



# Annual Report 2016-2017



# Jocil Limited

(A Subsidiary of The Andhra Sugars Limited)

CIN : L28990AP1978PLC002260 • GSTIN : 37AAACJ5606L1ZF

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

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## BOARD OF DIRECTORS

P. Narendranath Chowdary	Chairman
J. Murali Mohan	Managing Director
Mullapudi Thimmaraja	Director
V. S. Raju	Independent Director
K. Srinivasa Rao	Director
M. Gopalakrishna, I.A.S. (Retd.)	Independent Director
Subbarao V. Tipirneni	Independent Director
M. Mrutyumjaya Prasad	Director
P. Venkateswara Rao	Independent Director
Dr. Manjulata Dasari	Independent Director

## PRESIDENT & SECRETARY

P. Kesavulu Reddy,  
M.Com., LL.B., F.C.M.A., F.C.S.

## STOCK EXCHANGE

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

## BANKERS

Andhra Bank, Main Branch, Guntur.

State Bank of India,  
Commercial Branch, Guntur.

## SHARE REGISTRAR & TRANSFER AGENT (RTA)

XL Softech Systems Ltd.,  
3, Sagar Society, Road No. 2, Banjara Hills,  
Hyderabad - 500 034.  
E-mail : [xlfield@gmail.com](mailto:xlfield@gmail.com)

## AUDITORS

Brahmayya & Co.,  
Chartered Accountants,  
10-3-21, Sambasivapet,  
Guntur - 522 001.

## COST AUDITORS

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

## SECRETARIAL AUDITORS

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

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## NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Thirty Ninth 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 Thursday, the 28th September, 2017 at 3.30 p.m. to transact the following business :

### Ordinary Business :

1. To receive, consider and adopt the audited Statement of Profit & Loss for the year ended 31st March 2017 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 2016-17.
3. To elect a Director in place of Shri Mullapudi Mrutyumjaya Prasad (DIN : 01500271) who retires by rotation and being eligible offers himself for reappointment / re-election.
4. To appoint M/s. Chevuturi Associates, Chartered Accountants, Vijayawada as Statutory Auditors for a term of five years from 2017-18 to 2021-22 to hold office from the conclusion of this Annual General Meeting, until the conclusion of 44th Annual General Meeting, subject to ratification at every Annual General Meeting and to fixing their remuneration.

### Special Business :

5. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2018 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 force), M/s.Narasimha Murthy & Co., Hyderabad, the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting;

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

6. To 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 three years effective from 16th February, 2018 and be paid remuneration by way of salary, commission and other perquisites as set out below."

1. Salary : Rs. 4,70,000 per month
2. Commission: upto 2% of the net profit 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 not exceeding one month basic salary.
  - 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, commission 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."

## 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 5th September, 2017 to Wednesday, the 6th September, 2017, 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 123 of the Companies Act, 2013, the unclaimed dividend for the year ended 31st March, 2009 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 39th Annual General Meeting as required under Listing Regulations is attached.
6. Holders of Shares/Deposits may nominate a person(s) in Form No. SH-13 / SH-14 as the case may be (provided at the end of this report), subject to the provisions of Companies Act, 2013 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 2017 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 6th September, 2017 as per details provided by Share Transfer Agents (RTA). In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by the Depositories – National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL) for this purpose as on 4th September, 2017 after the close of business hours.
8. The Company is providing facility to the shareholders for voting by electronic means and the business may be transacted through such voting. The process and manner of e-voting, time schedule etc., are at Page No. 9.

**ANNEXURE TO THE NOTICE****A. Explanatory Statement as required under Sec. 102 of the Companies Act, 2013.**

## Item No. 5 :

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s.Narasimha Murthy & Co., Cost Accountants, Hyderabad as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018 on a remuneration of Rs. 1,50,000/- and reimbursement of actual traveling, lodging & boarding and out of pocket expenses for attending the work.

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

Accordingly, consent of the members is sought by an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2018. None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

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

Item No. 6 :

The shareholders at the 36th Annual General Meeting of the company held on 6th September, 2014 approved the reappointment of Shri Jagarlamudi Murali Mohan (DIN : 00114341) as Managing Director for a period of three years with effect from 16th February, 2015. The said term of reappointment will expire on 15th February 2018.

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 his tenure the plant capacities were enhanced by more than ten times and annual turnover grown up from Rs. 15 crores to Rs. 400 crores. The company is able to produce superior quality products and reduce product costs to face intense competition from established manufacturers and imports. 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 three years effective from 16th February 2018.

In view of subdued performance of the company the proposed re-appointment is at the existing remuneration only, as applicable in the last year of the present term.

The Nomination and Remuneration Committee of the Board approved the reappointment and the terms of remuneration including payment of minimum remuneration at its meeting held on 12-08-2017.

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 at Item No. 6 of the Notice for their approval as Special Resolution. The Board recommends the same.

Shri Jagarlamudi Murali Mohan is considered as interested in the resolutions as it relates to his reappointment. 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. 119.39 lakhs in 2016-17.
- 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 few 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 resolution at item No. 6.
- 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 20,100 equity shares of aggregate face value of Rs.2,01,000 in the company.



III. Other information :

- 1) Reasons of loss or inadequate profits : The profits were inadequate in 2016-17 out of the 3 years in the present term of office. During the proposed period of re-appointment the profits may be adequate or may turnout to be inadequate due to intense competition and unfavourable market conditions.
- 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 2017-18 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.

Dokiparru  
12 August, 2017.

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

**SHAREHOLDER INSTRUCTIONS FOR E-VOTING**

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 25-09-2017 at 9.00 a.m. and ends on 27-09-2017 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 04-09-2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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

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

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

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#### ABBREVIATED RESUME OF THE DIRECTORS SEEKING REAPPOINTMENT

##### **Shri M. Mrutyumjaya Prasad**

Shri M. Mrutyumjaya Prasad joined the Board of Directors of the Company on 05-11-2011. He is a Post Graduate in Commerce from Andhra University, Visakhapatnam and holds Master of Business Administration from Alagappa University, Karaikudi, Tamil Nadu. He is a Director on the Board of Sree Thimmaraja Investment & Finance Company Private Limited. He is a member of the Stakeholders Relationship Committee constituted by the Board of Directors of the Company. Number of shares held in the company as on 31st March 2017 are 2250.

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## DIRECTORS' REPORT

Your Directors have pleasure in presenting the Thirty Ninth Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2017.

	(Rs. in Lakhs)	
	2016-17	2015-16
<b>1. FINANCIAL RESULTS</b>		
Gross Sales	40623.41	42443.14
Less : Excise Duty	<u>3557.68</u>	<u>3746.94</u>
Net Sales	37065.73	38696.20
Processing Charges	391.14	597.20
Other Income	<u>463.55</u>	<u>502.39</u>
Total Income	37920.42	39795.79
Profit for the year before Interest and Depreciation	1885.42	3646.55
Interest	(160.01)	(112.63)
Depreciation	<u>(706.80)</u>	<u>(804.20)</u>
Profit Before Tax	1018.61	2729.72
Provision for Current Tax	(255.00)	(1025.00)
Deferred Tax / (credit)	57.19	101.81
Excess provision of Income Tax made in earlier years	-	2.94
Profit After Tax	<u>820.80</u>	<u>1809.47</u>

The turnover of the company for the year at Rs. 410.15 crores is down by 5% over the previous year's figure of Rs. 430.40 crores. The sales volume of soap noodles and fatty acids during the year dropped by about 17% as compared to the previous year. The increase in raw material prices without commensurate increase in selling prices and reduction in sales volumes resulted in decline in Profit Before Interest and Depreciation to Rs.1885.42 lakhs from Rs. 3646.55 lakhs which is about fifty percent of the previous year. The volumes have come down due to tepid growth in demand and intense competition in the market. The Profit Before Tax (PBT) has come down to Rs. 10.19 crores as compared to Rs. 27.30 crores in the previous year.

The appropriations from the profit are as detailed below.

	(Rs. in Lakhs)	
	2016-17	2015-16
Profit after Tax (including comprehensive income)	955.68	1785.21
Balance brought forward from previous year	<u>1652.19</u>	<u>1756.57</u>
Profit for appropriations	<u>2607.87</u>	<u>3541.78</u>
<b>APPROPRIATIONS</b>		
Dividend (accounted in the year of payment)	-	1154.55
Provision for Tax on distributed profits @ 20.35765% on dividend (accounted in the year of payment)	-	235.04

Transfer to General Reserve	200.00	500.00
Balance carried forward	2407.87	1652.19
TOTAL	<u>2607.87</u>	<u>3541.78</u>
Authorized Capital	1000.00	1000.00
Paid-up Capital	886.16	888.16
Reserves & Surplus	15931.29	14975.60

## 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 31-03-2017, at Rs. 3.00 per equity share of Rs. 10 each, which aggregates to Rs. 2,66,43,450 on the 88,81,150 equity shares of the Company. In the previous year, the Company paid dividend at Rs. 7.00 per equity share of Rs.10 each on 88,81,150 shares amounting to Rs.6,21,68,050.

## 3. OPERATIONS

	2016-17	2015-16
	MT	MT
<b>Production</b>		
(including processed on jobwork)		
a) Fatty Acids	52134	61423
b) Toilet Soap & Soap products	26031	38605
c) Biomass Power-kwh	29562238	31797001
d) Wind Power-kwh	14064610	8189633
<b>Sales</b>		
a) Fatty Acids	34822	36954
b) Toilet Soap & Soap products	21583	30866
c) Biomass Power-kwh	13959000	14557300
d) Wind Power-kwh	14064610	8189633

## 4. OUTLOOK

### Fatty Acids and Soap

The demand for soap noodles which is a raw material for toilet soap was low during the year reflecting weaker market conditions for Fast Moving Consumer (FMC) goods. Rising raw material prices and intense price competition have largely impacted the margins. The company is optimistic of picking up demand for fatty acids and soap products due to removal of CST and uniform tax structure through out the country under GST regime – one country, one tax and one market. Sales of fatty acids during the year is marginally low because of subdued market conditions. The Company is pursuing new avenues to enlarge product range.

The company will continue to be in disadvantage position in the price sensitive market If the exemptions granted to the units located in the exempted areas before introduction of GST continue fully or partially under GST regime also.

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

Retention of high volume customers withstanding to the competition is considered very important and all efforts are made to achieve the same by quoting attractive prices. Barring unforeseen circumstances the market is expected to improve in the coming months.

#### **Biomass Power Plant**

The performance of the Biomass Power Plant is satisfactory even though the generation and export of power to AP Transco are marginally low as compared to the previous year. However, the Govt. of A.P. has discontinued the tariff support of Rs.1.50 per unit to the Biomass Power Plant Developers from 1-4-2016 which has been in practice since November, 2012. Despite Power Purchase Agreements for 20 years with APSPDCL, purchase of power from biomass power plants was stopped by the Government from 9-6-2017 affecting the very existence of the power plants. Low demand and high frequency in the grid is the reason given for stoppage. However, power purchase was resumed from 18-07-2017 on the representation made by Biomass Energy Developers Association explaining that biomass power is a renewable source of energy and requires to be prioritized over other sources of energy.

#### **Wind Energy Generators (WEG)**

Power generation during the year from the four Wind Energy Generators (WEGs) of 6.3 MW capacity has considerably increased as compared to the last few years. During the year the power generation from all the four WEGs is 140.64 lakh units as compared to previous year 81.90 lakh units. Thanks to the Indian Wind Power Association for its continued efforts in seeking 'must run' status to WEGs to reduce back down time, the back down of WEGs for want of evacuation facilities has come down during the year from 29.27% of machine available hours to 8.58%.

### **5. FINANCE AND STATUTORY COMPLIANCES**

The Company availed working capital facilities under consortium arrangement from Andhra Bank and State Bank of India and the accounts are in order. The short term borrowings from HDFC Bank were repaid as per the repayment schedule. The company complied with all the legal requirements and there are no outstanding statutory dues as on 31st March 2017.

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

### **6. CREDIT RATING**

The Credit Rating Agency CARE reaffirmed the credit rating of working capital facilities availed from the banks 'CARE A+' (adequate degree of safety regarding timely servicing of financial obligations) for long term facilities, 'CARE A1' (strong degree of safety regarding timely payment of financial obligations) for short term facilities and 'CARE A1 (FD)' (Strong degree of safety regarding timely payment of financial obligations) for Fixed Deposits accepted by the Company.

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

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act 2013. A Committee has been set up to redress the complaints received regarding sexual harassment. During the year the Company has not received any complaints on sexual harassment of women at the workplace.

## 8. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established vigil mechanism as required under Sec. 177(10) of the Companies Act, 2013 for directors and employees to report genuine concerns as prescribed in the policy. The policy provides adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.

## 9. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

- a) Shri J. Murali Mohan, Managing Director of the Company will be completing his present term of office by 15th February 2018. The Nomination and Remuneration Committee and the Board of Directors have recommended for his reappointment for a further period of three years.
- 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 Mullapudi Mrutyumjaya Prasad, Director retires by rotation and being eligible offers himself for re-appointment.
- c) The Company held five Board Meetings during the year. Board Meeting dates and attendance particulars are available in the report on Corporate Governance.
- d) The Company has received declarations from all the five Independent Directors confirming that he / she meets the criteria of independence as provided under subsection 6 of Sec. 149 of the Companies Act, 2013 at the first meeting of the Board in which he / she participated as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his / her status as an Independent Director.
- e) The Audit Committee consists of three Non-Executive Directors of which 2 are Independent Directors. Shri V.S. Raju, Independent Director is the Chairman of the Audit Committee. The remaining two members are Shri Mullapudi Thimmaraja, Non-Executive Director and Shri Subbarao V. Tipirneni, Independent Director. The Board accepted all the recommendations of the Audit Committee during the year.
- f) Shri J. Murali Mohan, Managing Director and Shri P. Kesavulu Reddy, President & Secretary are the Key Managerial Personnel appointed under Sec. 203 of the Companies Act, 2013.

## 10. AUDITORS

M/s. Brahmaya & Co., Chartered Accountants, Guntur are retiring at the conclusion of this Annual General Meeting and as per the provisions of the Companies Act, 2013, the Board of Directors proposed to appoint M/s. Chevaturi Associates, Chartered Accountants, Vijayawada as Auditors for a period of five years i.e. up to the conclusion of 44th Annual General Meeting subject to ratification at every Annual General Meeting by the shareholders.



## 11. COST AUDITORS

M/s. Narasimha Murthy & Co., Cost Accountants, Hyderabad are conducting the cost audit for applicable products during the year. They are eligible for re-appointment as Cost Auditors for the year 2017-18.

## 12. SECRETARIAL AUDIT

M/s.Nekkanti S.R.V.V.S. Narayana & Co., Company Secretaries, Hyderabad were appointed as Auditors for secretarial audit for the year 2016-17 under Sec. 204 of the Companies Act, 2013 and they have submitted their report.

13. The information required to be included in the Board of Directors Report under the Companies Act, 2013 and Rules made there under is annexed and forms part of this report as detailed below.

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

10	Details relating to deposits covered under chapter V of the Act. Companies (Accounts) Rules, 2014	134 (3) (q)	8 (5) (v) & (vi)	10
11	Ratio of the remuneration of each Director to the median employee's remuneration and such other details. Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014	197 (12)	5 (1)	11
12	Particulars of employees in receipt of remuneration not less than Rs. five lakhs per month or Rs. sixty lakhs per year etc. Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014	197 (12)	5 (2)	12
13	Secretarial Audit Report in Form MR-3. Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014	204 (1)	9 (1)	13

#### 14. INFORMATION UNDER LISTING REGULATIONS.

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

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

The Company is having a policy to deal with Related Party Transactions and the same may be viewed in the Company's website [www.jocil.in](http://www.jocil.in). Please see Note No. 34 on Accounts for disclosures in compliance with the Accounting Standards on "Related Party Disclosures."

#### 15. DIRECTORS' RESPONSIBILITY STATEMENT

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

## 15. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

## 16. 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.

## 17. ACKNOWLEDGEMENTS

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

Dokiparru  
12 August, 2017.

P. NARENDRANATH CHOWDARY  
Chairman.

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31st March, 2017**  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

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

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1	Fatty Acids	304.4	57.88
2	Soap Products	305.2	34.85

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

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

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i. Category-wise Share Holding**

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
a. Bodies Corp.									
i) Indian	129330	24008	153338	1.73	127499	24008	151507	1.71	(0.02)
ii) Overseas									
b. Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1219615	622010	1841625	20.74	1480344	908122	2388466	26.89	6.15
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	1438790	535396	1974186	22.23	1183978	231674	1415652	15.94	(6.29)
c. Others									
i) Bodies (Clearing Mem.)	3471	-	3471	0.04	8335	-	8335	0.09	0.05
ii) NRIs'	22030	-	22030	0.25	30690	-	30690	0.36	0.11
<b>Sub-total (B)(2):-</b>	2813236	1181414	3994650	44.99	2830846	1163804	3994650	44.99	-
Total Public Shareholding									
(B)=(B)(1)+(B)(2)	2813236	1181414	3994650	44.99	2830846	1163804	3994650	44.99	-
C. Shares held by Custodian for GDRs & ADRs									
<b>Grand Total (A+B+C)</b>	7699736	1181414	8881150	100.00	7717346	1163804	8881150	100.00	-

## ii. Shareholding of Promoters

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

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

Sl No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
2	At the beginning of the year	4886500	55.02	4886500	55.02
3	During the year	No change	No change	No change	No change
4	At the End of the year	4886500	55.02	4886500	55.02

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No.	Name of the Shareholder	Shareholding				Cumulative Shareholding during the year	
		Date	Reason for change	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
A. 1	As on 31.03.2017						
	Mohan Gupta	31/03/2017		200000	2.25	200000	2.25
	During the year	11/11/2016	Purchase	36000	0.41	200000	2.25
		01/04/2016		164000	1.85	164000	1.85
2	Geetha Kandimalla	31/03/2017		191090	2.15	191090	2.15
	During the year		No transactions				
		01/04/2016		191090	2.15	191090	2.15
3	Anita Gupta	31/03/2017		75000	0.84	75000	0.84
	During the year		No transactions				
		01/04/2016		75000	0.84	75000	0.84
4	Sharmin Nasser	31/03/2017		50000	0.56	50000	0.56
	During the year	12/08/2016	Purchase	10000	0.11	50000	0.56
		05/08/2016	Purchase	10000	0.11	40000	0.45
		29/07/2016	Purchase	30000	0.34	30000	0.34
		01/04/2016		0	0	0	0
5	Rangappa N	31/03/2017		45000	0.51	45000	0.51
		15/07/2016	Sale	(700)	0.01	45000	0.51
		30/06/2016	Purchase	700	0.01	45700	0.52
		24/06/2016	Purchase	1400	0.02	45000	0.51

Sl No.	Name of the Shareholder	Shareholding				Cumulative Shareholding during the year	
		Date	Reason for change	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6	Lakshmi Samrajyam Kandimalla During the year	17/06/2016	Purchase	3000	0.03	43600	0.49
		10/06/2016	Purchase	932	0.01	40600	0.46
		03/06/2016	Purchase	68	0.00	39668	0.45
		20/05/2016	Purchase	600	0.01	39600	0.45
		15/04/2016	Sale	(600)	0.01	39000	0.44
		01/04/2016		39600	0.45	39600	0.45
		31/03/2017		43818	0.49	43818	0.49
7	Vinodchandra Mansukhlal Parekh During the year		No transactions				
		01/04/2016		43818	0.49	43818	0.49
		31/03/2017		38214	0.43	38214	0.43
8	Dyan Bipin Savla During the year		No transactions				
		01/04/2016		38214	0.43	38214	0.43
		31/03/2017		36000	0.41	36000	0.41
9	Panguluri Dhanalakshmi During the year	15/04/2016	Transmission	36000	0.41	36000	0.41
		01/04/2016		0	0	0	0
		31/03/2017		35000	0.39	35000	0.39
10	Kandimalla Lakshmi Samrajyam During the year	24/02/2017	Transmission	35000	0.39	35000	0.39
		01/04/2016		0	0	0	0
		31/03/2017		34180	0.38	34180	0.38
		01/04/2016	No transactions	34180	0.38	34180	0.38



Sl No.	Name of the Shareholder	Shareholding				Cumulative Shareholding during the year	
		Date	Reason for change	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>B. As on 01-04-2016 (Other than under A above)</b>							
1	Vinodchandra Mansukhlal Parekh During the year	31-03-2017	No transactions	38,214	0.43	38,214	0.43
		01-04-2016		38,214	0.43	38,214	0.43
2	Dyan Bipin Savla During the year	31-03-2017	Transmission	36,000	0.41	36,000	0.41
		15-04-2016		36,000	0.41	36,000	0.41
		01-04-2016		0		0	0
3	Rajat Lodha During the year	31-03-2017	Sale	0	0	0	0
		29-07-2016		(37,724)	0	0	0
		01-04-2016		37,724	0.42	37,724	0.42
4	Sadineni Tulasamma	31-03-2017	Transmission	0	0	0	0
		24-02-2017		(35,000)	0	0	0
		01-04-2016		35,000	0.39	35,000	0.39

Sl No.	Name of the Shareholder	Shareholding				Cumulative Shareholding during the year	
		Date	Reason for change	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>C. During the year (other than under A &amp; B above)</b>							
1	JM Financial Services Limited	31/03/2017	Purchase Sale 200	41300	0.46	41300	0.46
		20/01/2017		41300	0.46	41300	0.46
		29/04/2016		(200)	0.00	-	0.00
		01/04/2016		-	200	-	0.00
D	During the year (other than A, B & C)				Nil		

## v. Shareholding of Directors and Key Managerial Personnel:

Sl No.	Name of the Shareholder	Shareholding				Cumulative Shareholding during the year	
		Date	Reason for change	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	P. Narendranath Chowdary, Chairman	01.04.2016		25000	0.28	25000	0.28
	During the year	No change		-	-	-	-
	At the end of the year	31.03.2017		25000	0.28	25000	0.28
2	J. Murali Mohan, Managing Director	01.04.2016		20100	0.23	20100	0.23
	During the year	No change		-	-	-	-
	At the end of the year	31.03.2017		20100	0.23	20100	0.23
3	M.Thimmaraja, Director	01.04.2016		4500	0.05	4500	0.05
	During the year	No change		-	-	-	-
	At the end of the year	31.03.2017		4500	0.05	4500	0.05
4	K.Srinivasa Rao, Director	01.04.2016		325092	3.66	325092	3.66
	During the year	No change		-	-	-	-
	At the end of the year	31.03.2017		325092	3.66	325092	3.66
5	M.Mrutyumjaya Prasad, Director	01.04.2016		2250		2250	
	During the year	No change		-		-	
	At the end of the year	31.03.2017		2250		2250	
6	Dr.Manjulata Dasari, Director	01.04.2016		1006		1006	
	During the year	No change		-		-	
	At the end of the year	31.03.2017		1006		1006	

**V. INDEBTEDNESS**

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

	Secured Loans excluding deposits Rs.	Unsecured Loans Rs.	Deposits Rs.	Total Indebtedness Rs.
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal Amount	1,39,51,782	1,86,11,578	5,77,65,543	9,03,59,903
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	8,00,356	15,59,009	23,59,365
<b>Total (i+ii+iii)</b>	<b>1,39,51,782</b>	<b>1,94,11,934</b>	<b>5,93,55,552</b>	<b>9,27,19,268</b>
<b>Change in Indebtedness during the financial year</b>				
-Addition	10,70,60,979	10,00,72,531	-	20,71,33,510
-Reduction	-	-	1,35,30,091	(1,35,30,091)
<b>Net Change</b>	<b>10,70,60,979</b>	<b>10,00,72,531</b>	<b>1,35,30,091</b>	<b>19,36,03,419</b>
<b>Indebtedness at the end of the financial year</b>				
i. Principal Amount	12,10,12,761	11,76,12,686	4,55,60,652	28,41,86,099
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	18,71,779	2,64,809	21,36,588
<b>Total (i+ii+iii)</b>	<b>12,10,12,761</b>	<b>11,94,84,465</b>	<b>4,58,25,461</b>	<b>28,63,22,687</b>

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

Sl. no.	Particulars of Remuneration	Total Amount Rs.
	<b>J.Murali Mohan, Managing Director</b>	
1.	Gross salary	
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	80,46,120
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	16,18,335
	c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-
2.	Stock Option	
3.	Sweat Equity	
4.	Commission	
	- as % of profit	
	- others, specify...	22,75,039
5.	Others, please specify	
	Total (A)	1,19,39,494
	Ceiling as per the Act Rs. 1,19,39,494	

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

Sl. no.	Particulars of Remuneration	Name of the Independent Directors					Total Amount Rs.
		Sri V.S.Raju	Sri M.Gopala-krishna	Sri Subbarao V.Tipirneni	Sri P. Venkateswara Rao	Dr.Manjulata Dasari	
1.	Fee for attending Board / Committee meetings	1,10,000	50,000	1,10,000	60,000	45,000	3,75,000
2.	Commission	-	-	-	-	-	-
3.	Others (incidental & daily allowance)	23,000	18,000	18,000	20,000	18,000	97,000
	<b>Total (a)</b>	<b>1,33,000</b>	<b>68,000</b>	<b>1,28,000</b>	<b>80,000</b>	<b>63,000</b>	<b>4,72,000</b>

**4. Other Non-Executive Directors**

Sl. no.	Particulars of Remuneration	Name of the Other Non-Executive Directors				Total Amount Rs.
		Sri P.Narendranath Chowdary	Sri M.Thimmaraja	Sri K.Srinivasa Rao	Sri M.Mrutyumjaya Prasad	
1.	Fee for attending Board / Committee meetings	1,40,000	1,50,000	60,000	1,00,000	4,50,000
2.	Commission	-	-	-	-	-
3.	Others (incidental & daily allowance)	27,000	22,000	27,000	27,000	1,03,000
	<b>Total (b)</b>	<b>1,67,000</b>	<b>1,72,000</b>	<b>87,000</b>	<b>1,27,000</b>	<b>5,53,000</b>
	<b>Total (B)=(a+b)</b>					<b>10,25,000</b>
	<b>Total Managerial Remuneration(A+B)</b>					<b>1,29,64,494</b>
Overall ceiling Rs. 1,29,64,494						

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD**

Sl. no.	Particulars of Remuneration	Total Amount Rs.
	<b>P.Kesavulu Reddy, President &amp; Secretary</b>	
1.	Gross salary	
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	40,53,820
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–
2.	Stock Option	
3.	Sweat Equity	
4.	Commission - as % of profit - others, specify...	
5.	Others, please specify	
	Total (A)	40,53,820

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

**COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION**

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

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

**Criteria for appointment :**

- a) The appointee should possess adequate qualification, expertise and experience for the position they considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is appropriate for the concerned position.
- b) Managing Director or Executive Director can be appointed for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of the term.
- c) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- d) No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- e) At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.
- f) The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel periodically.
- g) The Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the rules and regulations.
- h) The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to utilize the services of KMP, Senior Management Personnel even after attaining the retirement age, for the benefit of the Company.

**Policy on remuneration :**

- a) The remuneration/compensation/commission etc., to the Managing Director / Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/commission etc., shall be subject to the prior / post approval of the Shareholders of the Company and Central Government, as may be required by any Statute.
- b) The remuneration and commission to be paid to the Managing Director/ Whole-time Director shall be in accordance with the percentage/conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the Rules made thereunder.
- c) The Managing Director/Whole-time Director/KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee.
- d) If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director/ Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.
- e) The Non-Executive/Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof, provided that the amount of such fees shall not exceed the amount prescribed under Articles of Association of the Company. In addition to the remuneration payable as sitting fees they shall be paid traveling / hotel and other expenses as determined by the Board from time to time for attending and returning from, meetings of the Board of Directors or any committee thereof or in connection with the business of the Company.
- f) An Independent Director shall not be entitled to any stock option of the Company.

**Annexure - 3**

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS DURING THE YEAR**

Section 134(3)(g) and Sec 186(4) of the Companies Act, 2013  
Para A(2) of Schedule V to Listing Regulations

Sl.No.	Name of the Company	Amount Rs.	Remarks
1.	Particulars of loans given - Sree Akkamamba Textiles Limited, Venkatarayapuram, Tanuku	3,00,00,000	To meet working capital requirements
2.	The Andhra Petrochemicals Limited, Venkatarayapuram, Tanuku	25,00,00,000 (Repaid during the year)	To meet working capital requirements

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

**Form No. AOC-2**

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

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

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

Dokiparru  
12th August, 2017.

P. NARENDRANATH CHOWDARY  
Chairman



**Report on conservation of energy, technology absorption and  
foreign exchange earnings and outgo**

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

\*\*\*

A) Conservation of energy –

- |   |   |   |
|---|---|---|
| i) The steps taken or impact on conservation of energy                        | : | 1. Third party audit was conducted on steam lines for distribution of steam in the plant and necessary steps are being taken for reduction of transmission losses. Steam traps are monitored at regular intervals to prevent wastage of steam.<br><br>2. Waste Heat is successfully utilized for sweet water evaporation. |
| ii) The steps taken by the company for utilising alternate sources of energy; | : | Nil   |
| iii) The capital investment on energy conservation equipments;                | : | Nil   |

B) Technology absorption –

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

- |  |   |     |
|--|---|-----|
| iv) The expenditure incurred on Research and Development (Rs.in lakhs) | : | Nil |
|--|---|-----|

C) Foreign exchange earnings and Outgo-

- |   |   |                 |
|---|---|-----------------|
| i) The Foreign Exchange earned in terms of actual inflows during the year and | : | Rs.61,28,74,149 |
| ii) the Foreign Exchange outgo during the year in terms of actual outflows    | : | Rs.46,94,84,403 |

## Annexure - 6

**RISK MANAGEMENT POLICY**

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

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

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

## Annexure - 7

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR THE YEAR 2016-17**

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

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Participation of business enterprises in building economic, social and environmental capital will enhance social sustainability. Design and implement CSR programs for sustainable development in the areas of health, safety, environment, poverty eradication, skill development, resource enhancing etc., The company has undertaken to extend Rs.One crore financial assistance to Acharya Nagarjuna University, Guntur for construction of a building for the Department of International Business in the premises of the University. Out of this Rs.60 lakhs was paid till 31-03-2017 and the balance will be released depending on the progress in construction of the building. The company is extending financial assistance to hospitals, medical and educational trusts for promoting of health care to poor irrespective of religion, caste etc.

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

2. The Composition of the CSR Committee

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

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

Year	Net Profit during the year u/s.198 (Adjusted) Rs.
2015-16	27,13,91,307
2014-15	19,67,90,985
2013-14	16,30,45,887
Total for 3 years	63,12,28,179
Average profit per year	21,04,09,393

4. Prescribed CSR Expenditure (two per cent of the amount as in items 3 above) : Rs.42,08,188
5. Details of CSR spent during the financial year;
  - (a) Total amount to be spent for the financial year; Rs.42,10,000
  - (b) Amount unspent, if any; NIL

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

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or program wise  Rs.	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads :  Rs.	Cumulative expenditure up to the reporting period  Rs.	Amount spent: Direct or through implementing agency
1	2	3	4	5	6	7	8
1	Promotion of health care by way of contribution to medical institutions rendering service to the public.	Promoting health care including preventive health care	Venkatarayapuram, TANUKU-534215, West Godavari District, Andhra Pradesh	12,10,000	12,10,000 (Direct expenditure)	52,10,000	Through implementing agency-'M/s. Sree Mullapudi Venkataramamma Memorial Hospital' TANUKU, W.G.Dist.
Local Area - Govt. General Hospital, Guntur, A.P.			10,00,000	10,00,000 (Direct expenditure)	10,00,000	Through implementing agency-'M/s. Sahrudaya Health, Medical & Educational Trust, Hyderabad.	
2	Construction of a building for the 'Department of International Business' in Acharya Nagarjuna University	Promoting Education	Local Area - Acharya Nagarjuna University Campus, Guntur District, Andhra Pradesh	1,00,00,000	20,00,000 (Direct expenditure)	60,00,000	Through implementing agency- Acharya Nagarjuna University, Nagarjuna Nagar, Guntur Dist.

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

Chief Executive Officer /  
Managing Director

Chairman  
CSR Committee

**STATEMENT ON EVALUATION OF BOARD, IT'S COMMITTEES AND INDIVIDUAL DIRECTORS**  
(SEC. 134 (3)(P) OF COMPANIES ACT 2013 AND RULE 8(4) OF  
CORPORATE (ACCOUNTS) RULES, 2014 )

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

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

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**FINANCIAL SUMMARY**

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

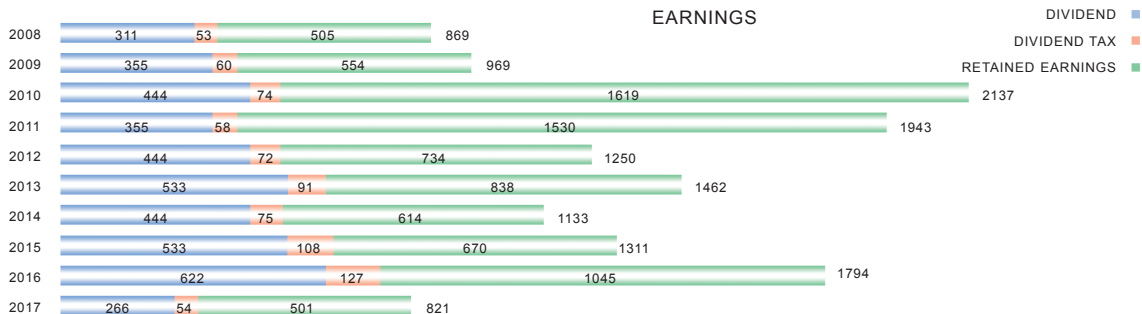
(Rs. in Lakhs)

	Year ending 31st March									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>OPERATING RESULTS</b>										
Gross Sales & Other Income	13009	21660	32694	42226	43634	46088	42201	37014	43543	41478
Operating Profit	1737	2078	3773	3790	3090	3677	2819	2730	3631	1885
Depreciation	527	523	511	682	888	1001	1026	667	804	706
Interest	24	34	55	263	342	382	163	95	113	160
Profit before Tax	1226	1521	3207	2845	1860	2294	1630	1968	2714	1019
Profit after Tax	869	969	2137	1943	1250	1462	1133	1311	1794	821
Dividend declared	311	355	444	355	444	533	444	533	622	266
Dividend rate (%)	70	80	100	80	50	60	50	60	70	30
Retained Earnings	505	554	1619	1530	734	838	614	670	1045	501
Earning per Share (Rs.)	18.70	21.82	48.12	21.87	14.08	16.46	12.75	14.76	20.20	9.24
Return on Net worth(%)	9.28	9.73	18.49	14.75	8.98	9.92	7.45	8.31	10.73	4.66
Debt Equity Ratio	0.03	0.06	0.10	0.35	0.22	0.24	0.08	0.07	0.05	0.16
Book Value (Rs.)	210.82	224.36	260.00	296.67	156.72	165.95	171.25	177.58	188.20	198.23
<b>SOURCES OF FUNDS</b>										
Equity Capital	444	444	444	444	888	888	888	888	888	888
Reserves	8917	9519	11114	12730	13030	13850	14320	14883	15826	16717
Borrowings	271	608	1130	4623	3008	3569	1211	1051	904	2842
Net Capital Employed	9632	10571	12688	17797	16926	18307	16419	16822	17618	20447
<b>APPLICATION OF FUNDS</b>										
Gross Fixed Assets	10821	11090	12846	15211	16324	17391	17433	17502	7183	7609
Depreciation	5595	6105	6594	7263	8141	9037	10011	10705	804	1511
Net Fixed Assets	5226	4985	6252	7948	8183	8354	7422	6797	6379	6098
Net Current Assets & Investments	4406	5586	6436	9849	8743	9953	8997	10025	11239	14379
Net Assets Employed	9632	10571	12688	17797	16926	18307	16419	16822	17618	20477
<b>TO EXCHEQUER</b>										
Excise Duty & Service Tax	2528	3430	2876	4566	4986	5320	4576	4866	4430	3995
Sales Tax and Other Taxes	329	620	824	1139	1156	961	741	604	629	566
Income Tax	263	504	1100	830	600	850	650	700	1025	255
Total Taxes & Duties	3120	4554	4800	6535	6742	7131	5967	6170	6084	4816

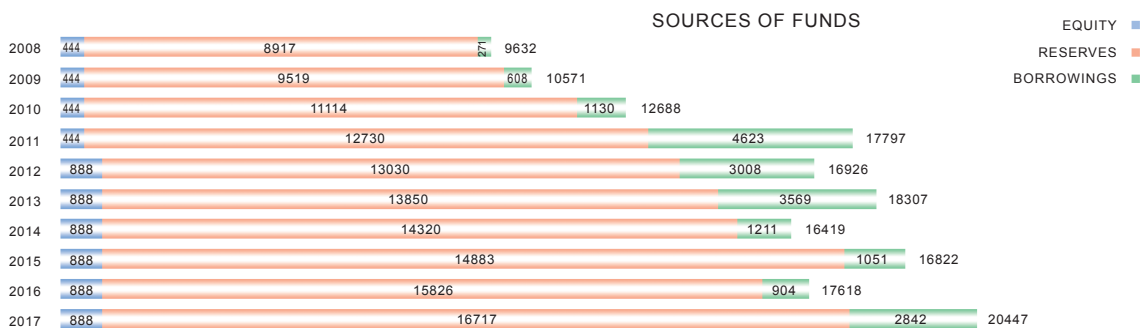
TEN YEAR HIGHLIGHTS

Year ending 31st March  
(Rs. in Lakhs)

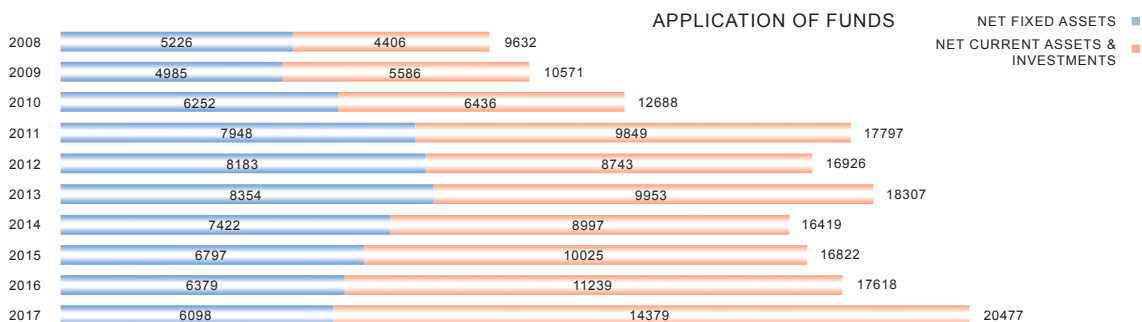
EARNINGS



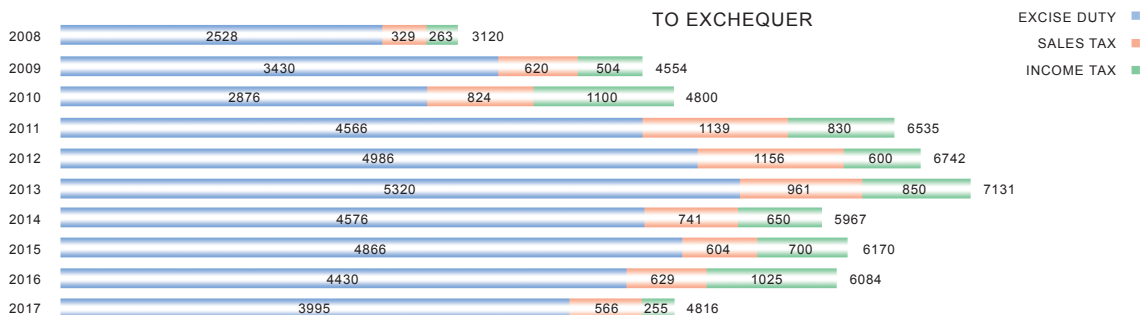
SOURCES OF FUNDS



APPLICATION OF FUNDS



TO EXCHEQUER



**REPORT ON FIXED DEPOSITS**

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

- iv. The details, relating to deposits covered under Chapter V of the Companies Act, 2013
- Rs.
- a. Deposits accepted during the year : 6,31,73,338
- c. Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved-
- i. At the beginning of the year : NIL
- ii. Maximum during the year : NIL
- iii. At the end of the year : NIL
- v. The details of deposits which are not in compliance with the requirement of Chapter V of the Act : NIL

**RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEE'S REMUNERATION AND SUCH OTHER DETAILS**

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

\*\*\*

- i. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year
- Shri J. Murali Mohan – Managing Director : 65 : 1  
(all the other directors are non-executive directors)
- ii. The percentage increase / (decrease) in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year
- Shri J. Murali Mohan, Managing Director : (3.20)  
Shri P. Kesavulu Reddy, President & Secretary : 35.32
- iii. The percentage increase in the median remuneration of employees in the financial year : 8.32
- iv. The number of permanent employees on the rolls of company : 752
- v. Affirmation that the remuneration is as per the remuneration policy of the company : Yes

## Annexure – 12

**PARTICULARS OF EMPLOYEES AS REQUIRED UNDER RULE 5(2) OF THE COMPANIES**

(Appointment &amp; Remuneration) Rules, 2014

i. Name	: Sri J. Murali Mohan
ii. Designation	: Managing Director
iii. Remuneration received	: Rs.1,19,39,494
iv. Nature of employment, whether contractual or otherwise;	: Contractual for a period of three years
v. Qualifications	: B.Tech (Chem. Engg.) & MBA
vi. Experience	: 38 Years
vii. Date of commencement of employment	: 16-02-1990
viii. Age	: 67 Years
ix. Last employment held before joining the company	: Marketing Manager, ITC Ltd.(ILTD Division)
x. The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) Rule (5)	: Not applicable
xi. Whether relative of any director or manager of the company and if so, name of such director or manager;	: -No-

## Annexure - 13

## Form No. MR-3

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

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

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

the adherence to good corporate practices by Jocil Limited (hereinafter called 'the company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on our verification of the Jocil Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 ("Audit Period")



complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

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

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

- i) Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.
- ii) Listing Agreements entered into by the Company with the National Stock Exchange.
- iii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

We further report that:

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

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

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

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

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

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

Company Secretaries

NEKKANTI S.R.V.V.S. NARAYANA

Proprietor

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

Date : 24-05-2017

Place : Hyderabad

Note:

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

**ANNEXURE – A**

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

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

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

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

Company Secretaries

NEKKANTI S.R.V.V.S. NARAYANA

Proprietor

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

Date : 24-05-2017

Place : Hyderabad

**Annexure - 14**

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

(Amount in Rs.)

S. No.	Name of the Company / Firm in which the Directors are interested	Amount of loans / advances / investments / outstanding as on 31-03-2017	Max. amount of loans / advances / investments outstanding during the year 2016-17
1.	Sree Akkamamba Textiles Limited, Tanuku	1,00,00,000	3,00,00,000
2.	The Andhra Petrochemicals Limited, Tanuku – Investments – Loan	1,22,92,694 –	1,22,92,694 25,00,00,000

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****a. Industry Structure and Developments :**

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

The Company is having 6 MW Biomass Cogeneration Captive Power Plant located within the factory premises and the surplus power is sold to APSPDCL. It is also having four Wind Energy Generators (WEGs) of total 6.30 MW set up in Tamil Nadu and the power generated from these plants is sold to Tamil Nadu Generation and Distribution Corporation 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 vegetable oils. However, in India refineries with huge capacities have been set up for processing Crude Vegetable Oils like Palm Oil imported from Malaysia and Indonesia. By-products generated from these refineries viz., Palm Fatty Acid Distillate, Crude Palm Stearine are the raw material to the Company. As a result the Company indirectly depends on imports for its raw material supplies. Consequently the supply and demand position in the international market for vegetable oils influence the indigenous market.

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

Inverted duty structure (higher duty for raw materials and lower duty for finished products) is a major problem for manufacturers of soap noodles. There is no customs duty on soap noodles imported whereas lauric acid one of the major raw materials in the manufacture of soap noodles attracts customs duty at 7.5%. As a result indigenous manufacturers are placed at a disadvantage in competing with import of soap noodles.

The fuels intended for running the biomass power plant are Rice Husk, firewood like Cotton Stalk, Chili Stalk, English Thumma etc., available in the surrounding areas. Their availability is seasonal and also depends on availability of labour and farm works during the season. Transportation and storage of biomass fuels are the other problems due to low bulk density. They are also fire hazardous. The capacity utilization of the power plant during the year is marginally low as compared to previous year. Steam and power requirements of Process Plants are met from the Biomass Power Plant. The Company is constructing a Reservoir by spending about Rs.3.50 crores for storing water to meet part of its requirements during off season to save on cost and to reduce dependence on outside sources.

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

**b. Opportunities and Threats :**

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

Goods and Services Tax is applicable in place of Central Excise, Central Sales Tax and Value Added Tax from 1st July 2017. The concept of one nation, one tax and one market is expected to improve the competitive strength of the company as CST has been withdrawn which was an additional burden in marketing the products of the company outside the state of A.P. However, the tax exemptions to the units located in the exempted areas if continued, the company will continue to be placed at a disadvantage to the extent of tax benefits extended to them in competing with the products manufactured there.

Toilet Soap market is dominated by a few well established brands and manufacturers. Toilet Soap being a consumer product requires extensive market network, brand image, advertisement etc., for successful marketing. Since the Company is not having its own brands it depends on brand owners for utilizing the capacity. Most of these brand owners are having their own facilities in exempted areas and approach the Company only when their requirements exceed their own plant capacities or when they find logistical advantage. As a result very little of the soap plant capacity has been utilised during the year.

The generators of power from biomass have been receiving from the State Government additional support price of Rs. 1.50 per kwh since November 2012 in addition to the price fixed by APERC. This price support has been stopped from 1-4-2016. Further, AP Transco has advised all the biomass power generators to stop export of power from 9-6-2017 on the ground of low demand and high frequency in the grid and accordingly power export was stopped from that date. However, on a representation made by Biomass Energy Developers Association, Hyderabad that biomass power plants are non-conventional power projects and have always been, a 'must run' power plants under the approved merit orders, AP Transco resumed accepting export of power from 18th July, 2017.

The generation of power from WEGs has improved considerably to 140.22 lakh units as against 81.90 lakh units in the previous year. As a result revenue from sale of power from Wind Energy Generators increased to Rs. 400.77 lakhs from Rs. 234.92 lakhs. It is mainly due to drop in loss of hours due to grid failure from 29.27% to 8.58% of machine available time. The Company continues to receive payments from TANGEDCO delayed by about 10 months after the due date.

**c. Segment-wise or Product-wise performance :**

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

**d. Outlook :**

CST has been withdrawn under GST regime under one nation, one tax and one market principle. Since most of the sales of fatty acids and soap noodles of the company are inter-state sales attracting CST, its withdrawal is expected to strengthen the price competitiveness of the company. The Company expects the Government to recognize the inverted duty structure for soap noodles and correct the anomaly to enable the industry to face the competition from import of soap noodles effectively. The technical upgradation and increase in plant capacities of fatty acid, soap and glycerine plants under expansion cum modernization programme in the earlier years is expected to help to improve the operations of the Company.

**e. Risks and Concerns:**

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

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

**f. Internal Control System and their adequacy:**

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

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

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

The financial performance of the Company with respect to operational performance in 2016-17 is less satisfactory as compared to 2015-16. While the operations have gone down by about 17%, the Profit Before Interest and Depreciation slipped to 50% due to competition and unfavourable market conditions.

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

The Company employed 752 persons as on 31st March 2017 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.

## REPORT ON CORPORATE GOVERNANCE

(Para C of Schedule V to the Listing Regulations)

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

The Company's 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 :

## a) Composition –

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

## b) Number of Board Meetings held and the dates on which held : 5

2016 : 20th April, 28th May, 11th August and 5th November; 2017 : 3rd February

c) Details of familiarization programmes imparted to Independent Directors are disclosed at the website [www.jocil.in](http://www.jocil.in)

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

Name of the Director & Designation	Shares held in the company by Non-Executive Director as on 31-3-2016	Status	No. of other Directorships & Chairmanships held			Memberships & Chairmanships in committees of other companies held		No. of Board Meetings attended	Attendance at last AGM held Y / N	Relation with other Directors
			Public	Private	Chairman	Member	Chairman			
P. Narendranath Chowdary, Chairman	25,000	NE	7	-	3	6	2	5	N	
J. Murali Mohan, Managing Director		E	1	-	-	1	1	1	Y	
Mullapudi Thimmaraja, Director	4,500	NE	2	-	-	3	-	4	N	Father of Sri Mullapudi Mrutyumjaya Prasad
K. Srinivasa Rao, Director	3,25,092	NE	-	6	-	-	-	5	N	
V.S. Raju, Director	Nil	INE	3	-	-	5	2	4	Y	
M. Gopalakrishna, Director	Nil	INE	8	1	-	13	4	4	N	
Subbarao V. Tipirneni, Director	Nil	INE	-	3	-	-	-	4	N	

Name of the Director & Designation	Shares held in the company by Non-Executive Director as on 31-3-2016	Status	No. of other Directorships & Chairmanships held			Memberships & Chairmanships in committees of other companies held		No. of Board Meetings attended	Attendance at last AGM held Y / N	Relation with other Directors
			Public	Private	Chairman	Member	Chairman			
Mullapudi Mrutyumjaya Prasad, Director	2250	NE	-	1	-	-	-	5	N	Son of Sri Mullapudi Thimmaraja
P. Venkateswara Rao, Director	Nil	INE	-	-	-	-	-	4	N	
Dr. Manjulata Dasari, Director	1006	INE	2	1	-	-	-	4	N	

E – Executive

NE – Non-Executive

INE – Independent & Non-Executive

### 3. Audit Committee :

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

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

Director	Position	Meetings held	Meetings attended
V.S. Raju	Chairman -INED	4	4
Mullapudi Thimmaraja	Member - NED	4	3
Subbarao V. Tipirneni	Member -INED	4	4

INED – Independent Non-Executive Director

NED – Non-Executive Director

During the period under review, four meetings of the Committee were held on 28-05-2016, 11-08-2016, 05-11-2016 and 03-02-2017.

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 in brief as specified by the Board of Directors –

- Recommendation for appointment, remuneration and terms of appointment of auditors of the company. Approval of payment for any other service by the auditors.
- Oversight of financial reporting process and the disclosure of financial information
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Examination of the financial statements and the auditors' report thereon.



- Approval or any subsequent modification of transactions of the company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Monitoring the end use of funds raised through public offers and related matters.
- Investigation of any activity within its terms of reference.
- Board's Report and matters required to be included in the Directors' Responsibility Statement in it.
- Compliance with listing and other legal requirements relating to financial statements.
- Appointment of CFO.
- Review of the functioning of Whistle Blower Mechanism.
- Appointment of internal auditors and review of internal audit reports.

#### 4. Nomination and Remuneration Committee :

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

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

INED – Independent Non-Executive Director

NED – Non-Executive Director

During the period under review, 2 meetings of the Committee were held on 28-05-2016 and 05-11-2016.

The Managing Director attended the meetings to answer the queries raised by the Committee members.

President & Secretary acts as a Secretary to the Committee.

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

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

The Company is having Nomination and Remuneration Policy formulated by Nomination and Remuneration Committee and approved by the Board of Directors. The policy contains criteria for performance evaluation of Independent Directors. The criteria, among others - exercise of objective independent judgment in the

best interests of the Company, ability to contribute and monitor corporate governance practices, adherence to code of conduct, willingness to devote time, contribution in development of strategy, ability to present his / her views convincingly in diplomatic way, listens and takes on Board the views of other members etc.

## 5. Remuneration of Directors.

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

Name of the Director	Sitting fees paid for attending meetings of the Board of Directors/Committees of Directors
P. Narendranath Chowdary	1,40,000
Mullapudi Thimmaraja	1,50,000
K. Srinivasa Rao	60,000
V.S. Raju	1,10,000
M. Gopalakrishna	50,000
Subbarao V. Tipirneni	1,10,000
Mullapudi Mrutyumjaya Prasad	1,00,000
P. Venkateswara Rao	60,000
Dr. Manjulata Dasari	45,000

b) Non Executive Directors do not have any pecuniary relationship with the Company except for the payment of sitting fee payable to them.

c) Shri J. Murali Mohan, Managing Director has been paid the following remuneration during the year in accordance with the provisions of the Companies Act, 2013 read with Schedule V therein :

Salary	: Rs. 50,07,857
House Rent Allowance	: Rs. 25,03,929
Commission	: Rs. 22,75,039
Contribution to Provident Fund and other Funds	: Rs. 13,52,122
Other Perquisites	: Rs. 2,66,213
Value of Earned Leave provided	: Rs. 5,34,334
Contribution to Group Gratuity	: Rs. -
Total	<u>Rs. 1,19,39,494</u>

The appointment of Managing Director is on a contract for a period of 3 years w.e.f. 16-02-2015 and there is no provision for notice period or severance fee on either side.

None of the Directors are provided with Stock options.

## 6. Stakeholders Relationship Committee

Company has Stakeholders Relationship Committee comprising of 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 Stakeholders Relationship Committee are given below.

Director	Position	Meetings held	Meetings attended
P. Narendranath Chowdary	Chairman	4	4
J. Murali Mohan	Member	4	4
Mullapudi Thimmaraja	Member	4	3
M.Mrutyumjaya Prasad	Member	4	4

During the period under review four meetings of the Committee were held on 28-05-2016, 11-08-2016, 05-11-2016 and 03-02-2017.

M/s.XL Softech Systems Ltd, 3, Sagar Society, Road No.2, Banjara Hills, HYDERABAD – 500 034 acts as the Company's Share Registrar and Transfer Agent (RTA). Shri P. Kesavulu Reddy, President & Secretary of the Company acts as the Compliance Officer to the Committee.

The Company received a total number of thirty one 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 31-03-2017 there were no pending complaints/requests from the shareholders.

#### 7. General Body Meetings :

The last three Annual General Meetings were held as under :

Financial Year	Date	Time	Place
2013-2014	06-09-2014	3.30 PM	Regd. Office, Dokiparru, Guntur Dist., A.P.
2014-2015	19-09-2015	3.30 PM	Regd. Office, Dokiparru, Guntur Dist., A.P.
2015-2016	03-09-2016	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) 2013-14 – 1. Reappointment of Managing Director  
2. Variation in terms of appointment of Managing Director

(B) 2014-15 – Nil

(C) 2015-16 – Nil

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

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

#### 8. Means of Communication

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

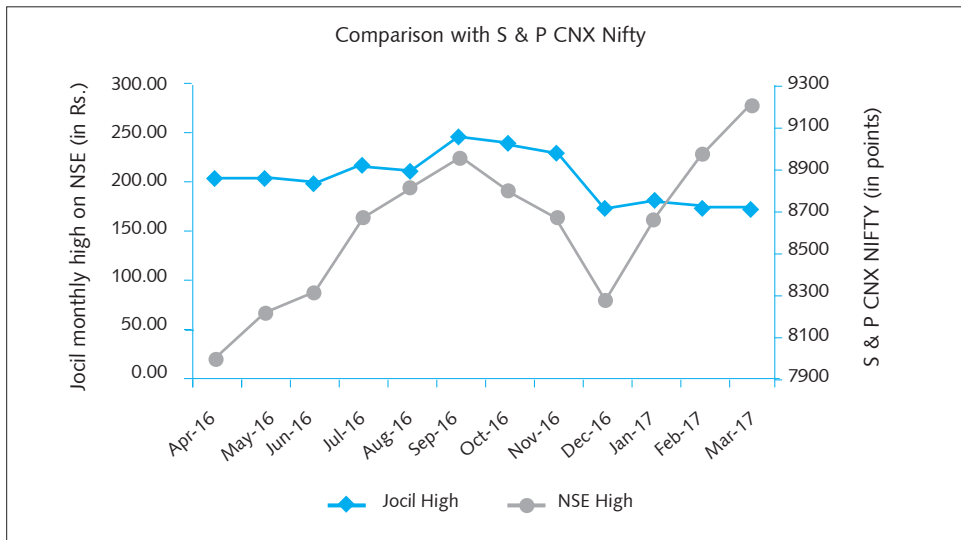
## 9. General Shareholder Information

- a) Annual General Meeting  
 Date and Time : 28-09-2017 at 3.30 pm  
 Venue : Registered Office :  
 Jocil Ltd., Dokiparru, Medikondur Mandal,  
 Guntur District, A.P.
- b) Financial Year : 2016 -17
- c) Dividend Payment Date : 03-10-2017  
 Date of Book Closure : 5th September to 6th September 2017
- d) Listing on Stock Exchanges : National Stock Exchange of India Ltd., (NSE)  
 Exchange Plaza, Bandra Kurla Complex, Bandra (E),  
 Mumbai – 400 051.  
 The Company has paid the Listing Fees for the year  
 2016-2017 to NSE.
- e) Stock Code : ISIN – INE839G01010
- f) 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-16	206.00	161.00	180.45	182.48	1,74,745
May-16	206.90	175.00	184.85	188.92	2,34,818
Jun-16	201.00	180.45	196.00	192.48	1,44,872
Jul-16	219.95	190.00	201.00	203.65	2,05,018
Aug-16	214.00	160.00	188.20	187.40	1,25,611
Sep-16	248.00	182.10	233.00	221.03	4,83,669
Oct-16	242.75	220.00	228.20	230.32	91,820
Nov-16	232.00	153.00	174.10	186.37	1,49,717
Dec-16	176.00	155.50	166.20	165.90	24,006
Jan-17	183.55	165.00	172.10	173.55	32,402
Feb-17	178.00	160.00	172.90	170.30	44,651
Mar-17	174.95	157.50	163.15	165.20	78,641

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



h) The company has been complying with all the listing requirements of the stock exchange and the securities of the company continue to be traded in the exchange without any suspension from the beginning.

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

j) Share transfer system : The Board of Directors delegated the power of transfer of securities to the Share Registrar and Transfer Agents (RTA). The Company is taking care to comply with the provisions relating to share transfers under Listing Regulations.

k) Shareholding pattern as on 31st March, 2017.

Category	No. of Shares held	% of Shareholders
Promoters		
The Andhra Sugars Ltd. (Holding Company)	48,86,500	55.02
Institutions & Banks	-	-
Bodies Corporate	1,55,507	1.71
Public	38,43,143	43.27
<b>Total</b>	<b>88,81,150</b>	<b>100.00</b>

## Distribution of Shareholding as on 31st March, 2017 :

Shareholdings of nominal value of shares held (Rs.)	Shareholders		Share Amount	
	Nos.	%	No.of shares	%
Upto 5,000	2,811	77.08	41,22,600	4.64
5,001 - 10,000	329	9.02	25,70,480	2.89
10,001 - 20,000	192	5.26	28,43,410	3.20
20,001 - 30,000	101	2.77	25,40,020	2.86
30,001 - 40,000	43	1.18	15,13,240	1.70
40,001 - 50,000	39	1.07	17,89,450	2.01
50,001 - 1,00,000	66	1.81	46,42,030	5.23
1,00,001 & above	66	1.81	6,87,90,270	77.47
Total :	3,647	100.00	8,88,11,500	100.00

## l) Dematerialisation of Shares

Electronic / Physical	%
NSDL - 17,59,358	19.81
CDSL - 59,57,988	67.09
Physical - 11,63,804	13.10

86.90% of Company's Paid-up Equity Share Capital has been dematerialised upto March, 31, 2017 (86.70% upto March 31, 2016). Trading in Equity Shares of the Company is permitted only in dematerialized form.

## m) Outstanding GDRs/ADRs/ Warrants : Nil

or any convertible instruments

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

- o) Plant locations : Dokiparru Village  
Medikondur Mandal  
Guntur District, A.P.,  
Pin : 522 438.
- Wind Power Units :  
Kurichampatti Village  
V.K. Pudur Taluk  
Tirunelveli Dist.  
T.N., Pin : 627 860.
- Surandai Village  
V.K. Pudur Taluk  
Tirunelveli Dist.  
T.N., Pin : 627 860.
- Kasturirangapuram Village  
Radhapuram Taluk  
Tirunelveli Dist.  
T.N., Pin : 627 112
- Velayuthampalayam Village  
Dharapuram Taluk  
Tirupur Dist., T.N.  
Pin : 638702

- p) Address for correspondence : Dokiparru  
Medikondur Mandal  
Guntur Dist., A.P.  
Pin : 522 438.

Telephone No. : 0863-2290190

Fax No. : 0863-2290090

E-mail : [jocil@jocil.net](mailto:jocil@jocil.net)

Website : [www.jocil.in](http://www.jocil.in)

- q) Dividend Declared for the last 7 Years

Financial Year	Dividend Declaration Date	Dividend per Share of Rs. 10 each - Rs.	Remarks
2016-17	28-09-2017	3.00	Interim dividend / Final  After issue of bonus shares at 1:1
2015-16	14-03-2016	7.00	
2014-15	19-09-2015	6.00	
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	

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

During the year under review, the Company has credited Rs.2,61,456 being the unpaid/unclaimed dividend for the year 2008-09 to the Investor Education and Protection Fund (IEPF) pursuant to Section 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

10. Other Disclosures :

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

The Company enters into contracts from time to time with its Holding Company, Directors, Companies and Firms in which the Directors are interested. These contracts are in the ordinary course of Company's business and the concerned Directors regularly make full disclosures to the Board of Directors regarding the nature of their interest. Full particulars of contracts entered into with the parties in which Directors are directly or indirectly concerned or interested are entered in the Register of Contracts maintained under Section 189(1) of the Companies Act, 2013 and the same is placed at every Audit Committee Meeting and Board Meeting for information and approval.

- 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.
- c) The Company has established vigil mechanism as required under Sec. 177(10) of the Companies Act, 2013 for directors and employees to report genuine concerns as prescribed in the policy. The policy provides adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. No personnel have been denied access to the Audit Committee.
- d) The Company has complied with all the mandatory requirements. The non mandatory requirements not complied with will be adopted at the appropriate time.
- e) The Company is not having any subsidiaries.
- f) Policy on dealing with related party transactions of the Company is available at [www.jocil.in](http://www.jocil.in)
- g) Hedging for commodity price risks is as discussed at Item No. 9 (n) above.

11. The Company has complied with all the requirements of Corporate Governance under Sub Para 2 to 10 in Para B of Schedule V to the Listing Regulations.

12. Implementation of discretionary requirements under Part E of Schedule II to Listing Regulations

- a) The Chairman's office expenses incurred in performance of his duties are not reimbursed by the Company.
- b) Half yearly declaration of financial results including summary of significant events have not been sent to the household of shareholders.
- c) There are no audit qualifications in the Company's financial statement for the year under reference. It is always the Company's endeavour to present financial statements without any qualification.



- d) The Company is having separate persons appointed to the posts of Chairperson and Managing Director.
- e) The Internal Auditors to the Company are reporting directly to the Board of Directors.

13. Compliance with provisions dealing with Corporate Governance in Listing Regulations.

- a) The constitution of Board of Directors, Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee are in accordance with Regulation 17 to 20 of Listing Regulations. In terms of the company's corporate governance policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibility of supervision of the company as trustees of the shareholders.

Adequate powers are delegated to the Committees to take suitable decisions on the issues arising to meet the exigencies of the business of the Company.

- b) Regulation 21 dealing with constitution of Risk Management Committee is not applicable to the Company.
  - c) The Company is having Vigil Mechanism for Directors and the Employees to report genuine concerns as required under Regulation 22.
  - d) The Company formulated a policy on materiality of related party transactions and on dealing with related party transactions in compliance with Regulation 23 and complies with the same.
  - e) The Company is not having subsidiary companies.
  - f) The Company complies with the obligations with respect to Independent Directors, Directors and the Senior Management under Regulation 25 and 26.
  - g) Quarterly Compliance Report on Corporate Governance is filed with the NSE along with material related party transactions if any as required under Regulation 27.
  - h) The Company maintains functional website [www.jocil.in](http://www.jocil.in) containing the information required under Clauses (b) to (i) of Regulation 46 (2).
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**Annexure -17**

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

To

The Members of Jocil Limited

This is to affirm that the Board of Directors of Jocil Limited has adopted a Code of Conduct for its Directors and Senior Management Personnel in compliance with the provisions of para D of Schedule V of Listing Regulations with the Stock Exchanges. 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 2017.

Dokiparru,  
12-08-2017

J. MURALI MOHAN  
Managing Director.

**Annexure - 18**

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

To

The Members of Jocil Limited

We have examined the compliance of conditions of corporate governance by Jocil Limited for the year ended 31st March, 2017, as stipulated in Para E of Schedule V to Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations.

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

12-08-2017  
Guntur

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

K. RAJAJ  
Partner  
ICAI Memb. No. 202309

**Annexure - 19**

**DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT**

Shares in the Demat Suspense Account or Unclaimed Suspense Account – Nil.

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF JOCIL LIMITED

### **Report on the Ind AS financial statements**

We have audited the accompanying Ind AS financial statements of JOCIL Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2017, the statement of Profit and Loss (including Other Comprehensive Income), the statement of Cash flows and the Statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

The Company's board of directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including Other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 these Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and

the reasonableness of the accounting estimates made by the Company's board of directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including Ind AS, of the financial position of the company as at 31st March, 2017, its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### **Report on other legal and regulatory requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of the audit have been received from the branches to the extent not visited by us;
  - c) The Balance Sheet, Statement of Profit and Loss, Cash Flow Statement and Statement of changes in equity dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting standards specified under section 133 of the Act, read with relevant rule issued thereunder;
  - e) On the basis of written representations received from the directors as on March 31, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of sub-section (2) of section 164 of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure-B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i) the company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements.
- ii) the company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) there has been no delay in transferring amounts required to be transferred to the Investor Education Protection Fund by the company and
- iv) the company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in specified bank notes as defined in the Notification S.O. 3407(E) dt. 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the requisite disclosures related to permitted and non-permitted transactions as stated in Note 35 to the Ind AS financial statements are in accordance with the books of accounts maintained by the company.

**For Brahmayya & Co**

Chartered Accountants

Firm Registration No. 000513S

**(Karumanchi Rajaj)**

Partner

ICAI Membership No: 202309

Place: Hyderabad

Date : 24th May 2017

**ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT**

Annexure-A referred to in our report to the members of JOCIL Limited ("Company") for the year ended March 31, 2017.

**We report that:**

1. In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) The company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In accordance with the said programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
2. In respect of its inventories:
  - a) According to the information and explanations furnished to us, the Company has physically verified its inventories during the year and no discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
3. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Consequently, clauses (iii)(a),(b) and (c) of paragraph 3 of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act with respect to the loans and investments made.
5. In respect of deposits accepted by the company, it has complied with the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. According to the information furnished to us, no order has been passed on the Company by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for non-compliance with the provisions of sections 73 to 76 of the Act.
6. We have broadly reviewed the books of account and records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act and we are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. a) According to the information furnished to us, the Company is regular in depositing with appropriate authorities, the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Value added 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, the following amounts of Income tax, Value added tax, Excise duty, service tax and Customs duty have been disputed by the Company, and hence were not remitted to the authorities concerned at the date of the Balance Sheet under report.

Name of the Statute	Nature of Dues	Amount (Rs.) (net of amounts)	Period to which it relates paid under protest)	Forum where dispute is pending
Income Tax Act, 1961	Treating disputed sale price of power as Income and other additions	21,80,030 9,61,550 40,67,510	Asst.yr 2012-13 Asst.yr 2013-14	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
AP VAT	Availment of Input tax credit	10,40,037 2,24,341 43,650	2005-06 2006-07 2007-08	STAT, Vizag " "
Customs Act, 1962	Classification of goods imported	32,03,124	2012-13	CESTAT, Chennai
Service Tax	Service tax and penalty	92,700	2012-13 to 2013-14	Commissioner of Customs and Central Excise (Appeals), Guntur

8. In our opinion and according to the information and explanations furnished to us by the Company, there were no defaults in repayment of dues to banks. However, the company has not borrowed any loans from financial institutions, government or raised any funds by way of issue of debentures.
9. The company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. In respect of term loan borrowed from bank during the year, the proceeds were applied for the purpose for which it was received.
10. According to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanation given to us and based on examination of the records of the company, the company has paid/provided remuneration for managerial personnel in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Act.
12. The company is not a nidhi company. Accordingly reporting under provisions of para 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on examination of records of the company, transactions with the related parties are in compliance with the provisions of section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

14. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly paragraph 3(xv) of the Order is not applicable.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Brahmayya&Co**

Chartered Accountants

Firm Registration No. 0005135

**(Karumanchi Rajaj)**

Partner

ICAI Membership No: 202309

Place : HYDERABAD

Date : 24th May 2017



## Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of JOCIL Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

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

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

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

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Brahmayya & Co**  
Chartered Accountants  
Firm Registration No. 000513S  
**(Karumanchi Rajaj)**  
Partner  
ICAI Membership No: 202309

Place: Hyderabad  
Date : 24th May 2017

## BALANCE SHEET AS AT 31st March, 2017

	Note	As at 31-3-2017	As at 31-3-2016	(Amount in Rs.) As at 1-4-2015
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	3	58,66,20,754	63,15,43,772	67,84,81,814
Capital work-in-progress	3	2,27,89,371	60,04,517	1,22,06,757
Intangible assets	3	3,61,099	4,66,761	4,64,203
Financial assets				
i) Investments	4	2,73,21,855	1,26,63,831	1,36,44,320
ii) Loans	5	–	1,00,00,000	3,00,00,000
iii) Other financial assets	6	1,09,17,890	57,93,773	57,93,773
Other non-current Assets	7	2,47,58,157	2,23,81,313	2,81,85,956
<b>Total non-current assets</b>		<b>67,27,69,126</b>	<b>68,88,53,967</b>	<b>76,87,76,823</b>
<b>Current Assets</b>				
Inventories	8	55,08,64,900	54,14,02,270	54,35,80,813
Financial Assets				
i) Investments	4	3,10,404	5,11,144	5,23,990
ii) Trade receivables	9	90,97,82,130	61,32,38,407	47,75,63,277
iii) Cash and cash equivalents	10	14,51,00,023	5,02,41,448	7,00,82,119
iv) Loans	5	1,00,01,541	2,00,00,000	2,00,00,000
v) Other financial assets	6	90,08,516	20,55,699	48,73,436
Current tax assets (Net)	11	48,53,735	66,69,281	–
Other Current assets	7	20,37,91,194	15,40,01,153	11,23,78,701
<b>Total current assets</b>		<b>183,37,12,443</b>	<b>138,81,19,402</b>	<b>122,90,02,336</b>
<b>Total Assets</b>		<b>250,64,81,569</b>	<b>207,69,73,369</b>	<b>199,77,79,159</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	12	8,88,16,250	8,88,16,250	8,88,16,250
Other equity	12	159,31,28,541	149,75,59,853	145,79,97,983
<b>Total equity</b>		<b>168,19,44,791</b>	<b>158,63,76,103</b>	<b>154,68,14,233</b>
<b>Liabilities</b>				
Non-current liabilities				
Financial liabilities				
Other financial liabilities	13	8,91,000	8,91,000	8,91,000
Provisions	14	76,68,896	1,04,31,710	70,03,925
Deferred tax liabilities (net)	15	7,85,98,223	8,43,16,844	9,44,98,174
Other non-current liabilities	16	–	–	–
<b>Total non-current liabilities</b>		<b>8,71,58,119</b>	<b>9,56,39,554</b>	<b>10,23,93,099</b>
<b>Current liabilities</b>				
Financial Liabilities				
(i) Short-term borrowings	17	28,41,86,099	9,03,59,903	10,51,15,780
(ii) Trade payables	18	32,39,08,895	15,02,97,779	10,09,29,045
(iii) Other financial liabilities	13	2,24,04,061	3,25,41,646	2,02,03,847
Other current liabilities	16	10,37,23,158	11,86,20,214	11,91,75,731
Provisions	14	31,56,446	31,38,170	25,19,671
Current income-tax liabilities (net)	11	–	–	6,27,753
<b>Total current liabilities</b>		<b>73,73,78,659</b>	<b>39,49,57,712</b>	<b>34,85,71,827</b>
<b>Total liabilities</b>		<b>82,45,36,778</b>	<b>49,05,97,266</b>	<b>45,09,64,926</b>
<b>Total equity and liabilities</b>		<b>250,64,81,569</b>	<b>207,69,73,369</b>	<b>199,77,79,159</b>

Note: The accompanying notes 1 to 45 form an integral part of the financial statements.

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, 2017

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, 2017

	Note	Year ended 31-3-2017	(Amount in Rs.) Year ended 31-3-2016
<b>REVENUE</b>			
Revenue from Operations	19	410,14,55,670	430,40,33,852
Other Income	20	4,63,55,106	5,02,38,871
<b>Total Income</b>		<b>414,78,10,776</b>	<b>435,42,72,723</b>
<b>Expenses</b>			
Cost of material consumed	21	277,72,44,337	261,02,13,775
(Increase)/decrease in inventories of finished goods, Stock-in-trade and work-in-progress	22	(3,47,06,089)	2,91,35,950
Excise duty		35,57,68,207	37,46,94,683
Employee benefits expense	23	23,19,76,474	24,98,84,907
Finance costs	24	1,72,82,155	1,18,93,015
Depreciation and amortization expenses	25	7,06,81,047	8,04,19,823
Other expenses	26	62,77,03,749	72,50,58,983
<b>Total Expenses</b>		<b>404,59,49,880</b>	<b>408,13,01,136</b>
<b>Profit before exceptional items and tax</b>		<b>10,18,60,896</b>	<b>27,29,71,587</b>
Exceptional items		-	-
<b>Profit before tax</b>		<b>10,18,60,896</b>	<b>27,29,71,587</b>
Tax expense:	27	-	-
Current tax		2,55,00,000	10,25,00,000
Taxes of earlier years		-	(2,93,970)
Deferred tax charge/(credit)		(57,18,621)	(1,01,81,330)
<b>Profit for the period after tax from continuing operations</b>		<b>8,20,79,517</b>	<b>18,09,46,887</b>
<b>Other comprehensive Income</b>			
A. Items that will not be re-classified subsequently to Profit and Loss account (net of tax)			
a) Changes in fair value of investments		1,46,58,524	(8,45,872)
b) Remeasurement of defined employee benefit plans		(11,69,353)	(15,80,280)
<b>Total comprehensive income for the period</b>		<b>9,55,68,688</b>	<b>17,85,20,735</b>
Earnings per share - basic and diluted		9.24	20.37

Note: The accompanying notes 1 to 45 form an integral part of the financial statements.

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, 2017

For and on behalf of the Board

P. NARENDRANATH CHOWDARY

J. MURALI MOHAN

P. KESAVULU REDDY

Chairman

Managing Director

President & Secretary

Statement of Changes in Equity for the year ended 31.03.2017

**A. Equity share capital**

Particulars	No's	Rs.
As at 1st April, 2015	88,81,150	8,88,11,500
Add: Forfeited shares (Amount originally paid up)	-	4,750
		8,88,16,250
Changes in equity share capital	-	-
As at 31st March, 2016	88,81,150	8,88,16,250
Changes in equity share capital	-	-
As at 31st March, 2017	88,81,150	8,88,16,250

**B. Other Equity**

Particulars	Reserves and Surplus			Items of Other Comprehensive Income		Total
	Capital Reserve Rs.	Securities Premium Reserve Rs.	Other Reserves (General Reserve) Rs.	Equity instruments through Other Comprehensive Income Rs.	Actuarial Gains / (Losses) Rs.	
Balance at the beginning of reporting period - 1st April, 2015	39,66,150	7,83,75,000	120,00,00,000	88,445	13,58,702	145,79,97,983
Profit for the period						18,09,46,887
Other Comprehensive Income				(8,45,872)	(15,80,280)	(24,26,152)
Total Comprehensive Income for the year				(8,45,872)	(15,80,280)	17,85,20,735
Transfer to / (from) retained earnings						-
Final Dividends			5,00,00,000			(5,32,86,900)
Interim Dividend						(6,21,68,050)
Dividend Distribution tax						(2,35,03,915)
Balance at the end of reporting period - 31st March 2016	39,66,150	7,83,75,000	125,00,00,000	(7,57,427)	(2,21,578)	149,75,59,853
Profit for the period						8,20,79,517
Other Comprehensive Income				1,46,58,524	(11,69,353)	1,34,89,171
Total Comprehensive Income for the year				1,46,58,524	(11,69,353)	9,55,68,688
Transfer to / (from) retained earnings			2,00,00,000			-
Balance at the end of reporting period - 31st March 2017	39,66,150	7,83,75,000	127,00,00,000	1,39,01,097	(13,90,931)	159,31,28,541

As per our report of even date :

For and on behalf of the Board

For BRAHMAYYA & Co.,  
Chartered Accountants  
Firm Regn. No. 000513S  
K. RAJAJ, Partner  
ICAI Memb. No. 202309  
Hyderabad  
24th May, 2017

P. NARENDRANATH CHOWDARY

Chairman

J. MURALI MOHAN  
ICAI Memb. No. 202309  
Hyderabad  
24th May, 2017

Managing Director  
President & Secretary

## CASH FLOW STATEMENT

	2016-17 Rs.	2015-16 Rs.
<b>I. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	10,18,60,896	27,29,71,587
Add/Less: Adjustments for :		
Depreciation	7,06,81,047	8,04,19,823
Finance costs	1,72,82,154	1,18,93,015
Interest income	(1,86,49,464)	(2,15,95,700)
Assets Written off	35,469	2,657
Provision for diminution in value of investments	-	1,34,616
Loss on sale of assets	-	1,56,244
Profit on sale of assets	(25,296)	(30,341)
Dividends received	(13,06,086)	(10,23,478)
Operating profit before working capital changes	16,98,78,720	34,29,28,423
Add/Less: Adjustments for working capital		
Inventories	(94,62,630)	1,36,34,663
Trade and other receivables	(35,48,68,023)	(17,33,36,407)
Trade payables	14,58,31,937	6,36,17,020
Cash generated from operations	(4,86,19,996)	24,68,43,699
Less: Direct taxes paid	2,36,84,454	13,30,06,978
Net cash (used in) / from Operating activities A	(7,23,04,450)	11,38,36,721
<b>II. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets/Capital work in progress	(4,95,84,028)	(3,42,93,582)
Proceeds from sale of fixed assets	47,762	88,008
Proceeds from sale of Govt or Trust Securities	500	-
Proceeds from redemption of Mutual Funds	2,00,740	12,846
Proceeds from repayment of Inter-corporate Loans	1,99,98,459	2,00,00,000
Interest received	1,86,49,464	2,15,95,700
Dividend received	13,06,086	10,23,478
Other Bank balances	37,22,404	(50,24,085)
Net cash (used in)/from Investing activities B	(56,58,613)	34,02,365
<b>III. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from / Repayment of borrowings	19,38,26,196	(1,47,55,877)
Finance Costs	(1,72,82,154)	(1,18,93,015)
Dividends paid	-	(11,54,54,950)
Net cash from / (used in) financing activities C	17,65,44,042	(14,21,03,842)
Net Increase / (Decrease) in cash and cash equivalents	9,85,80,979	(2,48,64,756)
Cash and cash equivalents at the beginning of the period	4,01,35,902	6,50,00,658
Cash and cash equivalents at the end of the period (Refer note no.10A)	13,87,16,881	4,01,35,902
Net Increase / (Decrease) in cash and cash equivalents	9,85,80,979	(2,48,64,756)

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, 2017

For and on behalf of the Board

P. NARENDRANATH CHOWDARY

Chairman

J. MURALI MOHAN

Managing Director

P. KESAVULU REDDY

President & Secretary

## COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

### 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 31-03-2017 ASL owned 55.02% of the Jocil's equity share capital.

### 1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

#### A) BASIS OF PREPARATION

##### a) Statement of compliance

In accordance with the notification issued by the Ministry of Corporate affairs, the company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 w.e.f 1st April, 2016. Previous periods financial statements have been restated to Ind AS. In accordance with Ind AS 101 "First time adoption of Indian Accounting Standards", the company has presented a reconciliation from the presentation of financial statements under Accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at 1st April, 2015 and 31st March, 2016 and of the comprehensive total income for the year ended 31st March, 2016. These financial statements have been prepared in accordance with Ind AS as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

##### b) Basis of measurement

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) under historical cost convention on accrual basis of accounting except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013("the Act")(to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

##### c) Use of estimates and judgements

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes

that require adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

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

**i) Depreciation / amortisation and useful lives of property plant and equipment / intangible assets**

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

**ii) Recoverability of trade receivable**

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

**iii) Fair value measurement of financial instruments**

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

**iv) Provisions**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

**v) Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value



using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

**vi) Impairment of financial assets**

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

**vii) Income Taxes**

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

**viii) Defined benefit obligations**

The Company uses actuarial assumptions viz., discount rate, mortality rates, salary escalation rate etc., to determine such employee benefit obligations.

**ix) Other estimates**

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

**B) SIGNIFICANT ACCOUNTING POLICIES**

**a) Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management.

The company, as per the option given under Ind AS-101 "First time adoption of Indian Accounting Standards" elected to continue with the carrying value of all its fixed assets arrived under previous GAAP as on 1st April, 2015 as deemed cost at the date of transition for all the items of Property, plant and equipment. The residual values of the assets as estimated by the management at the time of capitalization continues be the same as on 1st April, 2015.

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

Property, plant and equipment when they meet the definition of Property, plant and equipment. The cost and related depreciation are eliminated from the property, plant and equipment upon sale or retirement of the asset and the resultant gain or losses are recognized in statement of profit and loss.

**b) Intangible assets**

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

For transition to Ind AS, the company has elected to continue with the carrying value of all of its intangible assets recognized as of 1st April, 2015, being transition date, measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**c) Borrowing costs**

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

**d) Depreciation and amortisation**

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

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

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

**e) Government grants**

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

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

**f) Impairment of assets**

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

The company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The company recognizes lifetime expected losses for all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the

12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

**ii) Non financial assets**

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

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

**g) 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.

**h) 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 goods are delivered and titles have passed i.e time when the risks and rewards of ownership are transferred to the buyer under the terms of the contract and the company retains no effective control over the goods sold. Revenue is measured at the fair value of the consideration taking into account contractually defined terms of payment. Revenue is reduced for discounts, rebates and other similar allowances.

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

- ii) VAT/service tax is not received by the company on its own account as it is collected on behalf of government. Accordingly it is excluded from revenue. Revenue includes excise duty since it flows into the entity on its own account.

- iii) Revenue realized on processing charges is recognized to the extent of completion of job as per the agreements/arrangements with the concerned parties.
- iv) Power purchased from other units is accounted at market price at which the power is purchased from external party.
- v) Interest income is recognized using effective interest method.
- vi) Dividend income is recognized when the right to receive payment is established.

**i) Taxes on income**

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

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

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

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

**j) Segment reporting**

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

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

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

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

**k) Retirement benefits**

The Company provides retirement benefits in the form of Provident Fund, Superannuation and Gratuity etc.,

Contribution to Provident Fund, a defined Contribution scheme, is made at the prescribed rates to the Provident Fund Commissioner and is charged to the Statement of Profit and Loss. There is no other obligation other than the contribution payable.

Certain employees of the company are eligible for superannuation and company has no obligation beyond its monthly contribution to LIC. The periodic contribution is charged to the statement of profit and loss account.

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

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

**l) 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.

**m) Foreign exchange transactions**

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

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

At each Balance Sheet date

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

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

**n) Provisions, contingent liabilities and contingent assets**

Provisions are recognised when there is a present obligation as a result of past event, it is probable that the company will be required to settle the obligation and a reliable estimate of the amount of obligation can be

made. Where the effect of time value of money is material, the amount of provision is the present value of the expenditure to be required to settle the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

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

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

## **o) Financial instruments**

### **Initial recognition**

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

Subsequent measurement:

#### **i) Financial assets carried at amortized cost:**

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

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

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

#### **iii) Financial assets at fair value through profit or loss**

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

**iv) De-recognition of financial asset**

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

**v) Financial liabilities**

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

**De-recognition of financial liability**

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

**p) Earning per equity share**

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

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

**q) Cashflow statement**

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

**r) Dividends**

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

**s) New standards and interpretations not yet adopted**

**i) Standards issued but not effective**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment'. The amendment relating to Ind AS 7 is applicable to the Company from April 1, 2017.

**ii) Amendment to Ind AS 7:**

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The effect on the financial statements is being evaluated by the Company.

**2. FIRST TIME ADOPTION OF IND AS:**

The company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2016 with a transition date of 1st April, 2015. These financial statements for the year ended 31st March, 2017 are the first financial statements. For all periods upto and including the year ended 31st March, 2016, the company prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First time adoption of Indian Accounting Standards requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the company has prepared financial statements which comply with Ind AS for the year ended 31st March, 2017 together with the comparative information as at and for the year ended 31st March, 2016 and the opening Ind AS balance sheet as at 1st April, 2015, the date of transition to Ind AS.

In preparing these Ind AS financial statements, the company has availed certain exemptions and exceptions in accordance with Ind AS 101. The resulting difference between the carrying values of the assets and the liabilities in the financial statements as at the transition date under Ind AS and previous GAAP have been recognized directly in equity. The following note explains the adjustments made by the company in restating the financial statements prepared under previous GAAP, including the balance sheet as at 1st April, 2015 and the financial statements as at and for the year ended 31st March, 2016.

**A. EXCEPTIONS FROM FULL RETROSPECTIVE APPLICATION:**

- i) Estimates exception: Upon an assessment of the estimates made under previous GAAP, the company has concluded that there was no necessity to revise such estimates under Ind AS except where estimates were required by Ind AS and not required by previous GAAP.
- ii) Classification and measurement of financial assets: The company has determined the classification of financial assets in terms of whether they meet the amortised cost criteria or the fair value through other comprehensive income criteria based on the facts and circumstances that existed as of the transition date.

**B. EXEMPTIONS FROM RETROSPECTIVE APPLICATION:**

- i) Deemed cost for property, plant and equipment and intangible assets: The company has elected to continue with carrying value of all its property, plant and equipment and intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.



## Effect of Ind AS adoption on the Balance Sheet as at 31st March, 2016 and 1st April, 2015

Particulars	IGAAP	Transition to Ind AS	As at 1st April, 2015	IGAAP	Transition to Ind AS	As at 31st March, 2016
<b>ASSETS</b>						
<b>Non-Current Assets</b>						
Property, Plant and Equipment	66,70,25,694	1,14,56,120	67,84,81,814	63,15,43,772	-	63,15,43,772
Capital Work-in-progress	1,22,06,757	-	1,22,06,757	60,04,517	-	60,04,517
Intangible Assets	4,64,203	-	4,64,203	4,66,761	-	4,66,761
Financial Assets						
i) Investments	1,35,55,874	88,445	1,36,44,319	1,34,21,258	(7,57,427)	1,26,63,831
ii) Loans	3,00,00,000	-	3,00,00,000	1,00,00,000	-	1,00,00,000
iii) Other financial assets	57,93,773	-	57,93,773	57,93,773	-	57,93,773
Other Non-current Assets	2,81,85,956	-	2,81,85,956	2,23,81,313	-	2,23,81,313
	75,72,32,257	1,15,44,565	76,87,76,822	68,96,11,394	(7,57,427)	68,88,53,967
<b>CURRENT ASSETS</b>						
Inventories	55,50,36,933	(1,14,56,120)	54,35,80,813	54,14,02,270	-	54,14,02,270
Financial Assets						
i) Investments	5,23,990	-	5,23,990	5,11,144	-	5,11,144
ii) Trade Receivables	47,75,63,278	-	47,75,63,278	61,32,38,407	-	61,32,38,407
iii) Cash and cash equivalents	7,00,82,119	-	7,00,82,119	5,02,41,448	-	5,02,41,448
iv) Loans	2,00,00,000	-	2,00,00,000	2,00,00,000	-	2,00,00,000
v) Other financial assets	48,73,436	-	48,73,436	20,55,699	-	20,55,699
Current tax assets (Net)	-	-	-	66,69,281	-	66,69,281
Other Current assets	11,23,78,701	-	11,23,78,701	15,40,01,153	-	15,40,01,153
	124,04,58,457	(1,14,56,120)	122,90,02,337	138,81,19,402		138,81,19,402
<b>Total Assets</b>	199,76,90,714	88,445	199,77,79,159	207,77,30,796	(7,57,427)	207,69,73,369

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Particulars	IGAAP	Transition to Ind AS	As at 1st April, 2015	IGAAP	Transition to Ind AS	As at 31st March, 2016
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Equity Share Capital	8,88,16,250	-	8,88,16,250	8,88,16,250	-	8,88,16,250
Other Equity	139,37,74,677	6,42,23,306	145,79,97,983	149,83,17,280	(7,57,427)	149,75,59,853
	148,25,90,927	6,42,23,306	154,68,14,233	158,71,33,530	(7,57,427)	158,63,76,103
<b>LIABILITIES</b>						
<b>NON-CURRENT LIABILITIES</b>						
Financial Liabilities						
i) Borrowings	-	-	-	-	-	-
ii) Other financial liabilities	8,91,000	-	8,91,000	8,91,000	-	8,91,000
Provisions	70,03,925	-	70,03,925	1,04,31,710	-	1,04,31,710
Deferred Tax Liabilities (Net)	9,44,98,174	-	9,44,98,174	8,43,16,844	-	8,43,16,844
Other non-current liabilities	-	-	-	-	-	-
	10,23,93,099	-	10,23,93,099	9,56,39,554	-	9,56,39,554
<b>CURRENT LIABILITIES</b>						
Financial Liabilities						
i) Borrowings	10,51,15,780	-	10,51,15,780	9,03,59,903	-	9,03,59,903
ii) Trade payables	10,09,29,045	-	10,09,29,045	15,02,97,779	-	15,02,97,779
iii) Other financial liabilities	2,02,03,847	-	2,02,03,847	3,25,41,646	-	3,25,41,646
Other current liabilities	11,91,75,731	-	11,91,75,731	11,86,20,214	-	11,86,20,214
Provisions	6,66,54,532	(6,41,34,861)	25,19,671	31,38,170	-	31,38,170
Current tax Liabilities (Net)	6,27,753	-	6,27,753	-	-	-
	41,27,06,688	(6,41,34,861)	34,85,71,827	39,49,57,712	-	39,49,57,712
Total Liabilities	51,50,99,787	(6,41,34,861)	45,09,64,926	49,05,97,266	-	49,05,97,266
<b>Total Equity and Liabilities</b>	199,76,90,714	88,445	199,77,79,159	207,77,30,796	(7,57,427)	207,69,73,369

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Reconciliation of equity between previous GAAP and Ind AS

	Notes	As at 1st April, 2015 Rs.	As at 31st March, 2016 Rs.
Equity under previous GAAP		148,25,90,927	158,71,33,530
Fair valuation of investments	1	88,446	(7,57,427)
Proposed dividend and tax thereon	2	6,41,34,860	–
		<u>154,68,14,233</u>	<u>158,63,76,103</u>

Notes to reconciliation between previous GAAP and Ind AS

- 1 Fair valuation of investments:  
Under Previous GAAP, non-current investments are valued at cost less diminution in value other than temporary and under Ind AS they are carried at fair value through OCI.
- 2 Dividend and tax on dividend  
Under previous GAAP, dividend payable is recorded as a liability in the period to which it relates and under Ind AS dividend is recognised as a liability in the period in which the obligation to pay is established.
- 3 Fixed assets:  
Spare parts which hitherto included under inventory and meets the definition of PPE are capitalised to PPE. Hence reclassification has been made accordingly.
- 4 Cost of Property, plant and equipment  
The company has elected to measure all its property, plant and equipment and intangible assets at the previous GAAP carrying amount as its deemed cost at the date of transition to Ind AS.

Effect of Ind AS adoption on Statement of Profit and Loss for the year ended 31st March, 2016

	Notes	IGAAP Rs.	Ind AS adjustments Rs.	Year ended 31st March, 2016 Rs.
<b>REVENUE</b>				
I		392,63,42,640	37,76,91,212	430,40,33,852
II		<u>5,02,38,871</u>	–	<u>5,02,38,871</u>
III		<u>397,65,81,511</u>	<u>37,76,91,212</u>	<u>435,42,72,723</u>
<b>IV Expenses</b>				
		261,02,13,775	–	261,02,13,775
		2,61,39,421	29,96,529	2,91,35,950
	1	–	37,46,94,683	37,46,94,683
		25,14,65,187	(15,80,280)	24,98,84,907
		1,18,93,015	–	1,18,93,015
		8,04,19,823	–	8,04,19,823
		<u>72,50,58,983</u>	–	<u>72,50,58,983</u>
		<u>370,51,90,204</u>	<u>37,61,10,932</u>	<u>408,13,01,136</u>

	Notes	IGAAP Rs.	Ind AS adjustments Rs.	Year ended 31st March, 2016 Rs.
V	Profit before exceptional items and tax (III-IV)	27,13,91,307	15,80,280	27,29,71,587
VI	Exceptional Items	–	–	–
VII	Profit before tax (V-VI)	27,13,91,307	15,80,280	27,29,71,587
VIII	Tax Expense:			
	Current tax	10,25,00,000	–	10,25,00,000
	Taxes of earlier years	(2,93,970)	–	(2,93,970)
	Deferred tax charge/(Credit)	(1,01,81,330)	–	(1,01,81,330)
IX	Profit for the period after tax from continuing operations (VII-VIII)	17,93,66,607	15,80,280	18,09,46,887
X	Other Comprehensive Income			
	A. Items that will not be re-classified subsequently to profit and Loss account (net of tax)			
	a) Changes in fair value of investments	2	(8,45,872)	(8,45,872)
	b) Remeasurement of defined employee benefit plans	3	(15,80,280)	(15,80,280)
XI	Total Comprehensive Income for the period (IX+X)	17,93,66,607	(8,45,872)	17,85,20,735
XII	Earnings per Share - Basic and Diluted	20.20	–	20.37

## Notes to reconciliation between previous GAAP and Ind AS

## 1 Excise duty

Under previous GAAP, revenue from sale of products and services is net of excise duty and under Ind AS, the revenue includes excise duty. Excise duty expense is presented separately on the face on the statement of profit and loss. Thus, sale of goods under Ind AS has increased with a correspondence increase in expenses. In the light of above increase/(decrease) of excise duty on finished goods, included as part of changes in inventory of finished goods has been included in "excise duty" presented as expense on the face of the statement of profit and loss.

## 2 Fair valuation of investments:

Under Previous GAAP, non-current investments are valued at cost less diminution in value other than temporary and under Ind AS they are carried at fair value through OCI. On the date of transition to Ind AS, these financial assets have been measured at their fair value which is higher/lower than the cost as per previous GAAP, resulting in an increase/decrease in carrying amount

## 3 Employee benefits

Under previous GAAP, actuarial gains and losses were recognised in statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of net defined benefit liability/asset which is recognised in other comprehensive income in the respective periods. However, the said treatment does not result in difference in equity or total comprehensive income.

3. PROPERTY, PLANT AND EQUIPMENT

Particulars	Land Rs.	Buildings Rs.	Plant and Equipment Rs.	Furniture and Fixtures Rs.	Vehicles Rs.	Office Equipment Rs.	Total Rs.
Gross Carrying value - At Cost (Deemed Cost)							
As at 1st April, 2015	87,05,117	5,21,97,230	61,02,88,308	21,50,913	22,78,383	28,61,863	67,84,81,814
Additions	-	5,47,211	2,87,47,315	6,28,648	17,62,370	18,23,354	3,35,08,898
Disposals	-	-	2,22,884	685	7,641	12,597	2,43,807
As at 31st March, 2016	87,05,117	5,27,44,441	63,88,12,739	27,78,876	40,33,112	46,72,620	71,17,46,905
Additions	-	39,70,114	1,37,48,642	65,19,576	64,022	13,03,209	2,56,05,563
Disposals	-	-	25,119	4,165	15,855	22,461	67,600
As at 31st March, 2017	87,05,117	5,67,14,555	65,25,36,262	92,94,287	40,81,279	59,53,368	73,72,84,868
Accumulated Depreciation							
As at 1st April, 2015	-	-	-	-	-	-	-
Depreciation charge for the year	-	55,57,016	7,20,07,565	10,09,565	8,68,925	7,87,299	8,02,30,370
On disposals	-	-	19,818	-	94	7,325	27,237
As at 31st March, 2016	-	55,57,016	7,19,87,747	10,09,565	8,68,831	7,79,974	8,02,03,133
Depreciation charge for the year	-	48,84,905	6,18,54,546	14,53,931	9,35,025	13,42,239	7,04,70,646
On disposals	-	-	2,440	556	3,025	3,644	9,665
As at 31st March, 2017	-	1,04,41,921	13,38,39,853	24,62,940	18,00,831	21,18,569	15,06,64,114
Net Book Value							
As at 31st March, 2017	87,05,117	4,62,72,634	51,86,96,409	68,31,347	22,80,448	38,34,799	58,66,20,754
As at 31st March, 2016	87,05,117	4,71,87,425	56,68,24,992	17,69,311	31,64,281	38,92,646	63,15,43,772
As at 1st April, 2015	87,05,117	5,21,97,230	61,02,88,308	21,50,913	22,78,383	28,61,863	67,84,81,814

Net Book Value	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.	As at 1st April, 2015 Rs.
Land	87,05,117	87,05,117	87,05,117
Buildings	4,62,72,634	4,71,87,425	5,21,97,230
Plant and Equipment	51,86,96,409	56,68,24,992	61,02,88,308
Furniture and Fixtures	68,31,347	17,69,311	21,50,913
Vehicles	22,80,448	31,64,281	22,78,383
Office Equipment	38,34,799	38,92,646	28,61,863
Total	<u>58,66,20,754</u>	<u>63,15,43,772</u>	<u>67,84,81,814</u>

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

### 3. Capital Work-in-Progress

	Rs.
Carrying value - At Cost/Deemed Cost	
As at 1st April, 2015	1,22,06,757
Additions	60,04,517
Capitalised during the year	<u>(1,22,06,757)</u>
As at 31st March, 2016	60,04,517
Additions	2,93,49,485
Capitalised during the year	<u>(1,25,64,631)</u>
As at 31st March, 2017	<u>2,27,89,371</u>

### 3. Intangible Assets

	Computer Software Rs.	Total Rs.
Gross Carrying value - At Cost (Deemed Cost)		
As at 1st April, 2015	4,64,203	4,64,203
Additions	1,92,011	1,92,011
Disposals	<u>—</u>	<u>—</u>
As at 31st March, 2016	6,56,214	6,56,214
Additions	1,04,739	1,04,739
Disposals	<u>—</u>	<u>—</u>
As at 31st March, 2017	<u>7,60,953</u>	<u>7,60,953</u>

Depreciation	Rs.	Total Rs.
As at 1st April, 2015	–	–
Depreciation charge for the year	1,89,453	1,89,453
On disposals	–	–
As at 31st March, 2016	1,89,453	1,89,453
Depreciation charge for the year	2,10,401	2,10,401
On disposals	–	–
As at 31st March, 2017	3,99,854	3,99,854

Net Book Value

As at 31st March, 2017	3,61,099	3,61,099
As at 31st March, 2016	4,66,761	4,66,761
As at 1st April, 2015	4,64,203	4,64,203

Net Book Value	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.	As at 1st April, 2015 Rs.
Computer software	3,61,099	4,66,761	4,64,203

4. NON CURRENT INVESTMENTS

	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.	As at 1st April, 2015 Rs.
<b>A. Investment in Equity Instruments</b> (At fair value through OCI)			
<b>(i) Quoted - Trade</b>			
a) 13,652 Equity shares of Rs.10 each fully paid up in Andhra Bank Limited	<b>7,91,133</b>	7,13,317	10,79,191
<b>(ii) Quoted - Non Trade</b>			
a) 10,07,981 Equity shares of Rs.10 each fully paid up in The Andhra Petro Chemicals Limited	<b>2,56,53,116</b>	1,11,38,190	1,17,32,899
b) 200 Equity shares of Rs.10 each fully paid up in The Industrial Finance Corporation of India	<b>5,970</b>	4,940	6,670
c) 11,360 Equity shares of Rs.10 each fully paid up in Industrial development bank of India	<b>8,53,136</b>	7,88,384	8,06,560
<b>Total Investment in Quoted Equity Instruments (a)</b>	<b><u>2,73,03,355</u></b>	<u>1,26,44,831</u>	<u>1,36,25,320</u>

**B. INVESTMENT IN GOVERNMENT SECURITIES**

a) National savings certificates	18,500	19,000	19,000
Total Investment in government securities (b)	<u>18,500</u>	<u>19,000</u>	<u>19,000</u>
Total Investment (A+B)	2,73,21,855	1,26,63,831	1,36,44,320
Aggregate amount of : Quoted investments	-	-	-
- At cost	1,35,36,374	1,35,36,874	1,35,36,874
- Market value	2,73,03,355	1,26,44,831	1,36,25,320
Aggregate amount of unquoted investments	18,500	19,000	19,000

## Category wise - Investments as per Ind AS 109 Classification

	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015
	Fair value of Investments	Dividends recognised	Fair value of Investments	Dividends recognised	Fair value of Investments
	Rs.	Rs.	Rs.	Rs.	Rs.
Financial assets measured at:					
(i) Fair value through Other Comprehensive Income					
a) 13,652 Equity shares of Rs.10/- each fully paid up in Andhra Bank Limited	7,91,133	6,826	7,13,317	27,304	10,79,191
b) 10,07,981 Equity shares of Rs.10/- each fully paid up in The Andhra Petrochemicals Limited	2,56,53,116	-	1,11,38,190	-	1,17,32,899
c) 200 Equity shares of Rs.10/- each fully paid up in The Industrial Finance Corporation of India	5,970	-	4,940	500	6,670
d) 11,360 Equity shares of Rs.10/- each fully paid up in Industrial development bank of India	8,53,136	-	7,88,384	8,520	8,06,560
	<u>2,73,03,355</u>	<u>6,826</u>	<u>1,26,44,831</u>	<u>36,324</u>	<u>1,36,25,320</u>

**4. CURRENT INVESTMENTS (At Fair Value Through Profit or Loss)**

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	Rs.	Rs.	Rs.
Quoted and non-Trade Investments in Mutual Funds	3,10,404	5,11,144	5,23,990
HDFC-Liquid Fund - Dividend - Daily Reinvest (501.210 Units@1019.82/- each)			
Total current investments	<u>3,10,404</u>	<u>5,11,144</u>	<u>5,23,990</u>



## 5. LOANS

	Non-Current			Current		
	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.	As at 1st April, 2015 Rs.	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.	As at 1st April, 2015 Rs.
Unsecured considered good						
a) Inter corporate loans	-	1,00,00,000	3,00,00,000	1,00,01,541	2,00,00,000	2,00,00,000
Total	-	1,00,00,000	3,00,00,000	1,00,01,541	2,00,00,000	2,00,00,000

Note: No loans are due from directors or other officers of the company either severally or jointly with any other person nor any other loans are due from firms or private company in which any director is a partner, a director or a member.

## 6. OTHER FINANCIAL ASSETS

	Non-Current			Current		
	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.	As at 1st April, 2015 Rs.	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.	As at 1st April, 2015 Rs.
Security deposits with government authorities and others	1,09,17,890	57,93,773	57,93,773	-	-	-
Claims and other advances receivable	-	-	-	90,08,516	20,55,699	48,73,436
	1,09,17,890	57,93,773	57,93,773	90,08,516	20,55,699	48,73,436

## 7. OTHER ASSETS

	Non-Current			Current		
	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.	As at 1st April, 2015 Rs.	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.	As at 1st April, 2015 Rs.
Unsecured, Considered Good						
a) Advances for Capital goods	70,88,872	-	46,61,207	-	-	-
b) Advances to creditors against supplies	-	-	-	80,42,462	2,51,16,177	4,00,56,466

	Non-Current			Current		
	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.	As at 1st April, 2015 Rs.	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.	As at 1st April, 2015 Rs.
c) Prepaid expenses	-	-	-	<b>72,72,989</b>	66,86,280	81,35,274
d) Balances with Statutory Authorities: Taxes paid under protest	-	-	-	<b>30,79,020</b>	30,79,020	30,79,020
Excise duty and sales tax deposits	-	-	-	<b>18,52,75,020</b>	11,90,32,599	6,07,47,821
e) Accrued interest	-	-	-	<b>1,21,703</b>	87,077	3,60,120
f) Balance in Gratuity Fund (net of obligations)	<b>1,76,69,285</b>	2,23,81,313	2,35,24,749	-	-	-
Total	<b>2,47,58,157</b>	2,23,81,313	2,81,85,956	<b>20,37,91,194</b>	15,40,01,153	11,23,78,701

Note: No loans are due from directors or other officers of the company either severally or jointly with any other person nor any other loans are due from firms or private company in which any director is a partner, a director or a member.

## 8. INVENTORIES

	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.	As at 1st April, 2015 Rs.
a) Raw materials	<b>8,76,15,000</b>	5,31,71,481	10,19,93,323
b) Work-in-progress	<b>21,23,30,910</b>	17,21,86,793	16,67,13,583
c) Finished goods	<b>16,11,21,153</b>	16,65,59,181	20,11,68,341
d) Stores and spares	<b>6,98,57,888</b>	14,40,09,632	7,34,63,965
e) Raw material in transit	<b>1,94,39,631</b>	50,85,992	-
f) Stationary	<b>5,00,318</b>	3,89,191	2,41,601
Total	<b>55,08,64,900</b>	54,14,02,270	54,35,80,813

Note:

- All the above inventories are offered as security in respect of working capital loans availed by the company from Andhra bank and SBI.
- The cost of inventories recognised as an expense during the year was Rs.322,60,86,572 (Previous year Rs.314,93,72,967)
- There are no inventories expected to be recovered after more than 12 months.
- The mode of valuation of inventories has been stated in Significant Accounting Policies.

## 9. TRADE RECEIVABLES

	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.	As at 1st April, 2015 Rs.
Secured, Considered Good			
Outstanding for a period exceeding six months	-	-	-
Others	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Unsecured, Considered Good			
Outstanding for a period exceeding six months	43,11,398	1,01,91,734	31,61,903
Others	90,54,70,732	60,30,46,673	47,44,01,374
Total - A	<u>90,97,82,130</u>	<u>61,32,38,407</u>	<u>47,75,63,277</u>
Unsecured, Considered Doubtful			
Outstanding for a period exceeding six months	5,00,000	5,00,000	12,65,754
Less: Allowance for doubtful debts	5,00,000	5,00,000	12,65,754
Total - B	<u>-</u>	<u>-</u>	<u>-</u>
Total (A+B)	<u>90,97,82,130</u>	<u>61,32,38,407</u>	<u>47,75,63,277</u>

## Notes:

- The average credit period of trade receivables varies from 15-45 days.
- The above does not include any amount due from related parties.
- The company has used practical expedient by computing the expected credit loss for doubtful trade receivables based on the ageing of receivables, history of recoverability from the customers, credit worthiness of the customers etc.,
- During the year, the company has recognised loss allowance of Rs.Nil under 12 months expected credit loss model.

## 10. CASH AND CASH EQUIVALENTS

	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.	As at 1st April, 2015 Rs.
<b>A) Balances with banks</b>			
a. In Current accounts	4,28,77,966	73,18,812	49,43,980
b. In EEFC account	8,36,65,839	2,36,26,070	-
c. Fixed deposit accounts	-	-	5,00,00,000
d. Fixed deposit repayment reserve	1,15,00,000	90,00,000	90,00,000
Cash on hand	6,73,076	1,91,020	10,56,678
Total - A	<u>13,87,16,881</u>	<u>4,01,35,902</u>	<u>6,50,00,658</u>
<b>B) Other bank balances</b>			
a. Earmarked balances with banks held as margin money against LC and guarantees	37,43,102	30,67,068	28,18,561
b. Earmarked balances with banks towards unclaimed dividends	26,40,040	70,38,478	22,62,900
Total - B	<u>63,83,142</u>	<u>1,01,05,546</u>	<u>50,81,461</u>
Total (A+B)	<u>14,51,00,023</u>	<u>5,02,41,448</u>	<u>7,00,82,119</u>

## 11. CURRENT TAX

	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.	As at 1st April, 2015 Rs.
Provision for Income-tax	49,10,00,000	46,55,00,000	47,30,00,000
Less: Taxes paid	49,58,53,735	47,21,69,281	47,23,72,247
Current tax liability/(Advance)	<u>(48,53,735)</u>	<u>(66,69,281)</u>	<u>6,27,753</u>

## 12. EQUITY SHARE CAPITAL

**Authorised Share Capital**

	Equity	
	No's	Rs.
As at 31st March, 2015	1,00,00,000	10,00,00,000
Changes in equity	-	-
As at 31st March, 2016	<u>1,00,00,000</u>	<u>10,00,00,000</u>
Changes in equity	-	-
As at 31st March, 2017	<u>1,00,00,000</u>	<u>10,00,00,000</u>

**Issued Share Capital**

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

	No's	Rs.
As at 31st March, 2015	88,81,150	8,88,16,250
Changes in equity	-	-
As at 31st March, 2016	<u>88,81,150</u>	<u>8,88,16,250</u>
Changes in equity	-	-
As at 31st March, 2017	<u>88,81,150</u>	<u>8,88,16,250</u>

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

**Rights, Preferences and restrictions attached to Equity shares**

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

Details of share holders holding more than 5% of total number of shares

	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	No of Shares held	% of total number of shares of the Company	No of Shares held	% of total number of shares of the Company	No of Shares held	% of total number of shares of the Company
The Andhra Sugars Limited (Holding Company)	48,86,500	55.02	48,86,500	55.02%	48,86,500	55.02
	<u>48,86,500</u>	<u>55.02</u>	<u>48,86,500</u>	<u>55.02%</u>	<u>48,86,500</u>	<u>55.02</u>

Out of total equity shares issued and subscribed, 4886500 shares are held by holding company The Andhra Sugars Limited, Tanuku.

Aggregate number of bonus shares issued during the period of 5 years immediately preceding the reporting date:

Out of last five financial years, during the Financial Year 2011-12, the Company had allotted 44,40,575 equity shares as fully paid up bonus shares in the ratio of 1:1 by capitalising part of general reserves.

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

## 12. OTHER EQUITY

Capital reserves	Rs.
As at 31st March, 2015	39,66,150
Increase / (Decrease) during the year	—
As at 31st March, 2016	39,66,150
Increase / (Decrease) during the year	—
As at 31st March, 2017	<u>39,66,150</u>
Securities Premium	Rs.
As at 31st March, 2015	7,83,75,000
Increase / (Decrease) during the year	—
As at 31st March, 2016	7,83,75,000
Increase / (Decrease) during the year	—
As at 31st March, 2017	<u>7,83,75,000</u>
General Reserve	Rs.
As at 31st March, 2015	120,00,00,000
Increase during the year	<u>5,00,00,000</u>
As at 31st March, 2016	125,00,00,000
Increase/(Decrease) during the year	<u>2,00,00,000</u>
As at 31st March, 2017	<u>127,00,00,000</u>

**Surplus in Statement of Profit and Loss**

	Rs.
As at 31st March, 2015 - As per IGAAP	11,14,33,527
Adjustments made as per Ind AS 101	
Add : Increase in Fair value of Investments	88,445
Add : Dividend and tax thereon proposed for the FY 2014-15 to be accounted in the year of payment	6,41,34,861
As at 31st March, 2015 after making necessary Ind AS adjustments	<u>17,56,56,833</u>
Add : Profit for the year transferred from statement of profit and loss	17,85,20,735
Less : Final Dividend for the Financial year 2014-15 proposed & paid during the year	5,32,86,900
Interim Dividend for the Financial year 2015-16 paid during the year	6,21,68,050
Dividend Distribution tax on Final & Interim Dividend paid during the year	<u>2,35,03,915</u>
	<u>21,52,18,703</u>
Less: Profit for the year transferred to general reserve	<u>5,00,00,000</u>
As at 31st March, 2016	16,52,18,703
Add : Profit for the year transferred from statement of profit and loss	<u>9,55,68,688</u>
As at 31st March, 2017	26,07,87,391
Less : Profit for the year transferred to general reserve	<u>2,00,00,000</u>
As at 31st March, 2017	<u>24,07,87,391</u>

**Dividends proposed or declared before financial statements were approved and not recognised**

For the year  
2016-17

Dividends proposed or declared on Equity shares before financial statements were approved and not recognised as a distribution to owners during the period (As per the board meeting held on 24.5.2017)

Dividend proposed @Rs.3.00 per share	2,66,43,450
Dividend distribution tax on above	54,23,980

Note: Under the previous GAAP, proposed dividend are recognised as a liability in the period to which they relate irrespective when they are declared. Under Ind AS, proposed dividend is recognised as a liability in the period in which it is declared by the company, usually when approved by the shareholders in general meeting

**Summary of Other Equity**

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Capital Reserve	39,66,150	39,66,150	39,66,150
Securities Premium	7,83,75,000	7,83,75,000	7,83,75,000
General Reserve	127,00,00,000	125,00,00,000	120,00,00,000
Surplus in Statement of Profit and Loss	<u>24,07,87,391</u>	<u>16,52,18,703</u>	<u>17,56,56,833</u>
	<u>159,31,28,541</u>	<u>149,75,59,853</u>	<u>145,79,97,983</u>

**Nature of reserves:**

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

**13. OTHER FINANCIAL LIABILITIES**

	Non-Current			Current		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
a) Refundable security deposits from agents	8,91,000	8,91,000	8,91,000	-	-	-
b) Interest accrued but not due	-	-	-	19,93,437	23,59,365	14,72,002
c) Interest accrued and due	-	-	-	1,43,151		
d) Unclaimed dividend	-	-	-	26,40,040	70,38,478	22,62,900
e) Employee related payments	-	-	-	1,59,55,732	2,16,21,104	1,52,08,003
f) Other Liabilities	-	-	-	16,71,701	15,22,699	12,60,942
<b>Total</b>	<b>8,91,000</b>	<b>8,91,000</b>	<b>8,91,000</b>	<b>2,24,04,061</b>	<b>3,25,41,646</b>	<b>2,02,03,847</b>

**14. PROVISIONS**

	Non-Current			Current		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
a) Provision for employee benefits						
- Leave Encashment (Unfunded)	76,68,896	1,04,31,710	70,03,925	31,56,446	31,38,170	25,19,671
<b>Total</b>	<b>76,68,896</b>	<b>1,04,31,710</b>	<b>70,03,925</b>	<b>31,56,446</b>	<b>31,38,170</b>	<b>25,19,671</b>

## 15. DEFERRED TAX LIABILITIES (NET)

	<b>As at 31st March, 2017</b>	As at 31st March, 2016	As at 1st April, 2015
	Rs.	Rs.	Rs.
Comprises temporary differences attributable to:			
Liability:			
Depreciation	<b>10,32,13,824</b>	11,05,66,619	11,79,51,047
Asset:			
Employee benefits related and others	<b>2,44,42,561</b>	2,60,76,735	2,30,14,922
Provisions for doubtful trade receivables	<b>1,73,040</b>	1,73,040	4,37,951
Deferred tax liabilities (Net)	<b><u>7,85,98,223</u></b>	<u>8,43,16,844</u>	<u>9,44,98,174</u>

## Movement in Deferred Tax Assets/Liabilities

	As at 1st April, 2015	Charge/ (Credit) in Statement of P&L	As at 31st March, 2016	Charge/(Credit) in Statement of P&L	As at 31st March, 2017
	Rs.	Rs.	Rs.	Rs.	Rs.
Deferred tax (liabilities)/assets in relation to:					
Depreciation	11,79,51,047	(73,84,428)	11,05,66,619	<b>(73,52,795)</b>	<b>10,32,13,824</b>
Expenses allowable under Income tax when paid	(2,34,52,873)	(27,96,902)	(2,62,49,775)	<b>16,34,174</b>	<b>(2,46,15,601)</b>
<b>Total</b>	<u>9,44,98,174</u>	<u>(1,01,81,330)</u>	<u>8,43,16,844</u>	<u><b>(57,18,621)</b></u>	<u><b>7,85,98,223</b></u>

## 16. OTHER LIABILITIES

	<u>Non-Current</u>			<u>Current</u>		
	<b>As at 31st March, 2017</b>	As at 31st March, 2016	As at 1st April, 2015	<b>As at 31st March, 2017</b>	As at 31st March, 2016	As at 1st April, 2015
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
a) Advance received against sales	-	-	-	<b>45,39,190</b>	93,55,423	3,15,39,848
b) Statutory Liabilities	-	-	-	<b>9,91,83,968</b>	10,92,64,791	8,76,35,883
<b>Total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u><b>10,37,23,158</b></u>	<u>11,86,20,214</u>	<u>11,91,75,731</u>



## 17. SHORT TERM BORROWINGS

	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.	As at 1st April, 2015 Rs.
A. Secured			
Loans repayable on demand :			
a) Working capital loans from banks			
i) From Andhra Bank	4,78,42,118	1,32,60,733	3,59,57,141
ii) State Bank of India	7,31,70,643	6,91,049	93,02,329
B. Unsecured			
a) Fixed deposits from			
i) Shareholders	3,91,85,926	4,90,44,455	3,90,51,261
ii) Directors	1,43,12,686	1,86,11,578	1,62,77,907
iii) Others	96,74,726	87,52,088	45,27,142
b) Short Term loan from HDFC Bank	10,00,00,000	-	-
<b>Total</b>	<b>28,41,86,099</b>	<b>9,03,59,903</b>	<b>10,51,15,780</b>

## Note:

- Working capital loans from Andhra Bank and SBI are secured by way of hypothecation of current assets of the company on pari passu basis.
- The above loans carries interest at following rates:  
Andhra Bank @ 10.55% and SBI @ 10.30%
- Fixed deposits accepted during the year carries interest @ 9%. The company made no defaults in repayment of deposits on due date.
- Term loan from HDFC carries interest @ 9.5% and repayable within 90 days of withdrawal.

## 18. TRADE PAYABLES

	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.	As at 1st April, 2015 Rs.
Dues to : Small and Micro Enterprises	4,09,884	17,67,352	-
Other than Small and Micro Enterprises	32,34,99,011	14,85,30,427	10,09,29,045
<b>Total</b>	<b>32,39,08,895</b>	<b>15,02,97,779</b>	<b>10,09,29,045</b>

## 19. REVENUE FROM SALES:

	2016-17		2015-16	
	MT	Rs.	MT	Rs.
Fatty Acids	34,822	235,14,59,971	36,954	204,37,64,630
Soap Products	21,583	141,59,96,054	30,866	181,01,83,742
Glycerine	2,916	12,73,08,038	4,486	19,38,95,419
Pitch	2,761	3,32,46,242	2,836	4,89,92,716
Industrial Oxygen (cu.mtrs)	5,98,671	59,44,607	5,93,328	57,71,352
Wind Power (kwh)	1,40,22,372	4,00,77,194	81,89,633	2,34,92,492
Biomass Power (kwh)	1,39,59,000	8,27,32,788	1,45,57,300	11,37,52,071
Others	55,76,730		44,61,530	
<b>Revenue from sale of products (A)</b>		<b>406,23,41,624</b>		<b>424,43,13,952</b>

Note:-

- 1) Sale value of Biomass power includes an amount of Rs.Nil (P.Y. Rs.32,55,297) being differential sale price of power for earlier years received as per the interim order of Appellate Tribunal for electricity.
- 2) The sale of Biomass power does not include 1,56,03,238 kwh value of Rs.10,19,06,509 (P.Y. 1,72,39,701 kwh value of Rs.11,32,64,837) consumed internally.
- 3) The above includes excise duty of Rs. 35,68,93,218 37,76,91,212

Details of processing charges received:

	2016-17		2015-16	
	MT	Rs.	MT	Rs.
Toilet Soap	246	14,94,440	472	29,38,587
Soap Noodles	4,466	3,03,55,861	7,482	5,08,51,942
Cattle Feed - Lysofat	1,263	72,63,745	1,031	59,29,371
<b>Revenue from services (B)</b>		<b>3,91,14,046</b>		<b>5,97,19,900</b>
<b>Revenue from sale of products and services (A+B)</b>		<b>410,14,55,670</b>		<b>430,40,33,852</b>

## 20. OTHER INCOME

	2016-17	2015-16
	Rs.	Rs.
Interest received from Banks & others (from financial assets recognised at amortised cost.)	1,86,49,464	2,15,95,700
Dividend received - Current investment (from financial assets recognised at FVTPL*)	12,99,260	9,87,154
- Non-current investment (from financial assets recognised at FVTOCI*)	6,826	36,324
Export incentives - Duty Drawback	96,62,277	1,27,66,741
MEIS* Incentives	25,17,212	-

\*FVTPL : Fair Value through Profit or Loss

FVTOCI : Fair Value through Other Comprehensive Income

MEIS : Merchandise Export from India Scheme

	2016-17	2015-16
	Rs.	Rs.
Rental charges received	1,55,094	1,46,391
Difference in Foreign Exchange (net)	–	96,72,689
Sale of scrap	18,87,707	29,94,359
Profit on sale of assets	25,296	30,341
Claims/Refunds received	51,559	4,53,208
Weighment charges received	3,86,713	6,88,750
Credit balances written back	2,786	370
Excess provision made in earlier years credited back		
- On Doubtful debts	–	7,65,754
- On Electricity duty on captive consumption	1,15,97,918	–
Miscellaneous receipts	1,12,994	1,01,090
<b>Total</b>	<b><u>4,63,55,106</u></b>	<b><u>5,02,38,871</u></b>

Note:

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

## 21. COST OF MATERIAL CONSUMED

	2016-17	2015-16
	Rs.	Rs.
Opening stock	5,31,71,481	10,19,93,323
Purchases	290,26,96,214	260,45,16,854
<b>Total</b>	<b><u>295,58,67,695</u></b>	<b><u>270,65,10,177</u></b>
Less: Sale of raw material	9,10,08,358	4,31,24,921
Closing stock	8,76,15,000	5,31,71,481
<b>Total</b>	<b><u>277,72,44,337</u></b>	<b><u>261,02,13,775</u></b>

Components of materials consumed :

	2016-17		2015-16	
	MT	Rs.	MT	Rs.
Non Edible Oils	32,402	158,80,93,175	35,692	130,92,68,736
Fatty Acid Distillates	21,835	117,20,01,518	30,936	129,01,81,540
Others		1,71,49,644		1,07,63,499
		<b><u>277,72,44,337</u></b>		<b><u>261,02,13,775</u></b>

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

	2016-17		2015-16	
	Rs.	%	Rs.	%
Imported	45,07,20,871	16	44,05,55,246	17
Indigenous	232,65,23,466	84	216,96,58,529	83
	<u>277,72,44,337</u>	<u>100</u>	<u>261,02,13,775</u>	<u>100</u>

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

	2016-17 Rs.	2015-16 Rs.
A. Opening stock		
Finished goods	16,65,59,181	20,11,68,341
Work-in-progress	17,21,86,793	16,67,13,583
Stock-in-trade	-	-
	<u>33,87,45,974</u>	<u>36,78,81,924</u>
B. Closing stock		
Finished goods	16,11,21,153	16,65,59,181
Work-in-progress	21,23,30,910	17,21,86,793
Stock-in-trade	-	-
	<u>37,34,52,063</u>	<u>33,87,45,974</u>
<b>Increase/(Decrease) of stocks - (B-A)</b>	<u>3,47,06,089</u>	<u>(2,91,35,950)</u>

## Details of Opening and Closing stock of finished goods:

	2016-17		2015-16	
	MT	Rs.	MT	Rs.
<b>Opening stocks:</b>				
Fatty Acids	1,694	8,42,41,115	1,630	9,91,53,100
Soap Products	1,368	7,15,28,434	1,583	8,87,58,203
Glycerine	32	13,19,445	41	15,61,751
Industrial Oxygen (cu.mtrs)	1,206	11,264	2,888	26,974
Others		94,58,923		1,16,68,313
		<u>16,65,59,181</u>		<u>20,11,68,341</u>
<b>Closing stocks:</b>				
Fatty Acids	1,190	7,55,49,947	1,694	8,42,41,115
Soap Products	1,136	7,61,68,702	1,368	7,15,28,434
Glycerine	9	4,08,339	32	13,19,445
Industrial Oxygen (cu.mtrs)	406	2,987	1,206	11,264
Others		89,91,178		94,58,923
		<u>16,11,21,153</u>		<u>16,65,59,181</u>

Details of Opening and Closing stock of Work-in-progress:

	2016-17 Rs.	2015-16 Rs.
<b>Opening WIP:</b>		
Fatty Acids	7,57,23,011	8,81,82,715
Soap Products	3,55,46,915	1,91,91,961
Glycerine	27,60,567	2,98,12,097
Oils	5,81,54,772	2,95,06,310
Others	1,528	20,500
	<u>17,21,86,793</u>	<u>16,67,13,583</u>
<b>Closing WIP:</b>		
Fatty Acids	10,71,38,528	7,57,23,011
Soap Products	2,08,42,329	3,55,46,915
Glycerine	1,77,87,756	27,60,567
Oils	6,65,62,297	5,81,54,772
Others	-	1,528
	<u>21,23,30,910</u>	<u>17,21,86,793</u>

23. EMPLOYEE BENEFIT EXPENSES

	2016-17 Rs.	2015-16 Rs.
Salaries, Wages and Bonus	19,62,65,822	21,44,71,720
Contribution to PF, Gratuity, ESI and other funds	3,00,46,995	3,01,82,532
Workmen and Staff Welfare Expenses	56,63,657	52,30,655
<b>Total</b>	<u>23,19,76,474</u>	<u>24,98,84,907</u>

24. FINANCE COSTS

	2016-17 Rs.	2015-16 Rs.
Interest paid to banks and others (measured at amortised cost)	1,60,01,559	1,12,63,015
Other borrowing costs	12,80,596	6,30,000
<b>Total</b>	<u>1,72,82,155</u>	<u>1,18,93,015</u>

25. DEPRECIATION AND AMORTISATION

	2016-17 Rs.	2015-16 Rs.
Depreciation	7,04,70,646	8,02,30,370
Amortisation	2,10,401	1,89,453
<b>Total</b>	<u>7,06,81,047</u>	<u>8,04,19,823</u>

## 26. OTHER EXPENSES

	2016-17	2015-16
	Rs.	Rs.
Stores and Spares consumed (including Packing Materials)	21,33,28,849	27,15,87,793
Power and Fuel	22,85,95,442	25,98,40,108
Rents	11,52,050	12,18,762
Repairs to Machinery	4,15,23,164	4,75,56,199
Repairs to Buildings	61,63,685	72,72,916
Repairs to other Assets	24,66,647	11,75,249
Insurance	72,70,074	76,09,358
Rates & Taxes	51,04,819	36,45,837
Payment to auditors :		
As Auditors	3,00,000	2,75,000
As Tax Auditors	1,60,000	1,50,000
Fee for Tax representation & Certification	71,000	2,43,500
Fee to Cost Auditors	1,50,000	1,40,000
Other expenses:		
Tools written off	4,04,527	3,08,430
Advertisement and Sales Promotion expenses	7,19,614	7,12,450
Freight Outward, Export Sales & Consignment expenses	5,74,31,497	7,26,71,912
Commission on Sales	2,32,78,684	2,18,51,814
Directors sitting fees and travelling expenses	11,20,887	10,66,867
Donations	17,000	55,05,000
CSR expenses	42,10,000	40,00,000
Difference in Foreign Exchange (net)	1,43,11,544	-
Bad Debts Written off	8,61,949	-
Miscellaneous expenses	1,90,26,848	1,79,34,271
Assets written off	35,469	2,657
Loss on sale of assets	-	1,56,244
Provision for diminution in value of Investments	-	1,34,616
<b>Total</b>	<b>62,77,03,749</b>	<b>72,50,58,983</b>

27. INCOME -TAX	2016-17	2015-16
	Rs.	Rs.
Current-tax		
Provided for the year	2,55,00,000	10,25,00,000
Deferred tax	-	-
Credit taken during the year	(57,18,621)	(1,01,81,330)
Total income-tax expense recognised during the year	<u>1,97,81,379</u>	<u>9,23,18,670</u>

Reconciliation of income-tax expense with the tax on accounting profit as follows:

Profit before tax	10,18,60,897	27,29,71,587
Income-tax expense @ 34.608%	3,52,52,019	9,44,70,007
Tax effect on depreciation difference	73,49,273	73,70,426
Tax on expenses disallowed	14,75,155	60,41,518
Tax on incomes exempt/not taxable	(90,17,899)	(3,64,706)
Tax savings on profits deductible	(95,58,548)	(50,17,245)
Current Tax Provision – (A)	<u>2,55,00,000</u>	<u>10,25,00,000</u>
Decrease of deferred tax liability on account of fixed assets	(73,52,795)	(73,84,428)
Decrease/(Increase) of deferred tax on account of financial assets and other assets	16,34,174	(27,96,902)
Deferred tax credit – (B)	<u>(57,18,621)</u>	<u>(1,01,81,330)</u>
Total Income Tax expense (A+B)	<u>1,97,81,379</u>	<u>9,23,18,670</u>

28. PARTICULARS OF PRODUCTION	2016-17	2015-16
	(TPA)	(TPA)
Fatty Acids	50916	61424
Cattle Feed	1218	1078
Toilet Soap	246	471
Soap Products	26014	38134
Glycerine	3183	4963
Industrial Oxygen (cu. mtrs)	600811	596819
Biomass Power (kWh)	29562238	31797001
Wind Power (kWh)	14022372	8189633

TPA = Tonnes per Annum

Note:

- Production of Fatty Acids includes 13,621 MT (Previous year 19,426 MT) utilized for captive consumption at Soap Plant and 2976 MT (Previous year - 4,980 MT) processed on behalf of others.
- Production of Glycerine includes 290 MT (Previous year 486 MT) consumed for captive consumption at Soap Plant.
- Production of Industrial Oxygen includes captive consumption of 2940 cubic meters (Previous year 5,173 cu. mtrs).
- Power Generation includes 1,56,03,238 units (Previous year 1,72,39,701 units) utilized for captive consumption.

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

	2016-17	2015-16
	Rs.	Rs.
Raw Materials	44,65,29,948	42,06,31,100
Stores and Spares	2,29,54,455	2,15,71,727
<b>Total</b>	<b>46,94,84,403</b>	<b>44,22,02,827</b>

- b. Company has not incurred expenditure in foreign currency on Consultancy Services and Travelling during the year and in the previous year.

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

	2016-17		2015-16	
	Rs.	%	Rs.	%
Imported	48,791	0.01	20,16,740	0.37
Indigenous	44,87,93,444	0.99	53,71,42,452	99.63
	<u>44,88,42,235</u>	<u>100.00</u>	<u>53,91,59,192</u>	<u>100.00</u>

### 31. SEGMENT INFORMATION

(Current year figures are in bold font)

	Chemicals Rs.	Soap Rs.	Power Rs.	Unallocated Rs.	Eliminations Rs.	Consolidated Rs.
<b>Revenue</b>						
External Revenue	<b>252,53,79,859</b>	<b>144,78,46,355</b>	<b>12,82,29,457</b>			<b>410,14,55,671</b>
	212,21,08,517	166,29,04,240	14,13,29,883			392,63,42,640
Inter-segment Revenue	<b>74,85,08,609</b>		<b>15,41,94,559</b>		<b>(90,27,03,168)</b>	
	91,12,26,880		16,60,24,280		107,72,51,160	
Total Revenue (See Note below)	<b>327,38,88,468</b>	<b>144,78,46,355</b>	<b>28,24,24,016</b>		<b>(90,27,03,168)</b>	<b>410,14,55,671</b>
	303,33,35,397	166,29,04,240	30,73,54,163		107,72,51,160	392,63,42,640
<b>Result</b>						
Segment result	<b>16,63,00,883</b>	<b>(2,15,39,195)</b>	<b>2,11,65,218</b>			<b>16,59,26,906</b>
	15,91,19,040	10,77,85,585	4,81,06,163			31,50,10,788
Unallocated expenditure net of unallocated income				<b>6,54,33,319</b>		<b>6,54,33,319</b>
				5,33,22,166		5,33,22,166
Operating Profit						<b>10,04,93,587</b>
						26,16,88,622
Interest expenses				<b>1,72,82,154</b>		<b>1,72,82,154</b>
				1,18,93,015		27,13,91,307



	Chemicals Rs.	Soap Rs.	Power Rs.	Unallocated Rs.	Eliminations Rs.	Consolidated Rs.
Interest income				<b>1,86,49,464</b>		<b>1,86,49,464</b>
				2,15,95,700		2,15,95,700
Profit before tax						<b>10,18,60,897</b>
						27,13,91,307
Provision for tax,						<b>2,55,00,000</b>
						10,25,00,000
Deferred Tax (Provision)/ Withdrawal						<b>57,18,621</b>
						1,01,81,330
Excess Provision of I.T. in earlier years						2,93,970
Profit after Taxation						<b>8,20,79,518</b>
						17,93,66,607
Other Information						
Segment assets	<b>1,29,73,11,749</b>	<b>43,29,56,672</b>	<b>30,23,60,933</b>			<b>203,26,29,354</b>
	94,13,09,363	48,98,31,642	33,15,30,428			176,26,71,434
Unallocated corporate assets				<b>47,43,52,215</b>		<b>47,43,52,215</b>
				31,50,59,362		31,50,59,362
<b>Total assets</b>						<b>250,69,81,569</b>
						207,77,30,796
Segment liabilities	<b>32,47,53,545</b>	<b>3,26,62,144</b>	<b>1,83,83,820</b>			<b>37,57,99,509</b>
	22,99,46,982	3,79,99,891	1,77,97,072			28,57,43,945
Unallocated corporate liabilities				<b>44,92,37,269</b>		<b>44,92,37,269</b>
				20,48,53,321		20,48,53,321
<b>Total liabilities</b>						<b>82,50,36,778</b>
						49,05,97,266
Capital employed	<b>97,25,58,204</b>	<b>40,02,94,528</b>	<b>28,39,77,113</b>	<b>2,51,14,947</b>		<b>168,19,44,792</b>
	71,13,62,381	45,18,31,752	31,37,33,356	11,02,06,041		158,71,33,530
Capital expenditure during the year	<b>10,36,783</b>	<b>22,98,918</b>	<b>39,74,029</b>	<b>1,84,00,572</b>		<b>2,57,10,302</b>
	1,94,03,441			1,13,50,143		3,07,53,584
Depreciation for the year	<b>3,39,89,808</b>	<b>1,03,74,443</b>	<b>1,69,28,696</b>	<b>93,88,100</b>		<b>7,06,81,047</b>
	4,40,07,463	1,15,04,057	1,69,41,063	79,67,240		8,04,19,823

**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 Generators (WEGs)
- b. Segment revenue relating to each of the above domestic business segments includes income from processing on behalf of others wherever applicable.
- c. Identification of segments:  
The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Operating segments have been identified considering the following:
- the nature of products and services
  - the differing risks and returns
  - the organization structure and
  - the internal financing reporting systems
- d. The Company predominantly operates in Indian market and has no production facilities or any significant sales outside India. Hence there are no separate reportable geographical segments.
- e. Inter segment transfers are priced at market related rates.

**32. Contingent Liabilities not provided for –**

	As at 31-3-2017 Rs.	As at 31-3-2016 Rs.
a. Estimated amount of contracts remaining to be executed and not provided for which commitment is made (Towards Raw materials and stores)	41,51,83,074	36,25,52,471
b. Claims against the Company not admitted as debts relating to:		
i. Excise and Service Tax	1,22,76,003	1,21,83,303
ii. Income-tax	26,49,557	-
iii. State Levies	15,89,620	15,89,620
iv. Other Contracts	4,07,947	3,96,016

33. Foreign exchange earnings on exports during the year calculated on FOB basis Rs.61,28,74,150 (Previous year Rs.67,16,85,571).

## 34. 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 Managerial Personnel : a) J. Murali Mohan, Managing Director
4. Relatives of Key Managerial Personnel
  - J. Ganga Bhavani Mother
  - J. Sunita Mohan Wife
  - J. Namrata Daughter
  - V. Indira Sister
  - J. Murali Mohan HUF

## b. Related party transactions : (Current year figures in bold font)

	Holding Company	Fellow Subsidiaries	Key Managerial Personnel	Relatives of Key Managerial Personnel
	Rs.	Rs.	Rs.	Rs.
Purchase of goods	<b>2,46,83,478</b> 3,84,81,214	-	-	-
Sale of goods	<b>16,26,029</b> 22,09,240	-	-	-
Rendering of services	<b>6,439</b> -	- -	- -	- -
Receiving of services	-	-	-	-
J. Sunita Mohan	-	-	-	<b>57,000</b>
	-	-	-	57,000
Interest paid	<b>27,38,631</b> -	- -	<b>15,23,418</b> 16,93,982	- -
J. Sunita Mohan	-	-	-	<b>3,43,424</b>
	-	-	-	4,81,289
J. Ganga Bhavani	-	-	-	<b>2,98,047</b>
	-	-	-	2,70,935
J. Namrata	-	-	-	<b>6,29,890</b>
	-	-	-	6,70,813
J. Murali Mohan (HUF)	-	-	-	<b>6,88,571</b>
	-	-	-	6,76,037
Remuneration paid	-	-	<b>1,19,39,494</b> 1,23,33,240	- -
Dividend paid	- 6,35,24,500	- -	- 33,280	- -
J. Murali Mohan (HUF)	-	-	-	-
	-	-	-	2,28,020

	Holding Company	Fellow Subsidiaries	Key Managerial Personnel	Relatives of Key Managerial Personnel
	Rs.	Rs.	Rs.	Rs.
J. Sunita Mohan	-	-	-	-
	-	-	-	69,368
J. Ganga Bhavani	-	-	-	-
	-	-	-	52,650
J. Namrata	-	-	-	-
	-	-	-	23,400
V. Indira	-	-	-	-
	-	-	-	97,500
<b>Balances as at 31-3-2017</b>				
a) Share Capital of the	<b>4,88,65,000</b>	-	<b>25,600</b>	-
company held by	4,88,65,000	-	25,600	-
J. Murali Mohan (HUF)	-	-	-	<b>1,75,400</b>
	-	-	-	1,75,400
J. Sunita Mohan	-	-	-	<b>53,360</b>
	-	-	-	53,360
J. Ganga Bhavani	-	-	-	<b>40,500</b>
	-	-	-	40,500
J. Namrata	-	-	-	<b>18,000</b>
	-	-	-	18,000
V. Indira	-	-	-	<b>75,000</b>
	-	-	-	75,000
b) Fixed Deposits received	-	-	<b>1,43,12,686</b>	-
from	-	-	1,86,11,578	-
J. Sunita Mohan	-	-	-	<b>7,88,291</b>
	-	-	-	52,73,877
J. Ganga Bhavani	-	-	-	<b>20,85,350</b>
	-	-	-	35,89,611
J. Namrata	-	-	-	<b>50,06,565</b>
	-	-	-	75,30,241
J. Murali Mohan (HUF)	-	-	-	<b>55,73,965</b>
	-	-	-	84,53,133
c) Remuneration Payable	-	-	<b>27,01,830</b>	-
	-	-	46,33,621	-

35. Details of Specified Bank Notes (SBN) held and transacted during the period from 08-11-2016 to 30-12-2016 provided in the table below.

Particulars	SBN Rs.	Other denominations Rs.	Total Rs.
Closing cash balance on hand as on 08-11-2016	3,60,000	5,42,104	9,02,104
Permitted receipts			
- amount withdrawn from bank	-	8,02,000	8,02,000
-cash receipts	-	16,02,224	16,02,224
Permitted Payments			
-Amount deposited in Banks	(3,60,000)		(3,60,000)
-Permitted Payments		(22,51,700)	(22,51,700)
Closing cash on hand on 30-12-2016	-	6,94,628	6,94,628

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

I. Defined contribution plans

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

	Year ended 31-3-2017 Rs.	Year ended 31-3-2016 Rs.
Employer's contribution to provident fund	1,69,02,583	1,62,79,649
Employer's contribution to superannuation fund	37,79,754	49,44,230
Employer's contribution to employees state insurance	48,79,595	50,92,171
Total recognized in the Statement of Profit and Loss	<u>2,55,61,932</u>	<u>2,63,16,050</u>

II. Defined benefit plans :

	Gratuity	
	31-3-2017 Rs.	31-3-2016 Rs.
Present value of obligations at beginning of the year	8,03,70,848	7,16,97,071
Interest cost	64,29,668	57,35,765
Current Service cost	53,80,307	52,07,538
Benefits paid	(85,25,922)	(38,49,806)
Net actuarial loss	14,13,697	15,80,280
Present value of obligations at end of the year	<u>8,50,68,598</u>	<u>8,03,70,848</u>

Reconciliation for changes in fair value of plan assets

Fair value of plan assets at beginning of the year	10,27,52,161	9,52,21,820
Expected return	80,63,360	77,09,547
Contribution by employer	4,48,284	36,70,600
Benefits paid	(85,25,922)	(38,49,806)
Fair value of plan assets at end of the year	<u>10,27,37,883</u>	<u>10,27,52,161</u>

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

Fair value of plan assets at end of the year	<b>10,27,37,883</b>	10,27,52,161
Present value of defined benefit obligations at end of the year	<b>8,50,68,598</b>	8,03,70,848
Fund balance/(Plan liability) recognised in the Balance Sheet	<b><u>1,76,69,285</u></b>	<u>2,23,81,313</u>

**Expenses recognized in the Statement of Profit and Loss**

Current Service cost	<b>53,80,307</b>	52,07,538
Interest cost (net)	<b>(13,89,348)</b>	(19,73,782)
Net expenses recognized in the Statement of Profit and Loss	<b><u>39,90,959</u></b>	<u>32,33,756</u>

**Expenses recognized in Other Comprehensive income**

Return on plan assets	<b>(2,44,344)</b>	-
Actuarial losses	<b>14,13,697</b>	15,80,280
	<b><u>11,69,353</u></b>	<u>15,80,280</u>

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

	31-3-2017	31-3-2016	31-3-2015	31-3-2014	31-3-2013
	Rs.	Rs.	Rs.	Rs.	Rs.
Plan assets at the end of each year	<b>10,27,37,883</b>	10,27,52,161	9,52,21,820	8,44,54,681	7,23,46,687
Obligations at the end of each year	<b>8,50,68,598</b>	8,03,70,848	7,16,97,071	6,57,42,495	6,25,02,359
<b>Fund status</b>	<b><u>1,76,69,285</u></b>	<u>2,23,81,313</u>	<u>2,35,24,749</u>	<u>1,87,12,186</u>	<u>98,44,328</u>

In the absence of information regarding experience adjustments on plan assets and liabilities, disclosures has not been made.

	(In %)	
	<b>Gratuity</b>	
	<b>2016-17</b>	<b>2015-16</b>
Actuarial assumptions		
a) Discount rate	<b>8</b>	8
b) Salary escalation rate per unit	<b>7-8</b>	7-8

**Note:**

- 1) In the absence of detailed information regarding the plan assets which is funded with Life Insurance Corporation, the composition of each category of plan assets has not been disclosed.
- 2) In the absence of detailed information from LIC, the preparation of sensitivity analysis and its impact due to possible change of the respective actuarial assumptions occurring at the end of the reporting period and also information on maturity analysis of the benefit payments has not been disclosed.

## 37. EARNINGS PER SHARE:

	2016-17	2015-16
	Rs.	Rs.
Profit for the year	8,20,79,517	18,09,46,887
Weighted average number of equity shares of Rs.10/- each	88,81,150	88,81,150
Basic and diluted earning per share	9.24	20.37

## 38. CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

The Carrying amounts and fair value of financial instruments by categories as at 31st March, 2017, 31st March, 2016 and 1st April, 2015 are as follows:

	Carrying value			Fair value		
	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.	As at 1st April, 2015 Rs.	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.	As at 1st April, 2015 Rs.
<b>Financial assets</b>						
<b>Measured at Amortised cost</b>						
i) Cash and cash equivalents	14,51,00,023	5,02,41,448	7,00,82,119	14,51,00,023	5,02,41,448	7,00,82,119
ii) Trade receivables	90,97,82,130	61,32,38,407	47,75,63,277	90,97,82,130	61,32,38,407	47,75,63,277
iii) Other financial assets	1,99,26,406	78,49,472	1,06,67,209	1,99,26,406	78,49,472	1,06,67,209
iv) Loans and advances	1,00,01,541	3,00,00,000	5,00,00,000	1,00,01,541	3,00,00,000	5,00,00,000
<b>Measured at FVTOCI</b>						
i) Investments in equity instruments	2,73,21,855	1,26,63,831	1,36,44,320	2,73,21,855	1,26,63,831	1,36,44,320
<b>Measured at FVTPL</b>						
i) Current Investments - Mutual funds	3,10,404	5,11,144	5,23,990	3,10,404	5,11,144	5,23,990
<b>Total financial assets</b>	<b>111,24,42,359</b>	<b>71,45,04,302</b>	<b>62,24,80,915</b>	<b>111,24,42,359</b>	<b>71,45,04,302</b>	<b>62,24,80,915</b>
<b>Financial liabilities</b>						
<b>Measured at amortised cost</b>						
i) Borrowings	28,41,86,099	9,03,59,903	10,51,15,780	28,41,86,099	9,03,59,903	10,51,15,780
ii) Other financial liabilities	2,32,95,061	3,34,32,646	2,10,94,847	2,32,95,061	3,34,32,646	2,10,94,847
iii) Trade payables	32,39,08,895	15,02,97,779	10,09,29,045	32,39,08,895	15,02,97,779	10,09,29,045
<b>Total financial liabilities</b>	<b>63,13,90,055</b>	<b>27,40,90,328</b>	<b>22,71,39,672</b>	<b>63,13,90,055</b>	<b>27,40,90,328</b>	<b>22,71,39,672</b>

### 39. FAIR VALUE HIERARCHY

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

The categories used are as follows:

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

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

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

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis.

Some of the Company's financial assets are measured at the fair value at the end of each reporting period.

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

Financial assets/ Financial liabilities	Fair value as at			Fair value hierarchy	Valuation technique and key input
	March 31, 2017	March 31, 2016	April 1, 2015		
1) Investments in quoted mutual funds	Investment in Quoted mutual funds - aggregate face value - <b>Rs. 3,10,404</b>	5,11,144	5,23,990	Level1	Quoted bid prices in an active market
2) Investments in equity instruments (quoted)	Listed equity securities in various companies domiciled in India aggregate fair value of <b>(Rs. 2,73,21,855)</b>	1,26,63,831	1,36,44,320	Level1	Quoted bid prices in an active market

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



#### 40. FINANCIAL RISK MANAGEMENT

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, credit risk and foreign currency risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also planned before the Board of Directors of the Company.

##### **A. Credit risk**

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

##### **Trade receivables:-**

Concentration of credit risk with respect to trade receivables are limited, due to Company's customer base being large and diverse. All trade receivables are reviewed and assessed for default on a monthly basis.

On historical experience of collecting receivables is that credit risk is low. Hence, trade receivables are considered to be a single class of financial assets.

##### **Other financial assets:-**

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

The Company's maximum exposure of credit risk as at March 31, 2017, March 31, 2016 and April 1, 2015 is the carrying value of each class of financial assets.

##### **B. Foreign currency risk management**

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

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

The following table presents foreign currency risk from non-derivative financial instruments as of March 31, 2017, March 31, 2016 and April 1, 2015.

(Amount in Rs.)

	31.3.2017		31.3.2016		1.4.2015	
	\$	€	\$	€	\$	€
<b>Assets :</b>						
Trade receivables	37,01,19,549	–	12,24,08,151	–	–	–
Cash and cash equivalents	8,36,65,839	–	2,36,26,070	–	–	–
<b>Liabilities :</b>						
Trade payables	–	–	–	–	–	–
Net asset / (liabilities)	45,37,85,388	–	14,60,34,221	–	–	–

#### Foreign currency sensitivity analysis

A 5% strengthening of the INR against key currencies to which the Company is exposed would have led to approximately an additional Rs.2,26,89,268 gain in the Statement of Profit and Loss (2015-16: Rs. 73,01,711 gain). A 5% weakening of the INR against these currencies would have led to an equal but opposite effect.

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

#### C. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2017 and March 31, 2016. Cash flow from operating activities provides the funds to service the financial liabilities on a day to day basis.

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

#### D. Capital Management

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

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

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

41. DIVIDEND

The board of directors at its meeting held on 24th May, 2017 have recommended a dividend of Rs.3/- share of face value of Rs.10/- each for the financial year ended 31.3.2017. The above is subject to approval at the ensuing Annual general meeting of the company and hence is not recognised as a liability.

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

- i) Loans and advances in the nature of loans given to company in which Directors are interested Rs. NIL. (March 31, 2016 : Rs. NIL).
- ii) Details of investments, loans / guarantees made u/s 186 of Companies Act 2013 : Rs. NIL (March 31, 2016 : Rs. NIL).

43. 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.

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

45. Paise have been rounded off.

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Signatures to Note Nos. 1 to 45 forming part of the Accounts

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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, 2017

For and on behalf of the Board

P. NARENDRANATH CHOWDARY

Chairman

J. MURALI MOHAN

Managing Director

P. KESAVULU REDDY

President & Secretary



# Jocil Limited

(A Subsidiary of The Andhra Sugars Limited)

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

Form No. MGT-11

## PROXY FORM

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

Name of the Member(s) : .....

Registered Address : .....

E-mail Id : .....

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

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

1. Name : ..... Email Id : .....

Address : .....

..... Signature : .....

2. Name : ..... Email Id : .....

Address : .....

..... Signature : .....

3. Name : ..... Email Id : .....

Address : .....

..... Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty Ninth Annual General Meeting of the Company to be held on Thursday, 28<sup>th</sup> September, 2017 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 31<sup>st</sup> March, 2017.
2. Declaration of dividend for the financial year 2016-17.

P.T.O.

3. Re-appointment of Shri Mullapudi Mrutyumjaya Prasad (DIN : 01500271) who retires by rotation.
4. Appointment of auditors and fixing their remuneration.
5. Ratification of Cost Auditor's remuneration.
6. Re-appointment of Shri Jagarlamudi Murali Mohan (DIN : 00114341) as Managing Director.

Signed this ..... day of ..... 2017.



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.

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Form No. SH-13

Nomination Form

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

To

Jocil Limited

Dokiparru, Medikondur Mandal, Guntur - 522 438.

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

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

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

2. PARTICULARS OF NOMINEE/S -

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

3. IN CASE NOMINEE IS A MINOR-

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

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

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

Signature:

Name and address of the Security Holder (s) :

Witness with name and address :

#### Instructions :

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

#### Guidelines for filling in the Nomination Form :

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

Form No. SH-14

Cancellation or Variation of Nomination

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

Jocil Limited

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

or

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

1. PARTICULARS OF THE SECURITIES  
 (in respect of which nomination is being cancelled / varied )

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

2. PARTICULARS OF NOMINEE/S -

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

3. IN CASE NOMINEE IS A MINOR-

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

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

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

Signature:

Name and address of the Security Holder (s) :

Witness with name and address :





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email : [jocil@jocil.net](mailto:jocil@jocil.net) • web : [www.jocil.in](http://www.jocil.in)