|-------------|
| Current service cost | 58,53,997 | 45,87,029 |
| Interest cost (net) | (7,45,465) | (14,41,633) |
| Net expenses recognized in the statement of profit and loss | 51,08,532 | 31,45,396 |

Expenses recognized in Other Comprehensive income

| | | |
|-----------------------|--------------------|-----------|
| Return on plan assets | (29,238) | 5,02,251 |
| Actuarial losses | (90,00,555) | 15,22,203 |
| | (90,29,793) | 20,24,454 |

Obligations and fund balance of gratuity for the last 5 financial years

| | 31.3.2019 | 31.3.2018 | 31.3.2017 | 31.3.2016 | 31.3.2015 |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Obligations at the end of each year | 9,06,31,354 | 9,39,46,799 | 8,50,68,598 | 8,03,70,848 | 7,16,97,071 |
| Plan assets at the end of each year | 10,90,98,563 | 10,71,48,499 | 10,27,37,883 | 10,27,52,161 | 9,52,21,820 |
| Fund status | 1,84,67,209 | 1,32,01,700 | 1,76,69,285 | 2,23,81,313 | 2,35,24,749 |

Sensitivity analysis

Discount rate, salary escalation rate and withdrawal rate are significant actuarial assumptions. The change in the present value of defined benefit obligation (DBO) for a change of 100 basis points from the assumed assumption is given below.

Summary of financial & demographic assumptions:-

| Scenario | DBO Rs. | Percentage Change % |
|--------------------------------|--------------|------------------------|
| Under base scenario | 9,06,31,354 | 0.00 |
| Salary escalation - up by 1% | 10,13,17,178 | 11.80 |
| Salary escalation - down by 1% | 8,14,99,396 | (10.10) |
| Withdrawal rates - up by 1% | 9,12,19,368 | 0.60 |
| Withdrawal rates - down by 1% | 8,99,43,412 | (0.80) |
| Discount rate - up by 1% | 8,15,44,307 | (10.00) |
| Discount rate - down by 1% | 10,14,66,568 | 12.00 |

Maturity profile of defined benefit obligation

| | Rs. | | Rs. |
|--------|-----------|---------|-------------|
| Year 1 | 50,71,989 | Year 6 | 39,14,358 |
| Year 2 | 62,71,962 | Year 7 | 67,00,864 |
| Year 3 | 70,69,629 | Year 8 | 51,92,804 |
| Year 4 | 55,66,715 | Year 9 | 4,68,62,863 |
| Year 5 | 69,56,076 | Year 10 | 81,70,544 |

Participant data

The defined benefit obligation for the period ending 31 March 2019 is based on the member data provided by the Company.

The summary statistics for the data is as follows:

| Summary of membership status | 31.03.2019 | 31.03.2018 |
|------------------------------|-------------|------------|
| Number of employees | 1,066 | 719 |
| Total monthly salary (Rs.) | 1,17,76,335 | 86,76,031 |
| Average monthly salary (Rs.) | 11,047 | 12,067 |
| Average past service | 11.17 | 15.03 |
| Average age | 38 | 40 |
| Average future service | 22 | 21 |

(In %)

Actuarial assumptions

| | Gratuity | |
|------------------------------------|-----------------|------------|
| | Year ended | Year ended |
| | 2018-19 | 2017-18 |
| a) Discount rate | 7.65 | 8 |
| b) Salary escalation rate per unit | 7-10 | 7-8 |

The major category of plan assets as a % of total plan assets are funded with Life Insurance Corporation of India.

36. EARNINGS PER SHARE

| | 2018-19 | 2017-18 |
|--|-------------|-------------|
| Profit for the year | 3,17,44,597 | 4,10,45,437 |
| Weighted average number of equity shares of Rs.10 each | 88,81,150 | 88,81,150 |
| Basic and diluted earnings per share | 3.57 | 4.62 |

37. CATEGORY WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

The carrying amounts and fair value of financial instruments by categories as at 31 March 2019 and 31 March 2018 are as follows.

| | Carrying value (Rs.) | | Fair Value (Rs.) | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | As at 31st March, 2019 | As at 31st March, 2018 | As at 31st March, 2019 | As at 31st March, 2018 |
| Financial assets | | | | |
| Measured at amortised cost | | | | |
| (i) Cash and cash equivalents | 17,66,81,187 | 18,02,40,877 | 17,66,81,187 | 18,02,40,877 |
| (ii) Trade receivables | 57,45,40,337 | 49,21,45,779 | 57,45,40,337 | 49,21,45,779 |
| (iii) Other financial assets | 79,80,684 | 1,03,79,329 | 79,80,684 | 1,03,79,329 |
| (iv) Loans and advances | - | - | - | - |
| Measured at FVTOCI | | | | |
| (i) Investments in equity instruments | 5,60,20,304 | 5,92,68,633 | 5,60,20,304 | 5,92,68,633 |
| Measured at FVTPL | | | | |
| (i) Current investments - mutual funds | 3,07,89,911 | 10,09,49,532 | 3,07,89,911 | 10,09,49,532 |
| Total financial assets | 84,60,12,423 | 84,29,84,150 | 84,60,12,423 | 84,29,84,150 |
| Financial liabilities | | | | |
| Measured at amortised cost | | | | |
| (i) Borrowings | 8,33,22,518 | 6,65,48,760 | 8,33,22,518 | 6,65,48,760 |
| (ii) Other financial liabilities | 2,34,89,263 | 2,17,36,390 | 2,34,89,263 | 2,17,36,390 |
| (iii) Trade payables | 11,91,05,840 | 13,48,62,187 | 11,91,05,840 | 13,48,62,187 |
| Total financial liabilities | 22,59,17,621 | 22,31,47,337 | 22,59,17,621 | 22,31,47,337 |

The Company has disclosed financial instruments such as cash and cash equivalents, trade receivables, trade payables and Short Term Borrowings at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short-term nature.

Calculation of fair values

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31st March, 2018.

Financial assets and liabilities measured at fair value as at Balance Sheet date

The fair values of investments in mutual funds is based on the net asset value ['NAV'] as stated by issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual funds and the price at which issuers will redeem such units from the investors.

38. FAIR VALUE HIERARCHY

The fair value of financial instruments as referred to above note have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identified assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements]

The categories used are as follows:

Level 1: Quoted prices for identified instruments in an active market.

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data.

This note provides information about how the Company determines fair values of various financial assets and financial liabilities. Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis. Some of the Company's financial assets are measured at the fair value at the end of each reporting period.

The following table gives information about how the fair value of these financial assets and financial liabilities are determined (in particular, the valuation technique and other inputs used).

| Financial assets/ Financial liabilities | Fair value as at | | | Fair value hierarchy | Valuation technique and key input |
|---|--|----------------------|----------------------|----------------------|---------------------------------------|
| | | March 31 2019 Rs. | March 31 2018 Rs. | | |
| 1) Investments in quoted mutual funds | Investment in Quoted mutual funds-aggregate fair value of - | 3,07,89,911 | 10,09,49,532 | Level 1 | Quoted bid prices in an active market |
| 2) Investments in equity instruments (quoted) | Listed equity securities in various companies domiciled in India aggregate fair value of - | 5,60,20,304 | 5,92,68,633 | Level1 | Quoted bid prices in an active market |

Note: The fair value of trade receivables, trade payables, loans and other current financial assets and liabilities is considered to be equal to the carrying amount of these items due to their short-term nature.

39. FINANCIAL RISK MANAGEMENT

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, credit risk and foreign currency risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company's risk management

policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also planned before the Board of Directors of the Company.

A. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligation. To manage this, the company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of the account receivables. Individual risk limits are set accordingly.

The following table gives details in respect of revenues generated from top customer and top five customers.

| | For the Year ended 31st March 2019 | For the Year ended 31st March 2018 |
|---|---------------------------------------|---------------------------------------|
| | Rs. | Rs. |
| Revenue from top customers from whom the company receives 10% or more of its revenues | 212,24,55,021 | 60,72,90,266 |
| Revenue from top five customers | 259,58,35,557 | 141,27,71,908 |

Trade receivables

Concentration of credit risk with respect to trade receivables are limited, due to Company's customer base being large and diverse. All trade receivables are reviewed and assessed for default on a monthly basis. Historical experience of collecting receivables is that credit risk is low. Hence, trade receivables are considered to be a single class of financial assets.

Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks and money market liquid mutual funds.

The Company's maximum exposure of credit risk as at March 31, 2019, and March 31, 2018 is the carrying value of each class of financial assets.

B. Foreign Currency Risk Management

The Company is subject to the risk that changes in foreign currency values impact the Company's export revenues and import of raw materials. The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollars.

The Company manages currency exposures within prescribed limits. The aim of the Company's approach to management of currency risk is to leave the Company with no material residual risk.

The following table presents foreign currency risk from non-derivative financial instruments as of March 31, 2019 and March 31, 2018.

| Particulars | (Amount in Rs.) | |
|---------------------------|-----------------|--------------|
| | 31.3.2019 | 31.3.2018 |
| | \$ | \$ |
| Assets : | | |
| Trade receivables | 18,87,92,656 | 3,87,61,650 |
| Cash and cash equivalents | 14,28,91,115 | 6,51,15,833 |
| Liabilities | | |
| Trade payables | 47,02,355 | - |
| Net asset / (liabilities) | 32,69,81,416 | 10,38,77,483 |

Foreign currency sensitivity analysis

A 5% strengthening of the INR against key currencies to which the Company is exposed would have led to approximately an additional Rs.1,63,49,071 gain in the Statement of Profit and Loss (2017-18: Rs.51,93,874 gain). A 5% weakening of the INR against these currencies would have led to an equal but opposite effect.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rates. The company has not entered into any derivative contracts like foreign exchange forward contracts to hedge the risk of exposure in foreign currency.

C. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2019 and March 31, 2018. Cash flow from operating activities provides the funds to service the financial liabilities on a day to day basis.

The Company regularly maintains the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and mutual funds with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities. All the payables such as trade payables and borrowings falls due for payment within one year.

D. Market Risk

The Company continues to hold certain investments in equity for long term value accretion which are accordingly measured at fair value at other comprehensive income. The value of investments in such equity instruments are Rs.5,60,01,804. Accordingly the fair value fluctuations arising from market volatility is recognised in other comprehensive income.

The company invests in Mutual Funds schemes of leading fund houses. Such investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact the return and value of such investments. However given the relatively short tenure of underline portfolio of the mutual fund schemes in which the company has invested such price risk is not significant.

E. Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on Management's judgment of its strategic day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The Management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or is necessary, adjust its capital structure.

40. DIVIDEND

The board of directors at its meeting held on 25 May, 2019 have recommended a dividend of Re.1 per share of face value of Rs.10 each for the financial year ended 31.3.2019. The above is subject to approval at the ensuing Annual general meeting of the company and hence is not recognised as a liability.

41. Disclosure as per Regulation 53(f) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- i) Loans and advances in the nature of loans given to company in which Directors are interested Rs. NIL. (March 31, 2018 : Rs. NIL).
- ii) Details of investments, loans / guarantees made u/s 186 of Companies Act 2013 : Rs. NIL (March 31, 2018 : Rs. NIL).

- 42. a) Balances in personal accounts of various parties are subject to confirmation by and reconciliation with the said parties.
- b) In the opinion of the management, Current Assets, Loans and advances have a value on realization in the ordinary course of business equal to the values at which they are stated.

43. Previous year's figures have been regrouped wherever necessary to confirm to the current year classification.
44. Paise have been rounded off.

Signatures to Note Nos. 1 to 44 forming part of the Accounts

| | | |
|----------------------------------|--------------------------------|----------------------------------|
| As per our report of even date : | For and on behalf of the Board | |
| For CHEVUTURI ASSOCIATES., | P. NARENDRANATH CHOWDARY | Chairman |
| Chartered Accountants | J. MURALI MOHAN | Managing Director |
| Firm's Registration No.000632S | K. RAGHURAM | Dy. Secretary & AGM (Fin.) (CFO) |
| RAGHUNADHA RAO BALINENI, Partner | | |
| Membership No. 028105 | | |
| Hyderabad | | |
| 25th May, 2019 | | |



Jocil Limited

(A Subsidiary of The Andhra Sugars Limited)

Box 216, Arundelpet P.O., GUNTUR-522 002, AP. • Factory & Regd. Office : DOKIPARRU, GUNTUR-522 438, AP.
CIN : L28990AP1978PLC002260 • Ph : +91 863 2290190 • Fax : +91 863 2290090 • Email : jocil@jocil.net • Web : www.jocil.in

Form No. MGT-11

PROXY FORM

(Pursuant to section 105(6) of Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014))

Name of the Member(s):

Registered Address :

E-mail Id :

Folio No. / Client ID No.: DP ID No. :

I/We, being the member(s) of shares of Jocil Limited, hereby appoint

1. Name : Email Id :

Address :

..... Signature

2. Name : Email Id :

Address :

..... Signature:

3. Name : Email Id :

Address :

..... Signature:

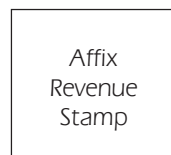
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Forty First Annual
General Meeting of the Company to be held on Saturday, 21st September 2019 at 3.30 p.m. at the

P.T.O.

Registered Office, Jocil Limited, Dokiparru – 522 438, Medikondur Mandal, Guntur Dist., A.P. and at any adjournment thereof in respect of such resolutions as are indicated below :

1. Adoption of Audited Statement of Profit and Loss, Balance Sheet, Report of Board of Directors and Auditors for the year ended 31st March, 2019.
2. Declaration of Dividend for the year 2018-19.
3. Re-appointment of Sri Mullapudi Thimmaraja (DIN : 00016711) who retires by rotation.
4. Re-appointment of Sri K. Srinivasa Rao (DIN : 00381090) who retires by rotation.
5. Ratification of Cost Auditor's remuneration.
6. Appointment of Sri K. Rama Seshayya (DIN : 05162760) as Independent Director.

Signed this day of2019.



x

Signature of the Shareholder

x

Signature of the Proxy holder(s)

Notes : This Form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at Dokiparru – 522438, Medikondur Mandal, Guntur Dist, A.P., not less than 48 hours before the commencement of the Meeting.



Form No. SH-13

Nomination Form

[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]

To

Jocil Limited

Dokiparru, Medikondur Mandal, Guntur - 522 438.

I/We the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

1. PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

| Nature of securities | Folio No. | No. of securities | Certificate No. | Distinctive No. |
|----------------------|-----------|-------------------|-----------------|-----------------|
| | | | | |

2. PARTICULARS OF NOMINEE/S -

- a. Name :
- b. Date of Birth :
- c. Father's/Mother's/Spouse's name :
- d. Occupation :
- e. Nationality :
- f. Address :
- g. E-mail id :
- h. Relationship with the security holder:

3. IN CASE NOMINEE IS A MINOR-

- a. Date of birth :
- b. Date of attaining majority :
- c. Name of guardian :
- d. Address of guardian :

4. PARTICULARS OF THE NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY

- a. Name :
- b. Date of Birth :
- c. Father's/Mother's/Spouse's name :
- d. Occupation :
- e. Nationality :
- f. Address :
- g. E-mail id :
- h. Relationship with the security holder :
i.e., Relationship with the minor nominee

Signature :

Name and address of the Security Holder (s) :

Witness with name and address :

P.T.O.

Instructions :

1. The Nomination can be made only by individuals applying/holding shares/debentures on their own behalf singly or jointly. Non-individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of power of attorney cannot nominate. If the shares are held jointly, all joint holders will sign the nomination form. If there are more joint holders, more sheets can be added for signatures of holders of shares/debentures and witness.
2. A minor can be nominated by a holder of shares/debentures/deposits and in that event the name and address of the Guardian shall be given by the holder.
3. The nominee shall not be a trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family or a power of attorney holder. A non-resident Indian can be a nominee on repatriable basis.
4. Nomination stands rescinded upon transfer of share/debenture or repayment/renewal of deposits made.
5. Transfer of share/debenture in favour of a nominee and repayment of amount of deposit to nominee shall be valid discharge by a company against the legal heir.
6. The intimation regarding Nomination/Nomination Form shall be filed in duplicate with Company/Registrar and Share Transfer Agents of the Company who will return one copy thereof to the share or debenture or deposit holder.

Guidelines for filling in the Nomination Form :

1. Please note that only one person can be nominated for a given folio covering the entire shareholding in such folio.
2. In case of joint holding, all the holders should sign the nomination form.
3. The nomination once made in respect of a given folio would automatically extend to the shares further acquired in the same folio. Similarly, if all the shares in a folio are transferred from such folio, nomination so made in respect of such folio will automatically stand cancelled.
4. Nomination once made can be revoked/changed by submitting fresh nomination form upon receipt of which the earlier nomination will stand cancelled.
5. In case of nominations made by joint holders, upon demise of one of the joint holders, the remaining joint holder(s) will continue to be member(s) of the Company. In such case, the surviving shareholder(s), if he so desires, may make a fresh nomination in the prescribed form by revoking the old nomination.
6. A valid nomination, once made, will override a Will or other testamentary documents executed by the deceased shareholder and the Company will not entertain any claim from any person other than the registered nominee.
7. Nomination forms received by the Company will be scrutinised and the nomination will be registered if the form is found complete in all respects. For all valid nominations received, the Company will allot a registration number and communicate the same to the concerned shareholder who should quote such number in all future correspondence.



Form No. SH-14

Cancellation or Variation of Nomination

[Pursuant to sub-section (3) of section 72 of the Companies Act, 2013 and rule 19(9) of the Companies (Share Capital and Debentures) Rules 2014]

Jocil Limited

I/We hereby cancel the nomination(s) made by me/us in favor of
.....(name and address of the nominee) in respect of the below mentioned securities.

or

I/We hereby nominate the following person in place of
..... as nominee in respect of the below mentioned securities
in whom shall vest all rights in respect of such securities in the event of my/our death.

1. PARTICULARS OF THE SECURITIES

(in respect of which nomination is being cancelled / varied)

| Nature of securities | Folio No. | No. of securities | Certificate No. | Distinctive No. |
|----------------------|-----------|-------------------|-----------------|-----------------|
| | | | | |

2. a. PARTICULARS OF THE NEW NOMINEE :

- i. Name :
- ii. Date of Birth :
- iii. Father's/Mother's/Spouse's name :
- iv. Nationality :
- v. Address :
- vi. E-mail id :
- vii. Relationship with the Security holder :

b. IN CASE NEW NOMINEE IS A MINOR-

- i. Date of Birth :
- ii. Date of attaining majority :
- iii. Name of guardian :
- iv. Address of guardian :

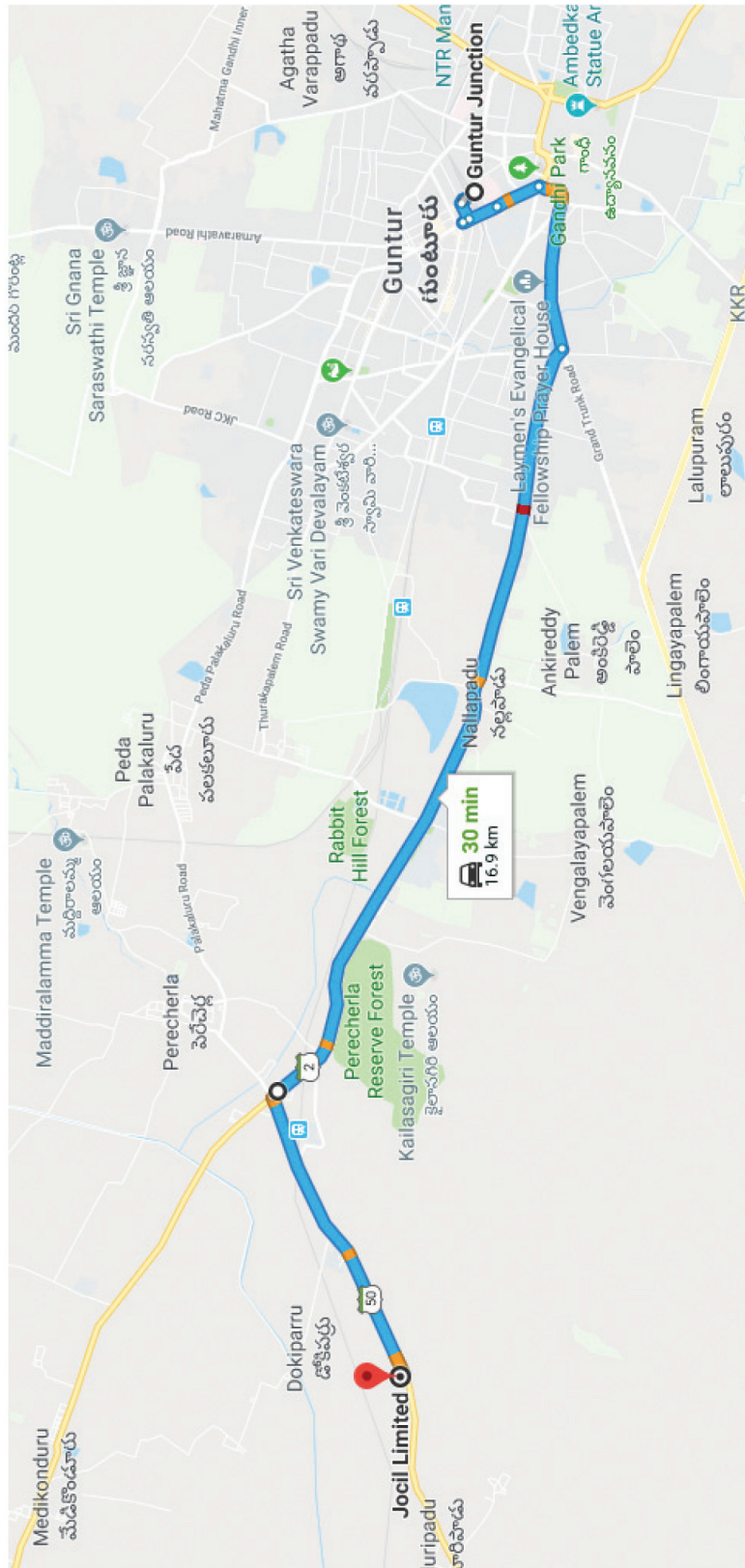
3. PARTICULARS OF THE NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY

- a. Name :
- b. Date of Birth :
- c. Father's/Mother's/Spouse's name :
- d. Occupation :
- e. Nationality :
- f. Address :
- g. E-mail id :
- h. Relationship with the security holder :
i.e., Relationship with the minor nominee

Signature :

Name and address of the Security Holder (s) :

Witness with name and address :



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email : jocil@jocil.net • web : www.jocil.in