



Annual Report 2013-2014

Jocil Limited

Jocil Limited

CIN : L28990AP1978PLC002260

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BOARD OF DIRECTORS

P. Narendranath Chowdary

Chairman

J. Murali Mohan

Managing Director

Mullapudi Thimmaraja

Director

Y. Narayanarao Chowdary

Director

V. S. Raju

Director

K. Srinivasa Rao

Director

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

Director

Subbarao V. Tipirneni

Director

M. Mrutyumjaya Prasad

Director

P. Venkateswara Rao

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.

STOCK EXCHANGES

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

AUDITORS

Brahmayya & Co.,

Chartered Accountants,

10-3-21, Sambasivapet,

Guntur - 522 001.

Madras Stock Exchange Ltd.,

Post Box No. 183,

11, Second Line Beach,

Chennai - 600 001.

COST AUDITORS

Narasimha Murthy & Co.,

104, Pavani Estate,

3-6-365, Himayatnagar,

Hyderabad - 500 029.

SHARE REGISTRAR & TRANSFER AGENT (RTA)

XL Softech Systems Ltd.,

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

Hyderabad - 500 034.

E-mail : xlfield@gmail.com

An ISO 9001:2008

Certified Company



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NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Thirty Sixth Annual General Meeting of the Shareholders of Jocil Limited will be held at the Registered Office of the Company, Dokiparru, Guntur - 522 438, A.P on Saturday, the 6th September 2014 at 3.30 pm to transact the following business :

Ordinary Business :

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31st March 2014 and the Balance Sheet as at that date together with the Reports of Board of Directors and Auditors thereon.
2. To declare a dividend for the year 2013-14.
3. To elect a Director in place of Shri M. Thimmaraja (DIN : 00016711) who retires by rotation and being eligible offers himself for re-election.
4. To elect a Director in place of Shri Y. Narayanarao Chowdary (DIN : 00422947) who retires by rotation.
5. To appoint Statutory Auditors for a term of three years from 2014-15 to 2016-17 to hold office from the conclusion of this Annual General Meeting, until the conclusion of thirty ninth Annual General Meeting, subject to ratification at every Annual General Meeting 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 approve the remuneration of the Cost Auditors for the financial year ending March 31, 2015 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolutions as an **Ordinary Resolution** :

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act 2013 and the Companies (Audit and Auditors) Rules 2014 (including any statutory modifications(s) or re-enactment thereof, for the time being in forces), M/s.Narasimha Murthy & Co., Hyderabad, the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting;

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

7. To appoint Shri V.S. Raju (DIN : 00101405) as an Independent Director and in this regard to consider, and if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution**.

"RESOLVED that pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri V.S. Raju (DIN : 00101405) who was appointed as a Director liable to retirement by rotation at the Annual General Meeting held on 25-08-2012 under Section 255 of the Companies Act, 1956 be and is hereby appointed as an Independent Director of the company from 1-4-2014 to hold office for a term of five consecutive years."

8. To appoint Shri M. Gopalakrishna, I.A.S. (Retd.) (DIN : 00088454) as an Independent Director and in this regard to consider, and if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution**.

"RESOLVED that pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri M. Gopalakrishna, I.A.S. (Retd.) (DIN : 00088454) who was appointed as a Director liable to retirement by rotation at the Annual General Meeting held on 25-08-2012 under Section 255 of the Companies Act, 1956 be and is hereby appointed as an Independent Director of the company from 1-4-2014 to hold office for a term of five consecutive years."

9. To appoint Shri Subbarao V. Tipirneni (DIN : 00337027) as an Independent Director and in this regard to consider, and if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution**.

"RESOLVED that pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri Subbarao V. Tipirneni (DIN : 00337027) who was appointed as a Director liable to retirement by rotation at the Annual General Meeting held on 25-08-2012 under Section 255 of the Companies Act, 1956 be and is hereby appointed as an Independent Director of the company from 1-4-2014 to hold office for a term of five consecutive years."

10. To appoint Shri P. Venkateswara Rao (DIN : 06387165) as an Independent Director and in this regard to consider, and if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution**.

"RESOLVED that pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri P. Venkateswara Rao (DIN : 06387165) who was appointed as a Director liable to retirement by rotation at the Annual General Meeting held on 25-08-2012 under Section 255 of the Companies Act, 1956 be and is hereby appointed as an Independent Director of the company from 1-4-2014 to hold office for a term of five consecutive years."

11. To approve the acceptance of fixed deposits from the members and public and in this regard to consider, and if thought fit, to pass, with or without modifications, the following resolutions as an **Ordinary Resolution**.

"RESOLVED that pursuant to Sections 73 and 76 and other applicable provisions of the Companies Act, 2013 (the Act) read with Companies (Acceptance of Deposits) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) approval of the members be and is hereby accorded to authorize the Board of Directors of the company to accept fixed deposits secured / unsecured from the members and the public aggregating upto Rs.30 crores (Rupees thirty crores) on such terms & conditions as the Board of Directors of the company may, from time to time determine and consider proper and most beneficial to the company including as to utilization of the issue proceeds and all matters connected with or incidental thereto, however, such fixed deposits together with other borrowings shall not exceed at any given time aggregate of paid-up share capital and free reserves of the company as defined under Sec. 180 (1) (c) of the Act."

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

12. To reappoint Shri Jagarlamudi Murali Mohan (DIN No. 00114341) as Managing Director and in this regard to consider, and if thought fit, to pass, with or without modifications, the following resolutions as **Special Resolutions**.

"RESOLVED that pursuant to the provisions contained in Section 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (the Rules) and subject to such other approvals as may be required, Shri Jagarlamudi Murali Mohan be and is hereby reappointed as Managing Director for a further period of 3 years effective from 16th February, 2015 and be paid remuneration by way of salary, commission and other perquisites as set out below."

1. Salary : Pay Scale Rs. 3,50,000 – 60,000 – 4,10,000 – 4,70,000
2. Commission : Upto 2% of the net profits of the company but not exceeding annual salary specified above.
3. Perquisites --
 - i) Housing: Free furnished residential accommodation with all facilities and amenities including gas, electricity, water, furniture/fittings etc. In case where the Company does not provide accommodation, House Rent Allowance shall be paid at the rate of 50% of the salary.
 - ii) Medical Reimbursement of the expenses incurred for treatment in India / abroad for self and family.
 - iii) Leave Travel Concession for self and family once in a year to and fro any place in India by Air/Rail.
 - iv) Club fees.
 - v) Personal Accident Insurance.
 - vi) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under Income Tax Act, 1961.
 - vii) Gratuity payable at the rate not exceeding half-month's salary for each completed year of service.
 - viii) Leave - Entitled to one month's leave, as per the rules of the Company on full pay, for every 12 months of service. Un-availed leave during the earlier term be carried forward to the present term. Encashment of leave at the end of the tenure will not be included in computation of the ceiling on remuneration.
 - ix) Telephone / Mobile - one or more, free telephone / mobile facility at the residence or otherwise for the use in connection with the company's business.
 - x) Car - one or more, use of company's car in connection with company's business with driver and all expenses on maintenance, repairs and cost of fuel.
 - xi) Expenses incurred for traveling, boarding and lodging on the company's business.

(Provision of car and telephone / mobile and reimbursement of expenses under Item Nos. ix, x and xi above will not be considered as perquisites).

The perquisites under above Item Nos. vi, vii and viii shall not be taken into account as perquisites while computing the remuneration under Schedule V of the Companies Act 2013 in the event of Company having no profits or inadequate profits."

"FURTHER RESOLVED that in the event of loss or inadequacy of profits in any financial year during the term of his office, the same remuneration comprising the salary and perquisites shall be paid to Shri Jagarlamudi Murali Mohan by way of minimum remuneration subject to the limit of yearly remuneration payable under Part II of Schedule V of the Act."

"FURTHER RESOLVED that the Board of Directors be and is hereby authorized to alter, vary such salary, commission and perquisites as may be permitted by any applicable law from time to time during the said period of office and as may be agreed to by the Board of Directors of the Company and Shri Jagarlamudi Murali Mohan."

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

13. To approve payment of minimum remuneration to Shri J. Murali Mohan (DIN : 00114341) as Managing Director during the balance period of current tenure from 1-4-2014 to 15-2-2015 and in this regard to consider, and if thought fit, to pass, with or without modifications, the following resolutions as **Special Resolutions**.

"RESOLVED to pay Shri J. Murali Mohan (DIN : 00114341), Managing Director of the company during the balance period of current tenure from 1-4-2014 to 15-2-2015 the existing approved remuneration mentioned hereinafter subject to the limits prescribed under Schedule V of the Companies Act 2013 as minimum remuneration in case of company having no profits or inadequacy of profits.

1. Salary : Pay Scale Rs. 3,20,000/- p.m.
2. Commission : Upto 2% of the net profits of the company but not exceeding annual salary specified above.
3. Perquisites -
 - i) Housing: Free furnished residential accommodation with all facilities and amenities including gas, electricity, water, furniture/fittings etc. In case where the Company does not provide accommodation, House Rent Allowance shall be paid at the rate of 50% of the salary.
 - ii) Medical Reimbursement of the expenses incurred for treatment in India / abroad for self and family.
 - iii) Leave Travel Concession for self and family once in a year to and fro any place in India by Air/Rail.
 - iv) Club fees.
 - v) Personal Accident Insurance.
 - vi) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under Income Tax Act, 1961.
 - vii) Gratuity payable at the rate not exceeding half-month's salary for each completed year of service.
 - viii) Leave - Entitled to one month's leave, as per the rules of the Company on full pay, for every 12 months of service. Un- availed leave during the earlier term be carried forward to the present term. Encashment of leave at the end of the tenure will not be included in computation of the ceiling on remuneration.

The perquisites under above Item Nos. vi, vii and viii shall not be taken into account as perquisites while computing the remuneration under Schedule V of the Companies Act 2013 in the event of Company having no profits or inadequate profits."

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

Hyderabad
19 July 2014.

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 Tuesday, the 12th August 2014 to Thursday, the 14th August 2014, both days inclusive.
3. Members are requested to notify any change in address immediately to the Company's Registered Office or Registrar and Transfer Agents.
4. Pursuant to Section 205-A of the Companies Act, 1956, the unclaimed interim dividend for the year ended 31st March, 2006 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 2014 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 14th August 2014 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 11th August 2014 after the close of business hours.
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 Agents (RTA). The shareholders may dematerialize their shares held in physical form if they desire so.

ANNEXURE TO THE NOTICE

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

Item No. 6 :

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s.Narasimha Murthy & Co., Cost Accountants, Hyderabad as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 on a remuneration of Rs. 1,40,000/- and reimbursement of actual traveling, lodging & boarding and out of pocket expenses for attending the work.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

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

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

Item No. 7:

Shri V.S. Raju (DIN : 00101405) has been on the Board of Directors of the Company since 25-06-1991. He is a Post Graduate in Commerce and Graduate in Law and had served in the Govt. of India for 23 years in various capacities and took voluntary retirement while working as Under Secretary to Govt. of India. He is presently practicing as an Advocate in the High Court of A.P. Hyderabad and a Consultant for several companies. He is having vast experience in Company Law, Competition Act, Capital Issues and other allied economic subjects. He is not holding any shares in the company. He is associated with the other companies and firms as given below.

Name of the company	Position	Name of the committee	Position
The Andhra Sugars Ltd.	Director	Audit Committee	Member
Gangavaram Port Ltd.	Director	Audit Committee	Chairman

In the opinion of the Board of Directors, Shri V.S. Raju is a person of integrity and possesses relevant expertise and experience. He fulfills the conditions specified in the Companies Act 2013 and the Rules made thereunder for appointment as an Independent Director on the Board of Directors of the company and that he is independent of the management.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri V.S. Raju as an Independent Director of the Company.

Shri V.S.Raju is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as a Director. The company has also received declaration from him that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act.

Shri V.S.Raju is interested in the resolutions as they relate to his appointment and his relatives may be deemed to be interested in the resolutions to the extent of their shareholding interest, if any, in the company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

In the interests of the company, the Board considers to appoint Shri V.S.Raju as an Independent Director to have the benefit of his experience and advice.

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

Item No. 8 :

Shri M. Gopalakrishna, I.A.S. (Retd.) (DIN : 00088454) has been on the Board of Directors of the Company since 22-01-2005. He is highly qualified and having vast experience in industry. He is a Director of Institute of Public Enterprise, Hyderabad. During his career he has held very high positions in the Government and in Public and Private Sector organizations. He has visited several countries representing the Government and other various organizations. He is also associated with several prestigious organizations and educational institutions. 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
NSL Textiles Limited	Director	Audit Committee	Member
Goldstone Infra-tech Ltd.	Director	--	--
Pitti Laminations Ltd.	Director	Remuneration Committee	Member
Kernex Microsystems Ltd.	Director	--	--
Vijaya Shri Organics Ltd.	Director	--	--
BGR Energy Systems Ltd.	Director	Audit Committee	Member
		Shareholders and Investors	Chairman
		Grievances Committee	
Suven Life Sciences Ltd.	Director	Audit Committee	Member
Nuziveedu Seeds Ltd.	Director	--	--
Sentini Bio Product Pvt. Ltd.	Director	--	--
Avra Laboratories Pvt. Ltd.	Director	--	--
Arani Power Systems Ltd.	Director	--	--
NSL Renewable Power P. Ltd.	Director	Audit Committee	Member
		Corporate Governance Committee	Member
		Remuneration & Nomination Committee	Member
		Project Monitoring & Evaluation Committee	Member
		Corporate Social Responsibility Committee	Member
		Internal Complaints Committee	Member

In the opinion of the Board of Directors, Shri M. Gopalakrishna is a person of integrity and possesses relevant expertise and experience. He fulfills the conditions specified in the Companies Act 2013 and the Rules made thereunder for appointment as an Independent Director on the Board of Directors of the company and that he is independent of the management.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri M. Gopalakrishna as an Independent Director of the Company.

Shri M. Gopalakrishna, I.A.S. (Retd.) is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Director. The company has also received declaration from him that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act.

Shri M. Gopalakrishna, I.A.S. (Retd.) is interested in the resolutions as they relate to his appointment and his relatives may be deemed to be interested in the resolutions to the extent of their shareholding interest, if any, in the company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

In the interests of the company, the Board considers to appoint Shri M. Gopalakrishna, I.A.S. (Retd.) as an Independent Director to have the benefit of his experience and advice.

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

Item No. 9 :

Shri Subbarao V. Tipirneni (DIN : 00337027) has been on the Board of Directors of the Company since 22-01-2005. He is MD & CEO of IVUS Software Development Centre Pvt. Ltd., and Chief Operating Officer of The Solaria Corporation, Berkely, CA, USA. He formerly worked with General Electric in their Medical Imaging Division in India, early in his career. He is a graduate in Electronics & Communications Engineering and attended EDP courses in Strategic Management at IIM, Ahmedabad and Corporate Finance at Administrative Staff College of India. He is not holding any shares in the company. He is associated with the other companies and firms as given below.

Name of the company	Position	Name of the Committee	Position
IVUS Software Development Centre Pvt. Ltd.	Managing Director	--	--
Solaria India Pvt. Ltd.	Managing Director	--	--
NEC Tech Electronics Pvt. Ltd.	Director	--	--

In the opinion of the Board of Directors, Shri Subbarao V. Tipirneni is a person of integrity and possesses relevant expertise and experience. He fulfills the conditions specified in the Companies Act 2013 and the Rules made thereunder for appointment as an Independent Director on the Board of Directors of the company and that he is independent on the management.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri Subbarao V. Tipirneni as an Independent Director of the Company.

Shri Subbarao V. Tipirneni is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as a Director. The company has also received declaration from him that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act.

Shri Subbarao V. Tipirneni is interested in the resolutions as they relate to his appointment and his relatives may be deemed to be interested in the resolutions to the extent of their shareholding interest, if any, in the company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

In the interests of the company, the Board considers to appoint Shri Subbarao V. Tipirneni as an Independent Director to have the benefit of his experience and advice.

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

Item No. 10 :

Shri P. Venkateswara Rao (DIN : 06387165) is a Graduate in Chemical Engineering from Andhra University, Visakhapatnam in 1967 and a Post Graduate in Chemical Engineering from Indian Institute of Technology, Chennai in 1971. He worked for 35 years in Indian Space Research Organization (ISRO). He specialized in servicing of Satellite Launch Vehicles with fuels such as earth storable chemicals and cryogenic fuels. He executed several projects involving Infrastructure, Fluid Circuits for handling of hazardous chemicals, gases etc. He travelled abroad extensively and was a focal point for several International Contracts. He retired as Associate Director from Satish Dhawan Space Centre, Sriharikota (SHAR), ISRO. He is not holding any shares in the company.

In the opinion of the Board of Directors, Shri P. Venkateswara Rao is a person of integrity and possesses relevant expertise and experience. He fulfills the conditions specified in the Companies Act 2013 and the Rules made thereunder for appointment as an Independent Director on the Board of Directors of the company and that he is independent of the management.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri P. Venkateswara Rao as an Independent Director of the Company.

Shri P. Venkateswara Rao is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as a Director. The company has also received declaration from him that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act.

Shri P. Venkateswara Rao is interested in the resolutions as they relate to his appointment and his relatives may be deemed to be interested in the resolutions to the extent of their shareholding interest, if any, in the company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

In the interests of the company, the Board considers to appoint Shri P. Venkateswara Rao as an Independent Director to have the benefit of his experience and advice.

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

Item No. 11 :

The company has been accepting fixed deposits from its members and the public and as on 31-03-2014 the company is holding fixed deposits of Rs. 684.03 lakhs. As per the provisions of Companies Act, 2013 and Rules made thereunder the company is required to obtain previous approval of its shareholders for accepting fixed deposits from its members and public by means of an ordinary / special resolution as may be required.

In order to augment the funds at cheaper cost for general corporate purposes and capital expenditure the company may accept fixed deposits from its members and public to save on finance costs.

Accordingly, consent of the members is sought for passing an ordinary resolution as set out at Item No. 11 of the Notice. This resolution enables the Board of Directors of the company to accept fixed deposits from its members and public as may be required from time to time.

The Directors / Key Managerial Personnel of the company / their relatives will be considered as interested in the resolutions to the extent of their placing fixed deposits in the company.

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

Item No. 12 & 13 :

The shareholders at the 31st Annual General Meeting of the company held on 8th August 2009 approved the reappointment of Shri Jagarlamudi Murali Mohan (DIN : 00114341) as Managing Director for a period of five years with effect from 16th February, 2010. The said term of reappointment will expire on 15th February 2015.

Shri Jagarlamudi Murali Mohan has been the whole-time director of the company since 1990 and has become Managing Director in the year 1992. Since then he initiated and successfully completed various expansion/diversification programmes. During the current tenure of five years Expansion cum Modernization Programme costing about Rs. 45 crores in Fatty Acid Plant, Soap Plant and Glycerine Plant was implemented with latest technologies. As a result, the company is now able to produce superior quality products, enlarge product range, reduce product costs and maintain additional production facilities to meet surges in demands from the customers. The company also

rewarded shareholders in 2011-12 by issuing bonus shares at one fully paid equity share of Rs. 10/- each for every share held by them. The professionalism and managerial skills exhibited in the smooth conduct of affairs of the company were well appreciated by its customers, shareholders, suppliers, employees and the surrounding public. Having regard to the impressive progress made by the Company, it is proposed to reappoint him as Managing Director for a further period of 3 years effective from 16th February 2015.

It is also proposed to pay existing earlier approved remuneration to the Managing Director as minimum remuneration subject to the provisions under Schedule V of Companies Act 2013 during the balance period of current tenure from 1-4-2014 to 15-2-2015 in the event of no profits or inadequacy of profits.

The Nomination and Remuneration Committee of the Board approved the reappointment and the terms of remuneration including payment of minimum remuneration during the balance period in the current tenure at its meeting held on 19-07-2014.

Shri Jagarlamudi Murali Mohan satisfies all the conditions set out in Part I of Schedule V to the Act and also conditions set out under Sub Section 3 of Section 196 of the Act for being eligible for reappointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

In compliance with the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013, the terms of remuneration specified in the resolutions are now being placed before the Members in Annual General Meeting for their approval. The Board recommends the approval of special resolutions at Item No. 12 and 13 of the Notice by the shareholders.

Shri Jagarlamudi Murali Mohan is considered as interested in the resolutions as it relates to his reappointment and remuneration payable to him. The relatives of Shri Jagarlamudi Murali Mohan may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

B. Information as required under Part II of Schedule V to Companies Act, 2013.

I. General Information :

- 1) Nature of Industry : Manufacture of Fatty Acids and Toilet Soap and generation of power from renewable sources -- biomass and wind.
- 2) Date of commencement of commercial production : 30-06-1981.
- 3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Existing company and hence not applicable.
- 4) Financial performance based on given indicators : Existing company and hence not applicable.
- 5) Foreign investments or collaborations, if any : NIL

II. Information about the appointee :

- 1) Background details : Shri Jagarlamudi Murali Mohan is a graduate in Chemical Engineering and a Post Graduate in Business Administration. He has been working in the company since 16-02-1990 as Wholetime Director and from 1-7-1992 as Managing Director. Before joining in the company he was with ITC Ltd.
- 2) Past remuneration : Rs. 103.76 lakhs in 2013-14 which was however restricted to Rs. 86.07 lakhs under Sec. 309 of the Companies Act 1956 due to inadequacy of profits.
- 3) Recognition or awards : Under his stewardship as Managing Director of the company since 1992 various expansion / diversification programmes were initiated and successfully completed. Generation of power from renewable sources - biomass and wind was set up under his guidance.

- 4) Job profile and his suitability : Fatty Acid and Toilet Soap industry in the country is facing the problem of excessive installed capacity while the demand for the products is growing at snails pace since last two years. The company needs a person with substantial experience to take it forward. Shri J. Murali Mohan is considered as an appropriate person to guide the company in the prevailing scenario of intense competition with his vast experience.
- 5) Remuneration proposed : Please refer to the details provided in the resolutions at item No. 12 and 13.
- 6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin) : Remuneration proposed to the appointee is considered to be reasonable taking into account the size of the company in the industry and the qualification and experience he possess.
- 7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any : Holding 2,560 equity shares of aggregate face value of Rs.25,600 in the company.

III. Other information :

- 1) Reasons of loss or inadequate profits : The profits are inadequate due to stiff competition in the market and sluggish growth in demand for the finished products since last two years.
- 2) Steps taken or proposed to be taken for improvement : Continuous efforts are made to reduce costs and to improve cost competitiveness in the market. Technology upgradation is being done to improve quality of the products. Additional efforts are put in to improve marketing of the products.
- 3) Expected increase in productivity and profits in measurable terms : Revenue from sales is expected to increase by 10% in 2014-15 over the previous year. Increase in profitability and profits depends on several factors like raw material prices, demand for the products, behaviour of the competitors etc., and therefore it is difficult to quantify the same.

IV. Disclosures :

Required disclosures are made in the Board of Directors report under the heading "Corporate Governance" attached to the financial statements.

Hyderabad
19 July 2014.

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

ABBREVIATED RESUME OF THE DIRECTORS SEEKING REAPPOINTMENT

Shri Mullapudi Thimmaraja

Shri Mullapudi Thimmaraja joined as a Director on the Board of the Company on 27-10-1988. He is a graduate in Chemical Engineering and Post Graduate in Business Administration from the University of Florida, U.S.A. For more than three decades he has been the Whole-time Director of the holding company, The Andhra Sugars Limited, a multi product multi division Company manufacturing Sugar and wide range of Organic and Inorganic Chemicals. Shri Mullapudi Thimmaraja is a member of the Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and the Stakeholders Relationship Committee constituted by the Board of Directors of the Company. No. of shares held in the company as on 31st March 2014 are 4,500. Particulars of directorships of other companies and memberships in committees are given below.

Name of the Company	Position	Name of the Committee	Position
The Andhra Sugars Limited	Joint Managing Director	Shareholders/Investors Grievance Committee	Member
		Share Transfer Committee	Member
The Andhra Petrochemicals Limited	Director	Shareholders/Investors Grievance Committee	Member

TEN YEAR RECORD

(Rs. in Lakhs)

	Year ending 31st March									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014

OPERATING RESULTS

Gross Sales & Other Income	8982	8451	9616	13009	21660	32694	42226	43634	46088	42201
Operating Profit	2065	1040	1461	1737	2078	3773	3790	3090	3677	2819
Depreciation	576	561	589	527	523	511	682	888	1001	1026
Interest	18	4	5	24	34	55	263	342	382	163
Profit before Tax	1471	475	867	1226	1521	3207	2845	1860	2294	1630
Profit after Tax	1110	294	556	869	969	2137	1943	1250	1462	1133
Dividend Paid	266	222	266	311	355	444	355	444	533	444
Dividend Rate (%)	60	50	60	70	80	100	80	50	60	50
Retained Earnings	807	41	250	505	554	1619	1530	734	838	614
Earning per Share (Rs.)	25.00	6.62	12.53	18.70	21.82	48.12	21.87	14.08	16.46	12.75
Return on Networth (%)	13.59	3.53	6.27	9.28	9.73	18.49	14.75	8.98	9.92	7.45
Debt Equity Ratio	0.02	0.04	0.04	0.03	0.06	0.10	0.35	0.22	0.24	0.08
Book Value (Rs.)	183.86	187.48	199.68	210.82	224.36	260.00	296.67	156.72	165.95	171.25

SOURCES OF FUNDS

Equity Capital	444	444	444	444	444	444	444	888	888	888
Reserves	7720	7882	8425	8917	9519	11114	12730	13030	13850	14320
Borrowings	169	356	333	271	608	1130	4623	3008	3569	1211
Net Capital Employed	8333	8682	9202	9632	10571	12688	17797	16926	18307	16419

APPLICATION OF FUNDS

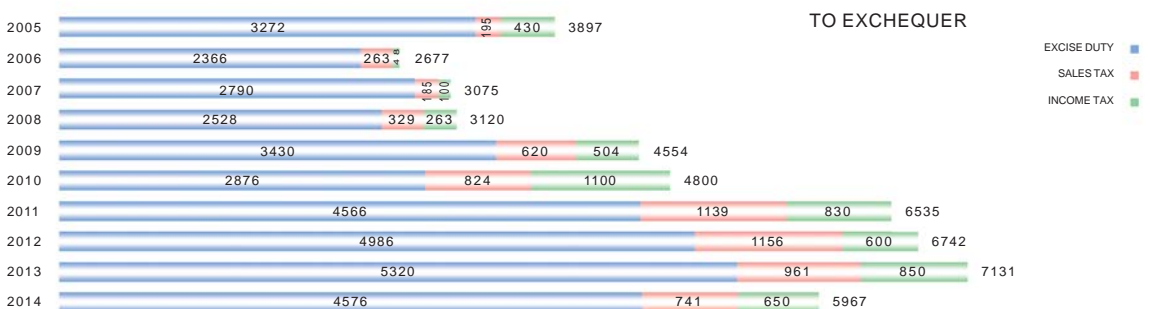
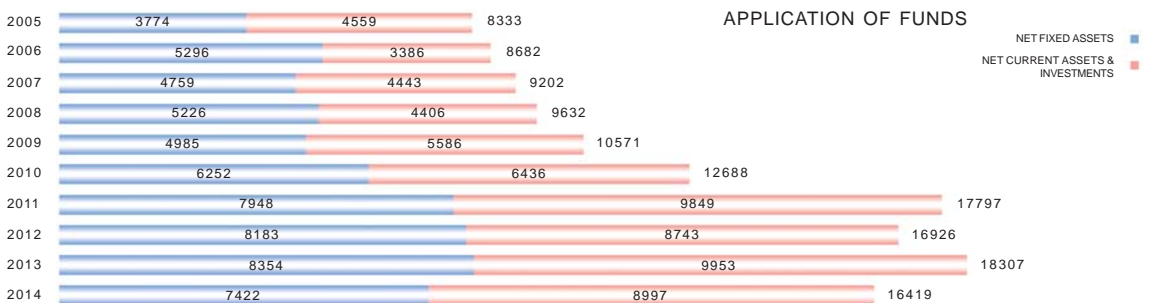
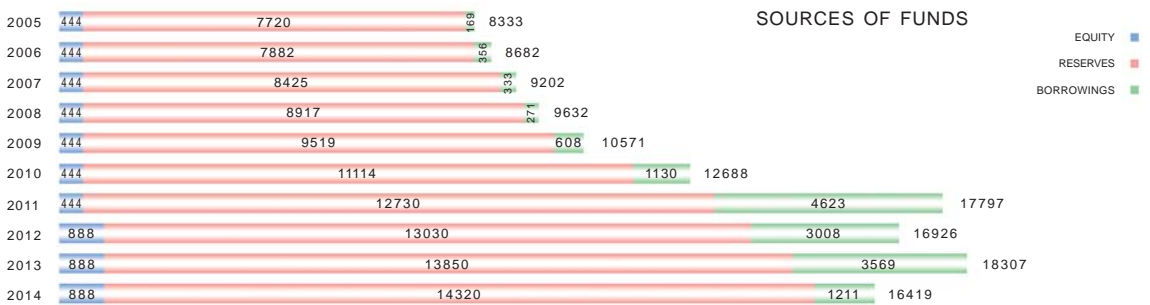
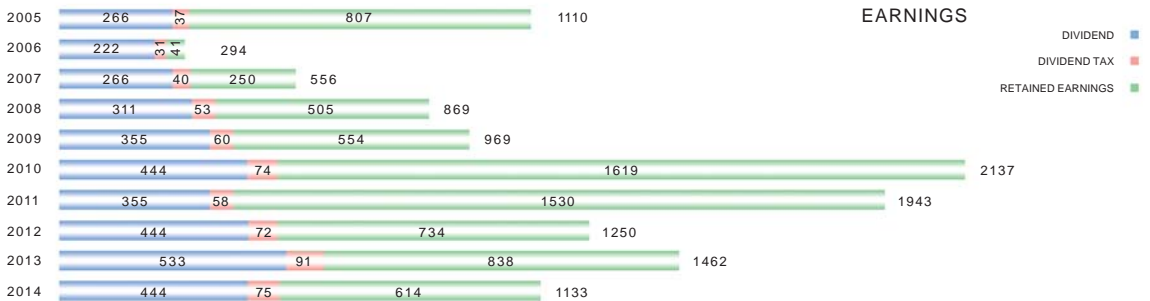
Gross Fixed Assets	7749	9803	9846	10821	11090	12846	15211	16324	17391	17433
Depreciation	3974	4507	5087	5595	6105	6594	7263	8141	9037	10011
Net Fixed Assets	3774	5296	4759	5226	4985	6252	7948	8183	8354	7422
Net Current Assets & Investments	4559	3386	4443	4406	5586	6436	9849	8743	9953	8997
Net Assets Employed	8333	8682	9202	9632	10571	12688	17797	16926	18307	16419

TO EXCHEQUER

Excise Duty & Service Tax	3272	2366	2790	2528	3430	2876	4566	4986	5320	4576
Sales Tax and Other Taxes	195	263	185	329	620	824	1139	1156	961	741
Income Tax	430	48	100	263	504	1100	830	600	850	650
Total Taxes & Duties	3897	2677	3075	3120	4554	4800	6535	6742	7131	5967

TEN YEAR HIGHLIGHTS

Year ending 31st March
(Rs. in Lakhs)



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, 2014.

Hyderabad,
24th May, 2014

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, 2014, 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.

Hyderabad,
24th May, 2014

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

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Thirty Sixth Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2014.

(Rs. in Lakhs)

	2013-14	2012-13
1. FINANCIAL RESULTS		
Gross Sales	41718.29	45346.36
Less : Excise Duty	4499.40	5160.22
Net Sales	37218.89	40186.14
Processing Charges	292.92	578.60
Other Income	190.31	162.80
Total Income	37702.12	40927.54
Profit before Interest and Depreciation	2819.81	3677.97
Interest	(163.12)	(382.13)
Depreciation	(1026.23)	(1001.38)
Profit before Tax	1630.46	2294.46
Provision for Current Tax	(650.00)	(850.00)
Deferred Tax / Credit	142.53	18.63
Excess/(Short) provision of Income Tax made in earlier years	9.54	(1.03)
Profit after Tax	1132.53	1462.06

During the year the turnover of the company has come down to Rs.417.18 crores from Rs. 453.46 crores in the previous year, a decline of 8% over the previous year. The Profit Before Interest and Depreciation (PBID) of Rs. 28.20 crores and Profit Before Tax (PBT) of Rs.16.30 crores in the current year have accounted for a drop by 23% and 29% respectively over the previous year. Turnover has come down during the year due to sluggish market for Fatty Acids and Toilet Soap. Severe competition and aggressive marketing by the other manufacturers affected the margins. The revenue from Wind Energy Generators (WEGs) has come down by Rs. 153.41 lakhs due to back down of WEGs for lack of evacuation facilities. Depreciation expense marginally increased due to few additions to assets while interest cost has come down because of reduced borrowings. The income for the year includes Rs. 233.07 lakhs (previous year's Rs. 213.52 lakhs) received from APSDCL for the power supplied in earlier years from 01-04-2004 to 31-03-2009 towards rate difference.

The appropriations from the profit are as detailed below:

(Rs. in Lakhs)

	2013-14	2012-13
Profit after Tax	1132.53	1462.06
Balance brought forward from previous year	1374.13	1035.50
Profit for appropriations	2506.66	2497.56
APPROPRIATIONS		
Dividend	444.06	532.87
Provision for Tax on distributed profits @ 16.995%	75.47	90.56
Transfer to General Reserve	500.00	500.00
Balance carried forward	1487.13	1374.13
Total	2506.66	2497.56

Authorised Capital	1000.00	1000.00
Paid up Capital	888.16	888.16
Reserves & Surplus	13310.55	12697.54

2. DIVIDEND

Considering the profitability of the Company, the Board of Directors are pleased to recommend for the approval of the shareholders of the Company for payment of dividend for the year ended 31-3-2014, 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 of the Company. In the previous year, the Company paid dividend at Rs.6 per equity share of Rs.10 each on 88,81,150 shares amounting to Rs.5,32,86,900.

3. OPERATIONS

	2013-14 MT	2012-13 MT
Production (including processed on jobwork)		
a) Fatty Acids	48567	51179
b) Toilet Soap	3495	7346
c) Soap Products	37270	43967
d) Glycerine	2381	3735
e) Industrial Oxygen (cubic meters)	459664	464432
f) Biomass Power-kwh	25149728	25799840
g) Wind Power-kwh	11056328	16418310
Sales		
a) Fatty Acids	24759	23095
b) Toilet Soap	1395	2034
c) Soap Products	34546	36699
d) Glycerine	2254	3679
e) Industrial Oxygen (cubic meters)	454191	457681
f) Biomass Power (kWh)	8491700	7831000
g) Wind Power (kWh)	11056328	16418310

4. OUTLOOK

Fatty Acids and Soap

The market for fatty acids mostly depends on their consumption for toilet soap production. During the year, the toilet soap market was stagnant and even the established brand owners are at difficulty to maintain their existing sales. Consequently the offtake by some of the major customers is abnormally low. Further, some of the competitors in the market for fatty acids have an edge over the company due to their backward integration to source raw material and few of such competitors are, curiously, vendors of raw materials to the company too. As a result the company could not utilize the full capacity of fatty acid, soap and glycerine plants after the recent expansion with latest technology.

Biomass Power Plant

Restrictions on power consumption came into operation again from 06-02-2014 after a brief period of about six months. Yet, the company was able to carry out its operations normally, only because of Biomass Captive Power Plant. The company is not allowed to draw power even at extra cost during the periods of Biomass Power Plant maintenance due to restrictions on power consumption. Ironically, this year the company is not allowed to purchase power even under Open Access inspite of repeated representations, on frivolous grounds. Therefore the company is always at the risk of stoppage of production if there is any problem in power plant. Capacity utilization of Biomass Power Plant is satisfactory taking into consideration the fuel constraints experienced by the company. Since the continuous running of power plant is very essential, biomass fuels are having to be procured even at a higher cost.

Wind Energy Generators (WEGs)

Power generation during the year from the four Wind Energy Generators (WEGs) of the Company aggregating to 6.3 Mw capacity is very low at 110.56 lakh kwh as against the previous year 164.18 lakh units, mainly due to back down of WEGs for want of evacuation by Tamil Nadu Electricity Generation and Distribution Corporation Limited (TANGEDCO). The wind velocity during the year in general was considered good as compared to previous year and at least 10% increase in generation over the previous year was expected. TANGEDCO failed to evacuate power on priority basis as there were other cheaper sources of power at its disposal. The Indian Wind Power Association is fighting for 'must run' status to WEGs to avoid back down in future. The estimated loss of income from the four WEGs due to back down is about Rs.200 lakhs during the year.

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

- a) Air Handling Unit provided in Electrolyser Control Panel Room for reducing ambient temperature to avoid premature failure & malfunctioning of electronic components such as Programmed Logic Circuit (PLC), Control Cords etc.
- b) Solar Photo Voltaic Cells (Plates) arranged at Biomass Collection Point to utilize solar power for Weigh Bridge.
- c) Left over Hydrogen gas after reaction in Autoclave, successfully recovered and used in subsequent batches.
- d) Heat released in condensation of glycerine, used to evaporate the Sweet Water in Glycerine Distillation Plant.
- e) Steam generated from Vapour Liquid Separator in Continuous Neutralisation and Drying Plant, used for melting Lauric Acid.
- f) Three thousand Eucalyptus saplings planted in the factory premises during the year to promote green belt.

6. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, the Company earned foreign exchange equivalent to Rs.12,34,262 (previous year - 1,30,50,778). The exports have come down because of high raw-material prices and competition from countries like Malaysia and Indonesia for supply of similar products. The Company imported raw materials and equipment during the year resulting in foreign exchange outgo equivalent to Rs. 33,77,50,837 (previous year - Rs. 43,58,19,914).

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 company complied with all the legal requirements and there are no outstanding statutory dues as on 31st March 2014.

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 2014.

9. DIRECTORS

- a) Pursuant to Section 149(4) of the Companies Act, 2013, Shri V.S. Raju, Shri M. Gopalakrishna, Shri Subbarao V. Tipirneni and Shri P. Venkateswara Rao were appointed as Independent Directors with effect from 1-4-2014 and shall hold office up to 31-03-2019. The company has received requisite notices for each of the Directors separately in writing from members proposing their names as Independent Directors. The company has received declarations from all the Independent Directors of the company confirming that they meet the criteria of independence as prescribed under Sub Section 5 of Section 149 of Companies Act, 2013.
- b) In accordance with the provisions of the Companies Act 2013 and Articles of Association of the Company at the ensuing Annual General Meeting Shri M. Thimmaraja, Director retires by rotation and being eligible offers himself for re-election and Shri Y. Narayanarao Chowdary, Director retires by rotation.
- c) The present term of office of Shri Jagarlamudi Murali Mohan, Managing Director expires on 15-02-2015. During his tenure in office in the past twenty five years the company made appreciable progress in all aspects. The Board of Directors has recommended to the Shareholders for his reappointment at the ensuing Annual General Meeting.
- d) The Board of Directors constituted Corporate Social Responsibility Committee comprising Shri P. Narendranath Chowdary, as the Chairman and Shri J. Murali Mohan, Shri Mullapudi Thimmaraja and Shri Parvathaneni Venkateswara Rao as other members. The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility (CSR) Policy indicating the activities to be undertaken by the company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.
- e) The Board of Directors have also constituted Nomination and Remuneration Committee comprising Shri V.S. Raju, as the Chairman and Shri P. Narendranath Chowdary, Shri Mullapudi Thimmaraja and Shri Subbarao V. Tipirneni as other members. The said Committee has been entrusted with the responsibility of formulating a policy on nomination and remuneration of Directors, Key Managerial Personnel, Senior Management and other employees.

10. AUDITORS

M/s.Brahmayya & Co., Chartered Accountants, Guntur retire at the ensuing Annual General Meeting and are eligible for re-appointment for a period of 3 years.

11. COST AUDITORS

M/s. Narasimha Murthy & Co., Cost Accountants, Hyderabad have been appointed as Cost Auditors for Cost Audit of the Cost Accounting Records maintained by the Company for the year 2013-14. Cost Auditors' Report in respect of financial year 2012-13 has been filed with the Ministry of Corporate Affairs on 13-09-2013 i.e. within the stipulated due date of 30-09-2013. They are eligible for appointment as Cost Auditors for the year 2014-15.

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) Report along with Compliance Certificate from Auditors on Corporate Governance 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, 2014, 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 and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 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.

Hyderabad,
19 July, 2014

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 31-03-2014.

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	64	Managing Director	86,07,152	47,03,878	B.Tech., M.B.A.	35	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, superannuation and gratuity funds, provision for leave encashment 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:
Improvement in recovery of fatty acids and conservation of energy.
2. Benefits derived as a result of the above R & D:
Cost reduction and conservation of resources
3. Future Plan of action :
To make efforts to improve quality of products.
4. Expenditure on R & D :

	(Rs. in Lakhs)	
	2013-14	2012-13
a) Capital	1.54	2.06
b) Recurring	54.68	49.82
Total	56.22	51.89
Total R & D expenditure as a percentage of turnover	0.15	0.13

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 Toilet Soap, Fatty Acids and Energy.
2. Benefits derived as a result of the above efforts:
Improved capability & productivity to meet the customer requirements in a competitive market.
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 and 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 across the country. The Company also undertakes to manufacture Soap Noodles and Toilet Soap on jobwork for reputed customers.

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

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

The country is short of both edible and non-edible 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 influence the indigenous market. Further, fluctuation in crude oil prices also have impact on edible and non edible oils due to their usage in production of biofuels.

The fuels intended for running the biomass power plant are Rice Husk, field residues like Cotton Stalk, Chili Stalk etc., available in the surrounding areas. Their availability is not only limited but also seasonal. Shortage of labour, farm works during the season, high labour cost, influence their procurement. Transportation and storage of cotton stalk is a problem due to low bulk density, procurement of large quantity, fire hazards etc. During the year the Company was able to procure a good quantity of Rice Husk and Cotton Stalk. Efforts to mechanize the process of receipt and storage of biomass by baling to reduce volume could not make much progress due to technical problems encountered. The capacity utilization of the power plant during the year is also satisfactory due to improved procurement of fuels.

Steam and power requirements of Process Plants are met from the Biomass Power Plant. Without the captive power plant it would have been impossible to run the plants from the power supply of the State Utilities due to the Restriction and Control (R&C) measures imposed on power consumption with effect from 06-02-2014 due to 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) is being followed by the Company.

b. Opportunities and Threats :

Major portion of fatty acids produced is consumed by the toilet soap industry. The performance of the toilet soap industry continued to be sluggish in 2013-14. The demand for Fatty Acids consumed in other industries like rubber, metal polish, plastics, cosmetics etc., was also not encouraging during the year. Toilet Soap is a fast moving consumer product and the industry is expected to revive in due course of time.

The Company is also facing stiff competition due to the entry of certain big players into the Fatty Acid and Soap Noodles market. Because of their large production capacities, backward integration and huge financial strength in other areas they are offering their products at very low prices to make an entry into the market. But these low prices cannot be sustained for long and market is expected to find its own price levels.

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 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.

There is an acute power shortage in the State of Andhra Pradesh. Until now, whenever Biomass Cogeneration Captive Power Plant is under maintenance or during outages, the company was drawing power from the State Utilities at a higher cost for running the plants. The situation has now changed after the introduction of restrictions on power consumption since

6-2-2014 and the industry is not allowed to draw extra power even at an additional cost. Strangely, the company is also not allowed to purchase power from third parties under Open Access System. Therefore when captive power plant is not in operation the company is depending on power generated from DG sets which is very costly.

The wind velocity during the year under consideration was regarded to be better than the previous and the company expected higher generation by about 10% over the previous year generation of 164.18 lakh kwh. All these expectations failed to materialize due to back down of WEGs for lack of power evacuation by TANGEDCO. The actual generation recorded is 110.56 lakh kwh only which resulted in loss of revenue by about Rs. 200 lakhs. The Indian Wind Power Association (Association) in which the company is a member has been fighting for 'must run' status for WEGs from TANGEDCO. TANGEDCO has not been giving priority for power generated by WEGs when other sources of cheaper power supply is available to it.

A year ago, TANGEDCO was delaying payments for power supplied by more than a year after the due date. After continued persuasion by the Association the position has now improved and the developers are receiving payments with only one or two months delay after the due date. Tamil Nadu Electricity Regulatory Commission (TNERC) has directed TANGEDCO to pay interest at one per cent per month on the 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. 60.

d. Outlook :

The toilet soap industry is expected to recover from the slowdown since 2011-12. The technical upgradation and increase in plant capacities of fatty acid, soap and glycerine plants under expansion cum modernization programme are expected to help to improve the operations of the Company once the market conditions in fatty acid industry improve. The Company will have to face challenges from new entrants into the industry which may affect its profitability.

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

f. Internal Control System and their adequacy:

The Company has proper and adequate internal control procedures commensurate with its size and nature of business. These internal control procedures ensure protection to the resources of the Company and compliance with the policies, procedures and statutes.

The internal controls are supplemented by internal 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:

Financial performance is not satisfactory with respect to operational performance in 2013-14 as compared to 2012-13. While the operations have come down by about 15%, the Profit Before Tax has declined by 23% due to severe competition in the market and aggressive marketing by competitors.

h. Human Resources:

The Company employed 763 persons as on 31st March 2014 both in the factory and office. The Management of the Company maintains good relations with the employees. There have been no labour problems since the inception of the Company in 1980.

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

REPORT ON CORPORATE GOVERNANCE FOR THE PERIOD APRIL 1, 2013 TO MARCH 31, 2014

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 ten of which nine are Non-Executive Directors including five Independent Directors.

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

Sl. No.	Date of Board Meeting
1	25.05.2013
2	20.07.2013
3	05.11.2013
4	01.02.2014

iii) 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 31-3-2014	Executive/ Non-executive/ Independent	No. of other Directorships & Chairmanships held			Memberships & Chairmanships in committees of other companies held		No. of Board Meetings attended	Attendance at last AGM held Y/N	Relation with other Directors
			Public	Private	Chairman	Member	Chairman			
P.Narendranath Chowdary, Chairman	25,000	Non-executive	7	-	3	7	4	4	N	
J. Murali Mohan, Managing Director		Executive	1	-	-	1	1	4	Y	
Mullapudi Thimmaraja, Director	4,500	Non-executive	2	-	-	3	-	2	N	
Y. Narayanarao Chowdary, Director	2,100	Independent & Non-executive	1	-	1	1	-	1	N	
V.S. Raju, Director	Nil	Independent & Non-executive	2	-	-	2	1	4	Y	
K. Srinivasa Rao, Director	3,25,092	Non-executive	-	4	-	-	-	4	N	
M. Gopalakrishna, Director	Nil	Independent & Non-executive	8	4	-	11	1	4	N	
Subbarao V. Tipirneni, Director	Nil	Independent & Non-executive	-	3	-	-	-	4	N	
Mullapudi Mrutyumjaya Prasad, Director	2250	Non-executive	-	1	-	-	-	4	Y	Sri M. Thimmaraja is father
P.Venkateswara Rao Director	Nil	Independent & Non-executive	-	-	-	-	-	2	N	

- (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	2
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 25-05-2013, 20-07-2013, 05-11-2013 and 01-02-2014.

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, debenture holders, 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 auditor, 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.

The Board enhanced the terms of reference to the Audit Committee as stipulated under section 177 of the Companies Act, 2013 in the year 2014-15.

4. Details of all elements 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. 35,23,928
House Rent Allowance	:	Rs. 17,61,964
Commission	:	Rs. 17,55,136
Contribution to Provident Fund and other Funds	:	Rs. 9,51,461
Other Perquisites	:	Rs. 2,00,663
Value of Earned Leave Provided	:	Rs. 4,14,000
Contribution to Group Gratuity	:	Rs. —
Total		<u>Rs. 86,07,152</u>

The appointment of Managing Director is on a contract for a period of 5 years w.e.f. 16-02-2010 and there is no provision for notice period or severance fee on either side. Commission is at 2% of the net profits of the company subject to a maximum of annual salary.

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

Name of the Director	Sitting fees paid for attending meetings of the Board of Directors/Committee of Directors
P. Narendranath Chowdary	Rs. 80,000-00
Mullapudi Thimmaraja	Rs. 60,000-00
Y. Narayanarao Chowdary	Rs. 10,000-00
V.S. Raju	Rs. 80,000-00
K. Srinivasa Rao	Rs. 40,000-00
Subbarao V. Tipirneni	Rs. 80,000-00
M. Gopalakrishna	Rs. 40,000-00
M. Mrutyumjaya Prasad	Rs. 80,000-00
P. Venkateswara Rao	Rs. 20,000-00

None of the Directors are provided with Stock Options.

5. 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
P. Narendranath Chowdary	Chairman	4	4
J. Murali Mohan	Member	4	4
Mullapudi Thimmaraja	Member	4	2
M.Mrutyumjaya Prasad	Member	4	4

During the period under review four meetings of the Committee were held on 25-05-2013, 20-07-2013, 05-11-2013 and 01-02-2014.

M/s.XL Softech Systems Ltd, 3, Sagar Society, Road No.2, Banjara Hills, HYDERABAD - 500 034 act 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 eighty letters during the year in respect of various matters such as non-receipt/revalidation of dividend warrants, change of address, change of bank account etc., and all of them were attended to and replied to the satisfaction of the shareholders. As on 31-3-2014 there were no pending complaints/requests from the shareholders.

The Board enhanced the terms of reference and renamed it as Stakeholders Relationship Committee in 2014-15 as stipulated under section 178 (5) of the Companies Act, 2013.

6. 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

7. 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.

8. 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.

9. General Body Meetings :

The last three Annual General Meetings were held as under :

Financial Year	Date	Time	Place
2010-2011	17-09-2011	3.30 PM	Regd. Office, Dokiparru, Guntur Dist., A.P.
2011-2012	25-08-2012	3.00 PM	Regd. Office, Dokiparru, Guntur Dist., A.P.
2012-2013	24-08-2013	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) 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.

(B) 2011-2012 - Nil

(C) 2012-2013 - Nil

There was no occasion to pass Special Resolutions through postal ballot on any of the matters required to be so passed under the provisions of the Companies Act, 1956.

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

10. 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.

11. 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 financial statements without any qualification.

12. The non-mandatory requirements not complied with will be adopted at the appropriate time.

13. 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.

14. 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.

15. 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 - 192

16. General Shareholder Information

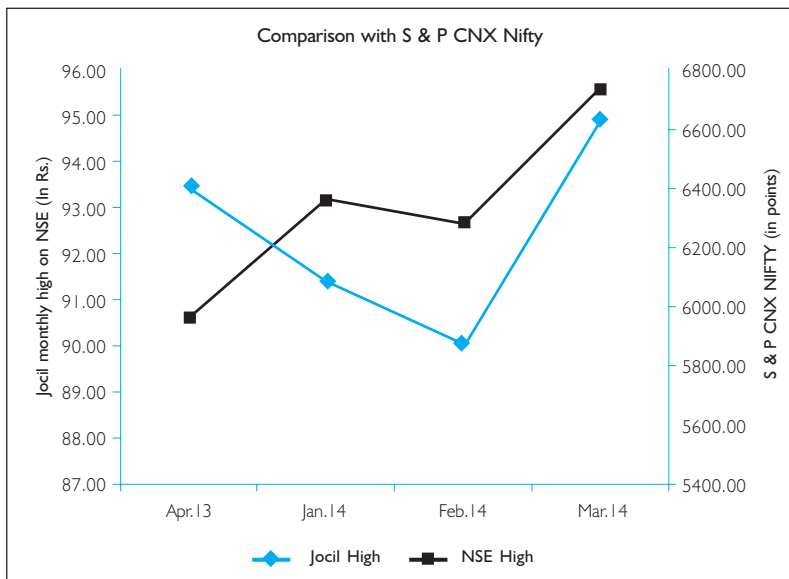
- Annual General Meeting
 Date and Time : 06-09-2014 at 3.30 pm
 Venue : Registered Office :
 Jocil Ltd.,
 Dokiparru, Medikondur Mandal,
 Guntur District, A.P. Pin : 522 438.
- Financial Year : 2013-14
- Book Closure : 12-08-2014 to 14-08-2014
- Dividend Payment Date : 15-09-2014
- Listing on Stock Exchanges : 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 2013-2014 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-13	93.45	87.05	90.00	90.17	7,830
Jan-14	91.40	84.10	86.00	87.17	12,968
Feb-14	90.00	76.00	80.00	82.00	14,821
Mar-14	94.90	79.00	90.05	87.98	19,377



- Registrar and Transfer Agents (RTA) : XL Softech Systems Ltd.,
3, Sagar Society, Road No. 2, Banjara Hills,
Hyderabad - 500 034.
Tel : 040-23545913/914/915
Fax : 040-23553214
Email : xlfield@gmail.com
- Shareholding pattern as on 31st March, 2014.

Category	No. of Shares held	% of Shareholders
Promoters The Andhra Sugars Ltd. (Holding Company)	48,86,500	55.02
Institutions & Banks	--	--
Bodies Corporate	2,10,056	2.37
Public	37,84,594	42.61
Total	88,81,150	100.00

- Distribution of Shareholding as on 31st March, 2014.

Shareholdings of nominal value of shares held (Rs.)	Shareholders		Share Amount	
	Nos.	%	No. of shares	%
Upto 5,000	2407	74.52	3,66,481	4.13
5,001 - 10,000	310	9.60	2,40,696	2.71
10,001 - 20,000	195	6.04	2,91,748	3.29
20,001 - 30,000	94	2.91	2,33,965	2.63
30,001 - 40,000	44	1.36	1,55,571	1.75
40,001 - 50,000	45	1.39	2,04,949	2.30
50,001 - 1,00,000	68	2.11	4,93,392	5.56
1,00,001 & above	67	2.07	68,94,348	77.63
Total :	3230	100.00	88,81,150	100.00

- Dematerialisation of shares :

Electronic / Physical	%
NSDL – 17,12,393	19.28
CDSL – 59,52,654	67.03
Physical – 12,16,103	13.69

86.31% of Company's Paid-up Equity Share Capital has been dematerialised upto March, 31 2014 (85.97% upto March 31, 2013). 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.*
2013-14	06-09-2014	5.00
2012-13	24-08-2013	6.00
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

* paid up value of Rs.10 per share

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

During the year under review, the Company has credited Rs.1,53,203/- being the unpaid/unclaimed dividend for the year 2005-06 and 2006-07 (interim) 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 requested to furnish the new bank account number allotted by their bank after implementation of Core Banking Solutions (CBS) along with photocopy of cheque pertaining to the concerned account to your Depository Participant (DP). Shareholders holding shares in physical form are requested to furnish the same to the RTA. Please note that if the new bank account number after implementation of CBS by your bank is not provided NECS to your old account may either be rejected or returned.

- Outstanding GDRs/ADRs/Warrants or any convertible instruments

: Nil

- Plant locations

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

Telephone No.

: 0863-2290190

Fax No.

: 0863-2290090

E-mail

: jocil@jocil.net

Website

: www.jocil.in

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF JOCIL LIMITED,

Report on the financial statements

We have audited the accompanying financial statements of JOCIL Limited ("the Company") which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13.9.2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date

Report on other legal and regulatory requirements

As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

As required by section 227(3) of the Act, we report that:

1. 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;
2. 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 those books;
3. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
4. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act read with the General Circular 15/2013 dated 13.9.2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
5. On the basis of written representations received from the directors, as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For BRAHMAYYA & CO.,
Chartered Accountants
Firm Regn. No. 000513S

(Karumanchi Rajaji)
Partner

ICAI Memb. No. 202309

Hyderabad
24th May, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our report to the members of JOCIL Limited ("the Company") for the year ended March 31, 2014, we report that:

1. In respect of its fixed assets ;
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) According to the information and explanations furnished to us, the Company has not physically verified its fixed assets during the year. However, the Company has adopted a phased programme of verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
 - c) According to the information and explanations furnished to us, the Company has not disposed off a substantial part of its fixed assets during the year and therefore do not affect the going concern assumption.
2. In respect of its Inventories ;
 - a) According to the information and explanations furnished to us, the Company has physically verified its inventories during the year. In our opinion, the frequency of such verification to the extent carried out is reasonable.
 - b) In our opinion, 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.
 - c) According to the information furnished to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records, which were not material, have been properly dealt with in the books of account.
3. In respect of its loans
 - a) The Company has not granted any loans secured or unsecured, to/from companies, firms or other parties covered in the register maintained under section 301 of the Act at the beginning of the year or during the year. Consequently, reporting under clauses (iii)(b), (iii)(c) and (iii)(d) of paragraph 4 of the Order are not applicable.
 - b) The Company has taken fixed deposits aggregating to at the date of balance sheet to Rs.117.33 lakhs from a director and Rs.195.27 lakhs from 4 parties covered in the register maintained under section 301 of the Act.
 - c) 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 Act are not, prima facie, prejudicial to the interest of the Company.
 - d) 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 Act.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and for 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.
5. In respect of the contracts or arrangements referred to in section 301 of the Act:
 - a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under section 301 of the Act have been so entered.

- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts/arrangements entered in the register maintained under section 301 of the Act and exceeding the value of Rs.5 lakhs in respect of each party during the year have been made at prices which appear reasonable as per information available with the Company and other terms of business with such parties, at the relevant time.
6. The Company has complied with the provisions of sections 58A and 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 noncompliance with the provisions of sections 58A and 58AA of the Act.
7. In our opinion, the Company has an internal audit system commensurate with its 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 Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed audit of the same.
9. a) According to the information furnished to us, the Company is regular in depositing with appropriate authorities, the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and any other statutory dues applicable to it. There were no undisputed statutory dues in arrears as at the date of the Balance Sheet under report, for a period of more than six months from the date they became payable.
- b) According to the information furnished to us and records of the Company examined by us, at the date of Balance Sheet, the following amounts of Income-tax, Sales tax and Excise duty have been disputed by the Company, and hence were not remitted to the authorities concerned.

Name of the Statute	Nature of Dues	Amount (Rs.) (net of amounts paid under protest)	Period to which it relates	Forum where dispute is pending
Income Tax Act, 1961	Treating disputed sale price of power as Income	30,10,230 35,99,760	Asst.yr 2010-11 Asst.yr 2011-12	Commissioner of Income Tax (Appeals), Guntur
Central Excise Act, 1944	Duty on valuation of Fa Soap Duty on captive consumption	88,97,229 1,65,900	2008 2008	CESTAT, Bangalore Commissioner of Customs and Central Excise (Appeals), Guntur
Service Tax under Finance Act, 1994	Availment of Credit on Transportation	45,68,802	2008-09 to 2012-13	Commissioner of Customs and Central Excise (Appeals), Guntur
AP VAT Act 2005	Availment of Input tax credit, Tax on bio mass ash and scrap, Purchase tax on Bio-mass fuels and Tax on Processing Charges Availment of Input Tax Credit	1,40,13,126 13,61,983	2008-09 to 2011-12 2005-06 & 2007-08	Appellate Deputy Commissioner of Commercial Taxes, Guntur STAT, Vizag

10. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and 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 dues to banks. However the company has not borrowed any amounts from financial institutions or by way of issue of debentures.
12. According to the information and explanations given 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 (xiii) of paragraph 4 of the Order 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 (xiv) of paragraph 4 of the Order are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions. Hence the requirements of clause (xv) of paragraph 4 of the Order are not applicable to the company.
16. According to the information and explanations given to us, no term loans were obtained by the Company during the year and no such loans were outstanding as on date of balance sheet. Hence the provisions of clause (xvi) of paragraph 4 of Order are not applicable.
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 that funds raised on short-term basis have not been used for long-term investment or other investments during the year.
18. According to the information and explanations given 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. Hence the clause (xix) of paragraph 4 of the Order is not applicable.
20. The Company has not raised any money through public issues during the year. Accordingly, the provisions of clause (xx) of paragraph 4 of the Order are not applicable to the Company during the year under report.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the Generally Accepted Auditing Practices in India, and according to the information and explanations given to us, we have not come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

For BRAHMAYYA & CO.,
Chartered Accountants
Firm Regn. No. 000513S

(Karumanchi Rajaj)
Partner

ICAI Memb. No. 202309

Hyderabad
24th May, 2014

BALANCE SHEET AS AT 31st March, 2014

			(Amount in Rs.)
	Note	As at 31-3-2014	As at 31-3-2013
Equity and Liabilities			
Shareholders' Funds			
Share Capital	2	8,88,16,250	8,88,16,250
Reserves & Surplus	3	133,10,54,716	126,97,53,966
		<u>141,98,70,966</u>	<u>135,85,70,216</u>
Non-current Liabilities			
Deferred tax liabilities (Net)	4	10,09,99,145	11,52,52,186
Other Long term liabilities	5	9,03,000	9,27,308
Long-term provisions	6	60,13,202	68,52,627
		<u>10,79,15,347</u>	<u>12,30,32,121</u>
Current Liabilities			
Short-term borrowings	7	12,10,83,663	35,69,14,185
Trade payables	8	20,02,31,660	9,98,50,727
Other current liabilities	9	12,60,27,874	10,31,38,178
Short-term provisions	6	45,70,34,234	45,24,24,446
		<u>90,43,77,431</u>	<u>101,23,27,536</u>
Total		<u><u>243,21,63,744</u></u>	<u><u>249,39,29,873</u></u>
Assets			
Non-current Assets			
Fixed assets	10		
Tangible assets		73,70,02,911	81,62,91,140
Intangible assets		2,10,000	2,80,000
Capital Work-in-Progress		49,58,779	1,87,79,659
		<u>74,21,71,690</u>	<u>83,53,50,799</u>
Non-current investments	11	1,35,55,874	1,35,40,374
Long-term loans and advances	12	2,04,21,984	1,46,92,375
		<u>3,39,77,858</u>	<u>2,82,32,749</u>
Current Assets			
Current investments	11	5,03,468	-
Inventories	13	60,65,11,283	57,20,00,689
Trade receivables	14	44,59,78,198	55,51,78,532
Cash and cash equivalents	15	7,37,55,660	5,63,38,144
Short-term loans and advances	12	52,33,10,831	43,98,02,561
Other current assets	16	59,54,756	70,26,399
		<u>165,60,14,196</u>	<u>163,03,46,325</u>
Total		<u><u>243,21,63,744</u></u>	<u><u>249,39,29,873</u></u>
Significant accounting policies and notes forming integral part of Financial Statements			
	1-35		

As per our report of even date :
For BRAHMAYYA & Co.,
Chartered Accountants
Firm Regn. No. 000513S
K. RAJAJ, Partner
ICAI Memb. No. 202309
Hyderabad
24th May, 2014

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, 2014

			(Amount in Rs.)
	Note	Year ended 31-3-2014	Year ended 31-3-2013
Revenue from Continuing Operations			
Revenue			
Sale of Products	17	417,18,29,039	453,46,35,784
Less : Excise Duty		44,99,40,340	51,60,21,770
		372,18,88,699	401,86,14,014
Processing charges received		2,92,92,307	5,78,59,896
		375,11,81,006	407,64,73,910
Other Income	18	1,90,31,168	1,62,80,465
Total Revenue		377,02,12,174	409,27,54,375
Expenses			
Cost of Material Consumed	19	267,74,50,232	275,28,43,240
Changes in Inventories of Finished Goods, WIP and Stock in Trade	20	(6,21,46,029)	(72,30,616)
Employee Benefit Expenses	21	19,19,49,361	19,78,18,702
Finance Costs	22	1,73,16,158	3,96,73,161
Depreciation and Amortisation Expenses	23	10,26,23,440	10,01,37,870
Other Expenses	24	67,99,73,125	78,00,65,757
Total Expenses		360,71,66,287	386,33,08,114
Profit Before Tax		16,30,45,887	22,94,46,261
Less : Tax expense : Current Tax		6,50,00,000	8,50,00,000
(Excess)/Short Provision in earlier years		(9,54,329)	1,03,545
Deferred tax (credit)		(1,42,53,041)	(18,63,353)
Profit After Tax		11,32,53,257	14,62,06,069
No. of Equity Shares of Rs. 10 each		88,81,150	88,81,150
Earning per Share - Basic and Diluted (Profit after Tax/No. of Equity shares)	11,32,53,257 / 88,81,150	Rs.12.75	Rs.16.46
Significant accounting policies and notes forming integral part of Financial Statements	1-35		

As per our report of even date :
For BRAHMAYYA & Co.,
Chartered Accountants
Firm Regn. No. 000513S
K. RAJAJ, Partner
ICAI Memb. No. 202309
Hyderabad
24th May, 2014

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

Chairman
Managing Director
President & Secretary

CASH FLOW STATEMENT

	2013-14 Rs.	2012-13 Rs.
I. Cash Flow from Operating Activities		
Net Profit before tax and extra-ordinary items	16,30,45,887	22,94,46,261
Add/Less: Adjustments for :		
Depreciation	10,26,23,440	10,01,37,870
Interest expense	1,63,11,521	3,82,12,522
Interest income	(1,26,94,077)	(77,07,539)
Assets Written off	1,56,722	4,44,507
Profit on sale of assets	(72,316)	(2,46,272)
Profit on sale of Investments	-	(1,00,000)
Dividends received	(1,34,941)	(5,96,317)
Operating profit before Working Capital changes	26,92,36,236	35,95,91,032
Add/Less: Adjustments for Working Capital		
Inventories	(3,45,10,594)	(6,55,43,931)
Trade and Other Receivables	4,46,95,861	(8,42,54,089)
Trade Payables	12,24,07,186	2,22,75,567
Cash generated from Operations	40,18,28,689	23,20,68,579
Less: Direct Taxes paid	8,39,72,139	9,60,14,686
Net Cash from Operating Activities A)	31,78,56,550	13,60,53,893
II. Cash Flow from Investing Activities		
Purchase of Fixed Assets/Capital Work in Progress	(75,53,165)	(8,52,34,499)
Proceeds from sale of Fixed Assets	2,33,024	3,55,663
Investment in Govt or Trust Securities	(15,500)	-
Investment in Mutual Funds	(5,03,468)	-
Sale of Investments	-	11,00,000
Interest Received	1,26,94,077	77,07,539
Dividend Received	1,34,941	5,96,317
Net Cash from/(used in) Investing Activities B)	49,89,909	(7,54,74,980)
III. Cash Flow from Financing Activities		
(Repayment of) / Proceeds from Borrowings	(23,58,30,522)	5,61,12,496
Interest Paid	(1,63,11,521)	(3,82,12,522)
Dividends Paid	(5,32,86,900)	(4,44,05,750)
Net Cash used in Financing Activities C)	(30,54,28,943)	(2,65,05,776)
Net Increase in cash and cash equivalents (A+B+C)	1,74,17,516	3,40,73,137
Cash and cash equivalents at the beginning of the period	5,63,38,144	2,22,65,007
Cash and cash equivalents at the end of the period	7,37,55,660	5,63,38,144
Net Increase in cash and cash equivalents	1,74,17,516	3,40,73,137

As per our report of even date :
For BRAHMAYYA & Co.,
Chartered Accountants
Firm Regn. No. 000513S
K. RAJAJ, Partner
ICAI Memb. No. 202309
Hyderabad
24th May, 2014

For and on behalf of the Board

P. NARENDRANATH CHOWDARY

J. MURALI MOHAN

P. KESAVULU REDDY

Chairman

Managing Director

President & Secretary

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

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. As on 31-03-2014 ASL owned 55.02% of the Jocil's equity share capital.

1. 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, read with the General Circular 15/2013 dated 13.9.2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013, the pronouncements of Institute of Chartered Accountants of India, and the relevant provisions of Companies Act, 1956.

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.
- iv) Individual assets costing below Rs.5000/- each are fully depreciated in the year of purchase.

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 recognized to the extent of completion of job as per the agreements/arrangements with the concerned parties.
- iv) Power purchased from other units is accounted at market price at which the power is purchased from external party.
- v) Interest 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 Statement of Profit & Loss 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 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.

2. SHARE CAPITAL

Particulars	As at 31-3-2014 Rs.	As at 31-3-2013 Rs.
Authorised		
1,00,00,000 Equity Shares of Rs. 10/- each	10,00,00,000	10,00,00,000
Issued, Subscribed and Paid up		
88,81,150 Equity Shares of Rs 10/- each fully paid up	8,88,11,500	8,88,11,500
Add: Forfeited Shares (amount originally paid up)	4,750	4,750
Total	8,88,16,250	8,88,16,250

1. 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 Share is entitled to one vote per share on poll and has 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.

2. Details of shares held by share holders holding more than 5% of the aggregate shares in the Company.

Name of the Shareholder	As at 31-3-2014		As at 31-3-2013	
	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	48,86,500	55.02
Total	48,86,500	55.02	48,86,500	55.02

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

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

Particulars	As at 31-3-2014		As at 31-3-2013	
	Number of Shares	Amount Rs.	Number of Shares	Amount Rs.
Shares outstanding at the beginning of the year	88,81,150	8,88,11,500	88,81,150	8,88,11,500
Add : Shares issued during the year	-	-	-	-
	<u>88,81,150</u>	<u>8,88,11,500</u>	<u>88,81,150</u>	<u>8,88,11,500</u>
Less : Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<u>88,81,150</u>	<u>8,88,11,500</u>	<u>88,81,150</u>	<u>8,88,11,500</u>

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

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 during the financial year 2011-12 by way of capitalisation of General Reserves.

f. None of the shares were issued in pursuant to contract without payment being received in cash.

3 RESERVES AND SURPLUS

Particulars	As at 31-3-2014 Rs.	As at 31-3-2013 Rs.
a) Capital Reserve		
State Government Subsidy		
Figures as at the end of the current and previous reporting period	<u>39,66,150</u>	<u>39,66,150</u>
	<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	<u>7,83,75,000</u>	<u>7,83,75,000</u>
	<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	105,00,00,000	100,00,00,000
Add : Transfer from P&L account	<u>5,00,00,000</u>	<u>5,00,00,000</u>
Figures as at the end of current reporting period	<u>110,00,00,000</u>	<u>105,00,00,000</u>
d) Surplus in Statement of Profit and Loss		
Figures as at the end of the previous reporting period	13,74,12,816	10,35,49,756
Add : Profit for the year	<u>11,32,53,257</u>	<u>14,62,06,069</u>
C/f...	<u>25,06,66,073</u>	<u>24,97,55,825</u>

	B/d...	25,06,66,073	24,97,55,825
Less	: Appropriations		
	Proposed dividend	4,44,05,750	5,32,86,900
	Tax on Proposed dividend	75,46,757	90,56,109
	Transfer to Reserves	5,00,00,000	5,00,00,000
	Figures as at the end of current reporting period	<u>14,87,13,566</u>	<u>13,74,12,816</u>
	Total of Reserves and Surplus (a+b+c+d)	<u>133,10,54,716</u>	<u>126,97,53,966</u>

4. DEFERRED TAX LIABILITIES (Net)

Particulars	As at 31-3-2014 Rs.	As at 31-3-2013 Rs.
As per previous year Balance Sheet	11,52,52,186	11,71,15,539
Add/(Less): Additional liability/(Credit) for the year	<u>(1,42,53,041)</u>	<u>(18,63,353)</u>
Deferred tax liabilities (net)	<u>10,09,99,145</u>	<u>11,52,52,186</u>

Major components of deferred tax assets and liabilities as at the end of the year arising on timing differences:

Particulars	As at 31-3-2014		As at 31-3-2013	
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
	Rs.	Rs.	Rs.	Rs.
Depreciation / Amortization	-	12,17,05,294	-	13,42,69,099
Employee benefits related and other provisions	1,99,62,112	-	1,82,72,876	-
Provision for doubtful trade receivables	<u>7,44,037</u>	<u>-</u>	<u>7,44,037</u>	<u>-</u>
Total	<u>2,07,06,149</u>	<u>12,17,05,294</u>	<u>1,90,16,913</u>	<u>13,42,69,099</u>
Deferred tax liabilities (net of deferred tax assets)		<u>10,09,99,145</u>		<u>11,52,52,186</u>

5. OTHER LONG TERM LIABILITIES

Particulars	As at 31-3-2014 Rs.	As at 31-3-2013 Rs.
Refundable Security Deposits from agents	<u>9,03,000</u>	<u>9,27,308</u>
	<u>9,03,000</u>	<u>9,27,308</u>

6. PROVISIONS

Particulars	Long-term		Short-term	
	As at	As at	As at	As at
	31-3-2014	31-3-2013	31-3-2014	31-3-2013
	Rs.	Rs.	Rs.	Rs.
Employee Retirement benefits				
-Leave encashment (Unfunded)	60,13,202	68,52,627	20,81,727	20,81,437
-Group gratuity (Refer note no.12)	-	-	-	-
Others:				
a) Income Tax	-	-	40,30,00,000	38,80,00,000
b) Proposed dividend	-	-	444,05,750	5,32,86,900
c) Dividend tax	-	-	75,46,757	90,56,109
Total	<u>60,13,202</u>	<u>68,52,627</u>	<u>45,70,34,234</u>	<u>45,24,24,446</u>

Disclosure required by AS - 15 (revised) - "Employee benefits"

I. Defined contribution plans

During the year, as per AS - 15 the Company has recognized the following contribution amounts in the Statement of Profit and loss.

Particulars	Year ended 31.3.2014	Year ended 31.3.2013
	Rs.	Rs.
Employer's contribution to Provident Fund	1,47,17,993	1,47,16,342
Employer's contribution to Superannuation Fund	46,05,993	45,01,049
Employer's contribution to Employees State Insurance	49,53,008	51,07,318
Total recognized in the Statement of Profit and Loss	<u>2,42,76,994</u>	<u>2,43,24,709</u>

II. Defined benefit plans :

Particulars	Year ended March 31, 2014		Year ended March 31, 2013	
	Gratuity	Leave Salary	Gratuity	Leave Salary
	Rs.	Rs.	Rs.	Rs.
Present value of obligations at beginning of the year	6,25,02,359	89,34,064	5,22,63,246	1,14,57,186
Interest cost	50,00,189	6,90,267	41,81,059	7,32,351
Current Service cost	52,76,619	2,25,098	52,67,086	21,74,222
Benefits paid	(22,83,575)	(31,03,061)	(27,56,454)	(73,43,235)
Net actuarial loss/(Gain)	(47,53,097)	13,48,561	35,47,422	19,13,540
Present value of obligations at end of the year	<u>6,57,42,495</u>	<u>80,94,929</u>	<u>6,25,02,359</u>	<u>89,34,064</u>

Reconciliation for changes in fair value of plan assets

Particulars	Year ended March 31, 2014		Year ended March 31, 2013	
	Gratuity	Leave Salary	Gratuity	Leave Salary
	Rs.	Rs.	Rs.	Rs.
Fair value of plan assets at beginning of the year	7,23,46,687	-	6,20,40,083	-
Expected return	64,87,287	-	58,15,115	-
Contribution by employer	79,04,282	-	72,47,943	-
Benefits paid	(22,83,575)	-	(27,56,454)	-
Fair value of plan assets at end of the year	<u>8,44,54,681</u>	<u>-</u>	<u>7,23,46,687</u>	<u>-</u>

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

Particulars	Year ended March 31, 2014		Year ended March 31, 2013	
	Gratuity	Leave Salary	Gratuity	Leave Salary
	Rs.	Rs.	Rs.	Rs.
Present value of defined benefit obligations at end of the year	6,57,42,495	80,94,929	6,25,02,359	89,34,064
Fair value of plan assets at end of the year	8,44,54,681	-	7,23,46,687	-
Unfunded status at end of the year	-	80,94,929	-	89,34,064
Fund balance/(Plan liability) recognised in the Balance Sheet	<u>1,87,12,186</u>	<u>(80,94,929)</u>	<u>98,44,328</u>	<u>(89,34,064)</u>

Expenses recognized in the Statement of Profit and Loss

Particulars	Year ended March 31, 2014		Year ended March 31, 2013	
	Gratuity	Leave Salary	Gratuity	Leave Salary
	Rs.	Rs.	Rs.	Rs.
Current Service cost	52,76,619	2,25,098	52,67,086	21,74,222
Interest cost	50,00,189	6,90,267	41,81,059	7,32,351
Expected return	(64,87,287)	-	(58,15,116)	-
Net actuarial loss/(Gain)	(47,53,097)	13,48,561	35,47,422	19,13,540
Net expenses recognized in the Statement of Profit and Loss	<u>(9,63,576)</u>	<u>22,63,926</u>	<u>71,80,451</u>	<u>48,20,113</u>

Actuarial assumptions	Year ended March 31, 2014		Year ended March 31, 2013	
	Gratuity	Leave Salary	Gratuity	Leave Salary
	%	%	%	%
a) Discount rate	8	9.35	8	8
b) Salary escalation rate per unit	7-8	7-8	7-8	7-8

7. SHORT TERM BORROWINGS

Particulars	As at 31.3.2014 Rs.	As at 31.3.2013 Rs.
A. Secured		
Working Capital Loans from Banks:		
- Andhra Bank	4,73,00,793	18,99,57,665
- State Bank of India	53,79,455	5,66,84,667
(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>5,26,80,248</u>	<u>24,66,42,332</u>
B. Unsecured		
Fixed Deposits from		
- Shareholders	4,11,70,291	7,48,08,371
- Directors	1,17,33,943	1,07,06,725
- Others	1,54,99,181	2,47,56,757
Total (B)	<u>6,84,03,415</u>	<u>11,02,71,853</u>
Total (A+B)	<u>12,10,83,663</u>	<u>35,69,14,185</u>

Note:

- The working capital loan from Andhra Bank and SBI carries interest @11.25% and @10.90% respectively. No amounts were overdrawn exceeding the limits sanctioned by the banks.
- Fixed deposits accepted during the year upto 21/07/2013 carries interest @9.75% and thereafter @9.50%. The company made no defaults in repayment of fixed deposits.

8. TRADE PAYABLES

Particulars	As at 31-3-2014 Rs.	As at 31-3-2013 Rs.
Dues to : Small and Micro Enterprises	9,15,684	2,92,248
: Others	19,93,15,976	9,95,58,479
Total	<u>20,02,31,660</u>	<u>9,98,50,727</u>

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

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

	2013-14 Rs.	2012-13 Rs.
1) Amount remaining unpaid beyond the appointed/agreed date at the end of the year		
a) Principal	Nil	Nil
b) Interest due thereon	Nil	Nil
2) Payments made to suppliers during the year beyond appointed/agreed date		
a) Principal	Nil	Nil
b) Interest paid on such payments	Nil	Nil
c) Interest remaining unpaid as on date of balance sheet	Nil	Nil
3) Total amount of interest for the year accrued and remaining unpaid at the end of the year	Nil	Nil
4) Total amount of interest including that arising in earlier years accrued and remaining unpaid at the end of the year	Nil	Nil

9. OTHER CURRENT LIABILITIES

Particulars	As at 31-3-2014 Rs.	As at 31-3-2013 Rs.
Interest accrued but not due on borrowings	26,27,516	49,85,509
Unpaid Dividends *	17,53,671	17,47,483
Advances received against sales	2,58,82,957	40,55,580
Other payables :		
- Employee related	1,21,39,593	1,41,14,170
- Statutory Liabilities	8,19,39,632	7,66,89,047
- Others	16,84,505	15,46,389
Total	12,60,27,874	10,31,38,178

* The unclaimed dividends represent those relating to the years 2006-07 to 2012-13 and no part thereof has remained unpaid or unclaimed for a period of seven years or more from the date they became due for payment requiring transfer to the Investor Education and Protection Fund.

10. FIXED ASSETS

(in Rs.)

Name of the Asset	GROSS BLOCK			DEPRECIATION / AMORTISATION					NET BLOCK	
	As at 01-04-2013	Additions during the year	Deductions during the year	As at 31-03-2014	As at 01-04-2013	For the year	On Deductions	As at 31-03-2014	As at 31-03-2014	As at 31-03-2013
a) Tangible										
Land	87,05,117	-	-	87,05,117	-	-	-	-	87,05,117	87,05,117
Factory Buildings	8,20,23,179	7,49,385	-	8,27,72,564	4,44,02,378	38,06,017	-	4,82,08,395	3,45,64,169	3,76,20,801
Non-Factory Buildings	3,41,35,574	44,82,240	-	3,86,17,814	1,10,78,121	12,36,991	-	1,23,15,112	2,63,02,702	2,30,57,453
Plant and Machinery	1,47,94,50,223	1,68,85,063	38,98,801	1,49,24,36,485	75,19,63,056	9,32,96,614	38,11,420	84,14,48,250	65,09,88,235	72,74,87,167
Electrical Installations	6,71,05,814	-	-	6,71,05,814	6,02,82,094	10,27,248	-	6,13,09,342	57,96,472	68,23,720
Wells & Water works	9,39,231	-	-	9,39,231	9,07,637	4,558	-	9,12,195	27,036	31,594
Laboratory Equipment	31,18,536	1,54,074	48,005	32,24,605	21,30,278	2,03,613	48,005	22,85,886	9,38,719	9,88,258
Furniture and Fixtures	1,25,05,281	2,29,778	3,13,699	1,24,21,360	92,30,933	9,62,261	3,08,111	98,85,083	25,36,277	32,74,348
Library	1,44,022	-	-	1,44,022	1,44,022	-	-	1,44,022	-	-
Vehicles	2,24,35,591	3,550	8,47,340	2,15,91,801	1,76,26,183	13,25,624	6,86,930	1,82,64,877	33,26,924	48,09,408
Office equipment	89,93,869	10,78,552	3,83,212	96,89,209	55,00,595	6,90,515	3,19,161	58,71,949	38,17,260	34,93,274
Total	171,95,56,437	2,35,82,642	54,91,057	173,76,48,022	90,32,65,297	10,25,53,441	51,73,627	100,06,45,111	73,70,02,911	81,62,91,140
Previous Year	161,80,14,772	11,26,60,468	1,11,18,803	171,95,56,437	81,37,62,333	10,00,67,870	1,05,64,906	90,32,65,297	81,62,91,140	80,42,52,439
b) Intangible										
Computer Software	6,74,486	-	-	6,74,486	3,94,486	70,000	-	4,64,486	2,10,000	2,80,000
Total	6,74,486	-	-	6,74,486	3,94,486	70,000	-	4,64,486	2,10,000	2,80,000
Previous Year	3,24,486	3,50,000	-	6,74,486	3,24,486	70,000	-	3,94,486	2,80,000	-

11. INVESTMENTS

Particulars	As at 31-3-2014 Rs.	As at 31-3-2013 Rs.
A. Non-Current		
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>
(ii) Others - Unquoted		
Investments in Government (or) Trust Securities :		
i) National Savings Certificates	19,000	3,500
Total (b)(ii)	<u>19,000</u>	<u>3,500</u>
Total (b)	<u>1,32,39,194</u>	<u>1,32,23,694</u>
Total (a+b)	<u>1,35,55,874</u>	<u>1,35,40,374</u>
Aggregate amount of : Quoted investments - Cost	1,35,36,874	1,35,36,874
- Market value	1,11,75,823	1,42,84,634
Aggregate amount of unquoted investments	19,000	3,500
B. CURRENT		
Quoted and Non-trade		
Investments in Mutual Funds		
HDFC-Liquid Fund - Dividend - Daily Reinvest (49368 Units @10.1982/- each) (Market value Rs. 503468)	5,03,468	-
Total (a+b)	<u>5,03,468</u>	<u>-</u>

Note:- In the opinion of Management, the shortfall in value of non-current investments is to be considered temporary. In view of past trend in Market Price of Share and considering the performance of the company, the diminution in market value of Shares is considered temporary in nature.

12. LOANS AND ADVANCES

Particulars	Long-term		Short-term	
	As at	As at	As at	As at
	31.3.2014	31.3.2013	31.3.2014	31.3.2013
	Rs.	Rs.	Rs.	Rs.
Unsecured, considered good :				
Capital Advances	-	22,08,597	-	-
Security deposits with				
Government authorities and others	17,09,798	26,39,450	-	-
Other loans and advances :				
Fund with LIC towards Group	1,87,12,186	98,44,328	-	-
Gratuity (Net)				
(Refer note no.6 regarding disclosure)				
Advance Income-tax and TDS	-	-	42,18,29,191	39,30,71,041
Taxes paid under protest	-	-	-	28,87,790
Excise Duty and Sales tax deposits	-	-	7,20,68,703	1,17,25,147
Advances paid against supplies of goods	-	-	2,51,71,467	2,77,51,321
Others	-	-	42,41,470	43,67,262
Total	2,04,21,984	1,46,92,375	52,33,10,831	43,98,02,561

13. INVENTORIES (valued at lower of cost or net realisable value)

Particulars	As at 31-3-2014	As at 31-3-2013
	Rs.	Rs.
Raw materials	14,66,01,324	17,56,57,541
Work-in-progress	18,85,47,085	12,49,29,843
Finished goods	16,74,82,472	16,59,78,458
Stores and spares	10,21,96,592	10,36,69,342
Loose tools	14,54,048	15,85,591
Others :		
Stationary	2,29,762	1,79,914
Total	60,65,11,283	57,20,00,689

14. TRADE RECEIVABLES

Particulars	As at 31-3-2014	As at 31-3-2013
	Rs.	Rs.
Trade receivables outstanding for a period exceeding 6 months		
(i) Considered good	54,25,765	2,33,95,553
(ii) Considered doubtful	21,88,989	21,88,989
	76,14,754	2,55,84,542
Less: Provision for doubtful trade receivables	21,88,989	21,88,989
	54,25,765	2,33,95,553
Other debts considered good	44,05,52,433	53,17,82,979
Total	44,59,78,198	55,51,78,532

Movement of provision for doubtful debts

Particulars	As at 31-3-2014 Rs.	As at 31-3-2013 Rs.
Provision as at beginning of the year	21,88,989	-
Provision made during the year	-	21,88,989
Reversed and written off as bad debts during the year	-	-
Provision as at end of the year	21,88,989	21,88,989

15. CASH AND CASH EQUIVALENTS

Particulars	As at 31-3-2014 Rs.	As at 31-3-2013 Rs.
1. Cash on hand	1,71,018	1,32,948
2. Cash Equivalents		
i. Balances with banks		
a. In current accounts	5,55,12,410	4,52,28,767
b. Earmarked balances with banks (for unpaid dividend)	17,53,671	17,47,483
c. Balances with banks held as margin money or security against guarantees, LC and towards Liquid Assets for Fixed Deposits.	1,63,18,561	92,28,946
Total	7,37,55,660	5,63,38,144

16. OTHER CURRENT ASSETS

Particulars	As at 31-3-2014 Rs.	As at 31-3-2013 Rs.
Interest accrued but not due on deposits	1,33,660	87,728
Prepaid expenses	58,21,096	69,38,671
Total	59,54,756	70,26,399

17. REVENUE FROM SALES:

	2013-14		2012-13	
Particulars of sale of products	MT	Rs.	MT	Rs.
Fatty Acids	24,759	164,02,74,358	23,095	158,25,54,919
Soap Products	34,546	209,52,23,919	36,699	230,66,78,567
Toilet Soap	1,395	11,32,40,765	2,034	26,97,89,083
Glycerine	2,254	13,84,38,083	3,679	19,08,44,581
Pitch	2,687	7,57,15,867	2,625	7,56,58,125
Industrial Oxygen (cu.mtrs)	4,54,191	34,44,840	4,57,681	33,88,867
Wind Power (kWh)	1,10,56,328	3,19,32,560	1,64,18,310	4,72,74,485
Biomass Power (kWh)	84,91,700	6,94,22,728	78,31,000	5,42,62,601
Others		41,35,919		41,84,556
Total		417,18,29,039		453,46,35,784

Note: 1) Sale value of Bio-mass power includes an amount of Rs.2,33,07,042 (PY. Rs.2,13,51,548) being differential sale price of power for earlier years received as per the order of Appellate Tribunal for Electricity.

2) The sale of Bio-mass power does not include 1,66,58,028 KWH value of Rs.10,56,11,899 (PY. 1,79,68,840 KWH value of Rs.9,43,36,412 consumed internally.)

Processing charges received :

Particulars	2013-14		2012-13	
	MT	Rs.	MT	Rs.
Toilet Soap	2,071	1,71,97,536	5,337	2,85,56,299
Soap Noodles	1,844	1,20,94,771	4,845	2,93,03,597
Total		<u>2,92,92,307</u>		<u>5,78,59,896</u>

18. OTHER INCOME

Particulars	2013-14	2012-13
	Rs.	Rs.
Interest received from Banks & others	1,26,94,077	77,07,539
Dividend received	1,34,941	5,96,317
Rental charges received	1,42,090	1,20,582
Difference in Foreign Exchange (net)	-	61,649
Sale of scrap	39,65,482	54,15,090
Profit on sale of assets	72,316	2,46,272
Profit on sale of Investments	-	1,00,000
Claims/Refunds received	6,11,993	9,48,406
Weighment Charges received	3,76,600	4,46,220
Credit balances written back	4,579	5,65,989
Excess provision made in earlier years credited back	9,63,576	-
Miscellaneous receipts	65,514	72,401
Total	<u>1,90,31,168</u>	<u>1,62,80,465</u>

19. COST OF MATERIAL CONSUMED

Particulars	2013-14	2012-13
	Rs.	Rs.
Opening stock	17,56,57,541	12,84,76,469
Purchases	267,15,93,037	288,65,67,594
	<u>284,72,50,578</u>	<u>301,50,44,063</u>
Less: Sale of raw material	2,31,99,022	8,65,43,282
Closing stock	14,66,01,324	17,56,57,541
	<u>267,74,50,232</u>	<u>275,28,43,240</u>

Components of materials consumed :

Particulars	2013-14		2012-13	
	MT	Rs.	MT	Rs.
Non Edible Oils	30,252	134,38,89,250	32,857	146,05,71,795
Fatty Acid Distillates	27,308	131,88,94,273	26,830	129,12,76,199
Others	-	1,46,66,709	-	9,95,246
Total		267,74,50,232		275,28,43,240

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

Particulars	2013-14		2012-13	
	Value Rs.	%	Value Rs.	%
Imported	33,61,12,583	13	37,57,72,883	14
Indigenous	234,13,37,649	87	237,70,70,357	86
Total	267,74,50,232	100	275,28,43,240	100

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

Particulars	2013-14 Rs.	2012-13 Rs.
A. Opening stock		
Finished goods	16,59,78,458	14,92,91,811
Work-in-progress	12,49,29,843	13,47,78,340
Stock-in-trade	-	-
	<u>29,09,08,301</u>	<u>28,40,70,151</u>
B. Closing stock		
Finished goods	16,74,82,472	16,59,78,458
Work-in-progress	18,85,47,085	12,49,29,843
Stock-in-trade	-	-
	<u>35,60,29,557</u>	<u>29,09,08,301</u>
(B-A)	6,51,21,256	68,38,150
Add/(Less): Variation in excise duty on stocks	(29,75,227)	3,92,466
Total	6,21,46,029	72,30,616

Details of Opening and Closing stock of finished goods

Particulars	2013-14		2012-13	
	MT	Rs.	MT	Rs.
Opening stocks:				
Fatty Acids	1,513	8,17,74,813	1,456	8,74,23,048
Soap Products	1,397	7,93,01,529	832	5,05,84,054
Glycerine	22	11,28,088	38	14,34,508
Industrial Oxygen (cu.mtrs)	2,940	21,408	3,875	27,832
Toilet Soap	45	31,61,017	69	86,72,903
Others	-	5,91,603	-	11,49,466
		<u>16,59,78,458</u>		<u>14,92,91,811</u>

Closing stocks:

Fatty Acids	1,465	9,23,58,082	1,513	8,17,74,813
Soap Products	1,106	6,49,03,353	1,397	7,93,01,529
Glycerine	20	12,15,082	22	11,28,088
Industrial Oxygen (cu.mtrs)	2,946	21,539	2,940	21,408
Toilet Soap	21	24,07,559	45	31,61,017
Others	-	65,76,857	-	5,91,603
		<u>16,74,82,472</u>		<u>16,59,78,458</u>

Details of Opening and Closing stock of Work-in-Progress (WIP)

Particulars	2013-14 Rs.	2012-13 Rs.
Opening WIP:		
Fatty Acids	6,08,63,948	6,62,79,634
Soap Products	3,12,79,948	1,95,62,672
Glycerine	62,01,171	2,16,17,737
Oils	2,63,62,540	2,71,49,356
Others	2,22,236	1,68,941
	<u>12,49,29,843</u>	<u>13,47,78,340</u>
Closing WIP:		
Fatty Acids	9,34,47,541	6,08,63,948
Soap Products	1,67,89,110	3,12,79,948
Glycerine	3,02,05,582	2,01,171
Oils	4,77,08,206	2,63,62,540
Others	3,96,646	2,22,236
Total	<u>18,85,47,085</u>	<u>12,49,29,843</u>

21. EMPLOYEE BENEFIT EXPENSES

Particulars	2013-14 Rs.	2012-13 Rs.
Salaries, Wages and Bonus	16,28,68,030	16,02,11,056
Contribution to PF, Gratuity, ESI and other funds	2,51,65,326	3,23,78,338
Workmen and Staff Welfare Expenses	39,16,005	52,29,308
Total	<u>19,19,49,361</u>	<u>19,78,18,702</u>

22. FINANCE COSTS

Particulars	2013-14 Rs.	2012-13 Rs.
Interest paid to banks and others	1,63,11,521	3,82,12,522
Other borrowing costs	10,04,637	14,60,639
Total	<u>1,73,16,158</u>	<u>3,96,73,161</u>

23. DEPRECIATION AND AMORTISATION EXPENSES

Particulars	2013-14 Rs.	2012-13 Rs.
Depreciation	10,25,53,440	10,00,67,870
Amortisation	70,000	70,000
Total	10,26,23,440	10,01,37,870

24. OTHER EXPENSES

Particulars	2013-14 Rs.	2012-13 Rs.
Stores and Spares consumed (including Packing Materials)	26,55,15,016	34,77,42,861
Power and Fuel	23,36,93,690	24,57,80,355
Rents	17,89,969	15,26,964
Repairs to Machinery	5,16,03,279	5,91,74,886
Repairs to Buildings	66,34,265	79,76,788
Repairs to other Assets	8,38,298	7,87,664
Insurance	72,84,089	72,40,469
Rates & Taxes	29,04,012	44,68,626
Payment to auditors :		
As Auditors	2,20,000	2,00,000
As Tax Auditors	1,10,000	1,00,000
Fee for Tax representation & Certification	1,10,000	33,000
Fee to Cost Auditors	1,20,000	1,00,000
Other expenses:		
Tools written off	6,00,052	7,84,048
Advertisement and Sales Promotion Expenses	7,41,646	6,41,560
Freight Outward, Export Sales & Consignment Expenses	4,93,84,838	4,49,13,441
Commission on Sales	2,92,12,550	2,95,99,137
Directors sitting fees and travelling expenses	6,70,321	8,15,575
Donations	75,15,000	75,05,000
Difference in Foreign Exchange (net)	4,73,699	-
Bad Debts written off	-	41,250
Provision for bad and doubtful debts	-	21,88,989
Miscellaneous expenses	2,03,95,679	1,80,00,637
Assets written off	1,56,722	4,44,507
Total	67,99,73,125	78,00,65,757

25. PARTICULARS OF PRODUCTION

Particulars	Production	
	As on 31-3-14 (TPA)	As on 31-3-13 (TPA)
Fatty Acids	48567	51179
Toilet Soap	3495	7346
Soap Products	37270	43967
Glycerine	2381	3735
Industrial Oxygen (cu. mtrs)	459664	464432
Biomass Power (kWh)	25149728	25799840
Wind Power (kWh)	11056328	16418310
TPA = Tonnes per Annum		

Note:

- Production of Fatty Acids includes 22,627 MT (Previous year 24,730 MT) utilized for captive consumption at Soap Plant and 1,177 MT (Previous year – 3,292 MT) processed on behalf of others.
- Production of Toilet Soap includes 2,124 MT processed on behalf of others (Previous year 5,337 MT)
- Production of Soap Products includes 1,224 MT (Previous year 1,924 MT) utilized for production of Toilet Soap at Soap Plant and 1,791 MT (Previous year 4,845 MT) processed on behalf of others.
- Production of Glycerine includes 129 MT (Previous year 80 MT) utilized for captive consumption at Soap Plant
- Production of Industrial Oxygen includes captive consumption of 5,467 cubic meters (Previous year 7,686 cu. mtrs).
- Power Generation includes 1,66,58,028 units (Previous year 1,79,68,840 units) utilized for captive consumption.

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

Particulars	2013-14	2012-13
	Rs.	Rs.
Raw Materials	33,73,79,173	39,88,00,631
Stores and Spares	3,71,664	10,32,288
Capital Goods	-	3,36,57,791
Total	33,77,50,837	43,34,90,710

- Expenditure incurred in foreign currency during the year towards Consultancy services Rs. Nil (Previous year Rs. 23,29,204/-) and towards traveling expenses Rs. Nil (Previous Year Rs.93,107/-)

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

	2013-14		2012-13	
	Value Rs.	%	Value Rs.	%
Imported	10,81,696	0.20	15,04,393	0.26
Indigenous	52,92,69,286	99.80	57,04,13,894	99.74
	<u>53,03,50,982</u>	<u>100.00</u>	<u>57,19,18,287</u>	<u>100.00</u>

28. SEGMENT INFORMATION

	Chemicals Rs.	Soap Rs.	Power Rs.	Unallocated Rs.	Eliminations Rs.	Consolidated Rs.
Revenue						
External Revenue	1,65,65,84,487	1,98,98,19,314	10,47,77,205			375,11,81,006
	1,65,26,18,971	2,31,96,27,515	10,42,27,424			407,64,73,910
Inter-segment Revenue	1,20,15,77,911		17,72,44,111		(1,37,88,22,022)	
	1,42,75,09,427		17,70,46,987		(160,45,56,414)	
Total Revenue	285,81,62,398	1,98,98,19,314	28,20,21,316		(1,37,88,22,022)	375,11,81,006
(See Note below)	308,01,28,398	2,31,96,27,515	28,12,74,411		(160,45,56,414)	407,64,73,910
Result						
Segment result	12,95,34,100	7,07,63,024	2,21,08,469			22,24,05,593
	19,56,22,630	10,96,58,085	2,87,47,655			33,40,28,370
Unallocated expenditure net of unallocated income				5,47,37,625		5,47,37,625
				7,26,16,486		7,26,16,486
Operating Profit						16,76,67,968
						26,14,11,884
Interest expenses				1,73,16,158		1,73,16,158
				3,96,73,161		3,96,73,161
Interest income				1,26,94,077		1,26,94,077
				77,07,539		77,07,539
Profit before tax						16,30,45,887
						22,94,46,261
Provision for tax,						6,50,00,000
						8,50,00,000
Deferred Tax (Provision)/						1,42,53,041
Withdrawal						18,63,353
Excess Provision / (Short Provision)						9,54,329
of Income Tax in earlier years						(1,03,545)
Profit after Tax						11,32,53,257
						14,62,06,069
Other Information						
Segment assets	98,48,46,291	44,97,38,278	32,41,87,676			175,87,72,245
	87,99,45,872	63,67,59,026	41,93,58,628			193,60,63,526
Unallocated corporate assets				67,33,91,493		67,33,91,493
				55,78,66,343		55,78,66,343
Total assets						243,21,63,738
						249,39,29,869
Segment liabilities	17,87,76,369	2,48,99,497	1,23,35,825			21,60,11,691
	9,46,08,647	82,77,739	1,26,58,244			11,55,44,630
Unallocated corporate liabilities				79,62,81,081		79,62,81,081
				101,98,15,023		101,98,15,023
Total liabilities						101,22,92,772
						113,53,59,653
Capital employed	80,60,69,922	42,48,38,781	31,18,51,851	(12,28,89,588)		141,98,70,966
	78,53,37,225	62,84,81,287	40,67,00,384	(46,19,48,680)		135,85,70,216
Capital expenditure during the year	28,90,154	17,36,952	-	1,89,55,536		2,35,82,642
	8,96,66,281	1,29,07,968	52,52,225	51,83,994		11,30,10,468
Depreciation for the year	4,78,63,442	2,04,58,763	2,53,65,938	89,35,297		10,26,23,440
	4,11,83,574	2,26,98,918	2,60,99,674	1,01,55,704		10,01,37,870

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 31-3-2014 Rs.	As at 31-3-2013 Rs.
--	------------------------	------------------------

29. Contingent Liabilities not provided for –

a) Estimated amount of contracts remaining to be executed and not provided for which commitment is made	20,47,49,535	27,56,27,424
b) Claims against the Company not admitted as debts relating to:		
i) Excise and Service Tax	1,21,08,997	91,29,997
ii) Income-tax	66,09,990	48,59,971
ii) State Levies	2,45,58,664	2,26,09,309
iii) Other Contracts	3,72,156	3,60,225

30. The Company billed the entire power supplied by it to AP Transco during the year at Rs.5.66 per kwh, (5% increase over the previous year) pending finalization of rate by AP Electricity Regulatory Commission (APERC) on the petition filed by Biomass Energy Developers Association (BEDA), Hyderabad in which the Company is a member in order to maintain claim for payment in case of favourable decision. However, the Company recognized revenue from power sales during the year based on the rate at which AP Transco/ SPDCL is currently paying for supplies. Accordingly an amount of Rs.461.14 lakhs was recognized as income and balance of Rs.19.77 lakhs has not been recognized as income during the year.

31. Foreign exchange earnings on exports during the year calculated on FOB basis Rs.12,34,262 (Previous year Rs. 1,30,50,778)

32. 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	2,14,39,508 (11,92,29,467)			
Purchase of Fixed Assets	5,292 —			
Sale of goods	12,20,882 (11,48,212)			
Rendering of services	— (23,016)			
Receiving of services	5,618 —	— (1,85,912)		
J. Sunita Mohan				57,000 (57,000)
Interest paid	— (8,52,166)		12,11,595 (7,55,515)	
J. Murali Mohan (HUF)				5,40,578 (4,85,469)
J.Sunita Mohan				4,43,891 (3,82,507)
J.Ganga Bhavani				3,25,308 (2,52,111)
J.Namrata				6,06,924 (5,64,787)
Remuneration paid			86,07,152 (97,54,542)	
Dividend paid	2,93,19,000 (2,44,32,500)		15,360 (12,800)	
J. Murali Mohan (HUF)				1,05,240 (87,700)
J.Sunita Mohan				32,016 (26,680)
J.Ganga Bhavani				24,300 (20,250)
J.Namrata				10,800 (9,000)
V.Indira				45,000 (37,500)

Particulars	Holding Company Rs.	Fellow Subsidiaries Rs.	Key Management Personnel Rs.	Relatives of Key Management Personnel Rs.
Balances as at 31-3-2014				
<u>Investment in Shares of</u>				
Share Capital of the company held by	4,88,65,000		25,600	
	(4,88,65,000)		(25,600)	
J. Murali Mohan (HUF)				1,75,400
				(1,75,400)
J.Sunita Mohan				53,360
				(53,360)
J.Ganga Bhavani				40,500
				(40,500)
J.Namrata				18,000
				(18,000)
V.Indira				75,000
				(75,000)
<u>Fixed Deposits received from</u>				
			1,17,33,943	
			(1,07,06,725)	
J.Murali Mohan (HUF)				57,10,157
				(45,05,772)
J.Sunita Mohan				43,73,988
				(39,65,046)
J.Ganga Bhavani				31,79,061
				(28,81,838)
J.Namrata				62,63,826
				(52,70,267))
Remuneration Payable			20,42,577	
			(34,11,087)	

33. 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.
34. Previous year's figures have been regrouped wherever necessary to confirm to the current year classification.
35. Paise have been rounded off.

Signatures to Note Nos. 1 to 35 forming part of the Accounts

As per our report of even date :
For BRAHMAYYA & Co.,
Chartered Accountants
Firm Regn. No. 0005135
K. RAJAJ, Partner
ICAI Memb. No. 202309
Hyderabad
24th May, 2014

For and on behalf of the Board

P. NARENDRANATH CHOWDARY

Chairman

J. MURALI MOHAN

Managing Director

P. KESAVULU REDDY

President & Secretary

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Jocil Limited

(A Subsidiary of The Andhra Sugars Limited)

CIN : L28990AP1978PLC002260

Box 216, Arundelpet P.O., GUNTUR-522 002, AP.

Factory & Regd. Office : DOKIPARRU, GUNTUR-522 438, AP.

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

VOTING THROUGH ELECTRONIC MEANS

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to the Members, facility, to exercise their rights to vote at the 36th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL) : The instructions for e-voting are as under :

- i) Log on to the e-voting website www.evotingindia.com
- ii) Click on “Shareholders” tab.
- iii) Now, select “JOCIL LIMITED” from the drop down menu and click on “SUBMIT”
- iv) Enter your User ID - for CDSL: 16 digit beneficiary ID, for NSDL: 8 Character DP ID followed by 8 digit Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below:
- vi) Fill up the following details in the appropriate boxes :

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details #	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the sequence number (available in the Address Label pasted to the cover) in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number, after the first two characters of the name. Eg. If your name is Ramu with sequence number 1 the enter RA0000001 in the PAN field.

Please enter any one of the details in order to login. In case both the details are not recorded with the depository or Company, please enter the Member ID / folio number in the Dividend Bank details field.

- vii) After entering these details appropriately, click on “SUBMIT” tab.
- viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform.

P.T.O

- ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - x) Click on "JOCIL LIMITED".
 - xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- II. The voting period begins on 01-09-2014 (9.00 am) and ends on 02-09-2014 (6.00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 01-08-2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- III. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- IV. The voting rights of shareholders shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 01-08-2014.
- V. Mr. Nekkanti S.R.V.V.S. Narayana, Practicing Company Secretary (Membership No.F7157) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VI. The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman/ Managing Director of the Company.
- VII. The results of AGM shall be declared on or after the AGM of the Company. The results declared along with the Scrutiniser's Report shall be available on the Company's website within two days of passing of the resolutions at the AGM.
-

Jocil Limited

(A Subsidiary of The Andhra Sugars Limited)

CIN : L28990AP1978PLC002260

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PROXY FORM

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

Name of the Member(s) :

Registered Address :

E-mail Id :

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

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

1. Name : Email Id :

Address :

..... Signature :

2. Name : Email Id :

Address :

..... Signature :

3. Name : Email Id :

Address :

..... Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty Sixth Annual General Meeting of the Company to be held on Saturday, 6th September, 2014 at 3.30 p.m. at the Registered Office, Jocil Limited, Dokiparru – 522 438, Medikondur Mandal, Guntur Dist., A.P. and at any adjournment thereof in respect of such resolutions as are indicated below :

1. Adoption of Audited Statement of Profit and Loss, Balance Sheet, Report of Board of Directors and Auditors for the year ended 31st March, 2014.
2. Declaration of Dividend for the year 2013-14.
3. Re-appointment of Shri M. Thimmaraja who retires by rotation.

P.T.O.

- 4. On retirement of Shri Y. Narayanarao Chowdary as a Director by rotation to keep the post vacant.
- 5. Appointment of Auditors and fixing their remuneration.
- 6. Ratification of Cost Auditor’s remuneration.
- 7. Appointment of Shri V.S. Raju as an Independent Director.
- 8. Appointment of Shri M.Gopalakrishna as an Independent Director.
- 9. Appointment of Shri Subbarao V. Tipirneni as an Independent Director.
- 10. Appointment of Shri P. Venkateswara Rao as an Independent Director.
- 11. Approval to accept Fixed Deposits.
- 12. Re-appointment of Shri J.Murali Mohan as Managing Director.
- 13. Approval to pay minimum remuneration to Shri J. Murali Mohan as Managing Director during the balance period of current tenure.

Signed this day of 2014.



x

Signature of the Shareholder

x

Signature of the Proxy holder(s)

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



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 :


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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.



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