



Jocil Limited

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

BOARD OF DIRECTORS

Dr. Mullapudi Harischandra Prasad

J. Murali Mohan

P. Narendranath Chowdary

Mullapudi Thimmaraja

Y. Narayanarao Chowdary

V.S. Raju

K. Srinivasa Rao

M. Gopalakrishna

Subbarao V. Tipirneni

Chairman

Managing Director

Director

Director

Director

Director

Director

Director

Director

PRESIDENT & SECRETARY

P. Kesavulu Reddy,

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

BANKERS

Andhra Bank, Guntur.

State Bank of India, Guntur.

STOCK EXCHANGES

National Stock Exchange of India Ltd.,

Exchange Plaza, Bandra Kurla Complex

Bandra (East), Mumbai - 400 051.

AUDITORS

Brahmayya & Co.,

Chartered Accountants,

10-3-21, Sambasivapet,

Guntur - 522 001.

Madras Stock Exchange Ltd.,

Post Box No. 183,

11, Second Line Beach,

Chennai - 600 001.

COST AUDITORS

Narasimha Murthy & Co.,

104, Pavani Estate,

3-6-365, Himayatnagar,

Hyderabad - 500 029.

COMMON SHARE REGISTRAR & TRANSFER AGENT (RTA)

XL Softech Systems Ltd.,

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

Hyderabad - 500 034.

An ISO 9001:2008

Certified Company



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NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Thirty Third Annual General Meeting of the Shareholders of Jocil Limited will be held at the Registered Office of the Company, Dokiparru, Guntur - 522 438, AP on Saturday, the 17th September, 2011 at 3.30 p.m. to transact the following business :

Ordinary Business :

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31st March, 2011 and the Balance Sheet as at that date together with the Reports of Board of Directors and Auditors thereon.
2. To declare dividend for the year 2010-11.
3. To elect a Director in place of Shri Mullapudi Thimmaraja who retires by rotation and being eligible offers himself for re-election.
4. To elect a Director in place of Shri K. Srinivasa Rao who retires by rotation and being eligible offers himself for re-election.
5. To appoint Auditors for the year 2011-12 and to fix their remuneration. The present auditors of the Company M/s. Brahmayya & Co., Chartered Accountants, Guntur, retire at this Annual General Meeting and are eligible for reappointment.

Special Business :

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution.
 "RESOLVED that pursuant to Sections 16, 31 and 94 and other applicable provisions, if any of the Companies Act, 1956 the Authorized Share Capital of the Company be increased from Rs.5,00,00,000 (Rupees five crores only) divided into 50,00,000 equity shares of Rs.10 each to Rs.10,00,00,000 (Rupees Ten Crores only) divided into 1,00,00,000 equity shares of Rs.10 each by creation of 50,00,000 equity shares of Rs.10 each ranking pari passu with the existing equity shares of the Company and the respective capital clauses in the Memorandum and Articles of Association of the Company do stand altered accordingly and as provided in the succeeding resolutions to be proposed at this meeting."
7. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution.
 "RESOLVED that the existing Clause V of the Memorandum of Association of the Company and existing Clause 3(a) of the Articles of Association of the Company be altered in the following manner :
 - i) For the existing matter in Clause V of the Memorandum of Association "The Authorized Share Capital of the Company is Rs.5,00,00,000 (Rupees five crores only) divided into 50,00,000 equity shares of Rs.10 each." the following shall be substituted.
 "The Authorized Share Capital of the Company is Rs.10,00,00,000 (Rupees Ten Crores only) divided into 1,00,00,000 equity shares of Rs.10 each."
 - ii) For the existing matter in Clause 3(a) of the Articles of Association "The Authorized Share Capital of the Company is Rs.5,00,00,000 (Rupees five crores only) divided into 50,00,000 equity shares of Rs.10 each." the following shall be substituted.
 "The Authorized Share Capital of the Company is Rs.10,00,00,000 (Rupees Ten Crores only) divided into 1,00,00,000 equity shares of Rs.10 each."
8. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution.
 - i) "RESOLVED that subject to approvals as may be required, a sum of Rs.4,44,05,750 (Rupees Four Crores forty four lakh five thousand seven hundred fifty only) out of the sums standing to the credit of General Reserve in the Books of the Company as at 31-03-2011, be capitalized and transferred from such reserve to Share Capital and applied for issuing 44,40,575 equity shares of Rs.10 each in the capital of the Company, credited as fully Paid-up and such shares shall be distributed as Bonus Shares amongst the holders of the equity shares appearing on the Register of Members as on the "Record Date" to be notified after the ensuing 33rd Annual General Meeting of the Company in the proportion of one fully Paid-up equity share of Rs.10 for every one equity share held by them.

- ii) The above Bonus Shares shall, in all respects, rank pari passu with the existing equity shares including the right to participate equally in the dividend that may be declared for the Company's financial year ending on 31st March 2012 and in the subsequent years and the Bonus Equity Shares so distributed shall be treated for all purposes as an increase, in the nominal amount of the capital of the Company held by each such shareholder and not as income.
- iii) No Letters of Allotment shall be issued but the Share Certificates in respect of the bonus shares shall be completed and issued to the shareholders or where the shares are dematerialized the bonus shares will be credited to the account of the shareholders within the prescribed time fixed by the applicable law.
- iv) The said 44,40,575 equity shares of Rs.10 each to be issued and allotted as bonus shares and credited as fully paid up pursuant to these resolutions shall be subject to Memorandum and Articles of Association of the Company.
- v) For the purpose of giving effect to these resolutions, the Chairman and the Managing Director be and are hereby severally authorized to take all necessary steps and to do all acts, deeds and things and settle any question or difficulties whatsoever which may arise in regard to issue and distribution of the said bonus equity shares.
- vi) It is noted, that the Board of Directors, barring unforeseen circumstances, expect to recommend a minimum dividend of 10% for the financial year ending 31-03-2012 on the increased capital including the bonus shares."

Tanuku
6th August, 2011

By Order of the Board of Directors
Dr. MULLAPUDI HARISCHANDRA PRASAD
Chairman

Notes :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The proxy form (provided with this report) should reach the Registered Office of the Company duly completed not less than 48 hours before the schedule time of the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed on Tuesday, the 23rd August, 2011 and Wednesday, the 24th August, 2011.
3. Members are requested to notify any change in address immediately to the Company's Registered Office or Registrar and Transfer Agents.
4. Pursuant to Section 205-A of the Companies Act, 1956, the unclaimed interim dividend for the year ended 31st March, 2003 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 33rd Annual General Meeting as required under Corporate Governance is attached.
6. Holders of Shares/Deposits may nominate a person(s) in Form 2B (provided at the end of this report), subject to the provisions of Companies Act, 1956 and Rules made thereunder in whose favour they wish to vest the Shares/Deposits on their death.
7. The dividend for the year ended 31st March, 2011 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 24th August, 2011 as per details provided by share Registrar and Transfer Agents (RTA). In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by the Depositories - National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL) for this purpose as on 22nd August, 2011.
8. Shareholders are requested to furnish their bank account number after implementation of Core Banking Solutions (CBS) in order to enable the Company to pay the dividend by National Electronic Clearing Service (NECS).
9. The Equity shares of the Company have been admitted into National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), both depositories, with ISIN - INE839G01010 to facilitate dematerialization. The Company has appointed M/s. XL Softech Systems Ltd., Hyderabad as Common Registrar & Transfer Agent (RTA). The shareholders may dematerialize their shares held in physical form if they desire so.

ANNEXURE TO NOTICE

Explanatory Statement as required under Sec. 173 (2) of the Companies Act, 1956.

Items No. 6 & 7 :

The Company's Authorized Share Capital is Rs. 5,00,00,000 divided into 50,00,000 equity shares of Rs.10 each. The Company proposes to issue bonus shares and out of 50,00,000 equity shares of Rs.10 each 44,40,575 equity shares were issued, subscribed and paid-up. Since the balance available shares are inadequate for bonus issue, it is proposed to increase the Authorized Share Capital. The alterations to the Memorandum and Articles of Association as proposed under Item No.7 are consequential to the proposed changes in the Authorized Share Capital of the Company. The Directors recommend to pass the proposed resolution.

The Directors are deemed to be interested in the resolution to the extent of their shareholding in the Company.

Item No. 8 :

As on 31-03-2011, the Paid-up capital of the Company is Rs.4.44 crores and the total free reserves stood at Rs.115.29 crores as against the gross value of Fixed Assets of Rs.139.44 crores. In order to widen the capital base of the Company so as to bring it in line with its Fixed Assets, Turnover and Profitability, it is proposed to capitalize a sum of Rs.4,44,05,750 by appropriating from the amount standing to the credit of General Reserve as on 31-03-2011 and issue bonus equity shares in proportion of one fully paid-up equity shares of Rs.10 for every one equity share held.

The proposed issue of bonus shares is permitted by Clause 162 of the Articles of Association of the Company and is in accordance with the latest guidelines issued by the Securities & Exchange Board of India.

The Board recommends the adoption of the resolution.

The Directors are interested in the above resolution to the extent of their shareholding in the Company.

Tanuku
6th August, 2011

By Order of the Board of Directors
Dr. MULLAPUDI HARISCHANDRA PRASAD
Chairman

ABBREVIATED RESUME OF THE DIRECTORS SEEKING REAPPOINTMENT

1. Shri MULLAPUDI THIMMARAJA

Shri Mullapudi Thimmaraja joined as a Director on the Board of the Company on 27-10-1988. He is a graduate in Chemical Engineering and Post Graduate in Business Administration from the University of Florida, U.S.A. For more than three decades he has been the whole-time Director of the holding Company, The Andhra Sugars Limited, which is a multi product, multi division Company manufacturing Sugar and wide range of Organic and Inorganic Chemicals. No. of shares held in the Company as on 31st March, 2011 are 2,250. Shri Mullapudi Thimmaraja is a member of the Audit Committee and the Share Transfer and Shareholders/Investors Grievance Committee constituted by the Board of Directors of the Company. Particulars of directorships of other companies and memberships in committees are given below.

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

2. Shri K. SRINIVASA RAO

Shri K. Srinivasa Rao has been a Director of the Company since 1-11-1980. He is having vast experience as an Industrialist. During his tenure as Director on the Board of the Company he has tendered very valuable services for promotion and development of the Company. No. of shares held in the Company as on 31st March, 2011 are 1,62,546. He is associated with the companies and firms as given below.

Name of the Company	Position	Name of the Committee	Position
Gita Tobacco Company Pvt. Ltd.	Managing Director	—	—
Green Thumb Agro Pvt. Ltd.	Managing Director	—	—
Sree Ananthalakshmi Textiles Pvt. Ltd.	Director	—	—
Amaravathi Textiles Pvt. Ltd.	Director	—	—
Gita Cotton Trading Company	Managing Partner	—	—

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

To
The Members of Jocil Limited

This is to affirm that the Board of Directors of Jocil Limited has adopted a Code of Conduct for its Directors and Senior Management Personnel in compliance with the provisions of Clause 49(1D) of the Listing Agreement with the Stock Exchanges and Board Members and Senior Management Personnel of the Company have confirmed the compliance of provisions of the said code for the financial year ended 31st March, 2011.

Dokiparru
28th May, 2011

J. MURALI MOHAN
Managing Director

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Jocil Limited

We have examined the compliance of conditions of corporate governance by Jocil Limited for the year ended 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges where its shares are listed.

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

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

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

Guntur
28th May, 2011

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

TEN YEAR RECORD

(Rs. in Lakhs)

	Year ending 31st March									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
OPERATING RESULTS										
Gross Sales & Other Income	8344	8490	9497	8982	8451	9616	13009	21660	32694	42226
Operating Profit	2344	1938	1956	2065	1040	1461	1737	2078	3773	3790
Depreciation	540	563	575	576	561	589	527	523	511	682
Interest	107	82	55	18	4	5	24	34	55	263
Profit before Tax	1697	1292	1326	1471	475	867	1226	1521	3207	2845
Profit after Tax	1084	834	972	1110	294	556	869	969	2137	1943
Dividend Paid	222	222	333	266	222	266	311	355	444	355
Dividend Rate (%)	50	50	75	60	50	60	70	80	100	80
Retained Earnings	862	584	596	807	41	250	505	554	1619	1530
Earning per Share (Rs.)	24.41	18.77	20.99	25.00	6.62	12.53	18.70	21.82	48.12	43.75
Return on Net worth (%)	17.21	12.21	13.08	13.59	3.53	6.27	9.28	9.73	18.49	14.75
Debt Equity Ratio	0.15	0.14	0.11	0.02	0.04	0.04	0.03	0.06	0.10	0.37
Book Value (Rs.)	141.84	153.86	167.30	183.86	187.48	199.68	210.82	224.36	260.00	296.67

SOURCES OF FUNDS

Equity Capital	444	444	444	444	444	444	444	444	444	444
Reserves	5855	6389	6986	7720	7882	8425	8917	9519	11114	12730
Borrowings	943	939	791	169	356	333	271	608	1130	4817
Net Capital Employed	7242	7772	8221	8333	8682	9202	9632	10571	12688	17991

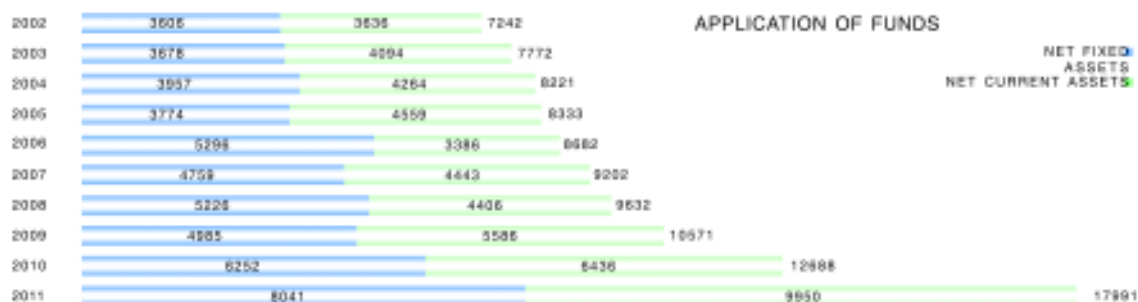
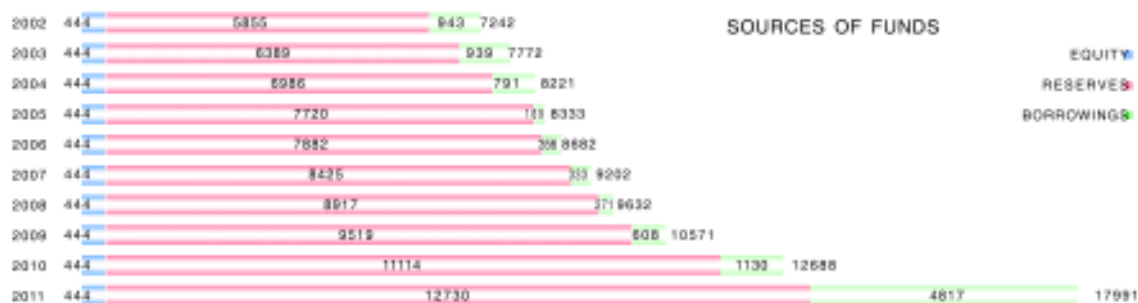
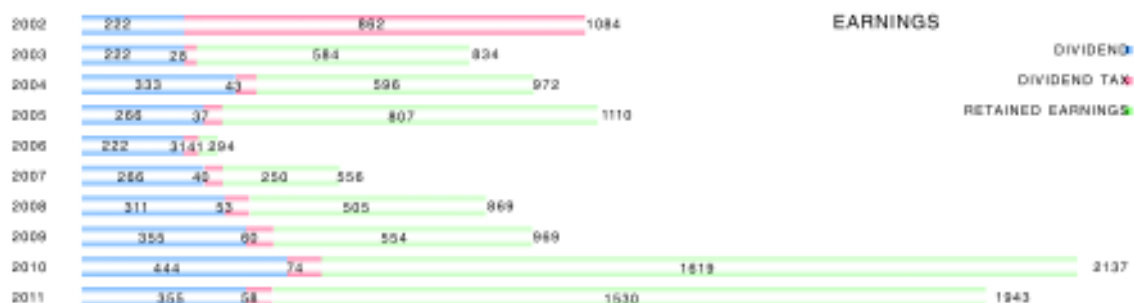
APPLICATION OF FUNDS

Gross Fixed Assets	6170	6784	7611	7749	9803	9846	10821	11090	12846	15304
Depreciation	2564	3106	3654	3974	4507	5087	5595	6105	6594	7263
Net Fixed Assets	3606	3678	3957	3774	5296	4759	5226	4985	6252	8041
Net Current Assets & Investments	3636	4094	4264	4559	3386	4443	4406	5586	6436	9950
Net Assets Employed	7242	7772	8221	8333	8682	9202	9632	10571	12688	17991

TO EXCHEQUER

Excise Duty & Service Tax	2465	2680	3193	3272	2366	2790	2528	3430	2876	4566
Sales Tax and Other Taxes	209	174	226	195	263	185	329	620	824	1139
Income Tax	365	513	400	430	48	100	263	504	1100	830
Total Taxes & Duties	3039	3367	3819	3897	2677	3075	3120	4554	4800	6535

TEN YEAR HIGHLIGHTS

Year ending 31st March
(Rs. in Lakhs)

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Thirty Third Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2011.

	(Rs. in Lakhs)	
	2010-11	2009-10
1. FINANCIAL RESULTS		
Gross Sales	41353.74	31819.17
Less : Excise Duty	3608.87	2183.96
Net Sales	37744.87	29635.21
Processing Charges	507.95	531.15
Other Income	364.06	343.58
Total Income	38616.88	30509.94
Profit for the year before Interest and Depreciation	3790.77	3773.12
Interest	(262.96)	(55.25)
Depreciation	(682.48)	(510.86)
Profit before Tax	2845.33	3207.01
Provision for Current Tax	(830.00)	(1100.00)
Deferred Tax (Provision) / Withdrawal	(86.53)	24.50
Excess/(Short) provision of Income Tax made in earlier years	13.95	5.19
Profit after Tax	1942.75	2136.70

The Company achieved a sales turnover of Rs.413.54 crores during the year, an increase by 30% over the previous year turnover of Rs.318.19 crores. Marginal growth in quantity of production and sales apart, increase in turnover is mostly due to rise in prices of finished goods necessitated by increase in prices of raw materials. The profit before interest and depreciation remained almost same in spite of rise in turnover largely due to reduced margins. The Company could not pass on the entire burden in price rise in raw materials to its customers due to stiff competition in the market as was the case with the rest of the industry. The decrease in interest income and increase in interest expense is due to utilization of surplus cash in deposits and bank borrowings under modernization cum expansion programme of fatty acid, toilet soap and glycerine plants. Depreciation expense has also gone up because of commissioning of some of the plants under the above programme. Hence, though profit before interest and depreciation is comparable with last year, Profit Before Tax (PBT) has come down considerably.

The appropriations from the profit are as detailed below :

	(Rs. in Lakhs)	
	2010-11	2009-10
Profit after Tax	1942.75	2136.70
Balance brought forward from previous year	1215.41	596.52
Profit for appropriations	3158.16	2733.22
APPROPRIATIONS		
Dividend	355.25	444.06
Provision for Tax on distributed profits @ 16.2225% on dividend	57.63	73.75
Transfer to General Reserve	1000.00	1000.00
Balance carried forward	1745.28	1215.41
Total	3158.16	2733.22
Authorised Capital	500.00	500.00
Paid up Capital	444.11	444.11
Reserves & Surplus	11568.69	10038.82

2. DIVIDEND

Considering the profitability of the Company, the Board of Directors are pleased to recommend for the approval of the shareholders of the Company for payment of dividend for the year ended 31-3-2011, at Rs.8/- per equity share of Rs.10/- each, which aggregates to Rs.3,55,24,600/- on the 44,40,575 equity shares in the share capital of the Company. In the previous year the Company paid dividend at Rs.10/- per equity share of Rs.10/- each.

3. OPERATIONS

	2010-11 MT	2009-10 MT
Production (including processed on jobwork)		
a) Fatty Acids	57485	55505
b) Toilet Soap	9630	9883
c) Soap Products	48229	43920
d) Glycerine	1704	1352
e) Industrial Oxygen (cubic meters)	426157	359572
f) Biomass Power (kwh)	19060975	25364665
g) Wind Power (kwh)	15762891	13817819
Sales		
a) Fatty Acids	25708	27089
b) Toilet Soap	1682	1665
c) Soap Products	42810	38763
d) Glycerine	1463	1399
e) Industrial Oxygen (cubic meters)	414458	356317
f) Biomass Power (kwh)	4906300	9178600
g) Wind Power (kwh)	15762891	13817819

4. OUTLOOK

Fatty Acids and Soap

Production and sales of fatty acids, soap products and toilet soap during the year should have been much better than the figures posted but for the lower demand since February 2011. It could be due to rise in prices, high inventory with the customers caused by heavy purchases in anticipation of further increase in prices, slow down in industry etc. Under expansion cum modernization programme, installation and commissioning of Bleacher, Distillation Plant, Soap Finishing Line have been completed and Hydrogenation Plant, Continuous Saponification & Soap Drying Plant are under advanced stage and expected to be completed by July 2011. Glycerine Plant for processing crude to Refined Glycerine, a by-product from fatty acid splitting plant, not being a constraint for running other plants was taken up last and is expected to be completed by October 2011. On commissioning of these plants the Company will have on hand additional capacity with improved technology for producing additional range of superior quality products. The delay in implementation of some of the plants is due to prolonged rainy season and shortage of labour in 2010. Although the industry in general and toilet soap industry in particular may go through a rough patch in the initial part of the year it is expected to return to normalcy soon and the demand for fatty acids and soap noodles will pick up.

Biomass Power Plant

The availability of fuels continues to be the constraint in capacity utilization of Biomass Power Plant. Unexpected failure of turbine resulting in stoppage of power generation for a considerable period and running of power plant at lower capacity due to uncertainty of fuel availability, slipped generation to 190.61 lakh kwh from 224.50 lakh kwh in the previous year accounting for capacity utilization of less than 50%. While the fuel costs have gone up power purchase price by AP Transco came down from Rs.3.80 per kwh to Rs.3.54 per kwh, this being the price fixed by APERC for the biomass power plants which have completed 10 years of generation for surplus power exported.

The decision on the appeal filed by the Company before the Supreme Court for payment of fixed costs for supplies over 2.4 Mw is still pending. The legal action initiated by the Biomass Energy Developers Association (BEDA) on behalf of its members for increase in power purchase price by AP Transco before the Supreme Court was undecided as the Court redirected the issue for reconsideration by APERC.

The underlying positive factor of this plant is that it being a captive power generation plant, the Company is able to run the processing plants and meet the production targets effectively without getting affected by power cuts / interruptions during power shortage.

Wind Energy Generators (WEG)

There are 4 wind energy generators (WEGs) of the Company aggregating to 6.3 Mw all set up in the State of Tamil Nadu. The power generation during the year under review is 157.63 lakh units for installed capacity of 6.3 Mw as against 138.18 lakh units in the previous year for installed capacity of 4.8 Mw. The generation per Mw during the year under review was extremely low because of prolonged rainy season in which the wind velocity drops. The low wind velocity is a temporary phenomenon due to wind cycles and the generation is expected to improve in the next year.

Credit Rating

The Company obtained credit rating of CARE A+ (adequate safety for timely servicing of debt obligation) for long term facilities and PRI (strong capacity for timely repayment and carry lowest credit risk) for short term facilities from Banks through the credit rating agency CARE.

5. CONSERVATION OF ENERGY & ENVIRONMENTAL SAFETY

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

- a) Fatty Acid Distillation Plant-6 is modified to reduce consumption of utilities and material changeover time.
- b) Steam driven vapour absorption chilling unit of 415 TRU (energy efficient) is procured to replace Electrical Chiller & low efficiency low capacity vapour absorption chilling unit.
- c) Energy efficient steam driven condensate pump is installed for chilling unit to recover steam condensate.
- d) Bag filters have been installed for Thermic Fluid Heaters and low pressure steam boiler to reduce atmospheric emissions.
- e) Soap lines are automated wherever possible to reduce manpower and energy consumption.

6. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, the Company exported Fatty Acids to Sri Lanka and earned foreign exchange equivalent to Rs.36,59,13,419/- (previous year Rs.44,61,48,528/-). The Company imported raw materials and equipment during the year resulting in foreign exchange outgo equivalent to Rs.91,67,71,890/- (previous year Rs.75,91,05,662/-).

7. FINANCE

The Company availed working capital facilities under consortium arrangement from Andhra Bank, State Bank of India and separately from Axis Bank and the accounts are in order. To meet part of the funds requirement for working capital as well as for expansion cum modernization programme, the Company also availed unsecured short term loans from HDFC Bank and ICICI Bank.

8. FIXED DEPOSITS

The Company has accepted Fixed Deposits from the Public and Shareholders during the year under review. There are no matured and unclaimed deposit as on 31st March, 2011.

9. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Shri M. Thimmaraja and Shri K. Srinivasa Rao, Directors retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

10. AUDITORS

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

11. COST AUDITORS

The Company was directed by the Central Government for Cost Audit of the Cost Accounting Records maintained by the Company in respect of the products Soap and Industrial Oxygen for the year 2010-11. Accordingly for conducting the cost audit, M/s. Narasimha Murthy & Co., Cost Accountants, Hyderabad were appointed as Cost Auditors for both the products.

12. PERSONNEL

The Directors wish to place on record their appreciation to all the employees of the Company for their sustained efforts and valuable contribution to the performance of the Company during the year. The Statement of Particulars of Employees pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is annexed to and forms part of this report.

13. CORPORATE GOVERNANCE

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

14. DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of the annual accounts for the year ended March 31, 2011, the applicable Accounting Standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2011 and of the profit of the Company for the year ended on that date;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) the directors have prepared the annual accounts of the Company on a going concern basis.

15. ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation for the wholehearted and sincere cooperation the Company received from various departments of Central and State Governments, Bankers, Auditors, Dealers and Suppliers to 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
28th May, 2011

For and on behalf of the Board of Directors
Dr. MULLAPUDI HARISCHANDRA PRASAD
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

Particulars of Employees as required by Sub-Section 2-A of Section 217 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31-03-2011.

Name	Age Years	Designation	Gross Remuneration Rs.	Net Remuneration Rs.	Qualification	Experience Years	Commencement of employment with the Company	Last Employment held
J. Murali Mohan	61	Managing Director	77,80,833	45,26,297	B.Tech., (Chemical Engineering) M.B.A.	32	16-02-1990	Marketing Manager, I.T.C. Ltd., (ILTD Division)

Notes :

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

FORM-B

DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

Research and Development (R & D)

1. Specific areas in which R & D carried out by the Company :
Fatty acid technology - for better mix of fatty acids to improve the quality of Stearic Acid & Soap Noodles.
2. Benefits derived as a result of the above R & D :
Ability to meet customer specific requirements.
3. Future Plan of action :
Continuous efforts for improvement in quality and yields of Fatty Acids, Soap Noodles & Toilet Soap.
4. Expenditure on R & D :

	(Rs. in Lakhs)	
	2010-11	2009-10
a) Capital	0.62	0.07
b) Recurring	48.12	36.36
Total	<u>48.74</u>	<u>36.43</u>
Total R & D expenditure as a percentage of turnover	<u>0.12</u>	<u>0.11</u>

Technology Absorption, Adaptation and Innovation

1. Efforts in brief, made towards technology absorption, adaptation and innovation :
The Company maintains contacts with technical experts in the field of Toilet Soap, Fatty Acids and Energy.
2. Benefits derived as a result of the above efforts :
Improved capability and productivity to meet customer requirements.
Reduced energy consumption.
3. Imported Technology : – Nil –

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a) Industry Structure and Developments :

The Company is engaged in the manufacture of Stearic Acid Flakes, Fatty Acids, 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 and towns in the country. The Company also manufactures Soap Noodles and Toilet Soap on jobwork for reputed customers. Biomass Power Plant is a captive power plant and surplus power is sold to AP Transco. Power generated from Wind Energy Generators (WEG) set up in Tamil Nadu is sold to Tamil Nadu Electricity Board.

Majority of the Fatty Acids produced are consumed as raw material in Soap Industry for Toilet Soap making. Hence, performance of Toilet Soap Industry will have its impact on the demand for Fatty Acids. Stearic Acid is a chemical used in the manufacture of rubber, plastics, metal polish, stearates, textiles, leather, cosmetics etc. and wide fluctuations in demand are not expected. Glycerine and Industrial Oxygen are by-products.

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

Steam and Power requirements of Process Plant are met from the 6 Mw Biomass Cogeneration Power Plant within the premises. The fuels intended for running the plant are field residues like Cotton Stalks, Chili Stalks etc., available in the surrounding areas. However, their availability at present is insufficient due to several other Power Plants requiring the same fuels coming up in the surrounding areas and also due to shortage of labour and increase in labour cost. During the year the company received a good quantity of Subabul to meet part of the fuel requirements, albeit at a higher price. Problems apart, the major advantage with the captive power plant is that the processing plants of the company are insulated from power cuts and problems associated with irregular supply by power distribution companies during the periods of power shortage.

The Company is having four wind mills set up in the state of Tamil Nadu where the wind velocity is considered to be favourable for power generation.

Continuous development efforts are being made to absorb the latest technologies and practices. Quality Management Systems (QMS) Standard ISO 9001:2000 obtained from Det Norske Veritas (DNV), a renowned certification agency in the year 2005 was upgraded to ISO 9001:2008 version.

b) Opportunities and Threats :

Toilet Soap Industry experienced a healthy growth in the years 2008-09 and 2009-10 and fatty acid industry which provides raw materials to soap industry benefited by increasing its volumes. In the year 2010-11 the prices of raw materials for fatty acids, non-edible oils and fatty acid distillates have gone up enormously by 30 to 40% exerting heavy pressure on Industry for increase in prices of its finished products. Most of the multi-national companies in Toilet Soap Industry were able to increase their prices by 5 to 8% and absorb rise in their raw material prices to some extent. However, the prices of fatty acids are so high that there is heavy resistance from consumers and consequently volumes have come down since February 2011. There is downward trend in raw materials prices from March 2011 and it may take some more time for them to settle down to reasonable levels for the fatty acid industry to pick up.

The standard rate of Excise Duty at 10% was maintained at the same level without any change in Budget 2011. All the goods manufactured by the company attract 10% duty. The disadvantage faced by the units located in excise duty non-exempted areas as compared to the units located in excise duty exempted areas in cost of production continues to be the same as it was in last year.

Toilet Soap market is dominated by a few well established brands and manufacturers. Toilet Soap being a consumer product requires extensive market network, brand image, advertisement etc., for successful marketing. Corporations having good market network are entering into the Toilet Soap market with new brands by outsourcing. There are opportunities to meet such requirements but the volumes are limited in scope at present as these manufacturers themselves have created additional production facilities in the exempted areas.

Biomass Power Plants and Wind Energy Generators generate power from renewable sources of energy. The cost of generation of power from these sources will be much higher than the power generated from conventional sources of energy due to high capital investment and fuel costs, low PLF, smaller size of the plants etc. Therefore promotion of power generation from these sources needs support from Government by way of higher purchase price, subsidies, concessions etc.

In an attempt to boost the renewable energy generation in the country the Government of India launched the Renewable Energy Certificates (REC) mechanism. REC is a market based instrument which enables the obligated entities to meet their renewable energy purchase obligations. All energy distribution licensees are required to buy a minimum level of renewable energy, as per Electricity Act imposed by State Electricity Regulatory Commission. The mechanism has so far not been implemented by the A.P. State Electricity Regulatory Commission to avail the benefits.

The open market price for energy during summer is much higher than the rate paid by power distribution companies of the State Governments to power producers from biomass and wind. Substantial quantity of power from wind mills and Biomass Power Plants is generated during summer. However, due to fluctuations in power generation by WEGs and variations in surplus power available for sale from captive Biomass Power Plant, the net realization in the open market for unscheduled supplies of power may not be attractive.

c) Segment-wise or Product-wise performance :

Segment-wise performance of the Company is given separately at page no. 41.

d) Outlook :

The slowdown in fatty acid and toilet soap industry since February 2011 is expected to be for a short duration for the raw material prices which are slowly coming down to stabilize at affordable levels. The technical upgradation and increase in plant capacity under expansion cum modernization programme of fatty acid, toilet soap and glycering plants coming into effect by July 2011 is expected to further improve the operations of the Company.

e) Risks and Concerns :

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

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

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 and biomass availability and its cost.

f) Internal Control Systems and their adequacy :

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

The internal controls are supplemented by internal audits by M/s. Mastanaiah & Co., Chartered Accountants, Guntur. The internal controls and internal audit ensure that appropriate finance records are available for preparing financial statements and other data for maintaining accountability of assets.

g) Financial performance with respect to Operational performance :

During the year the Profit Before Tax has come down due to increase in raw material prices, interest expense and provision for depreciation as compared to the previous year.

h) Human Resources :

As on 31st March, 2011 the total number of persons employed by the Company, both in factory and office was 794. The Management of the Company maintains good relations with the employees. Since the inception of the Company in 1980 there have been no labour problems.

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

AUDITORS' REPORT

TO THE SHAREHOLDERS OF JOCIL LIMITED,

We have audited the attached Balance Sheet of Jocil Limited as at 31 March 2011, its Profit and Loss Account for the year ended on that date annexed thereto, and its Cash-flow Statement for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of such books;
- c) The Balance Sheet and Profit and Loss Account and Cash-flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Profit and Loss account and Cash-flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereto, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date, and
 - iii) in the case of the Cash-flow Statement of the cash-flows of the company for the year ended on that date.

Guntur
28th May, 2011

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

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

- 1.1 According to the information and explanations furnished to us, the company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- 1.2 According to the information and explanations furnished to us, the company has physically verified its fixed assets during the year and no material discrepancies were noticed on such verification.
- 1.3 According to the information and explanations furnished to us, the company has not disposed of a substantial part of its fixed assets during the year as to affect the going concern assumption in preparing the financial statements under report.
- 2.1 According to the information and explanations furnished to us, during the year under report the company has physically verified its inventories during the year. In our opinion, the frequency of such verification to the extent carried out is reasonable.
- 2.2 In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- 2.3 According to the information furnished to us, the company is maintaining proper records of its inventory. The discrepancies if any noticed on verification of inventories between the physical stocks and the book records were not material, and have been properly dealt with in the books of account.
- 3.1 According to the information and explanations furnished to us, the company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, at the beginning of the year or during the year, and consequently reporting under sub-clauses b, c and d of clause 4(iii) of the order does not arise during the year.
- 3.2 According to the information and explanations furnished to us, the company has taken Fixed deposits aggregating at the date of the Balance Sheet to Rs.35.58 lakhs from a Director and Rs.115.75 lakhs from 4 parties covered in the register maintained under Section 301 of the Companies Act 1956.
- 3.3 In our opinion, the rate of interest and other terms and conditions on which Fixed deposits have been taken by the company from parties covered in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
- 3.4 According to the information and explanations furnished to us, the company has been regular in repaying the principal and interest amounts as stipulated on the deposits taken by it from the parties covered in the register maintained under Section 301 of the Companies Act 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. Further, during the course of our audit, we have not come across any instances of major weaknesses in internal control system that in our opinion, require correction but have so continued without correction.
- 5.1 Based on the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- 5.2 In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements that have been entered in the Register referred to in Section 301 of the Companies Act have been made at prices which are reasonable having regard to prevailing market prices and other terms of business with such parties, at the relevant time.

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

Sl. No.	Name of the statute	Nature of the dues	Amount (Rs.)	Forum where dispute is pending	Period
1.	Central Excise Act, 1944	Excise duty	88,97,229	CESTAT, Bangalore	2008
2.	Central Excise Act, 1944	Excise duty	1,73,153	Commissioner of Customs and Central excise (Appeals), Guntur	2008 and 2009

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

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

Guntur
28th May, 2011

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

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration details

- a) Registration No. (CIN) : L28990AP1978PLC002260
 b) State Code : 01
 c) Balance Sheet Date : 31-3-2011

II. Capital raised during the year

- | | | | | | |
|-----------------|---|-----|----------------------|---|-----|
| a) Public Issue | : | Nil | b) Rights Issue | : | Nil |
| c) Bonus Issue | : | Nil | d) Private Placement | : | Nil |

III. Position of Mobilisation & Deployment of Funds

(Rs. in Thousands)

a) Total Assets	239,35,61	b) Total Liabilities	239,35,61
Sources of Funds		Application of Funds	
a) Paid-up Capital	4,44,11	a) Net Fixed Assets	80,40,45
b) Reserves & Surplus	115,68,69	b) Investments	1,45,40
c) Secured Loans	24,95,10	c) Net Current Assets	98,04,66
d) Unsecured Loans	23,21,51	d) Misc. Expenditure	—
e) Deferred Tax	11,61,10	e) Accumulated loss	—
Total	179,90,51	Total	179,90,51

IV. Performance of Company

a) Turnover	382,52,82
b) Other Income	3,64,06
Total	386,16,88
c) Total Expenditure	357,71,55
d) Profit Before Tax	28,45,33
e) Profit After Tax	19,42,75
f) Earnings per Share (in Rs.)	43.75
g) Dividend Rate (%)	80.00

V. Generic Names of Three Principal Products / Services of Company (as per monetary terms)

1. Item Code No. (ITC Code)	:	15191100
Product Description	:	Stearic Acid
2. Item Code No. (ITC Code)	:	34012000
Product Description	:	Soap Products
3. Item Code No. (ITC Code)	:	15191900
Product Description	:	Fatty Acids

As per our report of even date :
 For BRAHMAYYA & Co.,
 Chartered Accountants
 Firm Regn. No. 0005135
 K. RAJAJ, Partner
 ICAI Memb. No. 202309
 Guntur
 28th May, 2011

For and on behalf of the Board

Dr. MULLAPUDI HARISCHANDRA PRASAD

J. MURALI MOHAN

P. KESAVULU REDDY

Chairman

Managing Director

President & Secretary

STATEMENT ON ACCOUNTING POLICIES

1. GENERAL

The Accounts are prepared under the historical cost convention and in accordance with generally accepted accounting practices.

2. FIXED ASSETS

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

3. DEPRECIATION

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

1. Under straight line method in respect of Plant and Machinery of Wind Mill division.
2. Under written down value method on the remaining assets of the company.

4. INTANGIBLE ASSETS

Intangible assets are stated at cost of acquisition less accumulated amortization. The intangible assets, being Computer Software is amortized over a period of 5 years on Straight Line Method.

5. INVESTMENTS

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

6. INVENTORIES

- a) Finished goods are valued at lower of cost or net realizable value.
- b) Cost of work-in-progress and finished goods includes appropriate portion of overheads etc., and excise duty wherever applicable.
- c) Raw materials, stores and spares are valued at cost using weighted average method.
- d) 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.
- e) By-products and scrap are valued at net realizable value.
- f) Dedicated machinery spares which can be used only in connection with an item of fixed assets and whose use is expected to be irregular are amortized over the estimated useful life of the principal assets.

7. SALES

Sales are inclusive of Excise Duty and Packing Charges and net of rebates and Sales Tax. Sales Tax collected from customers and remitted to the authorities is not reflected in the Profit and Loss account and on completion of the sales tax assessments, the net liability, if any, payable by the company, is charged to the Profit and Loss account.

Power consumed in other units is accounted at the rate fixed for payment for sale to AP Transco.

8. TAXES ON INCOME

Current tax is determined as per the provisions of Income Tax Act, 1961 in respect of taxable income for the year.

Deferred tax liability is recognised, subject to the consideration of prudence on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

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

9. SEGMENT REPORTING

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

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

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

10. 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 Profit and Loss account. There is no other obligation other than the contribution payable.

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

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

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

11. RESEARCH & DEVELOPMENT EXPENDITURE

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

12. FOREIGN EXCHANGE TRANSACTIONS

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

At each Balance Sheet date

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

13. IMPAIRMENT OF ASSETS

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

14. CONTINGENT LIABILITIES

Contingent Liabilities are not recognized in the accounts, but are disclosed after a careful evaluation of the concerned facts and legal issues involved.

15. DIVIDENDS

Provision is made in the Accounts for the Dividends payable by the Company as recommended by the Board of Directors, pending approval of the Shareholders at the Annual General Meeting. Tax on distributable Profits is provided for in the year to which such distributable Profits relate.

BALANCE SHEET AS AT 31st March, 2011

	Schedule	As at 31-3-2011 Rs.	As at 31-3-2010 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Capital	1	4,44,10,500	4,44,10,500
Reserves & Surplus	2	115,68,69,103	100,38,82,029
Loan Funds			
Secured Loans	3	24,95,10,370	3,47,93,615
Unsecured Loans	4	23,21,51,374	7,82,92,794
Net Deferred Tax Liability		<u>11,61,10,121</u>	<u>10,74,56,953</u>
(See Note No. 12)	Total	<u>179,90,51,468</u>	<u>126,88,35,891</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block		139,44,35,216	121,00,02,136
Less: Depreciation		<u>72,63,15,450</u>	<u>65,94,27,245</u>
Net Block	5	66,81,19,766	55,05,74,891
Capital Work-in-Progress		12,66,93,414	6,28,35,018
Advance for Capital Goods		<u>92,32,105</u>	<u>3,92,84,067</u>
		<u>80,40,45,285</u>	<u>65,26,93,976</u>
Investments	6	<u>1,45,40,374</u>	<u>1,00,10,125</u>
Current Assets, Loans and Advances			
Inventories	7	67,55,06,154	29,76,92,856
Sundry Debtors	8	43,85,61,908	35,53,16,081
Cash and Bank Balances	9	4,46,15,362	10,37,57,796
Other Current Assets	10	79,310	5,35,381
Loans and Advances	11	<u>41,62,13,300</u>	<u>24,04,35,361</u>
		<u>157,49,76,034</u>	<u>99,77,37,475</u>
Less : Current Liabilities and Provisions			
Current Liabilities	12	29,89,46,810	15,22,85,441
Provisions	13	<u>29,55,63,415</u>	<u>23,93,20,244</u>
		<u>59,45,10,225</u>	<u>39,16,05,685</u>
Net Current Assets		<u>98,04,65,809</u>	<u>60,61,31,790</u>
Total		<u>179,90,51,468</u>	<u>126,88,35,891</u>
Note : The Schedules, Notes and Statement on Accounting Policies form an integral part of the Balance Sheet.			

As per our report of even date :
For BRAHMAYYA & Co.,
Chartered Accountants
Firm Regn. No. 000513S
K. RAJAJ, Partner
ICAI Memb. No. 202309
Guntur
28th May, 2011

For and on behalf of the Board

Dr. MULLAPUDI HARISCHANDRA PRASAD

J. MURALI MOHAN

P. KESAVULU REDDY

Chairman

Managing Director

President & Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2011

	Schedule	Year ended 31-3-2011 Rs.	Year ended 31-3-2010 Rs.
INCOME			
Gross Sales		418,61,69,010	323,50,31,620
Less : Excise duty		<u>36,08,87,271</u>	<u>21,83,96,299</u>
		382,52,81,739	301,66,35,321
Other Income	14	3,64,06,218	3,43,57,603
Increase in Stocks	15	<u>11,00,18,212</u>	<u>7,23,96,784</u>
Total Income		<u>397,17,06,169</u>	<u>312,33,89,708</u>
EXPENDITURE			
Raw Materials consumed	16	280,53,70,177	201,47,23,347
Payments and benefits to Employees	17	16,64,09,618	11,93,91,601
Manufacturing, Selling, Administrative and other expenses	18	61,90,17,636	61,05,81,013
Rates and Taxes	19	18,31,259	13,81,628
Interest	20	2,62,95,669	55,25,056
Depreciation		<u>6,82,48,340</u>	<u>5,10,86,052</u>
Total Expenditure		<u>368,71,72,699</u>	<u>280,26,88,697</u>
Profit before Tax		28,45,33,470	32,07,01,011
Less : Provision for - Income Tax		8,30,00,000	11,00,00,000
Deferred Tax		<u>86,53,168</u>	<u>—</u>
		19,28,80,302	21,07,01,011
Add : Excess provision for Income Tax in earlier years		13,94,350	5,18,817
Deferred Tax (Credit)		<u>—</u>	<u>24,50,322</u>
Profit after Tax		19,42,74,652	21,36,70,150
Add : Surplus brought forward from previous year		<u>12,15,40,879</u>	<u>5,96,51,719</u>
Profit available for appropriations		<u>31,58,15,531</u>	<u>27,33,21,869</u>
Transfer to General Reserve		10,00,00,000	10,00,00,000
Provision for proposed Dividend		3,55,24,600	4,44,05,750
Provision for Tax on distributed profits		57,62,978	73,75,240
Balance of Profit carried forward to next year		<u>17,45,27,953</u>	<u>12,15,40,879</u>
		31,58,15,531	27,33,21,869
No. of Equity shares of Rs.10 each		44,40,575	44,40,575
Basic and diluted Earning per Share (Net Profit after tax / No. of Equity shares) (19,42,74,652/44,40,575)		Rs.43.75	Rs.48.12
Note : The Schedules, Notes and Statement on Accounting Policies form an integral part of the Profit & Loss Account.			

As per our report of even date :

For BRAHMAYYA & Co.,
Chartered Accountants
Firm Regn. No. 000513S
K. RAJAJ, Partner
ICAI Memb. No. 202309
Guntur
28th May, 2011

For and on behalf of the Board

Dr. MULLAPUDI HARISCHANDRA PRASAD

J. MURALI MOHAN

P. KESAVULU REDDY

Chairman

Managing Director

President & Secretary

Schedules to Balance Sheet

	As at 31-3-2011 Rs.	As at 31-3-2010 Rs.
1. SHARE CAPITAL		
Authorised		
50,00,000 Equity Shares of Rs.10 each	<u>5,00,00,000</u>	<u>5,00,00,000</u>
Issued and Subscribed		
44,41,525 Equity Shares of Rs.10 each	<u>4,44,15,250</u>	<u>4,44,15,250</u>
Paid-up Capital		
44,40,575 Equity Shares of Rs.10 each fully paid-up	4,44,05,750	4,44,05,750
Add : Forfeited Shares (amount originally paid-up)	<u>4,750</u>	<u>4,750</u>
Total	<u>4,44,10,500</u>	<u>4,44,10,500</u>
Note : Out of the above (i) 24,43,250 Shares are held by the Holding Company, The Andhra Sugars Limited, Tanuku and (ii) 8,24,525 shares were allotted as Bonus shares fully paid-up by capitalisation of General Reserve.		
2. RESERVES AND SURPLUS		
Capital Reserve		
State Govt. Subsidy	39,66,150	39,66,150
General Reserve		
As per last Balance Sheet	80,00,00,000	70,00,00,000
Add : Transfer from Profit & Loss Account	<u>10,00,00,000</u>	<u>10,00,00,000</u>
	90,00,00,000	80,00,00,000
Share Premium	7,83,75,000	7,83,75,000
Surplus in Profit & Loss Account	<u>17,45,27,953</u>	<u>12,15,40,879</u>
Total	<u>115,68,69,103</u>	<u>100,38,82,029</u>

Schedules to Balance Sheet

	As at 31-3-2011 Rs.	As at 31-3-2010 Rs.
3. SECURED LOANS		
Long Term Loans		
Term Loan from a Bank (Secured by first Pari Passu charge on entire fixed assets of the company. Also secured by second Pari Passu charge on entire current assets of the Company)	3,75,00,000	—
Short Term Loans		
Working Capital Loans from Banks (Secured by way of hypothecation of entire current assets of the company. Also secured by second charge on fixed assets of the Company)	21,20,10,370	3,47,93,615
Total	24,95,10,370	3,47,93,615
4. UNSECURED LOANS		
Long Term Loans		
From Andhra Pradesh State Government –		
Interest Free Sales Tax Loan (Repayable from the end of 14th year from the year of receipt commencing from the accounting year 2010-11)	1,07,36,644	1,10,16,620
Short Term Loans		
Term Loans from Banks	12,07,14,932	4,00,26,301
Inter-corporate deposit from holding company	7,00,00,000	—
Fixed Deposits from – Shareholders	2,40,12,913	2,04,12,939
Directors	35,58,478	22,03,553
Public	31,28,407	46,33,381
Total	23,21,51,374	7,82,92,794

Schedules to Balance Sheet

5. FIXED ASSETS										
Name of the Asset	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Total Cost upto 31-03-2010	Additions during the year	Deductions during the year	Total Cost upto 31-03-2011	Total upto 31-03-2010	Provided during the year	Deductions during the year	Total upto 31-03-2011	As at 31-03-2011	As at 31-03-2010
Land	87,05,117	—	—	87,05,117	—	—	—	—	87,05,117	87,05,117
Factory Buildings	5,93,88,392	—	—	5,93,88,392	3,52,65,412	24,12,298	—	3,76,77,710	2,17,10,682	2,41,22,980
Non-Factory Buildings	2,46,33,275	76,14,557	—	3,22,47,832	78,32,453	9,34,962	—	87,67,415	2,34,80,417	1,68,00,822
Plant & Machinery	100,89,02,583	17,35,14,122	36,171	118,23,80,534	53,29,47,722	5,87,06,099	36,148	59,16,17,673	59,07,62,861	47,59,54,861
Electrical Installations	6,61,75,125	9,30,689	—	6,71,05,814	5,59,87,502	16,60,465	—	5,76,47,967	94,57,847	1,01,87,623
Wells and Water Works	9,39,231	—	—	9,39,231	8,88,795	7,284	—	8,96,079	43,152	50,436
Laboratory Equipment	33,66,119	61,973	4,76,076	29,52,016	20,56,758	2,58,230	4,54,709	18,60,279	10,91,737	13,09,361
Furniture & Fixtures	1,74,92,463	16,27,807	10,53,334	1,80,66,936	1,13,84,707	16,91,172	8,55,384	1,22,20,495	58,46,441	61,07,756
Library	1,44,022	—	—	1,44,022	1,44,022	—	—	1,44,022	—	—
Vehicles	1,99,08,052	22,72,784	—	2,21,80,836	1,26,52,562	25,12,933	—	1,51,65,495	70,15,341	72,55,490
Intangible Assets (Comp. Software)	3,47,757	—	23,271	3,24,486	2,67,312	64,897	13,894	3,18,315	6,171	80,455
Grand Total	121,00,02,136	18,60,21,932	15,88,852	139,44,35,216	65,94,27,245	6,82,48,340	13,60,135	72,63,15,450	66,81,19,766	55,05,74,891
Previous year	109,38,52,232	11,88,87,756	27,37,852	121,00,02,136	61,05,11,307	5,10,86,052	21,70,114	65,94,27,245	55,05,74,891	48,33,40,925

Schedules to Balance Sheet

	As at 31-3-2011 Rs.	As at 31-3-2010 Rs.
6. INVESTMENTS (At Cost)		
Government Securities :		
National Savings Certificates	3,500	3,500
Trade Investments (quoted) :		
13,652 Equity Shares of Rs.10 each fully paid-up in Andhra Bank Limited, Hyderabad	3,16,680	3,16,680
Non-Trade Investments (quoted) :		
10,07,981 (7,26,106) Equity Shares of Rs.10 each fully paid-up in The Andhra Petrochemicals Limited, Tanuku (a Company under the same management) (2,81,875 Shares acquired during the year)	1,22,92,694	77,52,445
200 Equity Shares of Rs.10 each fully paid-up in The Industrial Finance Corporation of India Limited, Delhi	4,500	4,500
11,360 Equity Shares of Rs.10 each fully paid-up in Industrial Development Bank of India, Mumbai	9,23,000	9,23,000
999,940 units of Rs.10 each fully paid-up in IDBI Principal Cash Management Fund (Redeemed during the year)	—	10,000
Non-Trade Investments (Unquoted) :		
1,00,000 Equity Shares of Rs.10 each fully paid-up in Agri Business Finance (AP) Ltd., Hyderabad	10,00,000	10,00,000
Total	1,45,40,374	1,00,10,125
a) The aggregate cost of quoted investments	1,35,36,874	90,06,625
b) The aggregate market value of quoted investments	3,14,55,302	1,31,85,467
c) The aggregate cost of unquoted investments	10,00,000	10,00,000
Note : All the above are long term investments		
7. INVENTORIES		
(as certified by the Managing Director)		
Tools and Implements	23,38,697	17,29,001
Stores and Spares	9,58,84,266	9,06,88,415
Capital Stores	1,73,46,816	1,17,50,305
Stores in Transit	2,72,672	—
Raw Materials	25,78,87,608	85,49,403
Work-in-Process	15,41,16,751	9,29,27,661
Finished Goods - At Cost	14,76,59,344	9,20,48,071
Total	67,55,06,154	29,76,92,856
8. SUNDRY DEBTORS		
Unsecured considered good		
Outstanding for more than six months	67,66,038	40,47,383
Other debts	43,17,95,870	35,12,68,698
Total	43,85,61,908	35,53,16,081

Schedules to Balance Sheet

	As at 31-3-2011 Rs.	As at 31-3-2010 Rs.
9. CASH AND BANK BALANCES		
1. Cash on hand	1,83,259	14,78,398
2. At Scheduled Banks		
i) In Current Accounts	3,98,54,871	9,41,13,021
ii) In Fixed Deposits	45,77,232	81,66,377
Total	4,46,15,362	10,37,57,796
10. OTHER CURRENT ASSETS		
Accrued Interest	79,310	5,35,381
Total	79,310	5,35,381
11. LOANS AND ADVANCES		
Advances unsecured, considered good (Recoverable in cash or in kind or for value to be received)	10,35,64,735	2,93,29,670
Deposits with Govt. Departments etc.	14,84,193	20,51,333
Prepaid Expenses	40,60,844	33,32,204
Excise Duty paid in advance	4,18,32,563	1,40,79,304
Group Gratuity fund balance with LIC	67,89,731	—
Advance Income Tax paid	24,72,46,979	18,20,28,239
Advance payment of Fringe Benefit Tax	3,40,428	6,23,102
Sales Tax paid under protest	18,07,033	15,23,345
Income Tax deducted at source	90,86,794	74,68,164
Total	41,62,13,300	24,04,35,361
12. CURRENT LIABILITIES		
Sundry Creditors (Refer Note No. 15)		
i) Dues to micro and small enterprises	3,57,307	
ii) Other than micro and small enterprises	29,12,27,911	14,06,74,430
Advances received against sales	32,19,613	79,30,658
Security Deposits from C & F agents	9,18,558	10,63,558
Interest accrued but not due on loans	15,64,407	15,07,298
Unclaimed Dividends*	16,59,014	10,69,543
Unclaimed Fixed Deposits	—	39,954
Total	29,89,46,810	15,22,85,441
*These amounts have not fallen due for remittance to Investor Education Protection fund in terms of Section 205C of the Companies Act, 1956 as on date of Balance Sheet.		
13. PROVISIONS		
Particulars		
Provision for Income Tax	24,30,00,000	17,79,44,233
Provision for Fringe Benefit Tax	4,00,000	6,50,000
Proposed Dividend	3,55,24,600	4,44,05,750
Provision for Tax on distributed Profits	57,62,978	73,75,240
Provision for Leave Encashment	1,08,75,837	82,11,282
Liabilities towards Group gratuity (Net of fund balance)	—	7,33,739
Total	29,55,63,415	23,93,20,244

Schedules to Profit and Loss Account

	Year ended 31-3-2011 Rs.	Year ended 31-3-2010 Rs.
14. OTHER INCOME		
Interest received from Banks & others [TDS Rs.9,34,094 (previous year Rs.26,09,472)]	79,89,821	2,14,93,650
Dividend received (includes Rs.68,260 (Rs.61,434) from Trade Investments)	1,02,540	89,994
Rental charges received	1,59,110	1,38,929
Difference in Foreign Exchange (Net)	2,20,77,543	—
Sale of Scrap	35,56,360	27,77,453
Profit on sale of Assets	46,338	7,25,402
Profit on sale of Investments	4,135	—
Claims/Refunds received	12,36,904	40,855
Miscellaneous receipts	46,000	42,172
Weighment Charges received	2,99,600	2,24,800
Credit balances written back	8,87,867	430
Bad debts written off in earlier years, now recovered	—	88,23,918
Total	3,64,06,218	3,43,57,603
15. INCREASE IN STOCKS		
A. Opening Stock		
Work-in-Process	9,29,27,661	3,77,89,899
Finished Goods	9,20,48,071	6,97,86,134
A	18,49,75,732	10,75,76,033
B. Closing Stock		
Work-in-Process	15,41,16,751	9,29,27,661
Finished Goods	14,76,59,344	9,20,48,071
B	30,17,76,095	18,49,75,732
(B - A)	11,68,00,363	7,73,99,699
Less : Variation in Excise Duty on stocks	67,82,151	50,02,915
Total	11,00,18,212	7,23,96,784
16. RAW MATERIAL CONSUMED		
Opening Stock	85,49,403	—
Purchases	317,67,13,731	202,32,72,750
	318,52,63,134	202,32,72,750
Less : Sale of Raw material	12,20,05,349	—
Closing Stock	25,78,87,608	85,49,403
Total	280,53,70,177	201,47,23,347
17. PAYMENTS AND BENEFITS TO EMPLOYEES		
Salaries, Wages and Bonus	13,11,36,681	9,81,49,498
Contribution to PF, Gratuity, E.S.I. and other Funds	3,08,07,853	1,80,80,584
Workmen and Staff Welfare Expenses	44,65,084	31,61,519
Total	16,64,09,618	11,93,91,601

Schedules to Profit and Loss Account

	Year ended 31-3-2011 Rs.	Year ended 31-3-2010 Rs.
18. MANUFACTURING, SELLING, ADMINISTRATIVE AND OTHER EXPENSES		
A. Manufacturing Expenses		
Stores and Spares consumed (Including Packing Materials)	26,27,16,311	24,58,17,443
Power and Fuel	17,61,11,908	18,24,58,293
Insurance	66,96,624	50,51,372
Repairs to Machinery	5,46,53,583	5,15,24,284
Repairs to Buildings	39,36,010	86,40,253
Repairs to other Assets	7,95,352	7,02,510
Tools written off	10,69,018	7,72,699
Total	50,59,78,806	49,49,66,854
B. Selling Expenses		
Advertisement and Sales Promotion Expenses	5,88,069	9,64,403
Freight Outward, Export Sales & Consignment Expenses	5,80,07,690	7,04,24,670
Commission on Sales	2,21,32,892	1,57,03,183
Total	8,07,28,651	8,70,92,256
C. Administrative Expenses		
Rents	10,58,693	7,87,888
Directors Sitting fees and Travelling Expenses	4,05,038	3,96,007
Remuneration to Managing Director (Note No.10B)	77,80,833	73,58,608
Donations	75,10,000	60,05,000
Payment to Auditors (Note No.6)	3,67,000	3,35,000
Miscellaneous Expenses	1,22,74,777	1,04,02,678
Total	2,93,96,341	2,52,85,181
D. Other Items		
Difference in Foreign Exchange (Net)	—	31,77,291
Assets written off	1,78,362	55,804
Loss on Sale of Assets	29,758	3,627
Loss of Cash on theft	27,05,718	—
Total	29,13,838	32,36,722
Grand Total (A+B+C+D)	61,90,17,636	61,05,81,013
19. RATES & TAXES		
Rates & Taxes	18,31,259	13,81,628
Total	18,31,259	13,81,628
20. INTEREST PAID ON		
Fixed Loans (including Rs.2,90,242 to Managing Director, previous year Rs.1,81,927 and Holding Company Rs.18,46,302, previous year Nil)	46,68,807	26,87,999
To Banks & others	2,16,26,862	28,37,057
Total	2,62,95,669	55,25,056

Notes forming part of the Accounts

PROFIT AND LOSS ACCOUNT

	Year ended 31-3-2011		Year ended 31-3-2010	
	Quantity	Value	Quantity	Value
	MT	Rs.	MT	Rs.
1. SALES				
Fatty Acids	25707.840	151,42,29,276	27088.921	121,31,35,438
Soap Products	42810.509	223,90,07,873	38762.760	162,09,08,764
Toilet Soap	1682.366	19,27,65,205	1665.750	16,14,54,257
Glycerine	1462.915	4,55,69,223	1398.920	4,07,85,430
Pitch	3576.940	6,91,06,636	4587.601	6,59,68,516
Industrial Oxygen (cu. mtrs.)	414458	29,50,736	356317	23,97,560
Wind Power (kwh)	15762891	4,53,89,179	13817819	3,80,24,165
Biomass Power (kwh)	4906300	1,73,02,772	9178600	3,48,79,534
Processing Charges		5,07,94,885		5,31,14,702
Others		90,53,225		43,63,254
Total		418,61,69,010		323,50,31,620

The above includes Excise Duty collected of Rs.36,08,87,271 (Previous year Rs.21,83,96,299)

2. RAW MATERIALS CONSUMED

Non-edible Oils	26401.170	103,29,49,152	23484.831	70,02,08,929
Fatty Acid Distillates	39145.725	177,23,76,311	43510.876	130,87,33,337
Others		44,714		57,81,081
Total		280,53,70,177		201,47,23,347

Note : The above consumption does not include of 25262.273 MT (Previous year 25359.125 MT) of Hydrogenated Fatty Acids and 4352.507 MT (Previous year 689.055 MT) of Soft Fatty Acids internally produced and consumed in the manufacturing of Toilet Soap and Soap Products, the value of which cannot be ascertained.

3. OPENING STOCK OF FINISHED GOODS

Fatty Acids	1274.725	5,33,32,934	1142.400	3,90,43,753
Soap Products	671.163	2,64,57,246	701.156	2,29,60,808
Glycerine	77.395	20,71,032	146.090	39,38,860
Industrial Oxygen (cubic mtrs.)	479	3,278	1641.000	11,302
Toilet Soap	66.494	57,33,897	—	—
Others	—	44,49,684	—	38,31,411
Total		9,20,48,071		6,97,86,134

Notes forming part of the Accounts

	Year ended 31-3-2011		Year ended 31-3-2010	
	Quantity	Value	Quantity	Value
	MT	Rs.	MT	Rs.
4. CLOSING STOCK OF FINISHED GOODS				
Fatty Acids	1761.225	9,41,52,642	1274.725	5,33,32,934
Soap Products	905.165	4,60,40,101	671.163	2,64,57,246
Glycerine	132.250	40,83,696	77.395	20,71,032
Industrial Oxygen (cubic mtrs.)	1204	8,545	479	3,278
Toilet Soap	—	—	66.494	57,33,897
Others	—	33,74,360	—	44,49,684
Total		<u>14,76,59,344</u>		<u>9,20,48,071</u>

5. PARTICULARS REGARDING LICENCED, INSTALLED CAPACITY AND PRODUCTION

Particulars	Licenced Capacity		Installed Capacity		Production	
	As at 31-3-11 tpa	As at 31-3-10 tpa	As at 31-3-11 tpd	As at 31-3-10 tpd	As at 31-3-11 tpa	As at 31-3-10 tpa
Fatty Acids	67500	67500	200.000	200.000	57485.060	55505.009
Toilet Soap	25000	25000	60.000	60.000	9630.174	9882.821
Soap Products	55000	55000	150.000	150.000	48229.259	43920.225
Glycerine	1800	1800	4.500	4.500	1704.031	1352.430
Industrial Oxygen (cubic meters)	1270000	1270000	2100	2100	426157	359572
Biomass Power Plant (MW)	6.0	6.0	6.0	6.0	19060975	25364665 (kwh)
Wind Power (MW)	6.3	6.3	6.3	6.3	15762891	13817819 (kwh)

tpa = tonnes per annum

tpd = tonnes per day

- Notes :
1. Production of Fatty Acids includes 29614.780 MT (Previous year - 26048.180 MT) utilised for captive consumption at Soap Plant and 1650.635 MT (Previous year - 2227.358 MT) processed on behalf of others.
 2. Production of Toilet Soap includes 8014.302 MT processed on behalf of others (Previous year - 8150.578 MT).
 3. Production of Soap Products includes 1564.771 MT (Previous year - 1549.148 MT) utilised for production of Toilet Soap at Soap Plant and 3619.977 MT (Previous year - 3638.310 MT) processed on behalf of others.
 4. Production of Glycerine includes 186.261 MT (Previous year - 22.000 MT) utilised for captive consumption at Soap Plant.
 5. Production of Industrial Oxygen includes captive consumption of 10974 cubic metres (Previous year - 4417 cubic metres).
 6. Power Generation includes 14154675 Units (Previous year - 16186065 Units) utilised for captive consumption.
 7. The Installed Capacities are as per Certification given by the Managing Director on which the Auditors have relied.

Notes forming part of the Accounts

6. PAYMENTS MADE TO AUDITORS COMPRISES

	Year ended 31-3-2011 Rs.	Year ended 31-3-2010 Rs.
As Auditors	1,60,000	1,40,000
As Tax Auditors	90,000	80,000
Fee for Tax Representation & Certification	57,000	60,000
	<u>3,07,000</u>	<u>2,80,000</u>
Fee to Cost Auditors	60,000	55,000
	<u>3,67,000</u>	<u>3,35,000</u>

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

	2010-11 Rs.	2009-10 Rs.
Raw Materials	88,43,60,007	74,23,94,020
Stores and Spares	9,29,251	10,37,078
Capital Goods	3,14,82,632	1,56,74,564
Total	<u>91,67,71,890</u>	<u>75,91,05,662</u>

b) No expenditure was incurred in foreign currency during the year.
(Previous year - Rs. 27,820 towards foreign travel).

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

	2010-11		2009-10	
	Value Rs.	Percen- tage	Value Rs.	Percen- tage
Imported	8,36,173	0.19	97,665	0.02
Indigenous	44,53,19,125	99.81	42,93,23,901	99.98
	<u>44,61,55,298</u>	<u>100.00</u>	<u>42,94,21,566</u>	<u>100.00</u>

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

	2010-11		2009-10	
	Value Rs.	Percen- tage	Value Rs.	Percen- tage
Imported	71,97,15,181	25.65	82,00,18,160	40.70
Indigenous	208,56,54,996	74.35	119,47,05,187	59.30
	<u>280,53,70,177</u>	<u>100.00</u>	<u>201,47,23,347</u>	<u>100.00</u>

Notes forming part of the Accounts

10. A) Computation of Net Profits under Section 349 of the Companies Act, 1956 and the Commission payable to the Managing Director.

		2010-11 Rs.
Net Profits as per Profit and Loss Account		28,45,33,470
Add : Remuneration to Managing Director	77,80,833	
Sitting Fee paid to Directors	2,55,000	80,35,833
Net Profits in accordance with Section 349		<u>29,25,69,303</u>

Commission upto 2% on the net profits, but not exceeding annual salary Rs.24,43,929.

	Year ended 31-3-2011 Rs.	Year ended 31-3-2010 Rs.
B) Details of Remuneration paid to the Managing Director		
Salary	24,43,929	21,36,607
House Rent Allowance	12,21,965	10,68,304
Commission on Net Profits	24,43,929	21,36,607
Contribution to Provident and other Funds	6,59,861	5,76,884
Other Perquisites	1,24,269	1,39,363
Value of unencashed leave	5,83,719	8,90,388
Contribution to Group Gratuity	3,03,161	4,10,455
Total	<u>77,80,833</u>	<u>73,58,608</u>

11. "Sundry Creditors" under "Current Liabilities" includes Rs.66,11,194 (Previous year Rs.64,39,535) due to Managing Director.

12. Major components of deferred tax assets and liabilities arising on account of timing differences are :

	As at 31-3-2011	
	Assets Rs.	Liabilities Rs.
a) Depreciation	—	12,96,61,676
b) Disallowance U/s.43B of the I.T. Act, 1961	1,35,51,555	—
Total	<u>1,35,51,555</u>	<u>12,96,61,676</u>
Net Liability		<u>11,61,10,121</u>

Notes forming part of the Accounts

13. SEGMENT INFORMATION

	Chemicals Rs.	Soap Rs.	Power Rs.	Unallocated Rs.	Eliminations Rs.	Consolidated Rs.
Revenue						
External Revenue	151,68,85,522 125,94,37,813	224,46,08,023 168,20,64,766	6,37,88,194 7,51,18,550			382,52,81,739 301,66,21,129
Inter-segment Revenue	134,05,57,446 100,30,51,882		11,32,26,089 10,90,95,065		(145,37,83,535) (111,21,46,947)	
Total Revenue (See Note below)	285,74,42,968 226,24,89,695	224,46,08,023 168,20,64,766	17,70,14,283 18,42,13,615		(145,37,83,535) (111,21,46,947)	382,52,81,739 301,66,21,129
Result						
Segment result	23,00,24,199 21,09,37,598	13,83,01,908 13,91,62,913	(92,93,726) 66,87,115			35,90,32,381 35,67,87,626
Unallocated expenditure net of unallocated income				5,61,93,063 5,20,55,209		5,61,93,063 5,20,55,209
Operating Profit						30,28,39,317 30,47,32,417
Interest expenses				2,62,95,669 55,25,056		2,62,95,669 55,25,056
Interest income				79,89,821 2,14,93,650		79,89,821 2,14,93,650
Profit before tax						28,45,33,470 32,07,01,011
Provision for tax						8,30,00,000 11,00,00,000
Deferred Tax (Provision)/Withdrawal						(86,53,168) 24,50,322
Excess provision of I.T. in earlier years						13,94,350 5,18,817
Profit after Taxation						19,42,74,652 21,36,70,150
Other Information						
Segment assets	91,59,52,946 52,29,77,688	60,13,63,317 33,46,69,853	43,68,61,986 43,60,54,685			195,41,78,249 129,37,02,226
Unallocated corporate assets				43,93,83,443 36,67,39,350		43,93,83,443 36,67,39,350
Total assets						239,35,61,692 166,04,41,576
Segment liabilities	20,34,74,098 1,86,01,642	1,97,64,977 6,27,33,328	51,53,791 1,16,91,883			22,83,92,866 9,30,26,853
Unallocated corporate liabilities				92,26,01,645 51,91,22,194		92,26,01,645 51,91,22,194
Total liabilities						115,09,94,511 61,21,49,047
Capital employed	71,24,78,848 50,43,76,046	58,15,98,340 27,19,36,525	43,17,08,195 42,43,62,802	(48,32,18,202) (15,23,82,844)		124,25,67,181 104,82,92,529
Capital expenditure during the year	14,22,16,327 70,54,684	1,81,67,046 29,06,130	10,03,003 8,75,10,221	2,46,35,556 2,14,16,721		18,60,21,932 11,88,87,756
Depreciation for the year	2,41,81,449 1,20,25,020	91,03,181 86,13,813	2,84,69,624 2,54,43,967	64,94,086 50,03,252		6,82,48,340 5,10,86,052

Notes forming part of the Accounts

Note :

1. 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 (WEG)
2. Segment revenue relating to each of the above domestic business segments includes income from processing on behalf of others wherever applicable.
3. The above business segments have been identified considering :
 - the nature of products and services
 - the differing risks and returns
 - the organization structure and
 - the internal financing reporting systems
4. 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.
5. Inter segment transfers are priced at market related rates.

	As at 31-3-2011 Rs.	As at 31-3-2010 Rs.
14. Contingent Liabilities not provided for –		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for which commitment is made	2,19,69,599	4,66,54,264
b) Outstanding guarantees to Banks including letter of credit opened with Bankers for purchase of material	42,04,440	5,73,31,250
c) Claims against the Company not admitted as debts relating to		
i) Excise and Service Tax	90,70,382	88,97,229
iii) State Levies	—	30,48,520
iv) Other Contracts	3,36,364	3,24,434

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

Details	Amount (Rs.)
i) Principal and Interest over due as on 31-3-2011	Nil
ii) Interest paid on delayed payments during 2010-11	Nil
iii) Interest due on principal amounts paid beyond due date during 2010-11	Nil
iv) Interest accrued but not due	Nil
v) Total interest due but not paid	Nil

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

16. Cash at Scheduled Banks in Fixed Deposits includes :

1. Rs.38,00,000 (Previous year Rs.35,00,000) deposited towards maintenance of Liquid Assets under provisions of the Companies (Acceptance of Deposits) Rules, 1975.
2. Rs.7,77,232 (Previous year Rs.46,66,377) towards margin money for Bank Guarantees and Foreign Letters of Credit.
3. Rs.16,59,014 (Previous year Rs.10,69,623) on account of Unclaimed Dividends.

17. Foreign exchange earnings on exports during the year calculated on FOB basis Rs.36,59,13,419 (Previous year - Rs.44,61,48,528)

Notes forming part of the Accounts

18. RELATED PARTY DISCLOSURES

a) List of related parties and description of relationship :

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

b) Related party transactions :

Particulars	Holding Company Rs.	Fellow Subsidiaries Rs.	Key Management Personnel Rs.	Relatives of Key Management Personnel Rs.
Purchase of goods	7,29,04,500 (8,15,46,165)			
Sale of goods	6,812 (5,163)			
Rendering of services	2,638 (94,133)			
Receiving of services J. Sunita Mohan	2,47,585 (45,852)	2,17,879 (1,47,759)		57,000 (57,000)
Interest received	— (15,04,067)			
Dividends received				
Interest paid J. Sunita Mohan J. Ganga Bhavani J. Namrata J. Murali Mohan (HUF)	18,46,302 —		2,90,242 (1,81,927)	1,81,727 (1,42,909) 1,42,239 (72,446) 3,85,541 (3,61,828) 2,73,805 (1,14,152)
Remuneration paid			77,80,833 (73,58,608)	

Notes forming part of the Accounts

Particulars	Holding Company Rs.	Fellow Subsidiaries Rs.	Key Management Personnel Rs.	Relatives of Key Management Personnel Rs.
Dividend paid	2,44,32,500 (1,95,46,000)		87,700 (70,160)	
J. Sunita Mohan				26,680 (21,344)
J. Ganga Bhavani				20,250 (16,200)
J. Namrata				9,000 (7,200)
V. Indira				37,500 (30,000)
Balances as at 31-3-2011				
a) Investment in Shares of				
b) Share Capital of the Company held by	2,44,32,500 (2,44,32,500)		87,700 (87,700)	
J. Sunita Mohan				26,680 (26,680)
J. Ganga Bhavani				20,250 (20,250)
J. Namrata				9,000 (9,000)
V. Indira				37,500 (37,500)
c) Inter Corporate loans given by	7,00,00,000 —			
d) Fixed Deposits received from			35,58,478 (22,03,553)	
J. Sunita Mohan				19,75,709 (17,62,451)
J. Ganga Bhavani				17,26,808 (11,25,992)
J. Namrata				42,13,989 (37,42,381)
J. Murali Mohan(HUF)				36,58,646 (12,49,212)
e) Remuneration payable			66,11,194 (64,39,535)	

Notes forming part of the Accounts

19. GROUP GRATUITY

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

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

Profit and Loss account

Net employee benefit expense (contribution to Group gratuity)

	Gratuity	
	2010-11 Rs.	2009-10 Rs.
Current service cost	35,22,029	19,61,221
Interest cost on benefit obligation	30,35,787	23,36,504
Expected return on plan assets	(39,41,437)	(22,96,039)
Net actuarial loss / (gain) recognised in the year	55,83,107	(3,34,107)
Past service cost	—	—
Net benefit expense	81,99,486	16,67,579

Balance Sheet

Details of provision for gratuity

	Gratuity	
	31-3-2011 Rs.	31-3-2010 Rs.
Present value of defined benefit obligation	4,78,43,817	3,79,47,332
Fair value of plan assets	5,46,33,548	3,72,13,593
Unrecognised past service cost	—	—
(Fund balance) / Plan liability	(67,89,731)	7,33,739

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

Opening defined benefit obligation	3,79,47,332	3,54,22,428
Interest cost	30,35,787	23,36,504
Current service cost	35,22,029	19,61,221
Benefit paid	(22,44,438)	(14,38,714)
Actuarial loss / (gain) on obligation	55,83,107	(3,34,107)
Closing defined benefit obligation	4,78,43,817	3,79,47,332

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

Opening fair value of plan assets	3,72,13,593	2,52,51,172
Expected return	39,41,437	22,96,039
Contribution by employer	1,57,22,956	1,11,05,096
Benefit paid	(22,44,438)	(14,38,714)
Actuarial (gain) / loss	—	—
Closing fair value of plan assets	5,46,33,548	3,72,13,593
Investments are with LIC	5,46,33,548	3,72,13,593

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

	2010-11 %	2009-10 %
Discount rate	8.00	8.00
Salary Escalation	7-8	7-8

Notes forming part of the Accounts

- b) The liability towards Leave encashment is provided based on actuarial valuation which works out to Rs.1,08,75,837 (Previous year Rs.82,11,282). The details of which are as follows :

Profit and Loss account

Net employee benefit expense

	Leave encashment	
	2010-11 Rs.	2009-10 Rs.
Current service cost	29,45,913	15,58,244
Interest cost on benefit obligation	5,63,129	3,66,661
Net actuarial loss recognised in the year	14,99,832	27,86,766
Net benefit expense	50,08,874	47,11,671

Balance Sheet

Details of provision for earned leave encashment

	31-3-2011 Rs.	31-3-2010 Rs.
Present value of defined benefit obligation	1,08,75,837	82,11,282
Fair value of plan assets	—	—
Unrecognised past service cost	—	—
Net Liability	1,08,75,837	82,11,282

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

Opening defined benefit obligation	82,11,282	56,66,913
Interest cost	5,63,129	3,66,661
Current service cost	29,45,913	15,58,244
Benefit paid	(23,44,319)	(21,67,302)
Actuarial loss on obligation	14,99,832	27,86,766
Closing defined benefit obligation	1,08,75,837	82,11,282

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

	2010-11 %	2009-10 %
Discount rate	8.00	8.00
Salary Escalation	7-8	7-8

20. 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.
21. Paise have been rounded off.
22. Previous year's figures have been regrouped wherever necessary, and have been shown in brackets in some of the places.

Signatures to schedules 1 to 20 and the Notes forming part of the Accounts

As per our report of even date :
For BRAHMAYYA & Co.,
Chartered Accountants
Firm Regn. No. 000513S
K. RAJAJ
Partner
ICAI Memb. No. 202309
Guntur
28th May, 2011

For and on behalf of the Board

Dr. MULLAPUDI HARISCHANDRA PRASAD

Chairman

J. MURALI MOHAN

Managing Director

P. KESAVULU REDDY

President & Secretary

Cash Flow Statement

	2010-2011	2009-2010
	Rs.	Rs.
A) Cash flow from operating activities :		
Net profit before tax and extra-ordinary items	28,45,33,470	32,07,01,011
Add / Less : Adjustments for :		
Depreciation	6,82,48,340	5,10,86,052
Interest expense	2,62,95,669	55,25,056
Interest income	(79,89,821)	(2,14,93,650)
Assets Written off / Loss on sale of assets	2,08,120	59,431
Profit on sale of assets	(46,338)	(7,25,402)
Profit on sale of investments	(4,135)	—
Dividends received	(1,02,540)	(89,994)
Operating profit before working capital changes	37,11,42,765	35,50,62,504
Add/Less : Adjustments for working capital :		
Inventories	(37,78,13,298)	(11,69,74,490)
Trade and other receivables	(18,55,46,340)	(16,74,26,229)
Trade payables	14,85,92,185	2,74,82,000
Cash generated from operations	(4,36,24,688)	9,81,43,785
Less : Direct taxes paid	9,71,96,479	12,44,28,583
Net cash used in Operating activities	(14,08,21,167)	(2,62,84,798)
B) Cash flow from investing activities :		
Purchase of fixed assets / Capital works-under progress	(21,98,28,366)	(17,93,40,687)
Proceeds from Sale of fixed assets	66,936	12,33,710
Investments in shares of companies	(45,40,249)	(37,53,945)
Redemption of investments	14,135	—
Withdrawal of Inter-corporate deposits	—	4,00,00,000
Interest received	79,89,821	2,14,93,650
Dividend received	1,02,540	89,994
Net cash used in Investing activities	(21,61,95,183)	(12,02,77,278)

Cash Flow Statement

	<u>2010-2011</u>	<u>2009-2010</u>
	Rs.	Rs.
C) Cash flow from financing activities :		
Proceeds from borrowings	36,85,75,335	5,22,19,647
Interest paid	(2,62,95,669)	(55,25,056)
Dividend paid	(4,44,05,750)	(3,55,24,600)
	<u>29,78,73,916</u>	<u>1,11,69,991</u>
Net cash from financing activities	<u>29,78,73,916</u>	<u>1,11,69,991</u>
Net decrease in cash and cash equivalents	(5,91,42,434)	(13,53,92,085)
Cash and cash equivalents at the beginning of the period	10,37,57,796	23,91,49,881
Cash and cash equivalents at the end of the period	4,46,15,362	10,37,57,796
Net decrease in cash and cash equivalents	<u>(5,91,42,434)</u>	<u>(13,53,92,085)</u>
As per our report of even date : For BRAHMAYYA & Co., Chartered Accountants Firm Regn. No. 000513S K. RAJAJ Partner ICAI Memb. No. 202309 Guntur 28th May, 2011	For and on behalf of the Board Dr. MULLAPUDI HARISCHANDRA PRASAD J. MURALI MOHAN P. KESAVULU REDDY	
	Chairman	Managing Director
	President & Secretary	
AUDITORS' REPORT		
We have examined the above Cash Flow Statement of M/s. Jocil Limited for the year ended 31st March, 2011. The statement has been prepared by the Company in accordance with the requirements of clause-32 of the listing agreement with the Hyderabad Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 28th May, 2011 to the members of the Company.		
Guntur 28th May, 2011	For BRAHMAYYA & CO., Chartered Accountants Firm Regn. No. 000513S K. RAJAJ Partner ICAI Memb. No. 202309	

REPORT ON CORPORATE GOVERNANCE FOR THE PERIOD APRIL 1, 2010 TO MARCH 31, 2011
ANNEXURE TO THE DIRECTORS' REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE :

The Company's philosophy on code of Corporate Governance aims at upholding transparency, professionalism, accountability, honesty and integrity in its function 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 including Shareholders, Employees, Customers, Suppliers, Lenders, Government and other parties having association with the company.

2. BOARD OF DIRECTORS :

i) Composition

The present strength of the Board of Directors is nine of which eight are non-executive directors including three independent directors.

ii) The details of the composition of the existing Board of Directors, their shareholding, attendance of each Director at the Board Meetings and at the last Annual General Meeting, number of other Directorships and 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 31-3-2011	Executive/ Non-executive/ Independent Directors	No. of other Directorships & Chairmanships held			Membership & Chairmanship in committees of other companies held		No. of Board Meetings attended	Attendance at last AGM held Y / N	Relation with other Directors
			Public	Private	Chairman	Member	Chairman			
Dr. Mullapudi Harischandra Prasad, Chairman	Nil	Non-executive	8	-	6	-	5	3	Y	1. Mullapudi Thimmaraja is son 2. Y. Narayanarao Chowdary is sister's husband
J. Murali Mohan, Managing Director		Executive	1	-	-	-	-	4	Y	
P. Narendranath Chowdary, Director	12,500	Non-executive	6	-	-	4	-	4	-	
Mullapudi Thimmaraja, Director	2,250	Non-executive	2	-	-	4	-	1	-	Dr. Mullapudi Harischandra Prasad is father
Y. Narayanarao Chowdary, Director	1,050	Non-executive	1	-	-	-	-	4	-	
V.S. Raju, Director	Nil	Independent & Non-executive	-	-	-	1	-	4	Y	
K. Srinivasa Rao, Director	1,62,546	Non-executive	-	-	-	-	-	4	-	
M. Gopalakrishna, Director	Nil	Independent & Non-executive	6	5	-	5	1	2	-	
Subbarao V. Tipirneni, Director	Nil	Independent & Non-executive	-	3	-	-	-	3	-	

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

S.No.	Date of Board Meeting
1	18-05-2010
2	22-07-2010
3	30-10-2010
4	05-02-2011

- iv) In terms of the company's corporate governance policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibility of supervision of the company as trustees of the shareholders.
- v) Pecuniary Relationship - Non Executive Directors do not have any pecuniary relationship with the Company except for the payment of sitting fee payable to them. Chairman's office expenses incurred in performance of his duties are not reimbursed by the Company.
- vi) Committees of the Board - The Board of Directors has constituted Audit Committee and Share transfer and Shareholders/Investors grievance committees with adequate delegation of powers to take suitable decisions on the issues arising and to meet the exigencies of the business of the Company.

3. AUDIT COMMITTEE :

The Audit Committee comprises three members, Chairman is an independent director and all the members including the Chairman of the Committee are non-executive directors.

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

Director	Position	Meetings held	Meetings attended
V.S. Raju	Chairman, INED	3	3
Mullapudi Thimmaraja	Member, NED	3	1
Subbarao V. Tipirneni	Member, INED	3	3

INED- Independent Non-Executive Director

NED - Non-Executive Director

During the period under review, three meetings of the Committee were held on 22-07-2010, 30-10-2010 and 05-02-2011. A meeting of the Audit Committee duly convened on 18-05-2010 could not be held for want of quorum due to unavoidable absence of one of the independent members.

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

President & Secretary acts as a Secretary to the Committee.

Terms of Reference :

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Reviewing with management the annual financial statements before submissions to the Board, focusing primarily on :
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements concerning financial statements.
 - Any related party transactions i.e., transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc., that may have potential conflict with the interest of Company at large.

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

4. REMUNERATION COMMITTEE :

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

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

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

Salary	: Rs. 24,43,929
House Rent Allowance	: Rs. 12,21,965
Commission	: Rs. 24,43,929
Contribution to Provident	
Fund and other Funds	: Rs. 6,59,861
Other perquisites	: Rs. 1,24,269
Value of Earned Leave (Provided)	: Rs. 5,83,719
Contribution to Group gratuity	: Rs. 3,03,161
Total	<u>Rs. 77,80,833</u>

- ii) Sitting fees paid to non-executive directors in accordance with the provisions of the Companies Act, 1956.

Name of the Director	Sitting fees paid for attending meetings of the Board of Directors/Committee of Directors
Dr. Mullapudi Harischandra Prasad	Rs. 40,000
P. Narendranath Chowdary	Rs. 30,000
Mullapudi Thimmaraja	Rs. 15,000
Y. Narayanarao Chowdary	Rs. 25,000
V.S. Raju	Rs. 45,000
K. Srinivasa Rao	Rs. 25,000
Subbarao V. Tipirneni	Rs. 40,000
M. Gopalakrishna	Rs. 15,000

6. SHARE TRANSFER AND SHAREHOLDERS/INVESTORS GRIEVANCES COMMITTEE :

The Company has Share Transfer and Shareholders/Investors Grievances Committee comprising of four directors under the Chairmanship of a Non-executive Director to specially look into shareholders issues including share transfer, transmission, issue of duplicate certificates and redressing of shareholder complaints.

The composition and the details of meetings held of Share Transfer and Shareholders/Investors Grievances Committee are given below.

Director	Position	Meetings held	Meetings attended
Dr. Mullapudi Harischandra Prasad	Chairman	4	3
J. Murali Mohan	Member	4	4
P. Narendranath Chowdary	Member	4	4
Mullapudi Thimmaraja	Member	4	1

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

Shri P. Kesavulu Reddy, President & Secretary of the Company acts as the Compliance Officer to the Committee. The Company received a total number of 58 letters in respect of various matters such as non receipt / revalidation of dividend warrants, change of address, change of bank account etc., and all of them were attended to and replied to the satisfaction of the shareholders. As on 31-3-2011 there were no pending complaints / requests from the shareholders.

During the period under review four meetings of the Committee were held on 18-05-2010, 22-07-2010, 30-10-2010 and 05-02-2011.

7. CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT OF THE COMPANY

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

8. POLICY ON RISK MANAGEMENT

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

9. CEO AND CFO CERTIFICATION

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

10. GENERAL BODY MEETINGS :

The last three Annual General Meetings were held as under :

Financial Year	Date	Time	Place
2007-08	06-09-2008	3.30 p.m.	Regd. Office, Dokiparru, Guntur Dist., A.P.
2008-09	08-08-2009	3.30 p.m.	Regd. Office, Dokiparru, Guntur Dist., A.P.
2009-10	07-08-2010	3.30 p.m.	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) 2007-08 – Nil
- b) 2008-09 – Revision of remuneration of Managing Director.
- c) 2009-10 – Amendment to Articles of Association.

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

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

11. WHISTLE BLOWER POLICY :

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

12. There are no audit qualifications in the Company's financial statements for the year under reference. It is always the Company's endeavour to present unqualified financial statements.

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

14. DISCLOSURES :

- a) There is no materially significant pecuniary or business transaction of the Company with its promoters, directors or the management, or relatives etc., that may have potential conflict with the interests of the Company at large. The Company enters into contracts from time to time with its holding company, directors, companies, firms in which the directors are interested. These contracts are in the ordinary course of Company's business and the concerned directors regularly make full disclosures to the Board of Directors regarding the nature of their interest. Full particulars of contracts entered into with the parties in which directors are directly or indirectly concerned or interested are entered in the Register of Contracts maintained under Section 301 of the Companies Act, 1956 and the same is placed at every Board Meeting for the information of the directors.
- b) There were no instances of non-compliance by the Company and no penalties, strictures on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to Capital Markets during the last three years.

15. MEANS OF COMMUNICATION :

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

16. EXCLUSIVE E-MAIL ID FOR REDRESSAL OF INVESTOR COMPLAINTS :

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

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

17. GENERAL SHAREHOLDER INFORMATION :

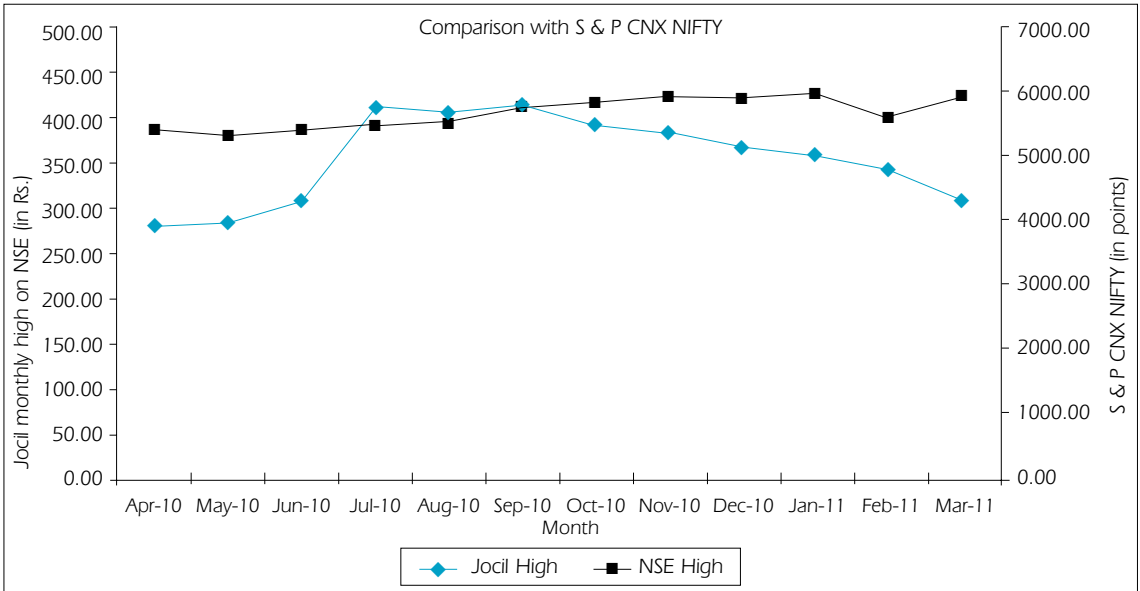
- Annual General Meeting
Date and Time : 17-09-2011 at 3.30 p.m.
Venue : Registered Office : Jocil Limited,
Dokiparru, Medikondur Mandal,
Guntur Dist., AP
- Financial Year : 2010-11
- Date of Book Closure : 23-08-2011 and 24-08-2011.
- Dividend Payment Date : 25-09-2011
- Listing on Stock Exchanges : National Stock Exchange of India Ltd., (NSE)
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051.

Madras Stock Exchange Ltd., (MSE)
'Exchange Building', 11, Second Line Beach,
Chennai - 600 001.

The Company has paid the Listing Fees for the year 2011-12 to NSE & MSE.

- Stock Code : ISIN - INE839G01010
- Stock Market data :
National Stock Exchange (NSE)

Month	In Rs. per Share				Total Traded Shares Qty. in Nos.
	High Price	Low Price	Close Price	Average Price	
April, 10	289.80	255.00	279.50	274.00	38663
May, 10	295.00	261.45	271.50	280.35	39308
June, 10	331.10	262.00	284.04	281.61	40773
July, 10	414.30	281.00	353.76	377.98	3129296
Aug, 10	408.00	351.25	364.90	380.75	857191
Sept, 10	435.80	367.00	405.47	412.54	734858
Oct, 10	427.00	370.20	383.76	397.39	137786
Nov, 10	393.00	310.25	326.23	361.00	126673
Dec, 10	364.00	250.00	353.05	312.77	179028
Jan, 11	355.00	285.00	295.14	314.00	56675
Feb, 11	310.00	251.00	273.30	285.82	35112
March, 11	298.80	241.00	280.92	266.68	191903



- Registrar and Transfer Agents (RTA) : M/s. XL Softech Systems Ltd.,
3, Sagar Society, Road No. 2, Banjara Hills,
Hyderabad - 500 034.
Tel : 040-23545913/914/915
Fax : 040-23553214
- Shareholding pattern as on 31st March, 2011.

Category	No. of Shares held	% of Shareholders
Promoters The Andhra Sugars Ltd. (Holding Company)	24,43,250	55.02
Institutions & Banks	—	—
Bodies Corporate	2,40,062	5.41
Public	17,57,263	39.57
Total	44,40,575	100.00

- Distribution of Shareholding as on 31st March, 2011.

Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
upto 5000	2521	82.52	2,88,718	6.50
5001-10000	200	6.55	1,53,671	3.46
10001-20000	143	4.68	2,04,156	4.60
20001-30000	79	2.59	1,91,981	4.32
30001-40000	25	0.82	88,581	1.99
40001-50000	20	0.65	88,351	1.99
50001-100000	39	1.28	2,67,572	6.03
100001 & Above	28	0.92	31,57,545	71.11
Total	3055	100.00	44,40,575	100.00

- Dematerialisation of shares :

Electronic / Physical	%
NSDL – 10,57,632	23.82
CDSL – 2,29,279	5.16
Physical – 31,53,664	71.02

28.98% of Company's Paid-up Equity Share Capital has been dematerialised upto March 31, 2011 (27.22% upto March 31, 2010). Trading in Equity Shares of the Company is permitted only in dematerialised form.

Dividend declared for the last 7 years

Financial Year	Dividend declaration date	Dividend per Share Rs.*
2010-11	17-09-2011	8.00
2009-10	07-08-2010	10.00
2008-09	08-08-2009	8.00
2007-08	06-09-2008	7.00
2006-07 (Interim)	30-03-2007	4.00
2006-07 (Final)	08-09-2007	2.00
2005-06	09-09-2006	5.00
2004-05	13-08-2005	6.00

* paid up value of Rs.10/- per share

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

During the year under review, the Company has credited Rs.23,470/- being the unpaid/unclaimed interim dividend for the year 2002-03 to the Investor Education and Protection Fund (IEPF) pursuant to Section 205 C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

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

Remittance of dividend through Electronic Clearing Service (ECS) was replaced by National Electronic Clearing Service (NECS). The shareholders holding shares in demat form are requested to furnish the new bank account number allotted to you by your bank after implementation of Core Banking Solutions (CBS) along with photocopy of cheque pertaining to the concerned account to your Depository Participant (DP). Shareholders holding shares in physical form are requested to furnish the same to the RTA. Please note that if the new bank account number after implementation of CBS by your bank is not provided NECS to your old account may either be rejected or returned.

- Outstanding GDRs/ADRs/Warrants

or any convertible instruments : Nil

- Plant locations

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

Wind Power Units

Kurichampatti Village, V.K. Pudur Taluk,
Tirunelveli Dist., Pin Code : 627 860

Surandai Village, V.K. Pudur Taluk,
Tirunelveli Dist., Pin Code : 627 860

Kasturirangapuram Village, Radhapuram Taluk,
Tirunelveli Dist., Pin Code : 627 112

Velayuthampalayam Village, Dharapuram Taluk,
Tirupur Dist., Pin Code : 638 702

- Address for correspondence

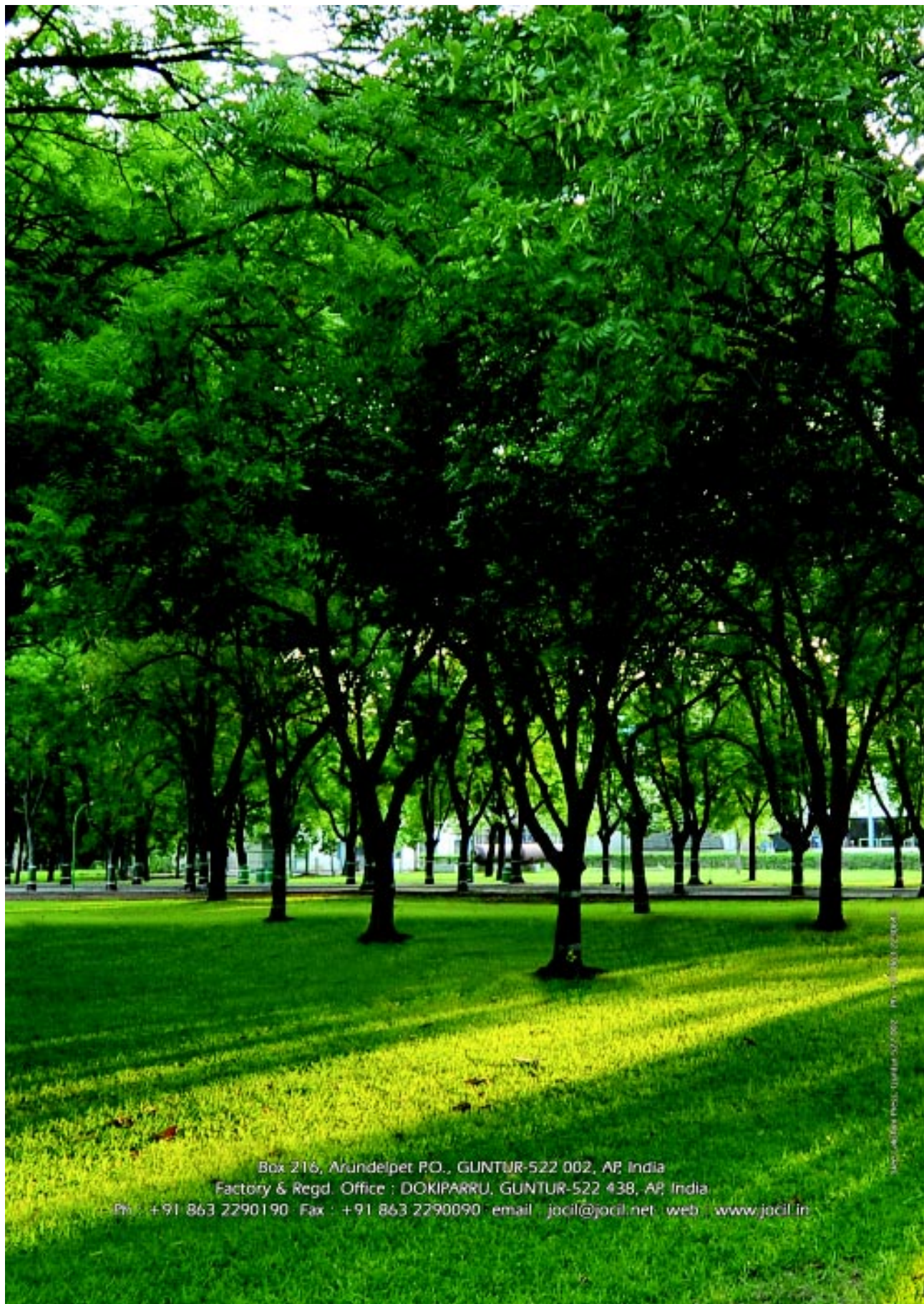
: Dokiparru Village, Medikondur Mandal,
Guntur District, A.P., Pin Code : 522 438

Telephone No. : 0863-2290190

Fax No. : 0863-2290090

E-mail : jocil@jocil.net

Website : www.jocil.in



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Ph : +91 863 2290190 Fax : +91 863 2290090 email : jocil@jocil.net web : www.jocil.in