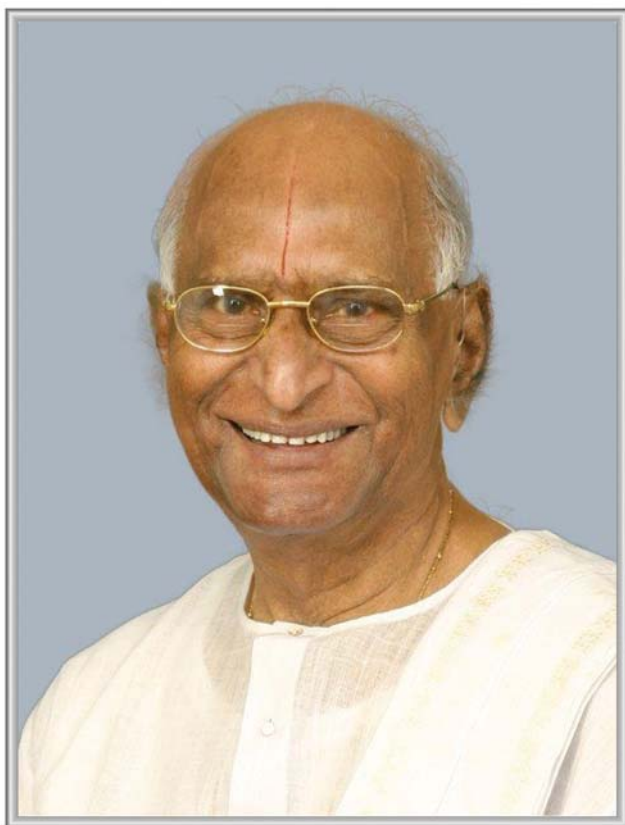


A Legend Passes



Dr. Mullapudi Harischandra Prasad
1921 - 2011
Chairman, Jocil Limited



Dr.Mullapudi Harischandra Prasad
...A Pictorial Tribute



Symbolic takeover of Jayalakshmi Oil & Chemical Industries Ltd by
The Andhra Sugars Limited - 1988



Employees welcoming the new Chairman after takeover



With employees of the Company



Project Planning with Directors



Commissioning of new Distillation Plant - 1991



Jocil Customers' Meet, Delhi - 1991



Honouring the former Managing Director Sri G.Rama Rayudu on his Retirement - 1991



Taking Salute at Inter-Divisional Sports Meet - 1998



Inaugurating Volleyball Competition



With Jocil Team cup winners at Sports Meet



Lighting the Lamp with Minister at Silver Jubilee Celebrations - 2003



Addressing the Gathering at Silver Jubilee Celebrations - 2003



Receiving Nagarjuna University Doctorate from Hon'ble Governor of A.P. Sri C. Rangarajan - 1999



With Family Members after receiving Doctorate



With Board of Directors - 2010



Addressing Shareholders at Annual General Meeting, 2010



Managing Director addressing employees on a Demise of Chairman - 2011



Shareholders paying Homage at Annual General Meeting - 2011



Thank You

Jocil Limited

Regd. Office & Factory : Dokiparru, Guntur-522 438, AP

BOARD OF DIRECTORS

P. Narendranath Chowdary

J. Murali Mohan

Mullapudi Thimmaraja

Y. Narayanarao Chowdary

V.S. Raju

K. Srinivasa Rao

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

Subbarao V. Tipirneni

M. Mrutyumjaya Prasad

Chairman

Managing Director

Director

Director

Director

Director

Director

Director

Director

PRESIDENT & SECRETARY

P. Kesavulu Reddy,

M.Com., LL.B., F.C.M.A., F.C.S.

BANKERS

Andhra Bank, Main Branch, Guntur.

State Bank of India,

Commercial Branch, Guntur.

AUDITORS

Brahmayya & Co.,

Chartered Accountants,

10-3-21, Sambasivapet,

Guntur - 522 001.

COST AUDITORS

Narasimha Murthy & Co.,

104, Pavani Estate,

3-6-365, Himayatnagar,

Hyderabad - 500 029.

STOCK EXCHANGES

National Stock Exchange of India Ltd.,

Exchange Plaza, Bandra Kurla Complex

Bandra (East), Mumbai - 400 051.

Madras Stock Exchange Ltd.,

Post Box No. 183,

11, Second Line Beach,

Chennai - 600 001.

SHARE REGISTRAR & TRANSFER AGENT (RTA)

XL Softech Systems Ltd.,

3, Sagar Society, Road No. 2, Banjara Hills,

Hyderabad - 500 034.

AN ISO 9001:2008
Certified Company



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NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Thirty Fourth Annual General Meeting of the Shareholders of Jocil Limited will be held at the Registered Office of the Company, Dokiparru, Guntur - 522 438, AP on Saturday, the 25th August, 2012 at 3.00 p.m. to transact the following business :

Ordinary Business :

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31st March, 2012 and the Balance Sheet as at that date together with the Reports of Board of Directors and Auditors thereon.
2. To declare dividend for the year 2011-12.
3. To elect a Director in place of Shri Y. Narayanarao Chowdary who retires by rotation and being eligible offers himself for re-election.
4. To elect a Director in place of Shri V.S. Raju who retires by rotation and being eligible offers himself for re-election.
5. To appoint Auditors for the year 2012-13 and to fix their remuneration. The present auditors of the Company M/s. Brahmayya & Co., Chartered Accountants, Guntur, retire at this Annual General Meeting and are eligible for reappointment.

Special Business :

6. To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution.

"RESOLVED that Shri M. Mrutyumjaya Prasad who was appointed as an Additional Director of the Company with elect from 05-11-2011 pursuant to Article 113 of the Articles of Association and who holds office until this Annual General Meeting under Section 260 of the Companies Act, 1956 be and is hereby appointed Director of the Company."

Dokiparru,
26th May, 2012

By Order of the Board of Directors
P. NARENDRANATH CHOWDARY
Chairman

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 schedule time of the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, the 8th August, 2012 to Friday, the 10th August, 2012, both days inclusive.
3. Members are requested to notify any change in address immediately to the Company's Registered Office or Share Registrar and Transfer Agents.
4. Pursuant to Section 205-A of the Companies Act, 1956, the unclaimed dividend for the year ended 31st March, 2004 has been transferred to the Investor Education and Protection Fund established by the Central Government and hence, it is informed that no claim either to the Company or Central Government will be entertained for payment of the same.
5. Information about the Directors seeking reappointment at the 34th Annual General Meeting as required under Corporate Governance is attached.
6. Holders of Shares/Deposits may nominate a person(s) in Form 2B (provided at the end of this report), subject to the provisions of Companies Act, 1956 and Rules made thereunder in whose favour they wish to vest the Shares/Deposits on their death.
7. The dividend for the year ended 31st March, 2012 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 10th August, 2012 as per details provided by share Registrar and 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 7th August, 2012.
8. Shareholders are requested to furnish their bank account number after implementation of Core Banking Solutions (CBS) in order to enable the Company to pay the dividend by National Electronic Clearing Service (NECS).
9. The Equity shares of the Company have been admitted into National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), both depositories, with ISIN - INE839G01010 to facilitate dematerialization. The Company has appointed M/s. XL Softech Systems Ltd., Hyderabad as Common Registrar & Transfer Agent (RTA). The shareholders may dematerialize their shares held in physical form if they so desire.

ANNEXURE TO NOTICE

Explanatory Statement in terms of 173(2) of the Companies Act, 1956.

Item No. 6 :

Shri M. Mrutyumjaya Prasad was appointed as Additional Director of the Company by the Board of Directors at its meeting held on 05-11-2011 in accordance with Article 113 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 and will hold office until the date of this Annual General Meeting. Notice along with a deposit of Rs. 500 as required under Section 257 of the Companies Act, 1956, has been received from a member proposing the appointment of Shri M. Mrutyumjaya Prasad as a Director of the Company.

Shri M. Mrutyumjaya Prasad is a Post Graduate in Commerce from Andhra University, Visakhapatnam and Master of Business Administration from Alagappa University, Karaikudi, Tamil Nadu. He is a Director on the Board of Sree Thimmaraja Investment and Finance Company Private Limited.

Except Shri M. Mrutyumjaya Prasad and Shri M. Thimmaraja, Director on the Board of Directors of the Company being related to Shri M. Mrutyumjaya Prasad no other Director of the Company is concerned or interested.

Your Directors commend the resolution for approval.

Dokiparru,
26th May, 2012

By Order of the Board of Directors
P. NARENDRANATH CHOWDARY
Chairman

ABBREVIATED RESUME OF THE DIRECTORS SEEKING REAPPOINTMENT

1. Shri Y. NARAYANARAO CHOWDARY

Shri Y. Narayanarao Chowdary has been a Director of our 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. He is holding 2100 equity shares in the Company as on 31-03-2012. He is associated with the companies and firms as given below.

Name of the Company	Position	Name of the Committee	Position
Sree Satyanarayana Spinning Mills Ltd.	Chairman	–	–
Jayalakshmi Fertilisers	Partner	–	–

2. Shri V.S. RAJU

Shri V.S. Raju has been a Director of the Company since 25-06-1991. By profession he is a practicing advocate in the High Court of Andhra Pradesh having rich experience in dealing with matters relating to Company Law, SEBI and other economic subjects. He has served in the Department of Company Affairs, Govt. of India for a period of about 23 years at various positions like Registrar of Companies etc., until he took voluntary retirement in 1988. He is an adviser to many companies and organizations and also President of Federation of Andhra Pradesh Chamber of Commerce and Industry (FAPCCI), Hyderabad at president. He is not holding any shares in the Company. He is associated with the companies and firms as given below.

Name of the Company	Position	Name of the Committee	Position
The Andhra Sugars Limited	Director	Audit Committee	Chairman
Gangavaram Port Ltd.	Director	Remuneration Committee	Member
Federation of AP Chamber of Commerce and Industry	President	–	–

MANAGEMENT CERTIFICATE ON CLAUSE 49(1D) OF THE LISTING AGREEMENT

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 Clause 49(1D) of the Listing Agreement with the Stock Exchanges and 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, 2012.

Dokiparru,
26th May, 2012

J. MURALI MOHAN
Managing Director

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, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges where its shares are listed.

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 clause 49 of the above mentioned Listing Agreement.

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.

Guntur
26th May, 2012

For BRAHMAYYA & CO.,
Chartered Accountants
Firm Regn. No. 000513S
K. RAJAJ
Partner
ICAI Memb. No. 202309

TEN YEAR RECORD

(Rs. in Lakhs)

	Year ending 31st March									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012

OPERATING RESULTS

Gross Sales & Other Income	8490	9497	8982	8451	9616	13009	21660	32694	42226	43634
Operating Profit	1938	1956	2065	1040	1461	1737	2078	3773	3790	3090
Depreciation	563	575	576	561	589	527	523	511	682	888
Interest	82	55	18	4	5	24	34	55	263	342
Profit before Tax	1292	1326	1471	475	867	1226	1521	3207	2845	1860
Profit after Tax	834	972	1110	294	556	869	969	2137	1943	1250
Dividend Paid	222	333	266	222	266	311	355	444	355	444
Dividend Rate (%)	50	75	60	50	60	70	80	100	80	50
Retained Earnings	584	596	807	41	250	505	554	1619	1530	734
Earning per Share (Rs.)	18.77	20.99	25.00	6.62	12.53	18.70	21.82	48.12	21.87	14.08
Return on Net worth (%)	12.21	13.08	13.59	3.53	6.27	9.28	9.73	18.49	14.75	8.98
Debt Equity Ratio	0.14	0.11	0.02	0.04	0.04	0.03	0.06	0.10	0.35	0.22
Book Value (Rs.)	153.86	167.30	183.86	187.48	199.68	210.82	224.36	260.00	296.67	156.72

SOURCES OF FUNDS

Equity Capital	444	444	444	444	444	444	444	444	444	888
Reserves	6389	6986	7720	7882	8425	8917	9519	11114	12730	13030
Borrowings	939	791	169	356	333	271	608	1130	4623	3008
Net Capital Employed	7772	8221	8333	8682	9202	9632	10571	12688	17797	16926

APPLICATION OF FUNDS

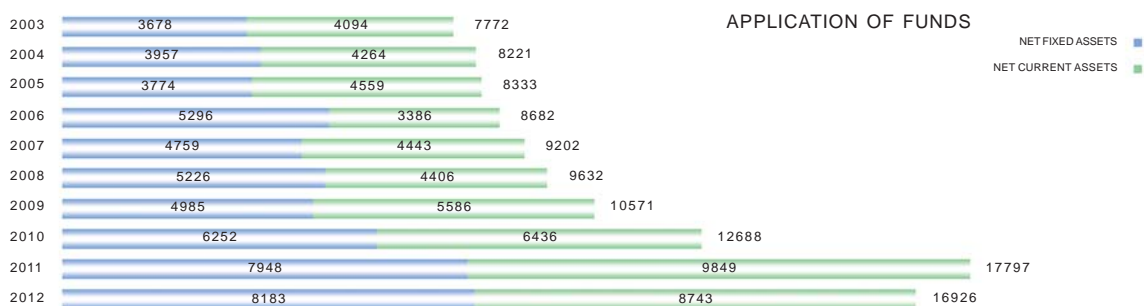
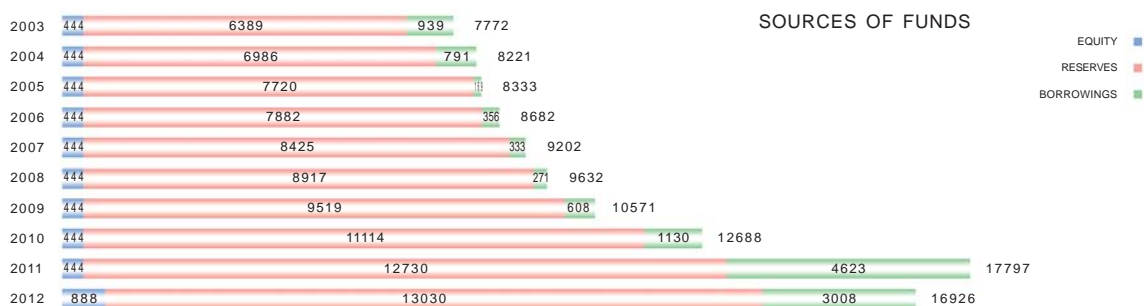
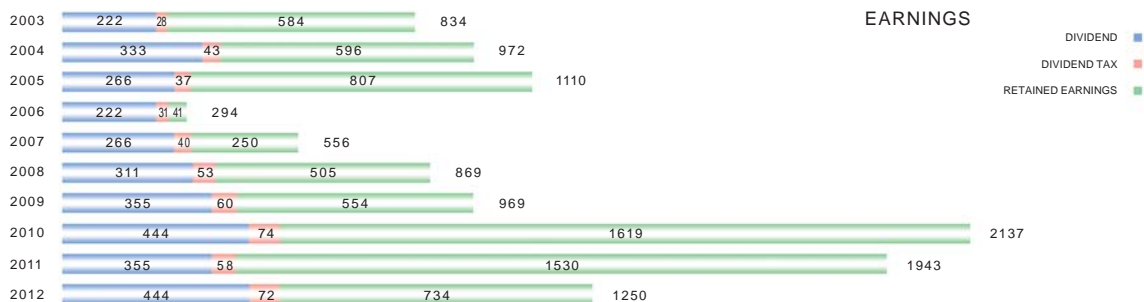
Gross Fixed Assets	6784	7611	7749	9803	9846	10821	11090	12846	15211	16324
Depreciation	3106	3654	3974	4507	5087	5595	6105	6594	7263	8141
Net Fixed Assets	3678	3957	3774	5296	4759	5226	4985	6252	7948	8183
Net Current Assets & Investments	4094	4264	4559	3386	4443	4406	5586	6436	9849	8743
Net Assets Employed	7772	8221	8333	8682	9202	9632	10571	12688	17797	16926

TO EXCHEQUER

Excise Duty & Service Tax	2680	3193	3272	2366	2790	2528	3430	2876	4566	4986
Sales Tax and Other Taxes	174	226	195	263	185	329	620	824	1139	1156
Income Tax	513	400	430	48	100	263	504	1100	830	600
Total Taxes & Duties	3367	3819	3897	2677	3075	3120	4554	4800	6535	6742

TEN YEAR HIGHLIGHTS

Year ending 31st March
(Rs. in Lakhs)



DIRECTORS' REPORT

Your Directors have pleasure in presenting the Thirty Fourth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2012.

(Rs. in Lakhs)

1. FINANCIAL RESULTS

	2011-12	2010-11
Gross Sales	43014.76	41353.74
Less : Excise Duty	4228.64	3565.51
Net Sales	38786.12	37788.23
Processing Charges	360.82	507.95
Other Income	258.42	364.06
Total Income	39405.36	38660.24
Profit for the year before Interest and Depreciation	3090.75	3790.77
Interest	(342.11)	(262.96)
Depreciation	(888.22)	(682.48)
Profit before Tax	1860.42	2845.33
Provision for Current Tax	(600.00)	(830.00)
Deferred Tax (Provision) / Withdrawal	(10.05)	(86.53)
Excess/(Short) provision of Income Tax made in earlier years	—	13.95
Profit after Tax	1250.37	1942.75

The Gross Sales during the year marginally increased from Rs.413.54 crores to Rs.430.15 crores recording a 4% growth over the previous year. The Profit Before Interest and Depreciation (PBID) of Rs.31.05 crores and Profit Before Tax (PBT) of Rs.18.60 crores during the current year have come down by 18% and 35% respectively over the previous year. The Financial Years 2009-10 and 2010-11 were rewarding years for the Company in terms of demand for the products and capacity utilization which resulted in PBT of Rs.32.02 crores and Rs.28.45 crores respectively. During the current year the company could not maintain the operations at such high levels due to lower demand for fatty acids and soap products in toilet soap industry. Increase in cost of raw materials without corresponding increase in selling prices, lower revenue from wind mills due to low wind velocity, rise in finance expenses due to borrowings for expansion, higher provision for depreciation due to commissioning of new plants etc have all resulted in substantial fall in PBT of the company. As a result the Profit After Tax (PAT) during the current year stood at Rs.12.50 crores as against Rs.19.43 crores a year ago registering a 36% fall.

During the year the Company issued Bonus Shares to the shareholders at one fully paid equity share of Rs.10 each for every one share held by them as on the Record Date of 28-09-2011. Consequently the equity share capital of the Company rose from 44,40,575 equity shares of Rs.10 each aggregating to Rs.4,44,05,750 to 88,81,150 equity shares of Rs.10 each aggregating to Rs.8,88,11,500.

The appropriations from the profit are as detailed below :

(Rs. in Lakhs)

	2011-12	2010-11
Profit after Tax	1250.37	1942.75
Balance brought forward from previous year	1745.28	1215.41
Profit for appropriations	2995.65	3158.16

APPROPRIATIONS

Dividend	444.06	355.25
Provision for Tax on distributed profits @ 16.225% on dividend	72.03	57.63
Transfer to General Reserve	1444.06	1000.00
Balance carried forward	1035.50	1745.28
Total	2995.65	3158.16
Authorised Capital	1000.00	500.00
Paid up Capital	888.16	444.11
Reserves & Surplus	11858.91	11568.69

2. DIVIDEND

Considering the profitability of the Company, the Board of Directors is pleased to recommend for the approval of the shareholders of the Company for payment of dividend for the year ended 31-3-2012, at Rs. 5 per equity share of Rs.10 each, which aggregates to Rs.4,44,05,750 on the 88,81,150 equity shares in the share capital of the Company. In the previous year the Company paid dividend at Rs.8 per equity share of Rs.10 each on 44,40,575 shares (before bonus issue at 1:1) amounting to Rs. 3,55,24,600.

3. OPERATIONS

	2011-12 MT	2010-11 MT
Production (including processed on jobwork)		
a) Fatty Acids	49710	57485
b) Toilet Soap	7472	9630
c) Soap Products	40077	48229
d) Glycerine	2300	1704
e) Industrial Oxygen (cubic meters)	424554	426157
f) Biomass Power (kwh)	20246932	19060975
g) Wind Power (kwh)	13676554	15762891
Sales		
a) Fatty Acids	23364	25708
b) Toilet Soap	2259	1682
c) Soap Products	35727	42810
d) Glycerine	2322	1463
e) Industrial Oxygen (cubic meters)	408072	414458
f) Biomass Power (kwh)	3561300	4906300
g) Wind Power (kwh)	13676554	15762891

4. OUTLOOK

Fatty Acids and Soap

Production and sales of fatty acids have come down during the current year due to absence of exports of fatty acids and lower captive consumption of fatty acids for production of soap and soap products. The offtake of fatty acids and soap noodles by some of the major customers in the toilet soap industry was low because of sluggishness in the toilet soap market. The market for fatty acids consumed in industries, other than toilet soap, is encouraging and expected to grow further.

During the year, the company commissioned Hydrogenation Plant, Continuous Saponification & Soap Drying Plant and Glycerine Refining Plant, all with latest technologies, thereby completing the expansion cum modernization program of fatty acid, soap and glycerine plants. As a result, the company is now able to produce superior quality products, increase product range, reduce consumption of utilities and maintain additional production facilities to meet unexpected demands from the customers. The performance of the company is expected to improve once the market for toilet soap improves.

Biomass Power Plant

The availability of fuels continues to be the critical factor for running the 6 Mw Biomass Cogeneration Captive Power Plant. Collection of field residues like cotton stalk, chili stalk etc., is becoming difficult due to shortage of labour and increase in labour cost. Hence the plant was run at lower capacity to meet the steam and power requirements of process plants through out the year. Fuels are now being purchased at a higher price to procure more quantity and improve PLF.

On the directions of the Hon'ble Supreme Court, the three member bench of Andhra Pradesh Electricity Regulatory Commission (APERC), reconsidered the issue of fixation of price for purchase of renewable energy by AP Transco and passed three different and independent orders as a result of which none of the orders could be enforceable. Hence, Biomass Energy Developers Association (BEDA) again filed an appeal before the Appellate Tribunal for Electricity (ATE) which passed interim orders to give effect to the orders of the Chairman of APERC. The appeal filed by AP Transco on these orders before the Hon'ble Supreme Court was dismissed. Therefore it is expected that the interim orders of ATE will be implemented and the company will receive the differential amount of about Rs. 2.3 crores soon.

The Central Electricity Regulatory Commission (CERC) had notified regulations for issue of Renewable Energy Certificates (RECs) to implement the mechanism envisaged in the Electricity Act, 2003 for encouraging generation and cogeneration of power from renewable energy sources like biomass, bagasse, wind, solar, mini hydel, municipal waste etc. The scheme if implemented strictly is expected to generate an additional revenue of about Rs. 2.4 crores per year to the company by sale of RECs obtained from captive consumption of renewable energy.

The Company is able to run processing plants continuously only on account of captive power generation plant without getting affected by the power cuts imposed by the Government due to power shortage.

Wind Energy Generators (WEG)

Power generation from the four wind energy generators (WEGs) of the Company aggregating to 6.3 Mw capacity continues to be much lower than expected for the second year in a row at 136.80 lakh units as compared to 157.63 lakh units in the previous year because of low wind velocity and prolonged winter season. The low wind velocity is a temporary phenomenon due to wind cycles and the generation is expected to improve in the coming years.

While wind energy generators are facing the problem of low generation for the past two years, the Tamil Nadu Electricity Generation and Distribution Corporation Limited (TANGEDCO) has been delaying payments for power supplied to it for more than a year. Indian Wind Power Association in which the Company is a Member took up the issue and the Appellate Tribunal for Electricity (ATE) directed TANGEDCO to pay interest at 12% per annum on delayed payments.

Credit Rating

The Credit Rating Agency CARE reaffirmed the credit rating of the Company 'CARE A+' (adequate degree of safety regarding timely servicing of financial obligations) for long term facilities and 'CARE A1' (strong degree of safety regarding timely payment of financial obligations) for short term facilities from banks.

5. CONSERVATION OF ENERGY & ENVIRONMENTAL SAFETY

During the year, the following actions were taken for conservation of energy and environmental safety.

- a. Vacuum Pumps in Drying Plant installed in place of Steam Jet Ejectors to reduce consumption of steam.
- b. About 2500 Eucalyptus saplings planted in the factory premises, in addition to over 2000 trees existing of other varieties, for the development of green belt.
- c. Compact Fluorescent Lamp (CFL) fittings used in new Glycerine Plant for energy conservation.
- d. Environment friendly chilled water based Fan Coil Units (FCUs) used in certain areas for cooling, instead of conventional Air Conditioning Units, to reduce energy consumption.
- e. Glycerine Distillation Plant installed with Lurgi technology to reduce waste generation.
- f. Existing R.O. Plant modified to increase the production from 400 m³/day to 500 m³/day and to conserve power.
- g. Effluent water generation reduced by collection and reuse of condensate water.
- h. Bag filter installed at coal handling to reduce atmospheric emissions.
- i. G.I. sheet fencing arranged at Husk yard to reduce air pollution.

6. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, the Company earned foreign exchange equivalent to Rs.2,18,08,672 (previous year Rs.36,59,13,419). The exports have come down drastically because of higher raw-material prices and severe competition from countries like Malaysia and Indonesia for supply of similar products exported by the Company. The Company imported raw materials and equipment during the year resulting in foreign exchange outgo equivalent to Rs.54,25,70,176 (previous year Rs.91,67,71,890).

7. FINANCE

The Company availed working capital facilities under consortium arrangement from Andhra Bank and State Bank of India and the accounts are in order. The term loans and working capital facilities availed from Axis Bank, HDFC Bank and ICICI Bank were repaid during the year.

8. FIXED DEPOSITS

The Company has accepted Fixed Deposits from the public and shareholders during the year under review. There are no matured and unclaimed deposit as on 31st March 2012.

9. DIRECTORS

Dr. Mullapudi Harischandra Prasad, who steered the company to the present status for almost a quarter of the century, passed away on 03-09-2011 and Shri P. Narendranath Chowdary was elected in his place as Chairman of the Company by the Board of Directors. In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Shri Y. Narayanarao Chowdary and Shri V.S. Raju, Directors retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Shri M. Mrutyumjaya Prasad was appointed as Additional Director of the Company with effect from 5th November 2011 in accordance with Section 260 of the Companies Act, 1956, read with Article 113 of the Articles of Association of the Company. He will be holding office until the date of forthcoming Annual General Meeting.

10. AUDITORS

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

11. COST AUDITORS

Cost Audit of the Cost Accounting Records maintained by the Company in respect of the products Soap, Industrial Oxygen and Electricity is required for the year 2011-12. Accordingly, for conducting the cost audit, M/s. Narasimha Murthy & Co., Cost Accountants, Hyderabad were appointed as Cost Auditors for all the three products.

12. 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. The Statement of Particulars of Employees pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is annexed to and forms part of this report.

13. CORPORATE GOVERNANCE

The Company is committed to maintain the standards of Corporate Governance prescribed by the Securities and Exchange Board of India (SEBI) codified in Clause 49 of the Listing Agreement with Stock Exchanges. Report on Corporate Governance and Management Discussion and Analysis (MD & A) along with Corporate Governance Compliance Certificate from Auditors are set out as separate Annexures to this report.

14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that

- a. in the preparation of the annual accounts for the year ended March 31, 2012, the applicable Accounting Standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- b. the Directors have selected such accounting policies that are reasonable, prudent and applied them consistently and made judgments and estimates so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and of the profit of the Company for the year ended on that date;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

15. 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.

Dokiparru,
26th May, 2012

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

ANNEXURE TO THE DIRECTORS' REPORT

Particulars of Employees as required by Sub-Section 2-A of Section 217 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31-03-2012.

Name	Age Years	Designation	Gross Remunera- tion Rs.	Net Remunera- tion Rs.	Qualifica- tion	Experi- ence Years	Commence- ment of employment with the Company	Last Employment held
J. Murali Mohan	62	Managing Director	86,72,531	51,77,841	B.Tech., (Chemical Engineering) M.B.A.	33	16-02-1990	Marketing Manager, I.T.C. Ltd., (ILTD Division)

Notes :

1. Gross remuneration comprises salary, allowances, monetary value of perquisites, commission, provision for leave encashment, gratuity and the Company's contribution to provident and superannuation funds.
2. Net remuneration is after tax and is exclusive of Company's contribution to provident and superannuation funds, leave encashment and gratuity provision and monetary value of non-cash perquisites.
3. The appointment is governed by the provisions of Sec. 269 read with schedule XIII of the Companies Act, 1956.

FORM-B

DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

Research and Development (R & D)

1. Specific areas in which R & D carried out by the Company :
Latest Technology adopted in the manufacture of Fatty Acids and Soap Noodles.
2. Benefits derived as a result of the above R & D :
Able to meet customer specific requirements
3. Future Plan of action :
Continuous efforts for improvement in quality and yields of Fatty acids, Soap Noodles & Toilet Soap.
4. Expenditure on R & D :

	(Rs. in Lakhs)	
	2011-12	2010-11
a) Capital	1.44	0.62
b) Recurring	49.22	48.12
Total	50.66	48.74
Total R & D expenditure as a percentage of turnover	0.12	0.12

Technology Absorption, Adaptation and Innovation

1. Efforts in brief, made towards technology absorption, adaptation and innovation :
The Company maintains contacts with technical experts in the field of Soap, Fatty Acids and Energy.
2. Benefits derived as a result of the above efforts :
Improved capability and productivity to meet customer requirements. Reduced energy consumption.
3. Imported Technology : – 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. Non-edible 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 of the country. The Company also undertakes to manufacture Soap Noodles and Toilet Soap on jobwork for reputed customers.

The Company is having biomass co-generation captive power plant and the surplus power is sold to AP Transco. It is also having four Wind Energy Generators (WEGs) set up in Tamil Nadu and the power generated from these plants is sold to Tamil Nadu Electricity Board.

Majority of the Fatty Acids produced are consumed as raw material in Soap industry for Toilet Soap making. 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 and number of other industries and any changes in demand by the major user industry will have an impact on the company's operations. Glycerine and Industrial Oxygen are byproducts.

The country is short of both edible and non-edible oils. Therefore the fatty acid industry is heavily dependent on imports of palm based products from Malaysia and Indonesia. As a result, the supply and demand position in the international market for vegetable oils influences the indigenous markets. Further, fluctuation in crude oil prices also will have impact on edible and non edible oils due to their usage in production of biofuels.

Steam and power requirements of Process Plants are met from the 6 Mw Biomass Cogeneration Power Plant within the premises. The fuels intended for running the plant are field residues like Cotton stalks, Chili stalks etc., available in the surrounding areas. Their availability at present is insufficient due to shortage of labour and increase in labour cost. During the year the Company was able to procure a good quantity of Rice Husk to meet part of the fuel requirements, albeit at a higher price. Due to insufficient fuels, the power plant is being operated at lower capacity to meet the power requirements of the process plants throughout the year. Problems apart, the major advantage in running the power plant is that the processing plants of the Company are insulated from power cuts by the Government and problems associated with irregular supply of power by power distribution companies during the periods of power shortage.

Continuous development efforts are being made to absorb the latest technologies and practices. Quality Management Systems (QMS) Standard ISO 9001:2008 obtained from a renowned certification agency, Det Norske Veritas (DNV).

b. Opportunities and Threats :

Major portion of fatty acids produced is consumed by the toilet soap industry. The performance of toilet soap industry is not encouraging in 2011-12 as it was a year ago. Off take of fatty acids and soap products by toilet soap industry during the current year is much less than what was expected and less than that of the previous year. However, the demand for fatty acids being consumed in other industries like rubber, metal polishes, plastics, cosmetics etc., is good and to some extent compensated the shortfall in sales from toilet soap industry. Toilet soap is a fast moving consumer product and the industry is expected to revive in due course of time.

The standard rate of Excise duty at 10% was increased to 12% in the Budget 2012. All most all the goods manufactured by the Company attract 12% duty. The disadvantage experienced in cost of production by the units located in non exempted areas as compared to the units located in duty exempted areas is further aggravated to the extent of difference in duty.

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. Corporations having good market network are entering into the toilet soap market with new brands by outsourcing. There are opportunities to meet such requirements but the volumes are limited in scope at present as these manufacturers themselves have created additional production facilities in the exempted areas.

The Government of India, in an attempt to boost the generation of energy from renewable sources in the country, launched Renewable Energy Certificates (RECs) Mechanism. All energy distribution licensees, open access consumers and captive generating consumers are required to purchase certain minimum percentage of their total power requirement from power generated through renewable sources. Purchase of RECs shall also be

considered as fulfillment of the obligation. One REC is equivalent to 1000 kwh. Renewable energy generators including captive generators of renewable energy are eligible for RECs subject to fulfillment of certain conditions. RECs so acquired by them can be traded in the Power Exchange to generate additional revenue to compensate high cost of generation of power from renewable sources. The Company is entitled to RECs for captively consumed power from 6 Mw Biomass Cogeneration Power Plant and is expected to earn an additional revenue of about Rs. 240 lakhs per annum if the scheme is strictly implemented.

Generation of power from wind energy generators has been lower than expected for the past two years. While the wind power producers are passing through difficult times due to low PLF, the problem is further exacerbated by the huge delay in payments from Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) for supply of power. Indian Wind Power Association in which the Company is a Member filed petition before Tamil Nadu Electricity Regulatory Commission (TNERC) for payment of interest on delayed payments. TNERC directed TANGEDCO to pay interest at one percent per month on delayed payments and these Orders were also upheld by the Appellate Tribunal for Electricity (ATE), New Delhi on the appeal filed by TANGEDCO.

c. Segment-wise or Product-wise performance :

Segment-wise performance of the Company is given separately at page no. 50.

d. Outlook :

The slowdown in toilet soap industry is expected to be for a short duration. The technical upgradation and increase in plant capacities of fatty acid, soap and glycerine plants under expansion cum modernization programme are expected to help improve the operations of the Company. Fixation of higher purchase price for power exported to AP Transco effective from 1st April 2004, and introduction of RECs are likely to generate additional revenue in the coming years to compensate high cost of generation from biomass fuels.

e. Risks and Concerns:

Any increase in Excise duty on the goods manufactured by the Company may be unfavourable to the Company as it may result in increase in cost of production of goods manufactured by the Company as compared to the similar goods manufactured in the excise exempted areas.

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 inspite of taking precautions to avoid risks in price fluctuations.

Generation of power from biomass power plant depends on availability of biomass and its cost. Generation of power by wind mills depends on wind velocity. 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 audits by M/s. Mastanaiah & Co., Chartered Accountants, Guntur. The internal controls and internal audit ensure that appropriate finance records are available for preparing finance statements and other data for maintaining accountability of assets.

g. Financial Performance with respect to Operational Performance:

During the year the Profit Before Tax has come down due to decrease in production and sales of fatty acids, soap noodles and toilet soap, increase in raw material prices, lower power generation by windmills, increase in interest expense and higher provision for depreciation as compared to the previous year.

h. Human Resources:

The Company employed 758 persons as on 31st March 2012 both in the factory and office. The Management of the Company maintains good relations with the employees. Since the inception of the Company in 1980 there have been no labour problems.

i. The Management of the Company discloses to the Board of Directors all material, financial and commercial transactions where they have personal interest that may have potential conflict with the interest of the Company at large.

REPORT ON CORPORATE GOVERNANCE FOR THE PERIOD APRIL 1, 2011 TO MARCH 31, 2012

ANNEXURE TO THE DIRECTORS' REPORT

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

The Company's philosophy on code of Corporate Governance aims at upholding 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 stake-holders viz., Shareholders, Employees, Customers, Suppliers, Lenders, Government and other parties having association with the company.

2. Board of Directors :

- i) Composition – The present strength of the Board of Directors is nine of which eight are Non-Executive Directors including five Independent Directors.
- ii) 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 Memberships in Committees of other companies held are given below.

Name of the Director & Designation	Shares held in the company by Non-Executive Director as on 31-3-2012	Executive/ Non-executive/ Independent	No. of other Directorships & Chairmanships held			Membership & Chairmanship 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			
Dr. Mullapudi Harischandra Prasad, Chairman (Ceased to be director w.e.f. 3-9-2011)	Nil	Non-executive	-	-	-	-	-	1	N	1. Mullapudi Thimmaraja is son 2. Y. Narayanarao Chowdary is sister's husband
J. Murali Mohan, Managing Director		Executive	1	-	-	-	1	4	Y	
P.Narendranath Chowdary, Director	25,000	Non-executive	7	-	3	2	3	4	N	
Mullapudi Thimmaraja, Director	4,500	Non-executive	2	-	-	3	-	3	N	Dr. Mullapudi Harischandra Prasad is father
Y. Narayanarao Chowdary, Director	2,100	Independent & Non-executive	1	-	1	-	-	3	N	
V.S. Raju, Director	Nil	Independent & Non-executive	3	-	-	2	-	4	Y	
K. Srinivasa Rao, Director	3,25,092	Non-executive	-	4	-	-	-	4	N	
M. Gopalakrishna, Director	Nil	Independent & Non-executive	6	5	-	4	2	2	N	
Subbarao V. Tipirneni, Director	Nil	Independent & Non-executive	-	3	-	-	-	4	N	
Mullapudi Mrutyumjaya Prasad (Appointed as a Director at the Board Meeting on 5-11-2011)	2250	Independent & Non-executive	-	1	-	-	-	1	N	Sri M. Thimmaraja is father

iii) Number of Board Meetings held and the dates on which held

Sl. No.	Date of Board Meeting
1	28-05-2011
2	06-08-2011
3	05-11-2011
4	10-02-2012

- iv) 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.
- v) Pecuniary Relationship - Non Executive Directors do not have any pecuniary relationship with the Company except for the payment of sitting fee payable to them. Chairman's office expenses incurred in performance of his duties are not reimbursed by the Company.
- vi) Committees of the Board - The Board of Directors has constituted Audit Committee and Share transfer and Shareholders/Investors grievance committees with adequate delegation of powers to take suitable decisions on the issues arising and to meet the exigencies of the business of the Company.

3. Audit Committee :

The Audit Committee comprises three members, Chairman is an independent director and 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	4	4
Mullapudi Thimmaraja	Member - NED	4	3
Subbarao V. Tipirneni	Member -INED	4	4

INED – Independent Non-Executive Director

NED – Non-Executive Director

During the period under review, four meetings of the Committee were held on 28-05-2011, 06-08-2011, 05-11-2011 and 10-02-2012.

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

President & Secretary acts as a Secretary to the Committee.

Terms of Reference:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Reviewing with management the annual financial statements before submissions to the Board, focusing primarily on :
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.

- Compliance with stock exchange and legal requirements concerning financial statements.
- Any related party transactions i.e., transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc., that may have potential conflict with the interest of company at large.
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussions with internal auditors of any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussions with external auditors before the audit commences of nature and scope of audit as well as to have post-audit discussion to ascertain any area of concern.
- Reviewing the company's financial and risk management policies.
- To look into the reasons for substantial defaults in the payment to the depositors, debentureholders, shareholders (in case of non-payment of declared dividends) and creditors.
- It shall have discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the quarterly, half-yearly, and annual financial statements before submission to the Board.
- It shall ensure compliance of internal control systems.
- The Chairman of the Audit Committee shall attend the Annual General Meetings of the Company to provide any clarification on matters relating to audit sought by the members of the company.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- To obtain outside legal or other professional advice.
- To seek information from any employee.
- To investigate any activity within its terms of reference.

4. Remuneration Committee:

The Board of Directors has not constituted Remuneration Committee. It being an optional Committee the same will be constituted as and when required.

5. Details of remuneration of Directors during the period under review are as given below.

- i) Shri J. Murali Mohan, Managing Director has been paid the following remuneration during the year in accordance with the provisions of the Companies Act, 1956 read with Schedule XIII therein :

Salary	:	Rs. 28,04,483
House Rent Allowance	:	Rs. 14,02,242
Commission	:	Rs. 28,04,483
Contribution to Provident Fund and other Funds	:	Rs. 7,57,210
Other Perquisites	:	Rs. 1,44,447
Value of Earned Leave Provided	:	Rs. 7,59,666
Contribution to Group Gratuity	:	Rs. --
Total		<u>Rs. 86,72,531</u>

- ii) Sitting fees paid to Non Executive Directors in accordance with the provisions of Companies Act, 1956.

Name of the Director	Sitting fees paid for attending meetings of the Board of Directors/Committee of Directors
Dr.Mullapudi Harischandra Prasad	Rs. 20,000-00
P. Narendranath Chowdary	Rs. 1,00,000-00
Mullapudi Thimmaraja	Rs. 1,00,000-00
Y. Narayanarao Chowdary	Rs. 30,000-00
V.S. Raju	Rs. 80,000-00
K. Srinivasa Rao	Rs. 40,000-00
Subbarao V. Tipirneni	Rs. 80,000-00
M. Gopalakrishna	Rs. 20,000-00
M. Mrutyumjaya Prasad	Rs. 20,000-00

6. Share Transfer and Shareholders / Investors Grievances Committee

Company has Share Transfer and Shareholders/Investors Grievances Committee comprising of Four 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 Share Transfer and Shareholders/Investors Grievances Committee are given below.

Director	Position	Meetings held	Meetings attended
Dr. Mullapudi Harischandra Prasad (Ceased to be member w.e.f. 03-09-2011)	Chairman	4	1
J. Murali Mohan	Member	4	4
P. Narendranath Chowdary	Member	4	4
Mullapudi Thimmaraja	Member	4	3
M. Mrutyumjaya Prasad (Appointed as a member at the Boarding Meeting held on 10-02-2012)	Member	4	1

During the period under review four meetings of the Committee were held on 28-05-2011, 06-08-2011, 05-11-2011 & 10-02-2012.

M/s.XL Softech Systems Ltd, 3, Sagar Society, Road No.2, Banjara Hills, HYDERABAD – 500 034 acts as the Company's Registrar and Share Transfer Agent.

Shri P. Kesavulu Reddy, President & Secretary of the Company acts as the Compliance Officer to the Committee.

The Company received a total number of 52 letters 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 31-3-2012 there were no pending complaints/requests from the shareholders.

7. Code of Conduct for Board Members and Senior Management of the Company

In accordance with the requirement of Corporate Governance the Board of Directors of the Company has formulated a code of conduct for Directors and Senior Management of the Company the compliance of which has been affirmed by all Board Members and Senior Management Personnel. The required declaration to this effect signed by the CEO i.e. Managing Director is appended as a separate Annexure to this report. The code has also been posted on the company's website – www.jocil.in

8. Policy on Risk Management

In accordance with the requirement of Corporate Governance the Board of Directors of the Company has adopted a policy on risk management for assessment and minimization procedure of risk for periodical review by the Board.

9. CEO and CFO Certification

In accordance with the requirement of Corporate Governance Clause 49(V) of the listing agreement, the Audit Committee, the Board of Directors of the Company and the Auditors have been furnished with the requisite certificate from the CEO i.e. Managing Director and Chief Financial Officer (CFO) of the Company.

10. General Body Meetings :

Financial Year	Date	Time	Place
2008-2009	08-08-2009	3.30 PM	Regd. Office, Dokiparru, Guntur Dist., A.P.
2009-2010	07-08-2010	3.30 PM	Regd. Office, Dokiparru, Guntur Dist., A.P.
2010-2011	17-09-2011	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. 2008-2009 - Revision of remuneration of Managing Director.
- B. 2009-2010 - Amendment to Articles of Association.
- C. 2010-2011- (a) Amendment to Articles and Memorandum of Association.
(b) Issue of Bonus Shares at 1:1 to the existing equity shareholders of the company.

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, 1956. Further, no such proposal is under consideration for the shareholders approval in the forthcoming Annual General Meeting.

11. Whistle Blower Policy:

The company encourages an open door policy where employees have access to the Head of the Department/ Section. Any instance of non-adherence to the company rules and regulations and observance of unethical behaviour is to be brought to the attention of immediate reporting authority who is required to report to the Managing Director of the Company.

12. There are no audit qualifications in the company's financial statements for the year under reference. It is always the company's endeavour to present unqualified financial statements.
13. The non-mandatory requirements not complied with will be adopted at the appropriate time.

14. Disclosures

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

The Company enters into contracts from time to time with its 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 301 of the Companies Act, 1956 and the same is placed at every Board Meeting for the information of the Directors.

- b) 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.

15. Means of Communication

Quarterly results approved by the Board are usually published in Business Line (English) and Andhra Bhoomi (Telugu) newspapers. In addition to this the Company is communicating its results to National Stock Exchange and Madras 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.

16. Exclusive E-mail ID for redressal of investor complaints.

In terms of Clause 47(f) of the Listing Agreement, the following are the contacts for redressal of Investor Complaints.

Email : shares@jocil.net
 Compliance Officer : P. Kesavulu Reddy, President & Secretary
 Tel. Nos. : 0863-2290190/191/192.

17. General Shareholder Information

- Annual General Meeting
 Date and Time : 25th August, 2012 at 3.30 pm
 Venue : Registered Office :
 Jocil Ltd.,
 Dokiparru, Medikondur Mandal,
 Guntur District, A.P.
- Financial Year : 2011-12
- Date of Book Closure : 08-08-2012 to 10-08-2012
- Dividend Payment Date : 30-08-2012
- Listing on Stock Exchanges : National Stock Exchange of India Ltd., (NSE)
 Exchange Plaza, Bandra Kurla
 Complex, Bandra (E),
 Mumbai – 400 051.
 Madras Stock Exchange Ltd(MSE)
 'Exchange Building'
 11, Second Line Beach,
 Chennai – 600 001

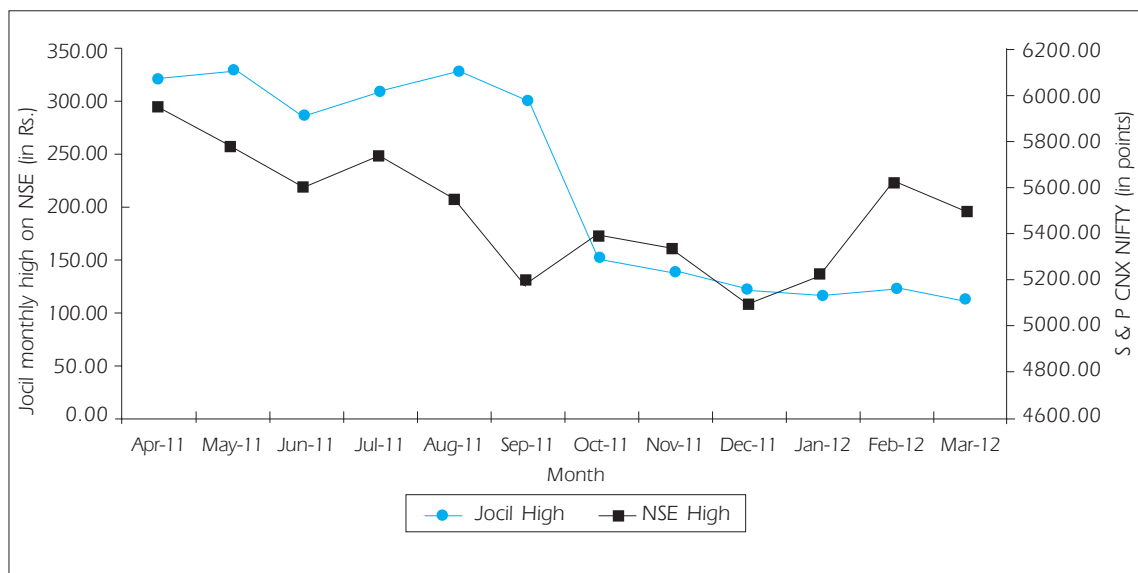
The Company has paid the Listing Fees for the year 2012-2013 to NSE & MSE.

- Stock Code : ISIN – INE839G01010
- Stock Market data –

National Stock Exchange (NSE)

Month	In Rs. per Share				Total Traded Shares Qty. in Nos.
	High Price	Low Price	Close Price	Average Price	
Apr-11	325.00	278.10	295.90	299.67	54848
May-11	330.00	271.50	276.85	292.78	36770
Jun-11	286.45	238.00	256.95	260.47	38637
Jul-11	310.60	245.00	306.65	287.42	85425
Aug-11	329.45	252.00	279.35	286.93	111109
Sep-11*	301.00	139.00	142.55	194.18	43227
Oct-11	151.55	126.60	132.10	136.75	31236
Nov-11	139.40	105.10	118.50	121.00	42045
Dec-11	121.55	88.00	92.50	100.68	44507
Jan-12	116.50	88.00	110.70	105.07	29189
Feb-12	122.95	105.10	110.25	112.77	30152
Mar-12	112.95	93.50	95.50	100.65	60909

*Sharp fall in share price is due to issue of Bonus Shares at 1:1 in September 2011.



- 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

- Shareholding pattern as on 31st March, 2012.

Category	No. of Shares held	% of Shareholders
Promoters		
The Andhra Sugars Ltd. (Holding Company)	48,86,500	55.02
Institutions & Banks	--	--
Bodies Corporate	4,34,892	4.90
Public	35,59,758	40.08
Total	88,81,150	100.00

- Distribution of Shareholding as on 31st March, 2012.

Nominal Value of Shares held (Rs.)	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
upto 5000	2653	75.97	397881	4.48
5091-10000	322	9.22	246969	2.78
10001-20000	197	5.64	298144	3.35
20001-30000	98	2.81	245400	2.76
30001-40000	46	1.32	163010	1.84
40001-50000	43	1.23	194372	2.19
50001-100000	67	1.92	475723	5.36
100001 & Above	66	1.89	6859651	77.24
Total	3492	100.00	8881150	100.00

- Dematerialisation of shares :

Electronic / Physical			%
NSDL	–	2244673	25.28
CDSL	–	5298822	59.66
Physical	–	1337655	15.06

84.94% of Company's Paid-up Equity Share Capital has been dematerialised upto March, 31 2012 (28.98% upto March 31, 2011). Trading in Equity Shares of the Company is permitted only in dematerialized form.

Dividend declared for the last 7 years

Financial Year	Dividend declaration date	Dividend per Share Rs.*
2011-12	25-08-2012	5.00 @
2010-11	17-09-2011	8.00
2009-10	07-08-2010	10.00
2008-09	08-08-2009	8.00
2007-08	06-09-2008	7.00
2006-07 (Interim)	30-03-2007	4.00
2006-07 (Final)	08-09-2007	2.00
2005-06	09-09-2006	5.00

* paid up value of Rs.10 per share @ After issue of 1 : 1 Bonus shares

- Transfer of unpaid/unclaimed amounts to Investor Education and Protection Fund**

During the year under review, the Company has credited Rs.55,460/- being the unpaid/unclaimed dividend for the year 2003-04 to the Investor Education and Protection Fund (IEPF) pursuant to Section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

- Payment of dividend through National Electronic Clearing Services (NECS)**

Remittance of dividend through Electronic Clearing Service (ECS) was replaced by National Electronic Clearing Service (NECS). The shareholders holding shares in demat form are required to furnish the new bank account number allotted to them by their bank after implementation of Core Banking Solutions(CBS) along with photocopy of cheque pertaining to the concerned account to their Depository Participant (DP). Shareholders holding shares in physical form are required to furnish the same to the RTA. If the new bank account number after implementation of CBS by the shareholder's bank is not provided, dividend paid through NECS to their old account may either be rejected or returned.

- Outstanding GDRs/ADRs/Warrants or any convertible instruments

: Nil

- Plant locations

: Dokiparru Village, Medikondur Mandal,
Guntur District, A.P., 522 438

Wind Power Units

Kurichampatti Village, V.K. Pudur Taluk,
Tirunelveli Dist., T.N., 627 860

Surandai Village, V.K. Pudur Taluk,
Tirunelveli Dist., T.N., 627 860

Kasturirangapuram Village, Radhapuram Taluk,
Tirunelveli Dist., T.N., 627 112

Velayuthampalayam Village, Dharapuram Taluk,
Tirupur Dist., T.N., 638 702

- Address for correspondence

: Dokiparru Village, Medikondur Mandal,
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AUDITORS' REPORT

TO THE SHAREHOLDERS OF JOCIL LIMITED,

We have audited the attached Balance Sheet of JOCIL LIMITED as at 31 March 2012, its Statement of Profit and Loss for the year ended on that date annexed thereto, and its Cash-flow Statement for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of such books;
- c. The Balance Sheet and Statement of Profit and Loss and Cash-flow Statement dealt with by this report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash-flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- e. On the basis of written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereto, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - ii) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date, and
 - iii) in the case of the Cash-flow Statement of the cash-flows of the company for the year ended on that date.

Guntur
26th May, 2012

For BRAHMAYYA & CO.,
Chartered Accountants
Firm Regn. No. 000513S
K. RAJAJ
Partner
ICAI Memb. No. 202309

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDITORS' REPORT OF EVEN DATE

- 1.1 According to the information and explanations furnished to us, the company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- 1.2 According to the information and explanations furnished to us, the company has physically verified its fixed assets during the year and no material discrepancies were noticed on such verification.
- 1.3 According to the information and explanations furnished to us, the company has not disposed of a substantial part of its fixed assets during the year as to affect the going concern assumption in preparing the financial statements under report.
- 2.1 According to the information and explanations furnished to us, during the year under report the company has physically verified its inventories during the year. In our opinion, the frequency of such verification to the extent carried out is reasonable.
- 2.2 In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- 2.3 According to the information furnished to us, the company is maintaining proper records of its inventory. The discrepancies if any noticed on verification of inventories between the physical stocks and the book records were not material, and have been properly dealt with in the books of account.
- 3.1 According to the information and explanations furnished to us, the company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act 1956, at the beginning of the year or during the year, and consequently reporting under sub-clauses b, c and d of clause 4(iii) of the Order does not arise during the year.
- 3.2 According to the information and explanations furnished to us, the company has taken Fixed deposits aggregating at the date of the Balance Sheet to Rs. 48,59,239/- from a director and Rs. 1,38,84,221/- from 4 parties covered in the register maintained under Section 301 of the Companies Act 1956.
- 3.3 In our opinion, the rate of interest and other terms and conditions on which Fixed deposits have been taken by the company from parties covered in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
- 3.4 According to the information and explanations furnished to us, the company has been regular in repaying the principal and interest amounts as stipulated on the deposits taken by it from the parties covered in the register maintained under Section 301 of the Companies Act 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. Further, during the course of our audit, we have not come across any instances of major weaknesses in internal control system that in our opinion, require correction but have so continued without correction.
- 5.1 Based on the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- 5.2 In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements that have been entered in the Register referred to in Section 301 of the Companies Act and exceeding the value of Rs.5 lakhs in respect of each party during the year have been made at prices which are reasonable having regard to prevailing market prices and other terms of business with such parties, at the relevant time.

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

Sl. No.	Name of the statute	Nature of the dues	Amount (Rs.)	Forum where dispute is pending	Period
1.	Central Excise Act, 1944	Excise duty	88,97,229	CESTAT, Bangalore	2008
2.	Central Excise Act, 1944	Excise duty	1,65,900	Commissioner of Customs and Central excise (Appeals), Guntur	2008
3.	Central Excise Act, 1944	CENVAT credit on outward freight	13,91,608	Commissioner of Customs and Central excise (Appeals), Guntur	2006 to 2011

10. The company had no accumulated losses at the end of the year under report and it did not incur cash losses during the said year or in the immediately preceding financial year.
11. In our opinion and according to the information and explanations furnished to us by the company, there were no defaults in repayment of its dues to financial institutions, banks or debenture holders at the date of the Balance Sheet.
12. According to the information furnished to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures, and other securities.
13. In our opinion and according to the information and explanations furnished to us, the company is not a chit fund or a nidhi / mutual benefit fund/ society and hence, the requirements of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company during the year under report.

14. According to the information furnished to us, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the requirements of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. According to the information furnished to us, the company has not given any guarantees for loans taken by others from any banks or financial institutions during the year and also there are no such outstanding guarantees as on date of balance sheet.
16. In our opinion, and according to the information and explanations furnished to us, the term loans obtained by the company have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we are of the opinion that considering the internal accruals of the company during the year under report, funds raised by the company on short-term basis have prima facie not been used for long term applications, except for permanent working capital.
18. According to the information and explanations furnished to us, the company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Act.
19. According to the information and explanations given to us, the company has not issued any debentures during the year under report.
20. The company has not raised any moneys through public issue of its securities during the year, and the question of end use of such moneys did not arise during the year.
21. During the course of our examination of the accounts of the company in accordance with generally accepted auditing practices, we have not come across any instances of fraud on or by the company, nor have we been informed by the management, of any such instance being noticed or reported during the year.

Guntur
26th May, 2012

For BRAHMAYYA & CO.,
Chartered Accountants
Firm Regn. No. 000513S
K. RAJAJ
Partner
ICAI Memb. No. 202309

BALANCE SHEET AS AT 31st March, 2012

			(Amount in Rs.)
	Note	As at 31-3-2012	As at 31-3-2011
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	8,88,16,250	4,44,10,500
Reserves & Surplus	4	118,58,90,906	115,68,69,103
		<u>127,47,07,156</u>	<u>120,12,79,603</u>
Non-current Liabilities			
Long-term borrowings	5	–	2,88,97,599
Deferred tax liabilities (Net)	6	11,71,15,539	11,61,10,121
Other Long term liabilities	7	9,27,308	9,12,308
Long-term provisions	8	57,66,382	57,59,736
		<u>12,38,09,229</u>	<u>15,16,79,764</u>
Current Liabilities			
Short-term borrowings	9	30,08,01,689	43,34,25,100
Trade payables	10	7,37,38,813	20,71,56,059
Other current liabilities	11	10,44,51,403	11,02,17,488
Short-term provisions	12	36,07,00,277	28,98,03,679
		<u>83,96,92,182</u>	<u>104,06,02,326</u>
Total		<u><u>223,82,08,567</u></u>	<u><u>239,35,61,693</u></u>
Assets			
Non-current Assets			
Fixed assets	13		
Tangible assets		80,42,52,439	66,81,13,595
Intangible assets		–	6,171
Capital Work-in-Progress		1,40,67,160	12,66,93,414
		<u>81,83,19,599</u>	<u>79,48,13,180</u>
Non-current investments	14	1,45,40,374	1,45,40,374
Long-term loans and advances	15	4,60,61,033	1,75,06,029
		<u>6,06,01,407</u>	<u>3,20,46,403</u>
Current Assets			
Inventories	16	50,64,56,758	67,55,06,154
Trade receivables	17	50,00,71,735	43,85,61,908
Cash and cash equivalents	18	2,22,65,007	4,46,15,362
Short-term loans and advances	19	32,55,63,682	40,38,78,532
Other current assets	20	49,30,379	41,40,154
		<u>135,92,87,561</u>	<u>156,67,02,110</u>
Total		<u><u>223,82,08,567</u></u>	<u><u>239,35,61,693</u></u>
Significant accounting policies	2		
Notes forming integral part of Financial Statement	1-41		

As per our report of even date :
For BRAHMAYYA & Co.,
Chartered Accountants
Firm Regn. No. 000513S
K. RAJAJ, Partner
ICAI Memb. No. 202309
Guntur
26th May, 2012

For and on behalf of the Board
P. NARENDRANATH CHOWDARY
J. MURALI MOHAN
P. KESAVULU REDDY

Chairman
Managing Director
President & Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March, 2012

			(Amount in Rs.)
	Note	Year ended 31-3-2012	Year ended 31-3-2011
Revenue from Continuing Operations			
Revenue			
Sale of Products	21	430,14,75,544	413,53,74,125
Processing charges received		<u>3,60,82,016</u>	<u>5,07,94,885</u>
		433,75,57,560	418,61,69,010
Less : Excise Duty		<u>42,28,64,149</u>	<u>35,65,51,105</u>
		391,46,93,411	382,96,17,905
Other Income	22	<u>2,58,42,886</u>	<u>3,64,06,218</u>
Total Revenue		<u>394,05,36,297</u>	<u>386,60,24,123</u>
Expenses			
Cost of Material Consumed	23	277,66,05,488	280,53,70,177
Changes in Inventories of Finished Goods, WIP and Stock in Trade	24	<u>1,89,88,675</u>	<u>(11,00,18,212)</u>
Employee Benefit Expenses	25	17,79,28,595	17,41,90,451
Finance Costs	26	<u>3,56,71,267</u>	<u>2,72,60,669</u>
Depreciation and Amortisation Expenses	27	8,88,22,354	6,82,48,340
Other Expenses	28	<u>65,64,77,474</u>	<u>61,64,39,228</u>
Total Expenses		<u>375,44,93,853</u>	<u>358,14,90,653</u>
Profit before Tax		18,60,42,444	28,45,33,470
Less : Tax expense : Current Tax		6,00,00,000	8,30,00,000
Deferred Tax		<u>10,05,418</u>	<u>86,53,168</u>
		12,50,37,026	19,28,80,302
Add : Excess provision for Income Tax in earlier years		—	13,94,350
Profit after Tax		12,50,37,026	19,42,74,652
No. of Equity Shares of Rs. 10 each		88,81,150	44,40,575
Earning Per Share - Basic and Diluted		Rs.14.08	Rs.21.87
(Profit after Tax / No. of Equity Shares) 12,50,37,026 / 88,81,150			
(Adjusted for Bonus Shares)			
Significant accounting policies	2		
Notes forming integral part of Financial Statement	1-41		

As per our report of even date :
For BRAHMAYYA & Co.,
Chartered Accountants
Firm Regn. No. 000513S
K. RAJAJ, Partner
ICAI Memb. No. 202309
Guntur
26th May, 2012

For and on behalf of the Board
P. NARENDRANATH CHOWDARY
J. MURALI MOHAN
P. KESAVULU REDDY

Chairman
Managing Director
President & Secretary

CASH FLOW STATEMENT

	2011-12 Rs.	2010-11 Rs.
I. Cash flow from operating activities		
Net Profit before tax and extra-ordinary items	18,60,42,444	28,45,33,470
Add/Less: Adjustments for :		
Depreciation and amortisation expenses	8,88,22,354	6,82,48,340
Interest expense	3,42,11,267	2,62,95,669
Interest income	(63,17,296)	(79,89,821)
Assets Written off/Loss on sale of assets	84,021	2,08,120
Profit on sale of assets	(33,625)	(46,338)
Profit on sale of Investments	–	(4,135)
Dividends received	(11,45,747)	(1,02,540)
Operating profit before working capital changes	30,16,63,418	37,11,42,765
Add/Less: Adjustments for working capital		
Inventories	16,90,49,396	(37,78,13,298)
Trade and other receivables	5,76,44,906	(18,55,46,340)
Trade payables	(12,88,13,584)	14,85,92,185
Cash generated from operations	39,95,44,136	(4,36,24,688)
Less: Direct taxes paid	4,48,15,080	9,71,96,479
Net cash from/(used in) Operating activities (A)	35,47,29,056	(14,08,21,167)
II. Cash flow from investing activities		
Purchase of fixed assets/Capital work in progress	(13,78,89,281)	(21,98,28,366)
Proceeds from sale of fixed assets	45,150	66,936
Investment in shares of companies	–	(45,40,249)
Sale of investments	–	14,135
Interest received	63,17,296	79,89,821
Dividend received	11,45,747	1,02,540
Net cash used in Investing activities (B)	(13,03,81,088)	(21,61,95,183)
III. Cash flow from financing activities		
(Repayment of) / Proceeds from borrowings	(17,69,62,456)	36,85,75,335
Interest paid	(3,42,11,267)	(2,62,95,669)
Dividends paid	(3,55,24,600)	(4,44,05,750)
Net cash (used in)/ from financing activities (C)	(24,66,98,323)	29,78,73,916
Net decrease in cash and cash equivalents	(2,23,50,355)	(5,91,42,434)
Cash and cash equivalents at the beginning of the period	4,46,15,362	10,37,57,796
Cash and cash equivalents at the end of the period	2,22,65,007	4,46,15,362
Net decrease in cash and cash equivalents	(2,23,50,355)	(5,91,42,434)

As per our report of even date :
For BRAHMAYYA & Co.,
Chartered Accountants
Firm Regn. No. 000513S
K. RAJAJ, Partner
ICAI Memb. No. 202309
Guntur
26th May, 2012

For and on behalf of the Board
P. NARENDRANATH CHOWDARY
J. MURALI MOHAN
P. KESAVULU REDDY

Chairman
Managing Director
President & Secretary

ACCOUNTING POLICIES AND NOTES ON 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 the same place 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.

2. SIGNIFICANT ACCOUNTING POLICIES

a) GENERAL

The Accounts are prepared under the historical cost convention and in accordance with generally accepted accounting practices. The financial statements are prepared to comply in all respects with the Accounting Standards notified under section 211(3C) of the Companies Act, 1956 and all the relevant provisions thereof.

b) USE OF ESTIMATES

The preparation of financial statements requires the management of the Company to make judgments, estimates and assumptions that affect the reported balance of assets and liabilities, revenues and expenses and disclosures relating to the contingent liabilities and commitments. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. The judgments, estimates and underlying assumptions are made with the management's best knowledge of the business environment and are reviewed on an ongoing basis. However, future results could differ from these estimates. Any revision to these accounting estimates is recognised prospectively in the current and future periods.

c) TANGIBLE FIXED ASSETS

Fixed Assets are stated at cost, net of Cenvat/VAT, less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of directly attributable cost of bringing the assets to their working condition for the intended use and interest on borrowings till the date of commissioning of the assets.

d) INTANGIBLE ASSETS

Intangible assets are stated at cost of acquisition less accumulated amortization. All costs including borrowing costs, if any, on specific borrowings utilized for financing the assets till its usage are capitalized.

e) 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.

f) DEPRECIATION AND AMORTISATION

Depreciation is written off in accordance with the provisions of Schedule XIV of the Companies Act, 1956 as follows:

- i) Under Straight line method in respect of Plant and Machinery of Wind Mill 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.

g) INVESTMENTS

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

h) 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., and excise duty wherever applicable.
- 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.
- vi) Dedicated machinery spares which can be used only in connection with an item of fixed assets and whose use is expected to be irregular are amortized over the estimated useful life of the principal assets.

i) 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 risks and rewards of ownership are transferred to the buyer under the terms of the contract which usually coincide on the dispatch of goods to the customer or when they are unconditionally appropriated under the terms of sale.
- ii) Sales include excise duty and Service charges recovered and are stated net of trade discounts and sales tax.
- iii) Revenue realized on processing charges is booked based on agreements/arrangements with the concerned parties.
- iv) Power consumed in other units is accounted at market price.
- v) Interest on investments and deposits is booked on a time proportion basis taking into account the amounts invested and the rate of interest.
- vi) Dividend income is accounted for in the year in which the right to receive the payment is established.

j) TAXES ON INCOME

Current tax is determined as per the provisions of Income Tax Act, 1961 in respect of taxable income for the year. Deferred tax liability is recognized, subject to the consideration of prudence on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets arising on account of brought forward losses and unabsorbed depreciation as per Income Tax laws are recognized only when there is virtual certainty supported by convincing evidence that such assets will be realized. Deferred tax assets arising on other temporary differences are recognized only if there is a reasonable certainty of realization.

k) SEGMENT REPORTING

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

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".

l) 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.

Gratuity, a defined Benefit scheme is covered by a Group Gratuity cum Life Assurance policy with LIC. Annual contribution to the fund as determined by LIC is expensed in the year of contribution. The short fall between the accumulated funds available with LIC and liability as determined on the basis of actuarial valuation is provided for as at the year end. The actuarial valuation is done as per the Projected Unit Credit method. Actuarial gains/losses are immediately taken to Statement of Profit and Loss.

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.

Contribution to Superannuation Fund, a defined contribution scheme, is made to the LIC as per arrangement with them.

m) RESEARCH & DEVELOPMENT EXPENDITURE

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

n) FOREIGN EXCHANGE TRANSACTIONS

Transactions in foreign currency are initially accounted at the exchange rate prevailing on the date of the transaction, and adjusted appropriately, with the difference in the rate of exchange arising on actual receipt/ payment during the year.

At each Balance Sheet date

- i. Foreign currency monetary items are reported using the rate of exchange on that date.
- ii. Foreign currency non-monetary items are reported using the exchange rate at which they were initially recognized.

o) IMPAIRMENT OF ASSETS:

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

p) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. 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 recognised in the financial statements since this may result in the recognition of income that may never be realised.

3. SHARE CAPITAL

Particulars	As at 31-3-2012 Rs.	As at 31-3-2011 Rs.
Authorised		
1,00,00,000 (50,00,000) Equity Shares of Rs. 10/- each.	10,00,00,000	5,00,00,000
(Increased by 50,00,000 Equity Shares of Rs. 10/- each during the year)		
Issued, Subscribed and Paid up		
88,81,150 (44,40,575) Equity Shares of Rs.10 each fully paid up	8,88,11,500	4,44,05,750
Add : Forfeited Shares (amount originally paid-up)	4,750	4,750
Total	8,88,16,250	4,44,10,500

a. Rights attached to Equity shareholders :-

The company has only one class of Equity Shares having a par value of Rs.10/- each. Each holder of Equity Shares is entitled to one vote per share on poll and have one vote on show of hands. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the company in proportion to their share holding after distribution of payments to preferential creditors.

b. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company.

	As at 31-3-2012		As at 31-3-2011	
Name of the Shareholder	Number of Shares held	% out of total number of shares of the company	Number of Shares held	% out of total number of shares of the company
The Andhra Sugars Ltd, Tanuku (Holding Company)	48,86,500	55.02	24,43,250	55.02
Total	48,86,500	55.02	24,43,250	55.02

c. Out of total equity shares issued and subscribed, 48,86,500 shares are held by holding company, The Andhra Sugars Ltd, Tanuku.

d. Reconciliation of Number of Shares outstanding at the beginning and at the end of reporting period.

Particulars	As at 31-3-2012		As at 31-3-2011	
	Number of Shares	Amount Rs.	Number of Shares	Amount Rs.
Shares outstanding at the beginning of the year	44,40,575	4,44,05,750	44,40,575	4,44,05,750
Add: Shares issued during the year by way of bonus issue	44,40,575	4,44,05,750	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	88,81,150	8,88,11,500	44,40,575	4,44,05,750

e. Particulars regarding bonus issues and other details during the period of last five financial years:

- i) Out of last five financial years, the company issued and allotted 44,40,575 equity shares of Rs.10 each as bonus shares in the ratio of 1: 1 in the financial year 2011-12 by way of capitalisation of General Reserves.
- ii) None of the shares were issued in pursuant to contract without payment being received in cash.

4. RESERVES AND SURPLUS

Particulars	As at 31-3-2012 Rs.	As at 31-3-2011 Rs.
a) Capital Reserve		
State Government Subsidy		
Figures as at the end of the current and previous reporting period	39,66,150	39,66,150
	<u>39,66,150</u>	<u>39,66,150</u>
b) Securities Premium Reserve		
Figures as at the end of the current and previous reporting period	7,83,75,000	7,83,75,000
	<u>7,83,75,000</u>	<u>7,83,75,000</u>
c) General Reserve		
Figures as at the end of the previous reporting period	90,00,00,000	80,00,00,000
Additions : Transfer from P&L account	14,44,05,750	10,00,00,000
Deductions : Amount utilised towards issue of fully Paid up bonus shares	4,44,05,750	-
Figures as at the end of current reporting period	<u>100,00,00,000</u>	<u>90,00,00,000</u>
d) Surplus in Statement of Profit and Loss		
Figures as at the end of the previous reporting period	17,45,27,953	12,15,40,879
Add : Profit for the year	12,50,37,026	19,42,74,652
c/f...	<u>29,95,64,979</u>	<u>31,58,15,531</u>

	c/d...	29,95,64,979	31,58,15,531
Less	: Appropriations		
	Proposed dividend	4,44,05,750	3,55,24,600
	Tax on Proposed dividend	72,03,723	57,62,978
	Transfer to Reserves	14,44,05,750	10,00,00,000
	Figures as at the end of current reporting period	10,35,49,756	17,45,27,953
	Total of Reserves and Surplus (a+b+c+d)	118,58,90,906	115,68,69,103

5. LONG TERM BORROWINGS

Particulars	As at 31-3-2012 Rs.	As at 31-3-2011 Rs.
A. Secured		
i. Term loan from Axis Bank	—	2,50,00,000
	—	2,50,00,000
B. Unsecured		
i. Deferred payment liabilities (Interest free Sales Tax Loan)	—	38,97,599
	—	38,97,599
Total (A+B)	—	2,88,97,599

- I) a) Term Loan from Axis Bank is secured by way of first charge on entire fixed assets of the company. Also secured by second Pari Passu charge on entire current assets of the Company.
- b) The above Term Loan is repayable in 36 equal monthly installments starting from 1st April, 2011 i.e., in 2011-12 Rs.125 lakhs : in 2012-13 Rs.125 lakhs and in 2013-14 Rs.125 lakhs. The said loan carries interest 13.75%.
- c) However, the above loan is repaid in full during the current financial year 2011-12.
- d) The company is regular in repaying the above Term Loan within the stipulated time period.
- II) The company has availed Interest free sales tax loan for the period from 1996-97 to 1998-99 aggregating to Rs.1,10,16,620/-. The said loan is repayable within a period of 14 years from the year of availment. Of the above, an amount of Rs.38,97,599/- falls due for repayment in the financial year 2012-13.

6 DEFERRED TAX LIABILITIES(Net)

Particulars	As at 31-3-2012 Rs.	As at 31-3-2011 Rs.
a) Liabilities		
On fixed assets towards depreciation	13,34,74,520	12,96,61,676
b) Assets		
Towards disallowance u/s 43B of the Income Tax Act, 1961	1,63,58,981	1,35,51,555
Net Liability	11,71,15,539	11,61,10,121

7 OTHER LONG TERM LIABILITIES

Particulars	As at 31-3-2012 Rs.	As at 31-3-2011 Rs.
Security Deposits from agents	9,27,308	9,12,308
	<u>9,27,308</u>	<u>9,12,308</u>

8 LONG TERM PROVISIONS

Particulars	As at 31-3-2012 Rs.	As at 31-3-2011 Rs.
Employee Retirement Benefits:		
Leave Encashment (Unfunded)	57,66,382	57,59,736
	<u>57,66,382</u>	<u>57,59,736</u>

9 SHORT TERM BORROWINGS

Particulars	As at 31-3-2012 Rs.	As at 31-3-2011 Rs.
A. Secured		
Working Capital Loans from Banks:		
- Andhra Bank	19,68,92,232	15,11,58,443
- State Bank of India	4,66,48,846	1,44,83,245
- Axis Bank	—	4,63,68,682
(The above loans are secured by way of hypothecation on entire current assets of the company on pari passu basis. Also secured by second charge on fixed assets of the Company on pari passu basis.)		
Total (A)	<u>24,35,41,078</u>	<u>21,20,10,370</u>
B. Unsecured		
Working Capital Loans from Banks:		
- ICICI Bank	—	8,03,58,220
- HDFC Bank	—	4,03,56,712
Loans and Advances from related parties :		
Holding company, The Andhra Sugars Ltd, Tanuku	—	7,00,00,000
Fixed Deposits from		
- Shareholders	3,68,09,043	2,40,12,913
- Directors	48,59,239	35,58,478
- Others	1,55,92,329	31,28,407
Total (B)	<u>5,72,60,611</u>	<u>22,14,14,730</u>
Total (A+B)	<u>30,08,01,689</u>	<u>43,34,25,100</u>

10. TRADE PAYABLES

Particulars	As at 31-3-2012 Rs.	As at 31-3-2011 Rs.
Dues to : Small and Micro Enterprises	–	3,57,307
: Others	7,37,38,813	20,67,98,752
Total	7,37,38,813	20,71,56,059

11. OTHER CURRENT LIABILITIES

Particulars	As at 31-3-2012 Rs.	As at 31-3-2011 Rs.
Current maturities of long-term debt :		
- Interest free Sales Tax Loan	38,97,599	68,39,045
- Term Loan from Axis Bank	–	1,25,00,000
Interest accrued but not due on borrowings	25,22,279	15,64,407
Unpaid Dividends *	17,29,827	16,59,014
Advances received against sales	66,02,378	32,19,612
Other payables :		
- Employee related	1,15,09,689	1,52,60,863
- Statutory Liabilities	7,63,15,557	6,78,57,108
- Others	18,74,074	13,17,439
Total	10,44,51,403	11,02,17,488

* Do not include any amount due and outstanding to be credited to Investor Education and Protection Fund.

12. SHORT TERM PROVISIONS

Particulars	As at 31-3-2012 Rs.	As at 31-3-2011 Rs.
Employee Benefits:		
Leave Encashment (Unfunded)	56,90,804	51,16,101
Other Provisions:		
-Provision for Income Tax & F.B.T.	30,34,00,000	24,34,00,000
-Provision for Dividends	4,44,05,750	3,55,24,600
-Provision for Tax on Distributed Profits	72,03,723	57,62,978
Total	36,07,00,277	28,98,03,679

13 FIXED ASSETS

Name of the Asset	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As at 01-04-2011	Additions during the year	Deductions during the year	As at 31-03-2012	As at 01-04-2011	For the year	On deductions	As at 31-03-2012	As at 31-03-2011
(a) Tangible									
Land	87,05,117	—	—	87,05,117	—	—	—	87,05,117	87,05,117
Factory Buildings	5,93,88,392	1,90,55,486	—	7,84,43,878	3,76,77,710	28,11,458	—	3,79,54,710	2,17,10,682
Non-Factory Buildings	3,22,47,832	62,732	—	3,23,10,564	87,67,415	11,77,157	—	2,23,65,992	2,34,80,417
Plant & Machinery	118,23,80,534	20,19,64,037	1,34,191	138,42,10,380	59,16,17,673	7,90,54,463	1,24,505	71,36,62,749	59,07,62,861
Electrical Installations	6,71,05,814	—	—	6,71,05,814	5,76,47,967	14,24,483	—	80,33,364	94,57,847
Wells and Water Works	9,39,231	—	—	9,39,231	8,96,079	6,230	—	36,922	43,152
Laboratory Equipment	29,52,016	1,43,848	73,902	30,21,962	18,60,279	2,29,310	73,902	10,06,275	10,91,737
Furniture & Fixtures	1,13,08,770	15,47,998	4,03,017	1,24,53,751	74,49,091	14,13,096	3,95,267	39,86,831	38,59,679
Library	1,44,022	—	—	1,44,022	1,44,022	—	—	—	—
Vehicles	2,21,80,836	4,09,062	—	2,25,89,898	1,51,65,495	21,30,453	—	52,93,950	70,15,341
Office Equipment	67,58,166	18,67,410	5,35,421	80,90,155	47,71,404	5,69,533	4,57,311	32,06,529	19,86,762
Total	139,41,10,730	22,50,50,573	11,46,531	161,80,14,772	72,59,97,135	8,88,16,183	10,50,985	80,42,52,439	66,81,13,595
Previous Year	120,96,54,379	18,60,21,932	15,65,581	139,41,10,730	65,91,59,933	6,81,83,443	13,46,241	66,81,13,595	55,04,94,446

Name of the Asset	GROSS BLOCK			AMORTISATION				NET BLOCK	
	As at 01-04-2011	Additions during the year	Deductions during the year	As at 31-03-2012	As at 01-04-2011	For the year	On deductions	As at 31-03-2012	As at 31-03-2011
(b) Intangible									
Computer Software	3,24,486	—	—	3,24,486	3,18,315	6,171	—	—	6,171
Total	3,24,486	—	—	3,24,486	3,18,315	6,171	—	—	6,171
Previous Year	3,47,757	—	23,271	3,24,486	2,67,312	64,897	13,894	6,171	80,445

14. NON-CURRENT INVESTMENTS

Particulars	As at 31-3-2012 Rs.	As at 31-3-2011 Rs.
(a) (i) Traded - Quoted		
Investments in Equity Instruments :		
13652 Equity Shares of Rs.10 each fully paid-up in Andhra Bank Limited	3,16,680	3,16,680
Total (a)	<u>3,16,680</u>	<u>3,16,680</u>
(b) (i) Others - Quoted		
Investments in Equity Instruments :		
i) 10,07,981 Equity Shares of Rs.10 each fully paid up in The Andhra Petrochemicals Limited (a Company under the same management)	1,22,92,694	1,22,92,694
ii) 200 Equity Shares of Rs.10 each fully paid-up in The Industrial Finance Corporation of India	4,500	4,500
iii) 11,360 Equity Shares of Rs.10 each fully paid up in Industrial Development Bank of India	9,23,000	9,23,000
Total (b)(i)	<u>1,32,20,194</u>	<u>1,32,20,194</u>
(b) (ii) Others - Unquoted		
Investments in Equity Instruments:		
i) 1,00,000 Equity Shares of Rs.10 each fully paid-up in Agri Business Finance (A.P) Ltd., Hyderabad	10,00,000	10,00,000
Investments in Government or trust securities:		
i) National Savings Certificates	3,500	3,500
Total (b)(ii)	<u>10,03,500</u>	<u>10,03,500</u>
Total (b)	<u>1,42,23,694</u>	<u>1,42,23,694</u>
Total (a+b)	<u>1,45,40,374</u>	<u>1,45,40,374</u>
Aggregate amount of : Quoted investments - Cost	1,35,36,874	1,35,36,874
- Market value	2,62,09,567	3,14,55,302
Aggregate amount of unquoted investments	10,03,500	10,03,500

15. LONG TERM LOANS AND ADVANCES

Particulars	As at 31-3-2012 Rs.	As at 31-3-2011 Rs.
Unsecured, considered good		
Capital Advances	3,46,97,067	92,32,105
Security Deposits with Government authorities and others	15,87,130	14,84,193
Other Loans and Advances :		
Fund with LIC towards Group Gratuity (Net)	97,76,836	67,89,731
Total	<u>4,60,61,033</u>	<u>1,75,06,029</u>

16. INVENTORY (valued at lower of cost or net realisable value)

Particulars	As at 31-3-2012 Rs.	As at 31-3-2011 Rs.
Raw Materials	12,84,76,469	25,78,87,608
Work-in-Progress	13,47,78,340	15,41,16,751
Finished goods	14,92,91,811	14,76,59,344
Stores and Spares	9,19,12,366	11,30,67,389
Stores in Transit	—	2,72,672
Loose Tools	18,12,174	23,38,697
Others :		
Stationery	1,85,598	1,63,693
Total	50,64,56,758	67,55,06,154

17. TRADE RECEIVABLES

Particulars	As at 31-3-2012 Rs.	As at 31-3-2011 Rs.
Unsecured and considered good		
Outstanding for a period exceeding six months	3,19,54,458	67,66,038
Others	46,81,17,277	43,17,95,870
Total	50,00,71,735	43,85,61,908

18. CASH AND CASH EQUIVALENTS

Particulars	As at 31-3-2012 Rs.	As at 31-3-2011 Rs.
1. Cash on hand	3,25,248	1,83,259
2. Cash Equivalents		
i. Balances with banks		
a. In current accounts	1,23,83,820	3,81,95,856
b. Earmarked balances with banks (for unpaid dividend)	17,29,827	16,59,014
c. Balances with banks held as margin money or security against guarantees, LC and towards Liquid Assets for Fixed Deposits.	78,26,112	45,77,233
Total	2,22,65,007	4,46,15,362

Note : Balances with the Banks held as margin money includes deposits of Rs.41,00,000 (previous year Rs.38,00,000) with original maturity period of more than 12 months.

19. SHORT TERM LOANS AND ADVANCES

Particulars	As at 31-3-2012 Rs.	As at 31-3-2011 Rs.
Unsecured, Considered Good		
Advance Income-Tax and TDS	30,71,01,829	26,88,20,219
Excise Duty and Sales Tax deposits	52,99,864	4,36,39,596
Advances Paid against supply of goods	1,20,92,910	8,78,05,902
Others	10,69,079	36,12,815
Total	32,55,63,682	40,38,78,532

20. OTHER CURRENT ASSETS

Particulars	As at 31-3-2012 Rs.	As at 31-3-2011 Rs.
Interest Accrued but not due on deposits	63,848	79,310
Prepaid Expenses	48,66,531	40,60,844
Total	49,30,379	41,40,154

21. REVENUE FROM SALES

Particulars of sale of products	MT	2011-12		2010-11	
		Rs.	MT	Rs.	
Fatty Acids	23364	155,83,96,567	25708	151,42,29,276	
Soap Products	35727	222,26,05,728	42811	223,90,07,873	
Toilet Soap	2259	28,91,75,030	1682	19,27,65,205	
Glycerine	2322	9,12,89,231	1463	4,55,69,223	
Pitch	3126	8,01,23,464	3577	6,91,06,636	
Industrial Oxygen (cu.mtrs)	408072	29,01,064	414458	29,50,736	
Wind Power (kwh)	13676554	3,94,98,781	15762891	4,53,89,179	
Biomass Power (kwh)	3561300	1,27,44,290	4906300	1,73,02,772	
Others		47,41,389		90,53,225	
Total		430,14,75,544		413,53,74,125	

Details of processing charges received

	MT	Rs.	MT	Rs.
Soap	5144	2,37,58,336	8014	3,36,61,126
Soap Noodles	2187	1,23,23,680	3620	1,71,33,759
Total		3,60,82,016		5,07,94,885

22. OTHER INCOME

Particulars	2011-12 Rs.	2010-11 Rs.
Interest received from Banks & others	63,17,296	79,89,821
Dividend received	11,45,747	1,02,540
Rental charges received	1,85,457	1,59,110
Difference in Foreign Exchange (net)	81,66,986	2,20,77,544
Sale of carbon credits	30,09,273	—
Sale of scrap	62,32,823	35,56,360
Profit on sale of assets	33,625	46,338
Profit on sale of Investments	—	4,135
Claims/Refunds received	2,11,087	12,36,904
Weighment Charges received	3,70,720	2,99,600
Credit balances written back	72,262	8,87,866
Miscellaneous receipts	97,610	46,000
Total	2,58,42,886	3,64,06,218

23. COST OF MATERIAL CONSUMED

Particulars	2011-12 Rs.	2010-11 Rs.
Opening stock	25,78,87,608	85,49,403
Purchases	273,34,89,591	317,67,13,731
	299,13,77,199	318,52,63,134
Less: Sale of raw material	8,62,95,242	12,20,05,349
Closing stock	12,84,76,469	25,78,87,608
	277,66,05,488	280,53,70,177

Components of materials consumed :

Particulars	2011-12		2010-11	
	MT	Rs.	MT	Rs.
Non Edible Oils	30186	136,76,42,111	26401	103,29,49,152
Fatty Acid Distillates	27145	140,88,94,162	39146	177,23,76,311
Others		69,215		44,714
Total		277,66,05,488		280,53,70,177

24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	2011-12 Rs.	2010-11 Rs.
A. Opening stock		
Finished goods	14,76,59,344	9,20,48,071
Work-in-progress	15,41,16,751	9,29,27,661
Stock-in-trade	—	—
	<u>30,17,76,095</u>	<u>18,49,75,732</u>
B. Closing stock		
Finished goods	14,92,91,811	14,76,59,344
Work-in-progress	13,47,78,340	15,41,16,751
Stock-in-trade	—	—
	<u>28,40,70,151</u>	<u>30,17,76,095</u>
(B-A)	(1,77,05,944)	11,68,00,363
Less: Variation in excise duty on stocks	12,82,731	67,82,151
Total	<u>(1,89,88,675)</u>	<u>11,00,18,212</u>

Details of Opening and Closing stock of finished goods

Particulars	2011-12		2010-11	
	MT	Rs.	MT	Rs.
Opening stocks:				
Fatty Acids	1761	9,41,52,642	1275	5,33,32,934
Soap Products	905	4,60,40,101	671	2,64,57,246
Glycerine	132	40,83,696	77	20,71,032
Industrial Oxygen (cu.mtrs)	1204	8,545	479	3,278
Toilet Soap	—	—	66	57,33,897
Others	—	33,74,360	—	44,49,684
		<u>14,76,59,344</u>		<u>9,20,48,071</u>
Closing stocks:				
Fatty Acids	1456	8,73,76,897	1761	9,41,52,642
Soap Products	832	5,05,84,054	905	4,60,40,101
Glycerine	38	14,80,659	132	40,83,696
Industrial Oxygen (cu.mtrs)	3875	27,832	1204	8,545
Toilet Soap	69	86,72,903	—	—
Others		11,49,466	—	33,74,360
		<u>14,92,91,811</u>		<u>14,76,59,344</u>

Details of Opening and Closing stock of Work-in-Progress (WIP)	2011-12	2010-11
	Rs.	Rs.
Opening WIP:		
Fatty Acids	5,27,64,577	4,06,46,584
Soap Products	5,24,33,865	1,04,32,479
Glycerine	1,89,02,116	55,61,870
Oils/Fatty Acid Distillates	2,98,98,723	3,60,65,746
Others	1,17,470	2,20,982
	<u>15,41,16,751</u>	<u>9,29,27,661</u>
Closing WIP:		
Fatty Acids	6,62,79,634	5,27,64,577
Soap Products	1,95,62,672	5,24,33,865
Glycerine	2,16,17,737	1,89,02,116
Oils/Fatty Acid Distillates	2,71,49,356	2,98,98,723
Others	1,68,941	1,17,470
Total	<u>13,47,78,340</u>	<u>15,41,16,751</u>

25. EMPLOYEE BENEFIT EXPENSES

Particulars	2011-12	2010-11
	Rs.	Rs.
Salaries, Wages and Bonus	14,60,45,799	13,89,17,514
Contribution to PF, Gratuity, ESI and other funds	2,75,24,977	3,08,07,853
Workmen and Staff Welfare Expenses	43,57,819	44,65,084
Total	<u>17,79,28,595</u>	<u>17,41,90,451</u>

26. FINANCE COSTS

Particulars	2011-12	2010-11
	Rs.	Rs.
Interest paid to banks and others	3,42,11,267	2,62,95,669
Other borrowing costs	14,60,000	9,65,000
Total	<u>3,56,71,267</u>	<u>2,72,60,669</u>

27. DEPRECIATION AND AMORTISATION EXPENSES

Particulars	2011-12	2010-11
	Rs.	Rs.
Depreciation	8,88,16,183	6,81,83,443
Amortisation	6,171	64,897
Total	<u>8,88,22,354</u>	<u>6,82,48,340</u>

28. OTHER EXPENSES

Particulars	2011-12 Rs.	2010-11 Rs.
Stores and Spares consumed (including Packing Materials)	30,19,53,196	26,27,16,311
Power and Fuel	16,76,45,359	17,61,11,908
Rents	12,10,204	10,58,693
Repairs to Machinery	6,00,73,012	5,46,53,583
Repairs to Buildings	54,49,395	39,36,010
Repairs to other Assets	7,94,403	7,95,352
Insurance	66,37,530	66,96,624
Rates & Taxes	60,20,879	61,67,425
Payment to auditors :		
As Auditors	1,80,000	160,000
As Tax Auditors	90,000	90,000
Fee for Tax Representation & Certification	70,000	57,000
Fee to Cost Auditors	85,000	60,000
Other expenses:		
Tools written off	12,49,099	10,69,018
Advertisement and Sales Promotion Expenses	6,81,237	5,88,069
Freight Outward, Export Sales & Consignment Expenses	5,09,75,052	5,80,07,690
Commission on Sales	3,01,78,686	2,21,32,892
Directors sitting fees and travelling expenses	6,99,053	4,05,038
Donations	50,55,000	75,10,000
Assets written off	84,021	1,78,362
Loss on sale of assets	—	29,758
Loss of cash on theft	—	27,05,718
Miscellaneous expenses	1,73,46,348	1,13,09,777
Total	65,64,77,474	61,64,39,228

29. PARTICULARS OF PRODUCTION

Particulars	Production	
	As at 31-3-12 (TPA)	As at 31-3-11 (TPA)
Fatty Acids	49710	57485
Toilet Soap	7472	9630
Soap Products	40077	48229
Glycerine	2300	1704
Industrial Oxygen (cu. mtrs)	424554	426157
Biomass Power Plant (MW)	20246932	19060975
Wind Power (MW)	13676554	15762891

TPA = Tonnes per Annum

Notes :

1. Production of Fatty Acids includes 25164 MT (Previous year 29615 MT) utilized for captive consumption at Soap Plant and 1475 MT (Previous year – 1651 MT) processed on behalf of others.
2. Production of Toilet Soap includes 5144 MT processed on behalf of others (Previous year 8014 MT)
3. Production of Soap Products includes 2235 MT (Previous year 1565 MT) utilized for production of Toilet Soap at Soap Plant and 2187 MT (Previous year 3620 MT) processed on behalf of others.
4. Production of Glycerin includes 64 MT (Previous year 186 MT) utilized for captive consumption at Soap Plant
5. Production of Industrial Oxygen includes captive consumption of 13811 cubic meters (Previous year 10974 cu. mtrs).
6. Power Generation includes 16685632 units (Previous year 14154675 units) utilized for captive consumption.
7. The Installed Capacities are as per Certification given by the Managing Director on which the Auditors have relied.

30. Value of imports made by the Company during the Financial Year calculated on CIF basis.

Particulars	2011-12 Rs.	2010-11 Rs.
Raw Materials	50,85,72,081	88,43,60,007
Stores and Spares	78,02,452	9,29,251
Capital Goods	2,57,69,260	3,14,82,632
Total	54,21,43,793	91,67,71,890

b) Expenditure incurred in foreign currency during the year towards Consultancy services Rs.4,26,383/- (Previous year Rs. Nil)

31. Comparison between consumption of imported and indigenous spares and components during the year charged to appropriate heads of account.

	2011-12		2010-11	
	Value Rs.	Percentage	Value Rs.	Percentage
Imported	25,34,667	0.51	8,36,173	0.19
Indigenous	49,88,44,517	99.49	44,53,19,125	99.81
	<u>50,13,79,184</u>	<u>100.00</u>	<u>44,61,55,298</u>	<u>100.00</u>

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

	2011-12		2010-11	
	Value Rs.	Percentage	Value Rs.	Percentage
Imported	59,90,80,600	21.58	71,97,15,181	25.65
Indigenous	217,75,24,888	78.42	208,56,54,996	74.35
	<u>277,66,05,488</u>	<u>100.00</u>	<u>280,53,70,177</u>	<u>100.00</u>

33. SEGMENT INFORMATION

	Chemicals Rs.	Soap Rs.	Power Rs.	Unallocated Rs.	Eliminations Rs.	Consolidated Rs.
Revenue						
External Revenue	157,43,09,461 151,68,85,522	228,59,30,383 224,46,08,023	5,44,53,567 6,37,88,194			391,46,93,411 382,52,81,739
Inter-segment Revenue	132,06,38,801 134,05,57,446		13,65,30,117 11,32,26,089		(145,71,68,918) (145,37,83,535)	
Total Revenue (See Note below)	289,49,48,262 285,74,42,968	228,59,30,383 224,46,08,023	19,09,83,684 17,70,14,283		(145,71,68,918) (145,37,83,535)	391,46,93,411 382,52,81,739
Result						
Segment result	20,00,42,781 23,00,24,199	8,82,96,274 13,83,01,908	(1,78,26,118) (92,93,726)			27,05,12,937 35,90,32,381
Unallocated expenditure net of unallocated income				5,51,16,522 5,61,93,064		5,51,16,522 5,61,93,063
Operating Profit						21,53,96,415 30,28,39,317
Interest expenses				3,56,71,267 2,62,95,669		3,56,71,267 2,62,95,669
Interest income				63,17,296 79,89,821		63,17,296 79,89,821
Profit before tax						18,60,42,444 28,45,33,470
Provision for tax						6,00,00,000 8,30,00,000
Deferred Tax (Provision)/Withdrawal						10,05,418 (86,53,168)
Excess Provision of I.T. in earlier years						13,94,350
Profit after Taxation						12,50,37,026 19,42,74,652
Other Information						
Segment assets	93,65,03,734 91,59,52,946	46,45,96,544 60,13,63,317	39,98,38,831 43,68,61,986			180,09,39,109 195,41,78,249
Unallocated corporate assets				43,72,69,460 43,93,83,443		43,72,69,460 43,93,83,443
Total assets						223,82,08,569 239,35,61,692
Segment liabilities	7,75,30,268 20,34,74,098	1,60,52,201 1,97,64,977	1,28,16,389 51,53,791			10,63,98,858 22,83,92,866
Unallocated corporate liabilities				85,71,02,555 96,38,89,223		85,71,02,555 96,38,89,223
Total liabilities						96,35,01,413 119,22,82,089
Capital employed	85,89,73,466 71,24,78,848	44,85,44,343 58,15,98,340	38,70,22,442 43,17,08,195	(41,98,33,096) (52,45,05,780)		127,47,07,156 120,12,79,603
Capital expenditure during the year	8,10,20,939 14,22,16,327	12,17,02,078 1,81,67,046	3,03,900 10,03,003	2,20,23,656 2,46,35,557		22,50,50,573 18,60,21,933
Depreciation for the year	3,42,72,572 2,41,81,449	1,82,54,793 91,03,181	2,71,54,554 2,84,69,624	91,40,435 64,94,086		8,88,22,354 6,82,48,340

Note :

- a. 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 Generator (WEG)
- b. Segment revenue relating to each of the above domestic business segments includes income from processing on behalf of others wherever applicable.
- c. The above business segments have been identified considering :
 - 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 have 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 31-3-2012 Rs.	As at 31-3-2011 Rs.
34. Contingent Liabilities not provided for –		
a) Estimated amount of contracts remaining to be executed and not provided for which commitment is made	40,36,19,016	28,87,52,866
b) Outstanding guarantees to Banks including letter of credit opened with Bankers for purchase of material	3,44,58,580	42,04,440
c) Claims against the Company not admitted as debts relating to:		
i) Excise and Service Tax	1,67,60,762	90,70,382
ii) State Levies	12,41,487	--
iii) Other Contracts	3,48,295	3,36,364

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

	Amount (Rs.)
i) Principal and Interest over due as on 31-03-2012	Nil
ii) Interest paid on delayed payments during 2011-12	Nil
iii) Interest due on principal amounts paid beyond due date during 2011-12	Nil
iv) Interest accrued but not due	Nil
v) Total interest due but not paid	Nil

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

36. Foreign exchange earnings on exports during the year calculated on FOB basis Rs.2,18,08,672/- (Previous year Rs. 36,59,13,419)

37. RELATED PARTY DISCLOSURES

a) List of related parties and description of relationship:

1. Holding Company : The Andhra Sugars Ltd.
2. Fellow Subsidiaries : The Andhra Farm Chemicals Corp. Ltd.
3. Key Management Personnel : J. Murali Mohan
4. Relatives of Key Management Personnel - J. Murali Mohan
 - J. Ganga Bhavani Mother
 - J. Sunita Mohan Wife
 - J. Namrata Daughter
 - V. Indira Sister
 - J. Murali Mohan HUF

b) Related party transactions :

Particulars	Holding Company	Fellow Subsidiaries	Key Management Personnel	Relatives of Key Management Personnel
	Rs.	Rs.	Rs.	Rs.
Purchase of goods	10,21,35,700 (7,29,04,500)			
Sale of goods	4,27,329 (6,812)			
Rendering of services	13,003 (2,638)			
Receiving of services	55,150 (2,47,585)	1,67,845 (2,17,879)		
J. Sunita Mohan				57,000 (57,000)
Interest received				
Dividends received				
Interest paid	21,09,691 (18,46,302)		4,43,381 (2,90,242)	
J.Sunita Mohan				2,72,944 (1,81,727)
J.Ganga Bhavani				2,09,118 (1,42,239)
J.Namrata				4,74,633 (3,85,541)
J. Murali Mohan (HUF)				4,03,142 (2,73,805)
Remuneration paid			86,72,531 (77,80,833)	
Dividend paid	1,95,46,000 (2,44,32,500)		70,160 (87,700)	
J.Sunita Mohan				21,344 (26,680)
J.Ganga Bhavani				16,200 (20,250)

Particulars	Holding Company	Fellow Subsidiaries	Key Management Personnel	Relatives of Key Management Personnel
	Rs.	Rs.	Rs.	Rs.
J.Namrata				7,200 (9,000)
V.Indira				30,000 (37,500)
Balances as at 31-3-2012				
Investment in Shares of				
Share Capital of the company held by	4,88,65,000 (2,44,32,500)		1,75,400 (87,700)	
J.Sunita Mohan				53,360 (26,680)
J.Ganga Bhavani				40,500 (20,250)
J.Namrata				18,000 (9,000)
V.Indira				75,000 (37,500)
Inter Corporate loans given by				
	(7,00,00,000)			
Fixed Deposits received from				
			48,59,239 (35,58,478)	
J.Sunita Mohan				31,41,075 (19,75,709)
J.Ganga Bhavani				21,94,883 (17,26,808)
J.Namrata				45,71,580 (42,13,989)
J.Murali Mohan (HUF)				39,76,683 (36,58,646)
Remuneration Payable			77,53,140 (66,11,194)	

38. GROUP GRATUITY :

- a) The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service subject to the limits as per the rules of the company. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the fund status and amounts recognised in the balance sheet for the Group gratuity.

Statement of Profit and Loss

Net employee benefit expense (contribution to Group gratuity)

	Gratuity	
	2011-12	2010-11
	Rs.	Rs.
Current service cost	40,94,725	35,22,029
Interest cost on benefit obligation	38,27,505	30,35,787
Expected return on plan assets	(51,32,896)	(39,41,437)
Net actuarial (gain) / loss recognised in the year	9,87,937	55,83,107
Net benefit expense	37,77,271	81,99,486

Balance sheet

Details of provision for gratuity

	Gratuity	
	2011-12	2010-11
	Rs.	Rs.
Present value of defined benefit obligation	5,22,63,247	4,78,43,817
Fair value of plan assets	6,20,40,083	5,46,33,548
Plan Liability/(Fund balance)	(97,76,836)	(67,89,731)

Changes in the present value of the defined benefit obligation are as follows:

Opening defined benefit obligation	4,78,43,817	3,79,47,332
Interest cost	38,27,505	30,35,787
Current service cost	40,94,725	35,22,029
Benefits paid	(44,90,737)	(22,44,438)
Actuarial (gain) / loss on obligation	9,87,937	55,83,107
Closing defined benefit obligation	5,22,63,247	4,78,43,817

Changes in the fair value of plan assets are as follows:

Opening fair value of plan assets	5,46,33,548	3,72,13,593
Expected return	51,32,896	39,41,437
Contributions by employer	67,64,376	1,57,22,956
Benefits paid	(44,90,737)	(22,44,438)
Closing fair value of plan assets	6,20,40,083	5,46,33,548
Investments are with LIC	6,20,40,083	5,46,33,548

The principal assumptions used in determining gratuity liability for the Company's plans are shown below.

	2011-12	2010-11
	%	%
Discount rate	8.00	8.00
Salary Escalation	7 - 8	7 - 8

- b) The liability towards Leave encashment is provided based on actuarial valuation which works out to Rs.1,14,57,186 (Previous Year Rs.1,08,75,837), the details of which are as follows.

Statement of Profit and Loss

Net employee benefit expense

	Leave encashment	
	2011-12	2010-11
Current service cost	13,29,296	29,45,913
Interest cost on benefit obligation	7,30,005	5,63,129
Net actuarial loss recognized in the year	20,23,603	14,99,832
Net benefit expense	40,82,904	50,08,874

Balance sheet

	31.3.2012	31.3.2011
Details of provision for earned leave encashment	1,14,57,186	1,08,75,837
Present value of defined benefit obligation	-	-
Fair value of plan assets	-	-
Unrecognized past service cost	-	-
Net Liability	1,14,57,186	1,08,75,837

Changes in the present value of the defined benefit obligation are as follows:

Opening defined benefit obligation	1,08,75,837	82,11,282
Interest cost	7,30,005	5,63,129
Current service cost	13,29,296	29,45,913
Benefits paid	(35,01,555)	(23,44,319)
Actuarial loss on obligation	20,23,603	14,99,832
Closing defined benefit obligation	1,14,57,186	1,08,75,837

The principal assumptions used in determining leave encashment liability for the Company's plans are shown below.

	2011-12	2010-11
	%	%
Discount rate	8.00	8.00
Salary Escalation	7 - 8	7 - 8

39. 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.
40. Previous year's figures have been regrouped wherever necessary as per the requirements of revised Schedule-VI of The Companies Act, 1956, and have been shown in brackets in some of the places.
41. Paise have been rounded off.

As per our report of even date :
For BRAHMAYYA & Co.,
Chartered Accountants
Firm Regn. No. 000513S
K. RAJAJ, Partner
ICAI Memb. No. 202309
Guntur
26th May, 2012

For and on behalf of the Board

P. NARENDRANATH CHOWDARY

J. MURALI MOHAN

P. KESAVULU REDDY

Chairman

Managing Director

President & Secretary

Jocil Limited
(A Subsidiary of The Andhra Sugars Limited)
DOKIPARRU, GUNTUR - 522 438, A.P.

FORM OF PROXY

[See Article 62 of Table A and also Section 176 (6) of Companies Act, 1956]

Folio No.....

I/We
of in the district of
..... being member/members of Jocil Limited
hereby appoint
of in the district of
or failing him/her of
in the district of as my/our proxy to vote for me/us
and on my/our behalf at the **THIRTY FORTH ANNUAL GENERAL MEETING** of Jocil Limited to be held
on 25th August, 2012 and at any adjournment thereof.

Signed this day of 2012.

Signature

Affix
Re. 1-00
Revenue
Stamp

Folio

No.

No. of Shares

FORM 2B

(See rules 4CCC and 5D)

NOMINATION FORM

(To be filled in by individual(s) applying singly or jointly)

I/We..... and
and the holders of Shares/Debentures/Deposit Receipt
bearing number(s) of
Jocil Limited, Dokiparru, Guntur-522438 wish to make a nomination and do hereby nominate the following
person in whom all rights of transfer and/or amount payable in respect of shares/debentures/deposits shall
vest in the event of my/our death.

Name and Address of Nominee

Name

Address

Date of Birth (to be furnished in case the nominee is a minor)

* The Nominee is a minor whose guardian is (name)

and address is

Signature (in case of minor, signature of guardian)

(*To be deleted if not applicable)

[To be filled in by the share/debenture/fixed deposit holder(s)]

Name : Signature :

Address : Date :

Name : Signature :

Address : Date :

Name : Signature :

Address : Date :

Signatures of two Witnesses

Name : Signature :

Address : Date :

Name : Signature :

Address : Date :

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.

