



Annual Report 2020-2021



# Jocil Limited

(A Subsidiary of The Andhra Sugars Limited)

CIN : L28990AP1978PLC002260 • GSTIN : 37AAACJ5606L1ZF

Box 216, Arundelpet PO., GUNTUR-522 002, AP. • Factory & Regd. Office : DOKIPARRU, GUNTUR-522 438, AP.  
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## BOARD OF DIRECTORS

P. Narendranath Chowdary

J. Murali Mohan

Mullapudi Thimmaraja

K. Srinivasa Rao

V. S. Raju

Subbarao V. Tipirneni

M. Mrutyumjaya Prasad

P. Venkateswara Rao

Dr. Manjulata Dasari

K. Rama Seshayya

P.A. Chowdary

(with effect from 04-08-2021)

Chairman

Managing Director

Director

Director

Independent Director

Independent Director

Director

Independent Director

Independent Director

Independent Director

Additional Director

K. Raghuram,

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

SECRETARY & DGM (Fin.) (CFO)

## BANKERS

Union Bank of India,  
(formerly Andhra Bank),  
Kothapet, Guntur.

State Bank of India,  
Industrial Estate Branch,  
Amaravati Road, Guntur.

## AUDITORS

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

## SECRETARIAL AUDITORS

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

## STOCK EXCHANGE

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

## SHARE REGISTRAR & TRANSFER AGENT (RTA)

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

## COST AUDITORS

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

*An ISO 9001 Certified Company*

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## NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Forty third Annual General Meeting of the Shareholders of Jocil Limited will be held at the Registered Office of the Company, Dokiparru, Guntur - 522 438, A.P. on Wednesday, the 22<sup>nd</sup> September, 2021 at 3.30 p.m. to transact the following business :

### Ordinary Business :

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31 March 2021 and the Balance Sheet as at that date together with the Reports of Board of Directors and Auditors thereon.
2. To declare a Dividend for the year 2020-21.
3. To elect a Director in place of Sri P. Narendranath Chowdary (DIN : 00015764 ) who retires by rotation and being eligible offers himself for reappointment.

### Special Business:

4. To approve the remuneration of the Cost Auditors for the financial year ending 31 March 2022 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act 2013 and the Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Narasimha Murthy & Co., Hyderabad, the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31 March 2022, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting;

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

### Notes :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The proxy form (provided with this report) should reach the Registered Office of the Company duly completed not less than 48 hours before the schedule time of the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, the 11<sup>th</sup> September, 2021 to Saturday, the 18<sup>th</sup> September, 2021, both days inclusive.
3. Members are requested to notify any change in address immediately to the Company's Registered Office or Registrar and Transfer Agents.

4. Pursuant to Section 124(5) of the Companies Act, 2013, the unclaimed dividend for the year ended 31<sup>st</sup> March, 2013 has been transferred to the Investor Education and Protection Fund established by the Central Government.
5. Pursuant to Investor Education and Protection Fund (uploading of information regarding Unpaid and Unclaimed Amounts lying with Companies) Rules, 2012, the Company will provide/host the required details of unclaimed amounts referred under Section 124(2) of Companies Act, 2013 in its website and also in the website of the Ministry of Corporate Affairs in the relevant form every year.
6. Pursuant to Section 124 of Companies Act, 2013, the unclaimed shares for the year ended 31 March 2013 have been transferred to Investor Education and Protection Fund established by the Central Government. Members who wish to claim shares from IEPF are required to comply with the provisions specified under IEPF (Accounting, Audit, Transfer and Refund) Rules 2016.
7. Information about the Directors seeking reappointment at the 43<sup>rd</sup> Annual General Meeting as required under Listing Regulations is attached.
8. Holders of Shares/Deposits may nominate a person(s) in Form No. SH-13 / SH-14 as the case may be (provided at the end of this report), in whose favour they wish to vest the Shares/Deposits on their death subject to the provisions of Companies Act 2013 and Rules made thereunder.
9. The Dividend for the year ended 31<sup>st</sup> March 2021 as recommended by the Board, if sanctioned at the Annual General Meeting, will be payable (subject to TDS as applicable) to those members whose names appear in the Company's Register of Members on 18<sup>th</sup> September, 2021 as per details provided by Share Transfer Agents (RTA). In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by the Depositories - National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL) for this purpose as on 10<sup>th</sup> September, 2021 after the close of business hours.
10. The Company is providing facility to the shareholders for voting by electronic means and the business may be transacted through such voting. The process and manner of e-voting, time schedule etc., are at Page No. 10.
11. Route map for attending the Annual General Meeting is provided at inside back cover page.

## **ANNEXURE TO THE NOTICE**

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

#### **Item No. 4 :**

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. Narasimha Murthy & Co., Cost Accountants, Hyderabad as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31 March 2022 on a remuneration of Rs.1,70,000 and reimbursement of actual traveling, lodging & boarding and out of pocket expenses for attending the work.

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

Accordingly, consent of the members is sought by an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31 March 2022.

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

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

Tanuku  
10 June 2021

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

### **ABBREVIATED RESUME OF THE DIRETORS SEEKING REAPPOINTMENT**

#### **Sri Pendyala Narendranath Chowdary**

Sri Pendyala Narendranath Chowdary joined the Board of Directors of the Company on 23-08-1996. He is a graduate in Science and joined the Board of Directors of The Andhra Sugars Limited, the holding company, in the year 1968. Subsequently he was elevated as Whole-time Director and continues to be so since the last 39 years. Sri P. Narendranath Chowdary is presently the Chairman & Managing Director (CMD) of The Andhra Sugars Limited. As CMD of the company, he is in overall charge of the company. During his tenure as Managing Director he initiated and successfully completed various expansion and diversification programmes.

He is the Chairman of Corporate Social Responsibility Committee and Stakeholders Relationship Committee and member of the Nomination and Remuneration Committee constituted by the Board of Directors of the Company. He holds 25,000 equity shares of the Company as on 31<sup>st</sup> March 2021. Particulars of directorships of other companies and memberships in committees held by him are given below.

Name of the company	Position	Name of the committee	Position
Sree Akkamamba Textiles Limited	Chairman	Stakeholders Grievance/ Relationship Committee	Chairman
The Andhra Farm Chemicals Corpn. Ltd.	Chairman	-	-
Hindustan Allied Chemicals Ltd,	Chairman	-	-
The Andhra Sugars Ltd.	Chairman & Managing Director	Stakeholders Grievance / Relationship Committee	Member
		Corporate Social Responsibility Committee	Member
The Andhra Petrochemicals Limited	Managing Director	Corporate Social Responsibility Committee	Member
Sree Satyanarayana Spinning Mills Ltd.	Director	-	-
Andhra Pradesh Gas Power Corporation Ltd	Director	-	-
Vibhas Polymers Pvt. Ltd	Member	-	-

#### ADDENDUM - 1 TO THE NOTICE TO SHAREHOLDERS

##### Special Business :

5. To consider, and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT Sri P.A. Chowdary (DIN : 02936505) who was appointed by the Board of Directors as Additional Director of the Company w.e.f. 04-08-2021 pursuant to Article 113 of the Articles of Association of the Company, holds office up to the date of the 43rd Annual General Meeting of the Company in terms of Sec. 161 of the Companies Act, 2013 (Act) or any statutory modification thereof or any re-enactment of the said Act and in respect of whom the Company has received a Notice in writing from a Member proposing his candidature for the office of Director and subject to regulations contained in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendments made thereto from time to time be and is hereby appointed as a Director of the Company.

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

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



"RESOLVED THAT pursuant to Sections 149 and 152 and other applicable provisions of the Companies Act, 2013 (Act) or any statutory modification thereof or any re-enactment of the said Act, and the Rules made there under, read with Schedule IV of the said Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendments made thereto from time to time Sri P.A. Chowdary (DIN : 02936505) who meets the criteria of Independence as provided in Sec. 149 (6) of the Companies Act, 2013 be and is hereby appointed as an Independent Director of the Company for a term of 5 consecutive years commencing from 22-09-2021 to 21-09-2026, not liable to retire by rotation."

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

Place : Tanuku

Date : 04 August 2021.

By Order of the Board of Directors

P. NARENDRANATH CHOWDARY

Chairman

#### **ANNEXURE TO ADDENDUM-1 TO THE NOTICE**

##### **Explanatory Statement as required under Section 102 of the Companies Act, 2013.**

##### **Item Nos. 5 & 6 :**

Sri P.A. Chowdary, IRS (Retd.) is a retired Chief Commissioner of Income Tax and has vast experience and has held various positions in Income-Tax Department. He completed Masters Degree in Arts with specialisation in English language and literature from Andhra University in 1966. He is holding Directorship on the Board of The Andhra Sugars Ltd. since 2010.

The Company has received a notice pursuant to Sec. 160 of the Companies Act, 2013 (the "Act") from a Member signifying his intention to propose the appointment of Sri P.A. Chowdary as a Director of the Company.

Board of Directors, on the recommendation of the Nomination & Remuneration Committee, co-opted him as Additional Director from 04-08-2021. He holds office up to the date of the date of the 43rd Annual General Meeting. Both the Nomination & Remuneration Committee and the Board were of the opinion after evaluation of his qualifications, experience and other attributes that his induction on the Board would be of immense benefit to the Company and it is desirable to avail his services as Director to strengthen the management of the Company. The Board also considered it is advisable to appoint him as an Independent Director in view of his fulfilling the criteria stipulated in the Companies Act, 2013 with regard to appointment of Independent Directors. He is independent of the Management.

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

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

Jocil Limited

Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements), (Amendment) Regulations, 2018 specifies that any listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years by way of a special resolution passed to that effect. As Sri P.A. Chowdary attained the age of seventy five years, the Board of Directors of the Company, therefore, recommends passing of the resolutions as set out in Item Nos. 5 and 6 of the Notice above by way of Special Resolutions.

Other Directorships held : Director, M/s. The Andhra Sugars Limited

Other Committeeships held : Member of Stakeholders Relationship Committee of  
M/s. The Andhra Sugars Limited

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

Place : Tanuku  
Date : 04 August 2021.

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

## **ADDENDUM - 2 TO THE NOTICE TO SHAREHOLDERS**

### **Special Business :**

7. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to provisions of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirement) (Amendment), Regulations, 2018 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, Sri K. Srinivasa Rao (DIN: 00381090) be continued as a Non-Executive, Non-Independent Director of the Company liable to retire by rotation, notwithstanding that he has attained the age of 75 years.

RESOLVED FURTHER THAT Directorship held by Sri K. Srinivasa Rao from 01-04-2019 upto date be and is hereby ratified.

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

Place : Tanuku  
Date : 06 August 2021.

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

**ANNEXURE TO ADDENDUM - 2 TO THE NOTICE**

Explanatory Statement as required under Section 102 of the Companies Act, 2013

**Item No. 7 :**

Sri K. Srinivasa Rao has been a Director of the Company since 01-11-1980. He is an industrialist and having vast experience in business and industry. During his tenure as Director on the Board of the Company he has rendered very valuable services for promotion and development of the Company. As on date he is holding 3,25,092 equity shares of the Company.

Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirement) (Amendment), Regulations, 2018 specifies that any listed entity shall appoint a person or continue the Directorship of any person as a Non-Executive Director who has attained the age of 75 years by way of a Special Resolution passed to that effect.

Sri K. Srinivasa Rao has attained the age of 75 years. In view of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirement) (Amendment), Regulations, 2018, for continuation of Sri K. Srinivasa Rao as a Non-Executive Director, consent of the Members would be required by way of Special Resolution.

Considering his vast experience, expertise and immense contribution to the growth of the Company, both Nomination and Remuneration Committee and Board accorded their respective recommendations for his continuation as a Non-Executive Director in the interest of the Company for your approval.

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

His latest reappointment was done at the Annual General Meeting held on 21-09-2019 wherein he was reappointed unanimously by all the members. However, to comply with the procedural requirements of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirement) (Amendment), Regulations, 2018, both Nomination and Remuneration Committee and the Board accorded their respective recommendations for ratification of his Directorship as a Non-Executive Director from 01-04-2021 upto date for your approval.

Particulars of Directorships of other Companies and Membership in Committees held by him are given below:

Name of the Company	Position	Name of the Committee	Position
Amaravathi Textiles Pvt. Ltd.	Managing Director	-	-
Geetha Cotton Mills Pvt. Ltd.	Managing Director	-	-
Green Thumb Agro Pvt. Ltd.	Managing Director	-	-
Guntur Textile Park Pvt. Ltd.	Director	-	-
Kanakadurga Cotton Mills Pvt. Ltd.	Director	-	-
Rangaraya Textile Park Pvt. Ltd.	Additional Director	-	-

He does not hold any Directorships in any other listed entity.

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

Place : Tanuku

Date : 06 August 2021.

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

**SHAREHOLDERS INSTRUCTIONS FOR E-VOTING**

**The instruction for Shareholders for remote e-voting are as under:**

- (i) The voting period begins at 9.00 a.m. on 19-09-2021 and ends at 5.00 p.m. on 21-09-2021. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 15-09-2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09-12-2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09-12-2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.

<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<ol style="list-style-type: none"> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol> <ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider</li> </ol>
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<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p> <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting for shareholders other than individual shareholders holding in Demat form & physical shareholders.

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) * Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. * If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- 7) After entering these details appropriately, click on "SUBMIT" tab.
- 8) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- 9) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- 10) Click on the EVSN for the relevant **Jocil Limited** on which you choose to vote.
- 11) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- 12) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- 13) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- 14) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- 15) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- 16) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

17) Facility for Non - Individual Shareholders and Custodians -Remote Voting

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [Jocil@jocil.net](mailto:Jocil@jocil.net), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

(vi) PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compound, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.



### TDS on Dividend

Dear Shareholder,

We are pleased to inform you that the Board of Directors at their Meeting held on June 10, 2021 has recommended a Final Dividend of Rs.3.00 (30%) per Equity Share of Rs.10 each for the Financial Year ended March 31, 2021 and the said Final Dividend will be payable post approval of the shareholders at the ensuing Annual General Meeting of the Company to be held on 22<sup>nd</sup> September, 2021.

As you are aware that as per the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividends paid or distributed by a Company after April 1, 2020 shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source at the time of making the payment of the said Final Dividend, if declared at the above AGM.

The TDS rate may vary depending on the residential status of the shareholder and the documents submitted to the Company in accordance with the provisions of the Act. The TDS for various categories of shareholders along with required documents are provided in the below table:

#### Resident Shareholders:

Category of shareholder	Tax Deduction Rate	Exemption applicability / Documents required
Any resident shareholder	10%	Update the PAN if not already done with depositaries (in case of shares held in dematmode) and with the Company's Registrar and Transfer Agents - M/S. XL Softech Systems Limited (in case of shares held in physicalmode).  No deduction of taxes in the following cases - <ul style="list-style-type: none"> <li>• If dividend income to a resident Individual shareholder during FY 2021-22 does not exceed INR 5,000</li> <li>• If shareholder is exempted from TDS provisions through any circular or notification and provides an attested copy of the PAN along with the documentary evidence in relation to the same.</li> </ul>
Submitting Form 15G/ Form 15H	NIL	Eligible Shareholder providing Form 15G (applicable to any person other than a Company or a Firm)/ Form 15H (applicable to an Individual above the age of 60 years) - on fulfillment of prescribed conditions.
Order under section 197 of the Act	Rate provided in the order	Lower/NIL withholding tax certificate obtained from Income Tax authorities.
Insurance Companies: Public & Other Insurance Companies	NIL	Documentary evidence that the provisions of section 194 of the Act are not applicable.
Corporation established by or	NIL	Documentary evidence that the person is covered under section 196 of the Act.

Category of shareholder	Tax Deduction Rate	Exemption applicability / Documents required
under a Central Act which is, under any law for the time being in force, exempt from income- tax on its income.		
Mutual Funds covered	NIL	Documentary evidence that the person is under section 196 of the Act.
Alternative by Notification Investment fund	NIL	Documentary evidence that the person is covered No. 51/2015 dated 25 June 2015.
Other shareholder without PAN / invalid PAN / specified person as per section 206AB of the Income Tax Act, 1961	20%	

**Non-resident Shareholders:**

Category of Shareholder	Tax Deduction Rate	Exemption Applicability/ Documents required
Any non-resident shareholder (Foreign Institutional Investors, Foreign Portfolio (FII, FPI)	20% (plus applicable surcharge and cess) or Investors Tax Treaty rate, whichever is lower	<p>Non-resident shareholders (including FPI and FII shareholders) may opt for tax rate under Double Taxation Avoidance Agreement ("Tax Treaty"). The Tax Treaty rate shall be applied for tax deduction at source on submission of following documents to the company</p> <p>Copy of the PAN Card, if any, allotted by the Indian authorities. Self-attested copy of Tax Residency Certificate (TRC) valid as on the AGM date obtained from the tax authorities of the country of which the shareholder is resident Self-declaration in Form 10F.</p> <p>Self-declaration confirming not having a Permanent Establishment in India, eligibility to Tax Treaty benefit and do not / will not have place of effective management in India.</p> <p>TDS shall be recovered at 20% (plus applicable surcharge and cess) if any of the above-mentioned documents are not provided.</p> <p>The Company is not obligated to apply the Tax Treaty rates at the time of tax deduction/withholding on dividend amounts. Application of Tax Treaty rate shall depend upon the completeness of the documents submitted by the non-resident shareholder and are in accordance with the provisions of the Act.</p>
Submitting Order under section 195(3) /197 of the Act	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from Income Tax authorities.

**Please Note that:**

- a) TDS will be deducted @ 20% i.e., at twice the applicable rate on the amount of dividend payable where the resident shareholders;
  - i) have not furnished valid PAN or
  - ii) have not filed with the Income Tax department their return of Income for the previous two financial years and were subject to tax deduction / collection at source aggregating Rs.50,000 or more in each of those financial years.
- b) Shareholders holding shares under multiple accounts under different status / category and single PAN, may note that, applicable TDS will be made on their entire cumulative holding in different accounts
- c) The documents as mentioned in the above table are required to be sent to us at the Regd. Office of the Company or may be sent by way of email to [jocil@jocil.net](mailto:jocil@jocil.net) on or before 10-09-2021 in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. No communication/ documents on the tax determination / deduction shall be considered post 10-09-2021.
- d) The Company will arrange to send TDS certificate to the shareholders in due course.
- e) The tax credit can also be viewed in Form 26AS by logging in with your credentials (with valid PAN) at TRACES <https://www.tdscpc.gov.in/app/login.xhtml> or the e-filing website of the Income Tax department of India <https://www.incometaxindiaefiling.gov.in/home>.
- f) In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Shareholder/s, such Shareholder/s will be responsible to indemnify the Company and also, provide the Company with all information/documents and co-operation in any appellate proceedings.
- g) In case where shares held by intermediaries/ stock brokers and TDS is to be deducted in the PAN of the beneficial shareholders then intermediaries/ stock brokers and beneficial shareholders will have to provide a declaration in this regard. This declaration should be shared within 2 days from the record date. No declaration shall be accepted after 2 days from the record date.
- h) It may be further noted that in case the tax on said Final Dividend is deducted at a higher rate in the absence of receipt of the aforementioned details/documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.

We request your cooperation in this regard.

Thanking you,

Yours faithfully,

For Jocil Limited

Sd/-

**(K. Raghuram)**

Secretary & DGM (Finance)

*Disclaimer:* This communication shall not be treated as an advice from the Company or its Registrar & Transfer Agent. Shareholders should obtain the tax advice related to their tax matters from a tax professional.

**DIRECTORS' REPORT**

Your Directors have pleasure in presenting the Forty third Annual Report of the Company together with the Audited Statement of Accounts for the Financial Year ended 31 March 2021.

	(Rs. in Lakhs)	
<b>1. FINANCIAL RESULTS</b>	<b>2020-21</b>	<b>2019-20</b>
Sales	<b>56235.41</b>	44232.12
Processing charges	<b>301.62</b>	392.86
Other income	<b>131.53</b>	560.56
Total income	<u><b>56668.56</b></u>	<u>45185.54</u>
Profit for the year before interest and depreciation	<b>2169.77</b>	2439.05
Interest	<b>(66.11)</b>	(82.18)
Depreciation	<b>(560.79)</b>	(592.05)
Profit before tax	<u><b>1542.87</b></u>	<u>1764.82</u>
Less:		
Provision for current tax	<b>470.00</b>	500.00
Deferred tax - (credit) / charge	<b>(288.13)</b>	8.99
Short provision of income tax in earlier years	<b>0.04</b>	6.64
Profit after tax	<u><b>1360.96</b></u>	<u>1249.19</u>

The turnover of the company for the year at Rs. 562.35 crores increased by 27.14% from Rs. 442.32 crores of the previous year. During the year, the sales volume of toilet soap and soap products have increased by 20.34% due to favourable market conditions. The sales volume of fatty acids decreased marginally by 2.75%. Profit Before Interest and Tax (PBIT) has decreased slightly from Rs. 2439.05 lakhs to Rs. 2169.78 lakhs due to decrease in other income. The Profit Before Tax (PBT) has decreased to Rs. 15.43 crores as compared to Rs. 17.65 crores in the previous year for the reason as state above.

The appropriations from the profit are as detailed below.

	(Rs. in Lakhs)	
	<b>2020-21</b>	<b>2019-20</b>
Profit after tax (including other comprehensive income)	<b>1825.29</b>	789.67
Balance brought forward from previous year	<b>3640.60</b>	2958.00
Profit for appropriations	<u><b>5465.89</b></u>	<u>3747.67</u>
<b>APPROPRIATIONS</b>		
Dividend (accounted in the year of payment)*	<b>266.43</b>	88.81

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

Provision for tax on distributed profits @ 20.55529% on dividend (accounted in the year of payment)	-	18.26
Balance carried forward	5199.46	3640.60
<b>TOTAL</b>	<b>5465.89</b>	<b>3747.67</b>
Authorized capital	1000.00	1000.00
Paid-up capital	888.16	888.16
Reserves & surplus	18722.87	17164.02

## 2. DIVIDEND & RESERVES

The Board of Directors have recommend for the approval of the shareholders of the Company for payment of dividend for the year ended 31-03-2021, at Rs.3.00 per equity share of Rs.10 each, which aggregates to Rs.2,66,43,450 on 88,81,150 equity shares of the Company. In the previous year also, the Company paid dividend at Rs.3.00 per equity share of Rs.10 each on 88,81,150 shares amounting to Rs.2,66,43,450. Your Directors do not propose to transfer any amount to reserves for the Financial Year ended on March 31, 2021.

3. OPERATIONS	2020-21	2019-20
	MT	MT
<b>Production</b>		
(including processed on jobwork)		
a) Fatty acids	69120	67810
b) Toilet soap & soap products	50644	44983
c) Biomass power-kwh	29357562	31961284
d) Wind power-kwh	11870213	12428464
By-products:		
Glycerine	2771	2402
Fatty acid pitch	2387	2603
<b>Sales</b>		
a) Fatty acids	43817	45160
b) Toilet soap & soap products	42389	35224
c) Biomass power-kwh	10697100	12229800
d) Wind power-kwh	11777565	12302213
By-products:		
Glycerine	1610	1502
Fatty acid pitch	2682	2402

#### 4. OUTLOOK

##### **Fatty Acids and Soap**

There is an improvement in sales volume of soap products, glycerine and fatty acid pitch. However, sales volume of fatty acids are slightly lower than that of previous year. Even though there is an overall improvement of production and sale volumes, the profitability is lower due to decrease in other income when compared to previous year. GST refund/benefit is continuing for North-eastern states and Jammu & Kashmir and will be available upto June 30, 2027. Hitherto, manufacturers in non-exempt areas doing job work for customers, were finding it difficult to market their capacities. However, after introduction of GST the value of benefits of exemption has comedown considerably. As a result, the opportunities have improved for manufacturers in non-exempt areas especially for those catering to the Southern markets as these benefits may not be attractive enough for the value addition and to overcome logistical costs. Accordingly, Company is able to sustain orders for soap products from major customers. The present market conditions are expected to continue for some more time.

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

The Company enters into contracts for doing job-work for Fatty Acids, Soap Noodles and Toilet Soap for major customers wherein the customers themselves supply/cover raw materials required for the total process and the Company receives processing charges for the manufacture of final products. This helps to safeguard against fluctuations in raw material prices. Barring unforeseen circumstances the market is expected to continue the same trend in the coming months.

##### **Biomass Power Plant**

During the year under review, the performance of the Biomass Power Plant has declined marginally when compared to the previous year. The generation from the plant during the year has decreased by 26.04 lakh units, an 8.15% decrease when compared to the previous year. Existing Distributed Control System (DCS) is upgraded due to its redundancy. Commissioning activities of new DCS were completed on 28.1.2021 and is functioning smoothly. Export of power to APSPDCL was stopped from 07 July 2019 to 27 July 2019 and from 15 January 2020 to 26 January 2020 for replacement of DCS and scheduled maintenance.

Power Purchase Agreement entered with APSPDCL by the Company for export of Power for a period of 20 years expired on 25 March 2021. Company approached APSPDCL and AP TRANSCO for extension

of PPA. However APSPDCL is not willing to extend the agreement even at reduced tariff. Hence Company is in the process of finalising a third party for sale of power.

#### Wind Energy Generators (WEG)

Power generation during the year from the four Wind Energy Generators (WEGs) of 6.3 MW capacity has marginally declined as compared to the previous year. During the year, the power generation from all the four WEGs is 118.70 lakh units as compared to 124.28 lakh units in the previous year due to lower wind velocity. The backdown of WEGs for want of evacuation facilities amounts to 8.95% of available time during the year 2020-21 as compared to 5.38% in the previous year.

#### Impact of COVID-19

As stated in the previous annual report, in view of permission granted to our Company by the District Collector due to inclusion of our products under essential commodities list for containment of COVID-19 there is no direct material impact of lockdown to our Company. Restrictions imposed by the State Government in view of second wave of COVID-19 has also not impacted our Company as it is a continuous production generation unit.

### 5. FINANCE AND STATUTORY COMPLIANCES

The Company availed working capital facilities under consortium arrangement with Union Bank of India and State Bank of India and the accounts are in order. The company complied with all the legal requirements and there are no outstanding statutory dues as on 31 March 2021.

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

### 6. CREDIT RATING

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

Nature of Facilities	Rating Assigned	
	2020-21	2019-20
1. Working capital facilities i) Long term facilities	CARE A-; Positive (adequate degree of safety regarding timely servicing of financial obligations)  [Positive outlook indicates an expected upgrade in the credit ratings in the medium term on	CARE A -, Stable (adequate degree of safety regarding timely servicing of financial obligations)  [Stable outlook indicates expected stability (or retention) of the credit ratings in the

Contd...

Nature of Facilities	Rating Assigned	
	2020-21	2019-20
ii) Short term facilities	account of expected positive impact on the credit risk profile of the entity in the medium term] CARE A2+ (Strong degree of safety regarding timely payment of financial obligations)	medium term on account of stable credit risk profile of the entity in the medium term] CARE A2 (Strong degree of safety regarding timely payment of financial obligations)
2. Fixed deposits	CARE A2+(FD) (Strong degree of safety regarding timely payment of financial obligations)	CARE A2 (FD) (Strong degree of safety regarding timely payment of financial obligations)

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

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

**8. VIGIL MECHANISM/WHISTLE BLOWER POLICY**

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

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

- a) In accordance with the provisions of the Companies Act 2013 and Articles of Association of the Company, Sri P. Narendranath Chowdary, Chairman retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.
- b) The Company held Four Board Meetings during the year. Board Meeting dates and attendance particulars are available in the report on Corporate Governance.
- c) The Company has received declarations from all the five Independent Directors confirming that he/she meets the criteria of independence as provided under sub-section 6 of Sec. 149 of the



Companies Act, 2013 at the first meeting of the Board in which he/she participated as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his/her status as an Independent Director.

d) The Audit Committee consists of 3 Non-Executive Directors of which 2 are Independent Directors.

Sri V.S. Raju, Independent Director is the Chairman of the Audit Committee. The remaining 2 members are Sri Mullapudi Thimmaraja, Non-Executive Director and Sri Subbarao V. Tipirneni, Independent Director. The Board accepted all the recommendations of the Audit Committee during the year.

e) During the year under review, the Company is having the following persons as Key Managerial Personnel under Sec. 203 of the Companies Act, 2013.

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

#### 10. MEETING OF INDEPENDENT DIRECTORS

A separate meeting of Independent Directors as required under Schedule IV of the Companies Act, 2013 was held on 25 January 2021, without the presence of Non-Independent Directors. This meeting was conducted to review and evaluate (a) the performance of Non-Independent Directors and the Board as a whole, (b) the performance of the Chairperson of the company, taking in to account the views of Executive Directors and Non-Executive Directors and (c) assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The Independent Directors expressed their satisfaction with the performance of Non-Independent Directors and the Board as a whole and Lead Independent Director briefed the outcome of the meeting to the Board.

#### 11. AUDITORS

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

#### 12. COST RECORDS AND COST AUDITORS

Company is maintaining cost records as specified by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013. M/s. Narasimha Murthy & Co., Cost Accountants, Hyderabad are conducting the cost audit for applicable products during the year. They are eligible for re-appointment as Cost Auditors for the year 2020-21. There are no qualifications, reservations or adverse remarks in the audit report issued by them for the financial year ended 31 March 2021.

### 13. SECRETARIAL AUDIT

M/s. Nekkanti S.R.V.V.S. Narayana & Co., Company Secretaries, Hyderabad were appointed as Auditors for secretarial audit for the year 2020-21 under Sec. 204 of the Companies Act, 2013 and they have submitted their report. There are no qualifications, reservations or adverse remarks in the audit report issued by them for the financial year ended 31 March 2021.

14. In accordance with the notification dated 28<sup>th</sup> August 2020 issued by the Ministry of Corporate Affairs with regard to commencement of provisions of clause (ii) of Section 23 of the Companies (Amendment) Act, 2017 with effect from 28<sup>th</sup> August 2020 and pursuant to Section 92(3) of the Companies Act, 2013, Annual Return has been placed in the website of the Company and weblink for the same is [www.jocil.in/AnnualReturn2021.pdf](http://www.jocil.in/AnnualReturn2021.pdf)
15. The information required to be included in the Board of Directors Report under the Companies Act, 2013 and Rules made there under is annexed and forms part of this report, details of which are as follows.

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

Sl. No.	Particulars	Section	Rule	Annexure No.
9	Details relating to deposits covered under Chapter V of the Act. Companies (Accounts) Rules, 2014	134 (3) (q)	8 (5) (v) & (vi)	9
10	Ratio of the remuneration of each Director to the median employee's remuneration and such other details. Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014	197 (12)	5 (1)	10
11	Particulars of employees in receipt of remuneration not less than Rs. 8,50,000 per month or Rs. 1,02,00,000 per year etc. Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014	197 (12)	5 (2)	11
12	Secretarial Audit Report in Form MR-3. Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014	204 (1)	9 (1)	12

#### 16. INFORMATION UNDER LISTING REGULATIONS

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

Sl.No.	Particulars	Para	Exhibit No.
1	Related Party Disclosures	A	13
2	Management Discussion and Analysis Report	B	14
3	Report on Corporate Governance	C	15
4	Declaration by the Managing Director that all Board Members and Senior Management Personnel affirmed their compliance to the Code of Conduct.	D	16
5	Compliance Certificate from Auditors on Corporate Governance	E	17
6	Disclosures with respect to Demat Suspense Account / Unclaimed Suspense Account	F	18
7	Details of shares transferred to IEPF	G	19

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

## 17. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

## 18. PERSONNEL

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

## 19. ACKNOWLEDGEMENTS

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

Tanuku  
10 June 2021

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

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

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

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

**Criteria for appointment :**

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

**Policy on remuneration :**

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

**Annexure - 2**

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

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

Para A(2) of Schedule V to Listing Regulations

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

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

**FORM NO. AOC-2**

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

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

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

For Jocil Limited

Tanuku  
10 June 2021

(P. NARENDRANATH CHOWDARY)  
Chairman

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

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

\*\*\*

- A) Conservation of energy –
- i) The steps taken or impact on conservation of energy : Heat recovered from the Distilled Fatty Acids is used to increase the concentration of sweet water.
  - ii) The steps taken by the company for utilising alternate sources of energy; : Nil
  - iii) The capital investment on energy conservation equipment; : Nil
- B) Technology absorption –
- i) Efforts made towards technology absorption : Indigenous technology available is being utilised and upgraded continuously to satisfy the needs of the customers
  - ii) Benefits derived like product improvement, cost reduction, product development or import substitution : The Company is able to improve customer acceptability of the products
  - iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) : Nil
    - (a) the details of technology imported;
    - (b) the year of import
    - (c) whether the technology been fully absorbed
    - (d) if not fully absorbed, areas, where absorption has not taken place and the reasons thereof;
  - iv) The expenditure incurred on Research and Development (Rs.in lakhs) : Nil
- C) Foreign exchange earnings and Outgo-
- i) The Foreign Exchange earned in terms of actual inflows during the year and : Rs. 11,65,66,762
  - ii) The Foreign Exchange outgo during the year in terms of actual outflows : Rs. 35,87,06,163



**Annexure - 5****RISK MANAGEMENT POLICY**

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

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

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

**Annexure - 6****REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR THE YEAR 2020-21**

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

## 1. A brief outline on CSR policy of the Company.

Participation of business enterprises in building economic, social and environmental capital will enhance social sustainability. Design and implement CSR programs for sustainable development in the areas of health, safety, environment, poverty eradication, skill development, resource enhancing etc.,

The Company is extending financial assistance to educational Institutions/Trusts for promotion of education irrespective of religion, caste etc.

## 2. The Composition of the CSR Committee :

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	P. Narendranath Chowdary	Chairman, Non-Executive Director	1	1
2	J. Murali Mohan	Member, Executive Director	1	1
3	Mullapudi Thimmaraja	Member, Non-Executive Director	1	-
4	P. Venkateswara Rao	Member, Independent, Non-Executive Director	1	1

## 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company : Web link to the CSR policy and projects or programs of the company is 'http://jocil.in/CSR POLICY%20.pdf'.

4. Provide the details of Impact assessment of CSR projects carried out in : Not Applicable  
pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social  
responsibility Policy) Rules, 2014, if applicable (attach the report).
5. Details of the amount available for set off in pursuance of sub-rule (3) of :  
rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014  
and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set-off for the financial year, if any (in Rs.)
1.		Nil	
2.			
3.			
	Total		

6. Average net profit of the company as per section 135(5) :

Year	Net Profit during the year u/s.198 (Adjusted) Rs.
2019-20	16,96,07,995
2018-19	2,16,37,064
2017-18	4,74,61,782
Total for 3 years	23,87,06,841
Average profit	7,95,68,947

7. (a) Two percent of average net profit of the company as per section 135(5) : Rs.15,91,379  
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. : Nil  
(c) Amount required to be set off for the financial year, if any : Nil  
(d) Total CSR obligation for the financial year (7a+7b-7c). : Rs.15,91,379

8. (a) CSR amount spent or unspent for the financial year :

Total amount spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
	- Nil -				

## (b) Details of CSR amount spent against ongoing projects for the financial year :

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Un-spent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation. Direct (Yes/No.)	Mode of Implementation - Through Implementing Agency	
				State	Dist.						Name	CSR Registrati on number
1												
2												
3												
	Total											

## (c) Details of CSR amount spent against other than ongoing projects for the financial year.

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No.)	Location of the project		Amount spent for the project (in Rs.)	Mode of implemen- tation Direct (Yes/No.)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR registration number
1.	Disaster Management Activity COVID-19	Item (xii)	Yes	AP	Guntur	4,30,747	Yes	-	-
2.	Providing Medical care in the field of cardiology to the sick, poor, disabled and handicapped without distinction of caste, creed, race & religion	Item (i)	No	AP	Venkata- rayapuram, Tanuku, West Godavari District	11,60,632	No	Sree Mullapudi Kamala Devi Cardiovascular Centre, Venkatara- puram, Tanuku- 534215, W.G.Dist. A.P.	CSR 00007451
	Total					15,91,379			

(d) Amount spent in Administrative Overheads

: Nil

(e) Amount spent on Impact Assessment, if applicable

: Not Applicable

(f) Total amount spent for the Financial Year

: Rs.15,91,379

(8b+8c+8d+8e)

(g) Excess amount for set off, if any :

Sl.No.	Particulars	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	15,91,379
(ii)	Total amount spent for the Financial Year	15,91,379
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years :

Sl. No.	Proceeding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial year (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of Transfer	
1.							
2.							
	Total						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) :

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project. (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed/ Ongoing.
1.								
2.								
3.								
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year.

(asset wise details)

- (a) Date of creation or acquisition of the capital asset(s) :
- (b) Amount of CSR spent for creation or acquisition of capital asset :
- (c) Details of the entity or public authority or beneficiary underwhose name such capital asset is registered, their address etc. : Not Applicable
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). :

11. Specify the reason(s), if the company has failed to spend two percent of the average net profits as per section 135(5). -Not Applicable-

Sd/-xxx  
 Managing Director

Sd/-  
 Chairman CSR Committee

\_\_\_\_\_

**Annexure - 7**

**STATEMENT ON EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

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

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

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

\_\_\_\_\_

**FINANCIAL SUMMARY**

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

(Rs. in Lakhs)

	Year ending 31st March									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>OPERATING RESULTS</b>										
Gross Sales & Other Income	43634	46088	42201	37014	43543	41478	35060	40412	45186	56668
Operating Profit	3090	3677	2819	2730	3631	1885	1277	817	2439	2170
Depreciation	888	1001	1026	667	804	706	653	572	592	561
Interest	342	382	163	95	113	160	129	119	82	66
Profit before Tax	1860	2294	1630	1968	2714	1019	495	126	1765	1543
Profit after Tax	1250	1462	1133	1311	1794	821	410	317	1249	1361
Dividend paid	444	533	444	533	622	266	178	89	266	266
Dividend rate (%)	50	60	50	60	70	30	20	10	30	30
Retained Earnings	734	838	614	670	1045	501	196	210	983	1095
Earning per Share (Rs.)	14.08	16.46	12.75	14.76	20.20	9.24	4.62	3.57	14.07	15.32
Return on Net worth(%)	8.98	9.92	7.45	8.31	10.73	4.66	2.28	1.76	6.68	6.82
Debt Equity Ratio	0.22	0.24	0.08	0.07	0.05	0.16	0.04	0.05	0.04	0.01
Book Value (Rs.)	156.72	165.95	171.25	177.58	188.20	198.23	202.10	202.74	210.53	224.83
<b>SOURCES OF FUNDS</b>										
Equity Capital	888	888	888	888	888	888	888	888	888	888
Reserves	13030	13850	14320	14883	15826	16717	17060	17117	17809	19080
Borrowings	3008	3569	1211	1051	904	2842	665	833	831	204
Net Capital Employed	16926	18307	16419	16822	17618	20447	18613	18838	19528	20172
<b>APPLICATION OF FUNDS</b>										
Gross Fixed Assets	16324	17391	17433	17502	7183	7609	7689	8094	8623	9065
Depreciation	8141	9037	10011	10705	804	1511	2163	2735	3327	3697
Net Fixed Assets	8183	8354	7422	6797	6379	6098	5526	5359	5296	5368
Net Current Assets & Investments	8743	9953	8997	10025	11239	14379	13087	13479	14232	14804
Net Assets Employed	16926	18307	16419	16822	17618	20477	18613	18838	19528	20172
<b>TO EXCHEQUER</b>										
Excise Duty & Service Tax	4986	5320	4576	4866	4430	3995	1023	-	-	-
Sales Tax and Other Taxes	1156	961	741	604	629	566	220	-	-	-
GST	-	-	-	-	-	-	3658	5623	7173	10137
Income Tax	600	850	650	700	1025	255	130	47	500	470
Total Taxes & Duties	6742	7131	5967	6170	6084	4816	5031	5670	7673	10607

**REPORT ON FIXED DEPOSITS**

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

- i) The details, relating to deposits covered under Chapter V of the Companies Act, 2013
- |   |  |
|---|--|
|   | Rs.  |
| (a) Deposits accepted during the year   | : 2,03,72,824  |
| (b) Remained unpaid or unclaimed as at the end of the year  | : NIL  |
| (c) Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved- | : No defaults in repayment of deposits or payment of interest thereon. |
| (i) At the beginning of the year  | : NIL  |
| (ii) Maximum during the year  | : NIL  |
| (iii) At the end of the year  | : NIL  |
- ii) The details of deposits which are not in compliance with the requirement of Chapter V of the Act : NIL

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

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

\*\*\*

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year
- |   |           |
|---|-----------|
| Sri J. Murali Mohan – Managing Director               | : 108 : 1 |
| (all the other directors are non-executive directors) |           |
- (ii) The percentage increase/(decrease) in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year
- |  |          |
|--|----------|
| Sri J. Murali Mohan, Managing Director &   | : 20.35% |
| Sri K. Raghuram, Secretary & DGM (Finance) | : 10.97% |
- (iii) The percentage increase/(decrease) in the median remuneration of employees in the financial year : 2.57%
- (iv) The number of permanent employees on the rolls of company : 767
- (v) Affirmation that the remuneration is as per the remuneration policy of the company : Yes

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

i) Name	: Sri J. Murali Mohan
ii) Designation	: Managing Director
iii) Remuneration received	: Rs. 1,80,89,905
iv) Nature of employment, whether contractual or otherwise;	: Contractual for a period of three years
v) Qualifications	: B.Tech (Chem. Engg.) & MBA
vi) Experience	: 42 Years
vii) Date of commencement of employment	: 16-02-1990
viii) Age	: 71 Years
ix) Last employment held before joining the company	: Marketing Manager, ITC Ltd. (ILTD Division)
x) The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) of Rule (5)	: Not applicable
xi) Whether relative of any director or manager of the company and if so, name of such director or manager;	: -No-

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

For the financial year ended 31st March 2021

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

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

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



Based on our verification of Jocil Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 and made available to us, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company during the Audit Period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (vi) Other laws applicable specifically to the Company, namely:
  - (a) The Hazardous Wastes (management, Handling and Transboundary Movement) Rules, 2008
  - (b) Drugs & Cosmetics Act, 2002 and rules made there under
  - (c) Legal Metrology Act, 2009 and rules made there under

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India.

We report that, during the year under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines and Standards mentioned above.

We further report that, there were no events / actions in pursuance of:

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Employee stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

- (c) The securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008:
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009); and
- (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We further report that:

The compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by the statutory financial auditors, tax auditors, and other designated professionals

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

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

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that, based on the information provided and the representation made by the Company and also on the review of the compliance certificates / reports taken on record by the Board of Directors of the Company, in our opinion, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

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

Company Secretaries

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

Proprietor

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

UDIN: F007157C000398757

Date : 31-05-2021

Place : Hyderabad

Note:

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

**ANNEXURE – A**

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

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

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. Due to prevailing circumstance of COVIDI-19 pandemic, the audit was conducted based on the verification of the Company's books, papers, minutes books, forms and returns filed, documents and other records furnished by / obtained from the Company electronically and also the information provided by the Company and its officers by audio and visual means.

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

Company Secretaries  
(NEKKANTI S.R.V.V.S. NARAYANA)  
Proprietor  
M.No.F7157, C.PNo.7839  
UDIN: F007157C000398757

Date : 31-05-2021  
Place : Hyderabad

**Annexure - 13**

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

(Amount in Rs.)

S. No.	Name of the Company / Firm in which the Directors are interested	Amount of loans / advances / investments / outstanding as on 31-03-2021	Max. amount of loans / advances / investments outstanding during the year 2020-21
Nil			

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

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

The Company is having 6 Mw Biomass Cogeneration Captive Power Plant located within the factory premises and the surplus power is sold to APSPDCL. (However w.e.f. 26-03-2021 the sale of power to APSPDCL is stopped due to completion of Power Purchase Aggrement (PPA) entered with them.) It is also having four Wind Energy Generators (WEGs) of total 6.30 MW setup in Tamil Nadu and the power generated from these plants is sold to Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO).

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

The country is short of both edible and non-edible vegetable oils. However, in India, refineries with huge capacities have been setup for processing Crude Vegetable Oils like Palm Oil mainly imported from Malaysia and Indonesia and some that is available domestically. By-products generated from these refineries viz., RBD Palm Stearine (RBDPS) and Palm Fatty Acid Distillate (PFAD) are the raw materials to the Company. As a result, the Company indirectly depends on imports of crude vegetable oils.

Consequently the supply and demand position in the international market for vegetable oils influence the domestic market.

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

Inverted duty structure for imports (higher duty for raw materials and lower duty for finished products) is a major problem for manufacturers of Soap Noodles. There is no customs duty on Soap Noodles

imported (vide Customs Notification No. 46/2011, as amended from time to time, imported from Asian Countries under Indian Free Trade Agreement) where as Lauric Acid one of the important raw materials in the manufacture of Soap Noodles attracts customs duty at 8.25% (including 10% social welfare surcharge on customs duty). As a result indigenous manufacturers are placed at a disadvantage in competing with import of Soap Noodles.

The fuels intended for running the biomass power plant are Rice Husk, fire wood like Cotton Stalk, Chili Stalk, English Thumma etc., available in the surrounding areas. Their availability is seasonal and also depends on availability of labour and farm works during the season. Transportation and storage of biomass fuels are the other problems due to their low bulk density. They are also fire hazardous.

Scheduled maintenance activities are being carried out regularly for optimum capacity utilization of the power plant. Steam and power requirements of Process Plants are met from the Biomass Power Plant. Existing Distributed Control System (DCS) is upgraded due to its redundancy. Commissioning activities of new DCS are completed on 28.1.2021 and is functioning smoothly.

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

To increase the frequency of testing to have higher reliability and consistency, Company has started setting up of its own Micro-organism Testing Equipment in Company's laboratory in a separate chamber for testing raw materials, semi-finished soap products, soap noodles and finished soap products at an estimated cost of Rs.25 lakhs. It is expected to commence the operations of Micro Lab by end September, 2021.

**b. Opportunities and Threats:**

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

GST refund/benefit is continuing for the North-eastern States and Jammu & Kashmir and will be available upto June 30, 2027. However, manufacturing of Soap Noodles and low cost soap in Northeast for

southern markets does not seem to be viable as the value of the exemption benefits after introduction of GST is not enough for the value addition and to overcome the logistical costs. Due to the good rapport with major customers, our company is able sustain orders for soap products and accordingly, capacity utilization of Soap Plant has not been impacted during the year.

Export of Power generated from biomass to APSPDCL was stopped from 3 July 2020 to 18 July 2020 and from 12 Jan 2021 to 26 Jan 2021 due to scheduled maintenance. APERC increased the variable cost to Rs. 5.01 for FY 2020-21. Generation of revenue through exports of power stopped w.e.f 26th March, 2021 consequent upon completion of agreement entered with APSPDCL. APSPDCL is not willing to extend the agreement. Hence, Company is in the process of finalising a third party for sale of power.

The generation of power from Wind Energy Generators (WEGs) has declined to 118.70 lakh units as against 124.28 lakh units in the previous year. As a result, revenue from sale of power from Wind Energy Generators decreased to Rs.341.61 lakhs from Rs.356.02 lakhs. It is mainly due to increase of grid failure from 5.38% to 8.95%. Payments from TANGEDCO continue to be delayed by about 2 years.

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

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

**d. Outlook:**

The Company expects the Government to recognize the inverted duty structure for Soap Noodles and correct the anomaly to enable the industry to face the competition from import of soap noodles effectively. The demand for Glycerine, one of the By-product generated from production of Fatty Acids, improved recently due to its increased usage in sanitizers and soaps for containment of COVID-19. Hence, demand for soap noodles and soap may also be expected to continue during the forthcoming period.

In order to cater to the additional toilet soap requirements of major customers, Company modified certain equipment in the existing Soap Plant by spending about Rs.2 Crores to suit different requirements of customers. Quality improvement, production optimisation and reduction of manual operations are achieved due to these modifications.

In view of increase in the requirements of medical oxygen, due to increase in the spread of second wave of COVID-19, Government banned supply of industrial oxygen. Hence, Company obtained license for manufacture of Medical Oxygen from Drug Control Administration Authority. However, the converted industrial oxygen for medical use is not permitted for ICU patients as a matter of abundant caution. Hence, Company is supplying oxygen only to non-ICU patients availing treatment in various Government and private hospitals. The demand for medical oxygen is expected to continue for some more period.

**e. Risks and Concerns:**

The wide fluctuations in raw material prices in the international market affect the prices of final products

which may result in conditions sometimes favourable or at other times unfavourable to the Company, in spite of taking precautions to avoid risks in price fluctuations.

Generation of power by Biomass Power Plant depends on availability of biomass and its cost. Generation of power by wind mills depends on wind velocity and the policy of TANGEDCO to prioritize evacuation over the other sources of energy available to it. The profitability of Wind Energy Generators largely depends upon the purchase price fixed by the Government for purchase of energy from renewable sources of energy as a promotional measure. The Power Purchase Agreement (PPA) entered with APSPDCL by the Company for export of Power for a period of 20 years was completed on 25 March 2021. Company approached APSPDCL and AP Transco for extension of PPA. However they are not willing to extend the agreement even at a reduced tariff. Hence, Company is in the process of finalising a third party for sale of power. Since quantum of power is very less and is inconsistent Company's options are limited.

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

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

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

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

The operations of Toilet Soap & Soap Products and Fatty Acids improved by around 13% and 2% respectively. However the operations of Biomass Power and Wind Power declined by around 8% and 4% respectively. The Profit Before Interest and Depreciation decreased by around 13% due to reduction of other income when compared to previous year.

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

The Company employed 767 persons as on 31 March 2021 both in the factory and office. The Management of the Company maintains good relations with the employees. There have been no labour problems since the inception of the Company in 1980.

**a. Details of significant changes in key financial ratios.**

Ratio	2020-21	2019-20	Change %	Explanation for change
1) Debtors Turnover	6.76	6.38	5.96	--
2) Inventory Turnover	29.81	25.07	18.91	--
3) Interest Coverage Ratio	24.34	22.48	8.27	--
4) Current Ratio	3.67	3.53	3.97	--
5) Debt Equity Ratio	0.01	0.04	(75)	Decrease in debt
6) Operating Profit Margin(%)	2.85	4.10	(30.73)	Decrease in operating profit
7) Net Profit Margin (%)	2.41	2.80	(14.01)	--

**b. Details of change in Return On Net Worth**

Ratio	2020-21	2019-20	Change %	Explanation for change
Return on Net Worth	0.068	0.067	2.01	Increase in Profit After Tax due to exercise of option permitted under Sec.115BAA of Income Tax Act, 1961.



**REPORT ON CORPORATE GOVERNANCE**  
(Para C of Schedule V to the Listing Regulations)

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

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

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

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

**2. Board of Directors :**

a) Composition -

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

b) In the Financial Year 2020-21, the Board met four times. The meetings were held on -  
25 June 2020, 11 August 2020, 07 November 2020 and 11 February 2021.

c) Familiarization programmes for Board Members

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

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

Name of the Director & Designation	Shares held in the company by Non-Executive Directors as on 31-3-2021	Status*	No. of other Directorships & Chairmanships held			Memberships & Chairmanships in committees of other companies held		No. of Board Meetings attended	Attendance at last AGM held Y / N	Relation with other Directors
			Public	Private	Chairman	Member	Chairman			
P. Narendranath Chowdary, Chairman	25,000	NE	7	-	4	3	1	4	Y	Father of Mullapudi Mrutyumjaya Prasad  Son of Mullapudi Thimmaraja
J. Murali Mohan, Managing Director	Not Applicable	E	1	-	-	1	1	4	Y	
Mullapudi Thimmaraja, Director	4,500	NE	2	-	-	2	1	2	N	
K. Srinivasa Rao, Director	3,25,092	NE	-	6	-	-	-	4	Y	
V.S. Raju, Director	Nil	INE	3	-	-	3	1	4	Y	
Subbarao V. Tipirneni, Director	Nil	INE	-	3	-	-	-	4	N	
Mullapudi Mrutyumjaya Prasad, Director	2250	NE	-	1	-	-	-	3	N	
P. Venkateswara Rao, Director	Nil	INE	1	1	-	1	-	4	N	
Dr. Manjulata Dasari, Director	1006	INE	2	1	-	2	-	4	N	
K. Ramaseshaya, Director	Nil	INE	-	1	-	-	-	4	N	

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

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

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

Sl. No.	Name of the Director	Name of the listed entities where he / she is a Director	Category
1	P. Narendranath Chowdary	The Andhra Sugars Limited	Executive Director
2	J. Murali Mohan	The Andhra Petrochemicals Limited	Executive Director
3	Mullapudi Thimmaraja	-	-
4	K. Srinivasa Rao	The Andhra Sugars Limited	Executive Director
5	V.S. Raju	The Andhra Petrochemicals Limited	Non-Executive Director
		-	-
		The Andhra Sugars Limited	Non-Executive Independent Director
		NCL Industries Limited	Non-Executive Independent Director
6	Subbarao V. Tipirneni	-	-
7	Mullapudi Mrutyumjaya Prasad	-	-

Sl. No.	Name of the Director	Name of the listed entities where he / she is a Director	Category
8	P. Venkateswara Rao	The Andhra Petrochemicals Limited	Non-Executive Independent Director
9	Dr. Manjulata Dasari	The Andhra Sugars Limited The Andhra Petrochemicals Limited	Non-Executive Independent Director Non-Executive Independent Director
10	K. Rama Seshayya	-	-

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

The Board in consultation with Nomination & Remuneration Committee identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board:

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

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

At present, all our Directors possess the above skills. The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above and whether the person is a proven leader in running a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business. The Directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the industries/fields from where they come.

- g. The Board confirms that in the opinion of the Board, the independent directors fulfil the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are

independent of the management. All the Independent Directors of the Company have given declarations and confirmed that they meet the criteria of independence as provided under section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

h. During the year under review no independent director has resigned from the Board.

### 3. Audit Committee :

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

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

Director	Position	Meetings held	Meetings attended
V.S. Raju	Chairman -INED	4	4
Mullapudi Thimmaraja	Member - NED	4	2
Subbarao V. Tipirneni	Member -INED	4	4

INED – Independent Non-Executive Director

NED – Non-Executive Director

During the period under review, four meetings of the Committee were held on 25 June 2020, 11 August 2020, 07 November 2020 and 11 February 2021.

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

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

Broad terms of reference of the Audit Committee include -

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

- Appointment of internal auditors and review of internal audit reports.
- Appointment of Chief Financial Officer (CFO)
- Review of compliance of the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015.

**4. Nomination and Remuneration Committee :**

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

Director	Position	Meetings held	Meetings attended
V.S. Raju	Chairman - INED	1	1
P. Narendranath Chowdary	Member - NED	1	1
Mullapudi Thimmaraja	Member - NED	1	1
Subbarao V. Tipirneni	Member - INED	1	1

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

During the period under review, one meeting of the Committee was held on 25 June 2020. The Managing Director attended the meetings to answer the queries raised by the Committee members. Secretary & DGM (Finance) acts as a Secretary to the Committee.

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

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

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

## 5. Remuneration of Directors

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

Name of the Director	Sitting fees paid for attending meetings of the Board of Directors / Committees of Directors Rs.
P. Narendranath Chowdary	1,20,000
Mullapudi Thimmaraja	70,000
K. Srinivasa Rao	80,000
V.S. Raju	1,50,000
Subbarao V. Tipirneni	1,50,000
Mullapudi Mrutyumjaya Prasad	65,000
P. Venkateswara Rao	1,00,000
Dr. Manjulata Dasari	90,000
K. Rama Seshayya	80,000

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

Salary	: Rs. 60,50,000
House Rent Allowance	: Rs. 30,25,000
Commission	: Rs. 34,72,116
Contribution to Provident Fund and other Funds	: Rs. 16,05,300
Other Perquisites	: Rs. 4,10,097
Value of Earned Leave provided	: Rs. 30,94,700
Contribution to Group Gratuity	: Rs. 4,32,692
Total	Rs. 1,80,89,905

Except commission, no other performance linked incentive is paid to Managing Director and the performance criteria for payment of remuneration to Managing Director is determined by the Board of Directors as per the recommendation of the Nomination and Remuneration Committee. The same is finally approved by the shareholders.

The appointment of Managing Director is on a contract for a period of 3 years w.e.f. 16 February 2021 and there is no provision for notice period or severance fee on either side.

None of the Directors are provided with Stock options.

## 6. Stakeholders Relationship Committee

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

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

Director	Position	Meetings held	Meetings attended
P. Narendranath Chowdary	Chairman	1	1
J. Murali Mohan	Member	1	1
Mullapudi Thimmaraja	Member	1	1
M. Mrutyumjaya Prasad	Member	1	1
Dr. Manjulata Dasari	Member	1	1

During the period under review one meeting of the Committee was held on 25 June 2020.

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

The Company has not received any complaints during the year from the shareholders. Accordingly, as on 31 March 2021 there were no pending complaints from the shareholders.

## 7. General Body Meetings :

The last three Annual General Meetings were held as under :

Financial Year	Date	Time	Place
2017-2018	29-09-2018	3.30 PM	Regd. Office, Dokiparru, Guntur Dist., A.P.
2018-2019	21-09-2019	3.30 PM	Regd. Office, Dokiparru, Guntur Dist., A.P.
2019-2020	24-09-2020	3.30 PM	Regd. Office, Dokiparru, Guntur Dist., A.P.

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

- a) 2017-18 - Nil
- b) 2018-19 -Nil
- c) 2019-20 -
  - i) Reappointment of Managing Director for a period of 3 years w.e.f.16 February 2021
  - ii) Alteration of Articles of Association of the Company for revision of Sitting Fees payable to Directors for attending Board and Committee Meetings.

There was no occasion to pass Special Resolutions through postal ballot on any of the matters required to be so passed under the provisions of the Companies Act 2013. Further no such proposal is under consideration for the shareholders' approval in the forthcoming Annual General Meeting.



## 8. Means of Communication

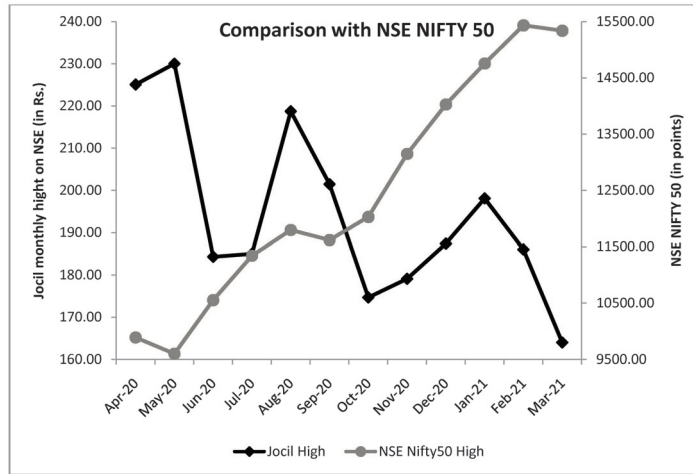
Quarterly results approved by the Board are usually published in Business Standard (English) and Visalandhra (Telugu) newspapers. In addition to this, the Company is communicating its results to National Stock Exchange where the shares are listed. Further, the quarterly results are also placed on the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

## 9. General Shareholder Information

- a) Annual General Meeting  
Date and Time : 22-09-2021 at 3.30 p.m.  
Venue : Registered Office :  
Jocil Ltd., Dokiparru, Medikondur Mandal,  
Guntur District, A.P.
- b) Financial Year : 2020 -21
- c) Dividend Payment Date : 24-09-2021  
Date of Book Closure : 11-09-2021 to 18-09-2021
- d) Listing on Stock Exchanges : National Stock Exchange of India Ltd., (NSE)  
Exchange Plaza, Bandra Kurla Complex, Bandra (E),  
Mumbai – 400 051.  
The Company has paid the Listing Fees for the year  
2020-2021 to NSE.
- e) Stock Code : ISIN – INE839G01010
- f) Stock Market data -

Month	In Rs. per Share				Total Traded Shares Qty. in Nos.
	High Price	Low Price	Close Price	Average Price	
Apr-20	225.05	90.00	225.05	180.03	23805
May-20	230.00	140.00	142.00	170.67	19584
Jun-20	184.30	142.10	149.00	158.47	16548
Jul-20	185.00	145.45	173.15	167.87	18339
Aug-20	218.70	165.95	185.00	189.88	37576
Sep-20	201.45	160.20	163.90	175.18	11559
Oct-20	174.65	153.35	173.60	167.20	4318
Nov-20	179.10	152.50	161.95	164.52	6095
Dec-20	187.40	157.50	180.10	175.00	7205
Jan-21	198.05	148.80	151.00	165.95	7234
Feb-21	186.00	152.05	159.05	165.70	8217
Mar-21	164.00	139.00	143.75	148.92	4929

g) Comparison of performance in comparison with NSE NIFTY 50



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

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

j) Share transfer system : The Board of Directors delegated the power of transfer of securities to the Share Registrar and Transfer Agents (RTA). In accordance with the Proviso to Regulation 40(1) of the Listing Regulations, effective from April 01, 2019, transfer of shares of the Company shall not be processed unless the shares are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to able to freely transfer them and participate in various corporate actions.

k) Shareholding pattern as on 31 March 2021.

S.No.	Category	No. of shares	% of holding
1	Promoters	48,86,500	55.02
2	Financial Institutions	--	--
3	Mutual Funds	--	--
4	Banks	--	--
5	Foreign Institutional Investors	--	--
6	Non-Resident Indians	39724	0.45
7	Bodies Corporate	222397	2.50
8	Clearing Members	14617	0.16
9	HUF	142013	1.61
10	Indian Public	3575899	40.26
	Total	88,81,150	100.00

## Distribution of Shareholding as on 31 March 2021.

Shareholdings of nominal value of shares held (Rs.)	Shareholders		Share Amount	
	Nos.	%	In Rs.	%
Upto 5,000	4389	84.26	4803420	5.41
5,001 - 10,000	344	6.60	2658960	2.99
10,001 - 20,000	205	3.94	3030160	3.41
20,001 - 30,000	78	1.50	1950500	2.20
30,001 - 40,000	32	0.61	1119970	1.26
40,001 - 50,000	32	0.61	1465760	1.65
50,001 - 1,00,000	73	1.40	5073550	5.71
1,00,001 & above	56	1.08	68709180	77.37
Total :	5,209	100.00	8,88,11,500	100.00

## l) Dematerialisation of Shares

Electronic / Physical	%
NSDL - 1791930	20.18
CDSL - 6259117	70.47
Physical - 830103	9.35

90.65% of Company's Paid-up Equity Share Capital has been dematerialised upto 31 March 2021 (90.20% upto 31 March 2020). Trading in Equity Shares of the Company is permitted only in dematerialized form.

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

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

Jocil Limited

o) Plant locations : Dokiparru Village,  
Medikondur Mandal  
Guntur District, A.P.,  
Pin : 522 438.

Wind Power Units :  
Kurichampatti Village,  
V.K. Pudur Taluk  
Tirunelveli Dist., T.N.,  
Pin : 627 860.

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

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

Velayuthampalayam Village,  
Dharapuram Taluk  
Tirupur Dist., T.N.,  
Pin : 638702

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

Telephone No. : 0863-2290190/92

Mobile No. : 9848139135

Fax No. : 0863-2290090

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

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

q) Revision in credit ratings is provided in point no.7 of Directors Report.

## r) Dividend Declared for the last 7 Years

Financial Year	Dividend Declaration Date	Dividend per Share of Rs.10 each - Rs.
2020-21	22 September 2021	3.00
2019-20	24 September 2020	3.00
2018-19	21 September 2019	1.00
2017-18	29 September 2018	2.00
2016-17	28 September 2017	3.00
2015-16	14 March 2016	7.00
2014-15	19 September 2015	6.00

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

During the year under review, the Company has credited Rs.4,34,118 being the unpaid/unclaimed dividend for the year 2012-13 to the Investor Education and Protection Fund (IEPF) pursuant to Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit Transfer and Refund) Rules, 2016 ('The Rules').

Further, pursuant to the provisions of the Rules 4,448 (Cumulative Total of 37,624) equity shares being the shares of those shareholders who have not claimed the dividends for a continuous period of 7 years were credited to the IEPF.

**10. Other Disclosures :**

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

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

- ii. There were no instances of non-compliance by the Company and no penalties, strictures on the Company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to Capital markets during the last three years.

- iii. The Company has established Vigil Mechanism as required under Sec. 177(10) of the Companies Act, 2013 for directors and employees to report genuine concerns as prescribed in the policy. The policy provides adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. No personnel have been denied access to the Audit Committee.
- iv. The Company has complied with all the mandatory requirements. The non-mandatory requirements not complied with will be adopted at the appropriate time.
- v. The Company is not having any subsidiaries.
- vi. Policy on dealing with related party transactions of the Company is available at [www.jocil.in](http://www.jocil.in)
- vii. Hedging for commodity price risks is as discussed at Item No. 9 (n) above.
- viii. The company has not raised any funds through preferential allotment or qualified institutional placement.
- ix) Certificate from a company secretary in practice with respect to non-disqualification of Directors is annexed vide Annexure - 1.
- x) There are no instances of non-acceptance of any recommendations of any committee of the Board.
- xi) Details of total fees for all services paid by the company to the statutory auditors, M/s. Chevuturi Associates, Vijayawada are as follows.

For Statutory Audit	Rs. 4,00,000
For Limited Review Report	Rs. 30,000
Total	<u>Rs. 4,30,000</u>

- 11. The Company has complied with all the requirements of Corporate Governance under Sub Para 2 to 10 in Para C of Schedule V to the Listing Regulations.
- 12. Implementation of discretionary requirements under Part E of Schedule II to Listing Regulations
  - a) The Chairman's office expenses incurred in performance of his duties are not reimbursed by the Company.
  - b) Half yearly declaration of financial results including summary of significant events have not been sent to the household of shareholders.
  - c) There are no audit qualifications in the Company's financial statement for the year under reference.  
It is always the Company's endeavour to present financial statements without any qualification.
  - d) The Company is having separate persons appointed to the posts of Chairman and Managing Director.
  - e) The Internal Auditors to the Company reports directly to the Audit Committee.

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

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

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

b) Regulation 21 dealing with constitution of Risk Management Committee is not applicable to the Company.

c) The Company is having Vigil Mechanism for Directors and the Employees to report genuine concerns as required under Regulation 22.

d) The Company formulated a policy on materiality of related party transactions and on dealing with related party transactions in compliance with Regulation 23 and complies with the same.

e) The Company is not having subsidiary companies.

f) The Company complies with the obligations with respect to Independent Directors and Employees including Senior Management, Key Managerial Persons, Directors and Promoters under Regulation 25 and 26.

g) Quarterly Compliance Report on Corporate Governance is filed with the NSE along with material related party transactions if any as required under Regulation 27.

h) The Company maintains functional website [www.jocil.in](http://www.jocil.in) containing the information required under Clauses (a) to (z) of Regulation 46 (2).

Jocil Limited

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

To

The Members of

Jocil Limited

Dokiparru (V), Medikondur (M),

Guntur (Dist), Andhra Pradesh - 522438

We have examined the following documents:

- i) Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');
- ii) Disclosure of concern or interests as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents')

as submitted by the Directors of Jocil Limited ('the Company') bearing CIN: L28990AP1978PLC002260 and having its registered office at Dokiparru (V), Medikondur (M), Guntur (Dist), Andhra Pradesh - 522438, to the Board of Directors of the Company ('the Board') for the Financial Year 2020-21 and relevant registers, records, forms and returns maintained by the Company and as made available to us for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of SEBI (LODR) Regulations, 2015. We have considered non-disqualification to include non-debarment by Regulatory/Statutory Authorities.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act.

Ensuring the eligibility for appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)), in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorised representatives, we hereby certify that none of the Directors on the Board of the Company, as listed hereunder for the financial year ended 31st March, 2021, have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.



Sl. No.	Name of Director	DIN
1.	Pendyala Narendranath Chowdary	00015764
2.	Jagarlamudi Murali Mohan	00114341
3.	Mullapudi Thimmaraja	00016711
4.	Kandimalla Srinivasa Rao	00381090
5.	Vuppalapati Sitarama Raju	00101405
6.	Tipirneni Venkata Subbarao	00337027
7.	Mullapudi Mrutyumjaya Prasad	01500271
8.	Parvataneni Venkateswara Rao	06387165
9.	Dasari Manjulatha	02788338
10.	Kanuri Rama Seshayya	05162760

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the financial year ended 31st March, 2021.

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

**Company Secretaries**

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

Proprietor

Place : Hyderabad  
Date : 31 May 2021

M.No.F7157, C.PNo.7839  
UDIN: F007157C000398438

**Annexure - 16**

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

To

The Members of Jocil Limited

This is to affirm that the Board of Directors of Jocil Limited has adopted a Code of Conduct for its Directors and Senior Management Personnel in compliance with the provisions of para D of Schedule V to Listing Regulations. Board Members and Senior Management Personnel of the Company have confirmed the compliance of provisions of the said code for the financial year ended 31st March 2021.

Place : Guntur  
Date : 10 June 2021

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, 2021, as stipulated in Para E of Schedule V to Listing Regulations.

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

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

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

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

**RAGHUNADHA RAO BALINENI**  
Partner  
ICAI Memb. No. 028105

Camp : Guntur

Date : 10 June 2021

UDIN: 21028105AAAABC7260

Annexure - 18

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

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

Annexure - 19

**DETAILS OF SHARES TRANSFERRED TO INVESTOR EDUCATION AND PROTECTION FUND**

Unclaimed Equity shares credited to the IEPF (Pertaining to the year 2012-13)

Sl. No.	Opening Balance as on 01.4.2020	Date of Transfer to IEPF in FY 2020-21	No. of shareholders whose shares were transferred to IEPF		No. shares transferred to IEPF during FY 2020-21	Type of Shares transferred	Cumulative No. of Shares transferred to IEPF
			In FY 2020-21	Cumulative			
1	33,176	01.10.2020	7	52	4448	Physical/ Demat	37,624

**INDEPENDENT AUDITORS' REPORT**

TO THE MEMBERS OF JOCIL LIMITED

**Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of JOCIL LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the State of affairs of the Company as at March 31, 2021, its Profit, total comprehensive Income, changes in equity and cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

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

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

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

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

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

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

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

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

### **Management's Responsibility for the Financial Statements**

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

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

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

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

### **Report on Other Legal and Regulatory Requirements**

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Chevuturi Associates**  
Chartered Accountants  
Firm Registration No.0006325

**(RAGHUNADHA RAO BALINENI)**

Place : Camp : Guntur

Date : 10 June 2021

UDIN: 21028105AAAABC7260

Partner

(Membership No: 028105)

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

**The Annexure referred to in paragraph 2 under "Report on other legal and regulatory requirements" section of our report to the members of JOCIL LIMITED for the year ended March 31, 2021.**

**We report that:**

- 1 In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) The company has a programme of physical verification to cover all items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the programme, certain fixed assets were physically verified by the management during the year and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
2. In respect of its inventories:
  - a) According to the information and explanations furnished to us, the Company has physically verified its inventories during the year and no discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
3. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Consequently, clauses (iii)(a),(b) and (c) of paragraph 3 of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act with respect to the loans and investments made.

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

Name of the Statute	Nature of Dues	Amount involved (Rs.)	Amount unpaid (Rs.)	Period to which it relates	Forum where dispute is pending
AP VAT	Availment of Input tax credit	15,89,620	10,40,037	2005-06	STAT, Vizag
		13,05,462	2,24,341	2006-07	
		6,43,893	43,650	2007-08	
	Purchase tax on Biomass	25,91,715	-	2012-16	
		40,97,107	30,72,830	2008-12	
AP Electricity Duty Act, 1939	Electricity duty	6,26,83,172	4,91,72,549	2001-02 to 2020-21	Chief Electrical Inspector, Govt. of AP
Customs Act, 1962	Classification of goods imported	32,03,124	30,42,968	2012-13	CESTAT, Chennai



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

**For Chevuturi Associates**

Chartered Accountants

Firm Registration No.000632S

**(RAGHUNADHA RAO BALINENI)**

Partner

(Membership No: 028105)

Place : Camp : Guntur

Date : 10 June 2021

UDIN: 21028105AAAABC7260

**ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT**

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

We have audited the internal financial controls over financial reporting of JOCIL LIMITED ("the Company") as of 31st March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditor's Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

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

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Chevuturi Associates**

Chartered Accountants

Firm Registration No.0006325

**(RAGHUNADHA RAO BALINENI)**

Partner

(Membership No: 028105)

Place : Camp : Guntur

Date : 10 June 2021

UDIN: 21028105AAAABC7260

## BALANCE SHEET AS AT 31st March, 2021

(Amount in Rs.)

ASSETS	Note	As at 31-3-2021	As at 31-3-2020
<b>Non-current assets</b>			
Property, plant and equipment	3	47,81,84,548	47,75,11,835
Capital work-in-progress	3	5,52,01,225	4,59,88,519
Intangible assets	3	34,14,142	61,23,097
Financial assets			
i) Investments	4	6,28,53,201	1,69,52,849
ii) Loans	5	-	-
iii) Other financial assets	6	83,28,070	65,93,038
Other non-current assets	7	2,77,84,334	1,41,37,057
<b>Total non-current assets</b>		<b>63,57,65,520</b>	<b>56,73,06,395</b>
<b>Current assets</b>			
Inventories	8	77,55,25,131	72,71,28,818
Financial assets			
i) Investments	4	14,00,54,384	12,26,535
ii) Trade receivables	9	85,32,49,598	80,89,69,495
iii) Cash and cash equivalents	10	8,35,33,908	24,21,92,008
iv) Loans	5	-	-
v) Other financial assets	6	3,93,661	19,22,684
Current tax assets (net)	11	52,72,623	1,47,82,718
Other current assets	7	2,89,09,119	3,64,29,683
<b>Total current assets</b>		<b>188,69,38,424</b>	<b>183,26,51,941</b>
<b>Total assets</b>		<b>252,27,03,944</b>	<b>239,99,58,336</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	8,88,16,250	8,88,16,250
Other equity	12	187,22,86,969	171,64,01,668
<b>Total equity</b>		<b>196,11,03,219</b>	<b>180,52,17,918</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i) Other financial liabilities	13	8,91,000	8,91,000
Provisions	14	1,02,64,088	96,47,136
Deferred tax liabilities (net)	15	3,56,86,024	6,44,99,536
<b>Total non-current liabilities</b>		<b>4,68,41,112</b>	<b>7,50,37,672</b>
<b>Current liabilities</b>			
Financial liabilities			
i) Short-term borrowings	17	2,03,72,824	8,31,12,018
ii) Trade payables	18		
a) Total outstanding dues of micro and small enterprises		-	-
b) Total outstanding dues of creditors other than micro and small enterprises		34,69,46,514	32,34,23,898
iii) Other financial liabilities	13	2,51,94,264	2,49,43,879
Other current liabilities	16	11,36,44,953	8,31,43,718
Provisions	14	86,01,058	50,79,233
<b>Total current liabilities</b>		<b>51,47,59,613</b>	<b>51,97,02,746</b>
<b>Total liabilities</b>		<b>56,16,00,725</b>	<b>59,47,40,418</b>
<b>Total equity and liabilities</b>		<b>252,27,03,944</b>	<b>239,99,58,336</b>
Corporate Information	1		
Significant accounting policies and notes forming integral part of financial statements	2-44		

As per our report of even date :

For CHEVUTURI ASSOCIATES.,  
Chartered Accountants  
Firm's Registration No.000632S  
RAGHUNADHA RAO BALINENI, Partner  
Membership No. 028105  
Camp : Guntur  
10th June, 2021  
UDIN: 21028105AAAABC7260

For and on behalf of the Board

P. NARENDRANATH CHOWDARY

J. MURALI MOHAN

K. RAGHURAM

Chairman

Managing Director

Secretary &amp; DGM (Fin.) (CFO)

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March, 2021

Jocil Limited

(Amount in Rs.)

	Note	Year ended 31-3-2021	Year ended 31-3-2020
<b>REVENUE</b>			
Revenue from operations	19	565,37,02,755	446,24,97,535
Other income	20	1,31,53,946	5,60,56,058
<b>Total Income</b>		<b>566,68,56,701</b>	<b>451,85,53,593</b>
<b>EXPENSES</b>			
Cost of materials consumed	21	430,04,45,175	313,32,88,383
Purchases of stock-in-trade		-	-
(Increase)/Decrease in inventories of finished goods, Stock-in-trade and work-in-progress	22	1,71,30,513	(2,78,52,225)
Employee benefits expense	23	29,77,09,969	28,90,32,105
Finance costs	24	88,88,324	1,02,42,532
Depreciation and amortization expense	25	5,60,79,584	5,92,05,434
Other expenses	26	83,23,16,017	87,81,55,376
<b>Total Expenses</b>		<b>551,25,69,582</b>	<b>434,20,71,605</b>
<b>Profit before exceptional items and tax</b>		<b>15,42,87,119</b>	<b>17,64,81,988</b>
Exceptional Items		-	-
<b>Profit Before Tax</b>		<b>15,42,87,119</b>	<b>17,64,81,988</b>
<b>Tax Expense:</b>	27		
Current tax		4,70,00,000	5,00,00,000
Short provision of Income-tax in earlier years		4,543	6,64,218
Deferred tax (credit) / charge		(2,88,13,512)	8,99,497
<b>Profit After Tax</b>		<b>13,60,96,088</b>	<b>12,49,18,273</b>
<b>Other comprehensive income</b>			
A. Items that will not be reclassified subsequently to profit and loss account (net of tax)			
a) Changes in fair value of investments		4,59,09,852	(3,90,77,455)
b) Remeasurement of defined employee benefit plans		5,22,811	(68,73,993)
<b>Total comprehensive income</b>		<b>18,25,28,751</b>	<b>7,89,66,825</b>
<b>Earnings Per Share - basic and diluted</b>	36	<b>15.32</b>	<b>14.07</b>
(PAT before OCI/weighted average no. of shares)			
Corporate information	1		
Significant accounting policies and notes forming integral part of financial statements	2 - 44		

As per our report of even date :

For CHEVUTURI ASSOCIATES.,  
Chartered Accountants  
Firm's Registration No.000632S  
RAGHUNADHA RAO BALINENI, Partner  
Membership No. 028105  
Camp : Guntur  
10th June, 2021  
UDIN: 21028105AAAABC7260

For and on behalf of the Board

P. NARENDRANATH CHOWDARY

Chairman

J. MURALI MOHAN

Managing Director

K. RAGHURAM

Secretary &amp; DGM (Fin.) (CFO)

**CASH FLOW STATEMENT**

	2020-21 Rs.	2019-20 Rs.
<b>I. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	15,42,87,119	17,64,81,988
Add/Less: Adjustments for :		
Depreciation	5,60,79,584	5,92,05,434
Finance Costs	88,88,324	1,02,42,532
Interest income	(90,12,226)	(1,36,75,075)
Assets Written off	29,07,256	68,412
Profit on sale of assets	(3,06,677)	(2,766)
Fair value changes in current Investments	(1,70,239)	(11,162)
Remeasurement of Defined Benefit Plans	5,22,811	(68,73,993)
Dividends received	(30,87,730)	(84,58,713)
Operating profit before working capital changes	<u>21,01,08,222</u>	<u>21,69,76,657</u>
Add/Less: Adjustments for working capital		
Inventories	(4,83,96,313)	(15,70,03,287)
Trade and other receivables	(4,11,05,905)	(12,25,07,694)
Trade payables	5,84,13,012	20,89,71,349
Cash generated from operations	17,90,19,016	14,64,37,025
Less: Direct taxes paid	3,74,98,991	5,89,78,356
Net cash from Operating activities	A <u>14,15,20,025</u>	<u>8,74,58,669</u>
<b>II. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets/Capital work in progress	(7,56,73,477)	(5,24,97,284)
Proceeds from sale of fixed assets	4,94,213	12,000
Proceeds from sale/(Investments) in Mutual Funds (Net of Redemption)	(13,88,27,849)	2,95,63,376
Interest received	90,12,226	1,36,75,075
Dividend received	30,87,730	84,58,713
Other Bank balances	(9,30,044)	(71,89,101)
Net cash used in Investing activities	B <u>(20,28,37,201)</u>	<u>(79,77,221)</u>
<b>III. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from /(Repayment) of borrowings	(6,27,39,194)	(2,10,500)
Finance Costs	(88,88,324)	(1,02,42,532)
Dividends & Dividend Distribution Tax paid	(2,66,43,450)	(1,07,06,696)
Net cash used in financing activities	C <u>(9,82,70,968)</u>	<u>(2,11,59,728)</u>
Net (Decrease)/ Increase in cash and cash equivalents (A+B+C)	<u>(15,95,88,144)</u>	<u>5,83,21,720</u>
Cash and cash equivalents at the beginning of the period	21,88,48,137	16,05,26,417
Cash and cash equivalents at the end of the period (Refer note.no.10A)	5,92,59,993	21,88,48,137
Net (Decrease) / Increase in cash and cash equivalents	<u>(15,95,88,144)</u>	<u>5,83,21,720</u>

a) The above cash flow statement has been prepared under the "Indirect Method" as set out in Ind As-7 "Statement of Cash Flow"

b) **Changes in liability arising from financing activities :**

Particulars	Opening Balance	Net Cash Flow	Non Cash Changes	Closing Balance
Long term borrowings	-	-	-	-
Short term borrowings (refer note no.17)	8,31,12,018	(6,27,39,194)	-	2,03,72,824

As per our report of even date :

For CHEVUTURI ASSOCIATES.,  
Chartered Accountants  
Firm's Registration No.0006325  
RAGHUNADHA RAO BALINENI, Partner  
Membership No. 028105  
Camp : Guntur  
10th June, 2021

For and on behalf of the Board

P. NARENDRANATH CHOWDARY

J. MURALI MOHAN

K. RAGHURAM

Chairman

Managing Director

Secretary & DGM (Fin.) (CFO)

UDIN: 21028105AAAABC7260

**Statement of changes in equity for the year ended 31.03.2021**

**A. Equity Share Capital**

Particulars	No's	Rs.
As at 1st April, 2019	88,81,150	8,88,11,500
Add: Forfeited shares (Amount originally paid up)	-	4,750
Changes in equity share capital		
As at 31st March, 2020	88,81,150	8,88,16,250
Changes in equity share capital		
As at 31st March, 2021	88,81,150	8,88,16,250

**B. Other Equity**

Particulars	Reserves and Surplus				Items of Other Comprehensive Income			Total Rs.
	Capital Reserve Rs.	Securities Premium Rs.	Other Reserves (General reserve) Rs.	Retained Earnings Rs.	Equity instruments through Other Comprehensive Income Rs.	Actuarial Gains / (Losses) Rs.		
<b>Balance at the beginning of reporting period - 01st April, 2019</b>	39,66,150	7,83,75,000	127,00,00,000	24,75,86,436	4,25,99,545	56,14,408	164,81,41,539	
Profit for the year				12,49,18,273	(3,90,77,455)	(68,73,993)	12,49,18,273	
Other Comprehensive Income				12,49,18,273	(3,90,77,455)	(68,73,993)	4,59,51,448	
Total Comprehensive Income for the year							7,89,66,825	
Transfer from General Reserve				(88,81,150)			(88,81,150)	
Final Dividend				(18,25,546)			(18,25,546)	
Dividend Distribution tax				36,17,98,013			36,17,98,013	
<b>Balance at the end of reporting period - 31st March 2020</b>	39,66,150	7,83,75,000	127,00,00,000	36,17,98,013	35,22,090	(12,59,585)	171,64,01,668	
Profit for the Year				13,60,96,088	4,59,09,852	5,22,811	13,60,96,088	
Other Comprehensive Income for the year				13,60,96,088	4,59,09,852	5,22,811	4,64,32,663	
Total Comprehensive Income for the year							18,25,28,751	
Transfer from General Reserve				(2,66,43,450)			(2,66,43,450)	
Final Dividend								
Dividend Distribution tax								
<b>Balance at the end of reporting period - 31st March 2021</b>	39,66,150	7,83,75,000	127,00,00,000	47,12,50,651	4,94,31,942	(7,36,774)	187,22,86,969	

As per our report of even date :  
 For CHEVUTURI ASSOCIATES.,  
 Chartered Accountants  
 Firm's Registration No.0006325  
 RAGHUNADHA RAO BALINENI, Partner  
 Membership No. 028105  
 Camp : Guntur  
 10th June, 2021  
 UDIN: 21028105AAAAABC7260

For and on behalf of the Board

P. NARENDRANATH CHOWDARY

J. MURALI MOHAN

K. RAGHURAM

Chairman

Managing Director

Secretary & DGM (Fin.) (CFO)

## **I. NOTES TO THE FINANCIAL STATEMENTS**

### **1. CORPORATE INFORMATION**

Jocil Limited (hereinafter referred to as Jocil) is engaged in the manufacture of Stearic Acid, Fatty Acids, Soap Noodles, Toilet Soap, Glycerine and Industrial Oxygen. The manufacturing facilities of Jocil and its Registered Office are located at Dokiarru Village, Medikondur Mandal, Guntur District, Andhra Pradesh. It is also having a 6 MW Biomass Cogeneration Captive Power Plant to meet the power requirements of the manufacturing activity and surplus power is sold to AP Transco. Jocil is also having 4 Wind Energy Generators in the State of Tamil Nadu and the power generated is sold to Tamil Nadu Generation and Distribution Corporation Limited. Jocil is a subsidiary to The Andhra Sugars Limited (ASL), Tanuku, W.G. District, Andhra Pradesh. As on 31-03-2021, ASL owned 55.02% of the Jocil's equity share capital.

### **2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

#### **a) Statement of compliance**

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

#### **b) Basis of preparation of financial statements**

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

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

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

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

#### **c) Operating cycle**

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



**d) Use of estimates and judgments**

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

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

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

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

**ii) Recoverability of trade receivable:**

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

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

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

**iv) Provisions:**

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

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

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

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

**vi) Impairment of financial assets:**

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

**vii) Income Taxes:**

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

**viii) Defined benefit obligations:**

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

**ix) Other estimates:**

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

The judgments, estimates and underlying assumptions are made with the management's best knowledge of the business environment and are reviewed on an on going basis. Accounting estimates could change from period to period. Actual results could differ from these estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

## **II. SIGNIFICANT ACCOUNTING POLICIES**

### **a) Property, plant and equipment**

An item of Property, Plant and Equipment that qualified as an asset is measured at initial recognition at Cost. Following initial recognition, items of property, plant and equipment (PPE) are carried at cost less accumulated depreciation and impairment, if any. Cost includes deemed cost which represents the carrying value of property, plant and equipment recognized as at 1st April 2015 measured as per the accounting standards notified under section 133 of the Act read together with Rule 7 of companies (Accounts) Rules, 2014, which the company elected in accordance with Ind As 101. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management.

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

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

### **b) Intangible assets**

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

### **c) Borrowing costs**

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

**d) Depreciation and amortization**

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

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

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

**e) Inventories**

- i) Finished goods are valued at lower of cost or net realizable value.
- ii) Cost of work-in-progress and finished goods includes appropriate portion of overheads etc.,
- iii) Raw materials, stores and spares are valued at cost using weighted average method.
- iv) Work-in-progress, raw materials, stores, spares, material in transit, are valued at cost except where the net realizable value of the finished goods they are used in is less than the cost of finished goods and in such an event, if the replacement cost of such materials etc., is less than their book values, they are valued at replacement cost.
- v) By-products and scrap are valued at net realizable value.

**f) Revenue recognition**

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

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

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

- ii) Amounts collected on behalf of third parties such as GST are excluded from Revenue.
- iii) Revenue realized on processing charges is recognized to the extent of completion of job as per the agreements/arrangements with the concerned parties.
- iv) Power purchased from other units is accounted at market price at which the power is purchased from external party.

- v) Interest income is recognized using effective interest method.
- vi) Dividend income is recognized when the right to receive payment is established.

**g) Taxes on income**

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

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

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

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

**h) Segment reporting**

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

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

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

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

**i) Retirement benefits**

The Company provides retirement benefits in the form of Provident Fund, Superannuation and Gratuity etc., contribution to Provident Fund, a defined contribution scheme, is made at the prescribed rates to the

Provident Fund Commissioner and is charged to the Statement of Profit and Loss. There is no other obligation other than the contribution payable.

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

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

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

**j) Research & development expenditure**

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

**k) Foreign exchange transactions**

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

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

**At each Balance Sheet date**

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

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

**l) Impairment of assets****i) Financial assets (other than at fair value)**

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

**ii) Non financial assets**

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

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

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

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

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

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

**n) Financial instruments**

**Initial recognition:**

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

**Subsequent measurement:**

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

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

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

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

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

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

**De-recognition of financial asset**

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

**iv) Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method. The effective method is a method of calculating the amortization cost of a financial liability and of allocating



interest expense over the relevant period. The effective interest is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

**De-recognition of financial liability**

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

**o) Earning per equity share**

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

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

**p) Cash flow statement**

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

**q) Dividends**

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

**r) Government Grants**

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

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

		(Rs.)						
<b>3. PROPERTY, PLANT AND EQUIPMENT</b>		Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
<b>Particulars</b>								
<b>Gross Carrying Value</b>								
<b>- At cost (deemed cost)</b>								
<b>As at 1st April 2019</b>		87,05,117	5,67,14,555	66,75,40,759	1,01,02,576	65,17,744	61,44,494	75,57,25,245
Additions				4,50,69,647	5,16,931	6,51,786	3,04,768	4,65,43,132
Disposals					26,871		1,20,571	1,47,442
<b>As at 31st March 2020</b>		87,05,117	5,67,14,555	71,26,10,406	1,05,92,636	71,69,530	63,28,691	80,21,20,935
Additions				4,75,41,867	1,80,576	76,22,001	17,93,464	5,71,37,908
Disposals				2,13,72,115	4,475	5,38,849	2,32,289	2,21,47,728
<b>As at 31st March 2021</b>		87,05,117	5,67,14,555	73,87,80,158	1,07,68,737	1,42,52,682	78,89,866	83,71,11,115
<b>Accumulated Depreciation</b>								
<b>As at 1st April 2019</b>			1,90,57,495	23,44,50,496	69,61,179	38,75,762	38,75,190	26,82,20,122
Depreciation charge for the year			36,14,373	5,03,88,377	12,52,780	6,41,315	5,61,232	5,64,58,077
On disposals					11,774		57,325	69,099
<b>As at 31st March 2020</b>			2,26,71,868	28,48,38,873	82,02,185	45,17,077	43,79,097	32,46,09,100
Depreciation charge for the year			32,18,658	4,72,69,367	8,92,507	12,07,731	7,82,365	5,33,70,628
On disposals				1,85,28,725		3,86,591	1,37,845	1,90,53,161
<b>As at 31st March 2021</b>			2,58,90,526	31,35,79,515	90,94,692	53,38,217	50,23,617	35,89,26,567
<b>Net Book Value</b>								
As at 31st March 2020		87,05,117	3,40,42,687	42,77,71,533	23,90,451	26,52,453	19,49,594	47,75,11,835
As at 31st March 2021		87,05,117	3,08,24,029	42,52,00,643	16,74,045	89,14,465	28,66,249	47,81,84,548

Carrying amounts of	As at 31st March, 2021 Rs.	As at 31st March, 2020 Rs.
Land	87,05,117	87,05,117
Buildings	3,08,24,029	3,40,42,687
Plant and Equipment	42,52,00,643	42,77,71,533
Furniture and Fixtures	16,74,045	23,90,451
Vehicles	89,14,465	26,52,453
Office Equipment	28,66,249	19,49,594
<b>Total</b>	<b>47,81,84,548</b>	<b>47,75,11,835</b>

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

### 3. CAPITAL WORK-IN-PROGRESS

Rs.

#### Carrying value - At Cost

As at 31st March, 2019	3,94,73,307
Additions	4,60,32,946
Capitalised during the year	(3,95,17,734)
As at 31st March, 2020	4,59,88,519
Additions	5,50,02,463
Capitalised during the year	(4,57,89,757)
As at 31st March, 2021	5,52,01,225

### 3. INTANGIBLE ASSETS

	Computer Software Rs.	Total Rs.
Gross Carrying value - At Cost (Deemed Cost)		
As at 31st March, 2019	1,42,00,995	1,42,00,995
Additions	-	-
Disposals	-	-
As at 31st March, 2020	1,42,00,995	1,42,00,995
Additions	-	-
Disposals	-	-
As at 31st March, 2021	1,42,00,995	1,42,00,995
Depreciation		
As at 31st March, 2019	53,30,541	53,30,541
Depreciation charge for the year	27,47,357	27,47,357
On disposals	-	-

As at 31st March, 2020	80,77,898	80,77,898
Depreciation charge for the year	27,08,955	27,08,955
On disposals	-	-
As at 31st March, 2021	<u>1,07,86,853</u>	<u>1,07,86,853</u>
Net Book Value		
As at 31st March, 2020	61,23,097	61,23,097
As at 31st March, 2021	<u>34,14,142</u>	<u>34,14,142</u>

<b>Carrying amounts of</b>	<b>As at 31st</b>	<b>As at 31st</b>
	<b>March, 2021</b>	<b>March, 2020</b>
	<b>Rs.</b>	<b>Rs.</b>
Computer software	34,14,142	61,23,097

**4. NON CURRENT INVESTMENTS**

	<b>As at 31st</b>	<b>As at 31st</b>
	<b>March, 2021</b>	<b>March, 2020</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>A. Investment in equity instruments</b>		
(At fair value through Other Comprehensive Income)		
(i) Quoted - Trade		
(a) 4,436 Equity shares of Rs.10/- each fully paid up in Union Bank of India	<b>1,51,046</b>	1,23,004
(ii) Quoted - Non Trade		
(a) 10,07,981 Equity shares of Rs.10/- each fully paid up in The Andhra Petrochemicals Limited	<b>6,22,42,827</b>	1,65,81,287
(b) 200 Equity shares of Rs.10/- each fully paid up in The Industrial Finance Corporation of India	<b>2,400</b>	810
(c) 11,360 Equity shares of Rs.10/- each fully paid up in Industrial development bank of India	<b>4,37,928</b>	2,19,248
Total Investment in Quoted Equity Instruments (A)	<u><b>6,28,34,201</b></u>	<u>1,69,24,349</u>
<b>B. Investment in Government securities</b>		
(a) National savings certificates	<b>19,000</b>	28,500
Total investment in Government securities (B)	<u><b>19,000</b></u>	<u>28,500</u>
Total investment (A+B)	<u><b>6,28,53,201</b></u>	<u>1,69,52,849</u>
Aggregate amount of quoted investments		
- At cost	<b>1,35,36,374</b>	1,35,36,374
- Market value	<b>6,28,34,201</b>	1,69,24,349
- Aggregate amount of unquoted investments	<b>19,000</b>	28,500

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

	As at 31st March, 2021		As at 31st March, 2020	
	Fair value of Investments Rs.	Dividends recognised Rs.	Fair value of Investments Rs.	Dividends recognised Rs.
Financial assets measured at:				
(i) Fair value through other comprehensive income				
a) 4,436 Equity shares of Rs.10 each fully paid up in Union Bank of India	1,51,046	-	1,23,004	-
b) 10,07,981 Equity shares of Rs.10 each fully paid up in The Andhra Petrochemicals Ltd.	6,22,42,827	-	1,65,81,287	15,11,972
c) 200 Equity shares of Rs.10 each fully paid up in The Industrial Finance Corporation of India	2,400	-	810	-
d) 11,360 Equity shares of Rs.10 each fully paid up in Industrial development bank of India	4,37,928	-	2,19,248	-
<b>Total</b>	<b>6,28,34,201</b>	<b>-</b>	<b>1,69,24,349</b>	<b>15,11,972</b>

## 4. CURRENT INVESTMENTS (At FVTPL\*)

	As at 31st March, 2021 Rs.	As at 31st March, 2020 Rs.
Quoted and non-trade investments in mutual funds		
ABSL Liquid Fund - Dividend - Daily Reinvest Plan (99866.547 Units @100.19 each)	1,00,06,129	-
S.B.I. Savings Fund - Regular Plan Growth (614440.694 Units @32.55 each)	2,00,13,009	-
HDFC-Liquid Fund - Dividend - Daily Reinvest Plan (98084.884 Units @1019.82 each)	10,00,28,927	4,36,417
SBI-Liquid Fund - Dividend - Daily Reinvest plan Nil, (Previous Year 787.561 Units)	-	790118
Nippon Mutual Fund - Daily Dividend Reinvest Plan (6545.470 Units @1528.74 each)	1,00,06,319	-
<b>Total current investments</b>	<b>14,00,54,384</b>	<b>12,26,535</b>

\*FVTPL : Fair value through profit and loss

**5. LOANS**

Particulars

Particulars	Non-Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
	Rs.	Rs.	Rs.	Rs.
Unsecured, considered good				
a) Loans	-	-	-	-
Total	-	-	-	-

**6. OTHER FINANCIAL ASSETS**

Particulars	Non-Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
	Rs.	Rs.	Rs.	Rs.
Security deposits with Government authorities and others	83,28,070	65,93,038	-	-
Claims and other receivables	-	-	3,93,661	19,22,684
Total	83,28,070	65,93,038	3,93,661	19,22,684

**7. OTHER ASSETS**

Particulars	Non-Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
	Rs.	Rs.	Rs.	Rs.
<b>Unsecured, considered Good</b>				
a) Advances for Capital goods	1,01,38,982	8,16,119	-	-
b) Advances to creditors against supplies			1,49,99,510	2,04,28,206
c) Prepaid expenses			99,80,556	76,52,018
d) Balances with Statutory Authorities:				
i) Taxes paid under protest			36,16,042	36,16,042
ii) Other tax deposits			-	23,89,950
e) Accrued interest			3,13,011	23,43,467
f) Balance in Gratuity Fund (net of obligations)	1,76,45,352	1,33,20,938	-	-
Total	2,77,84,334	1,41,37,057	2,89,09,119	3,64,29,683

**8. INVENTORIES**

	As at 31st March, 2021 Rs.	As at 31st March, 2020 Rs.
a) Raw materials	30,42,62,894	25,67,93,735
b) Raw material in transit	-	-
c) Work-in-progress	16,89,38,519	19,12,15,744
d) Finished goods	17,92,69,093	17,41,22,381
e) Stores and spares	12,30,54,625	10,49,96,958
Total	<u>77,55,25,131</u>	<u>72,71,28,818</u>

Note:

- a) All the above inventories are offered as security in respect of working capital loans availed by the company from Union Bank of India and State Bank of India.
- b) The cost of inventories recognised as an expense during the year was Rs.498,98,17,156 (Previous year Rs.385,81,58,979)
- c) There are no inventories expected to be recovered after more than 12 months.
- d) The mode of valuation of inventories has been stated in note no.2 (II) (e) of Significant accounting policies.

**9. TRADE RECEIVABLES**

	As at 31st March, 2021 Rs.	As at 31st March, 2020 Rs.
Secured, considered good	-	-
Unsecured, considered good	85,32,49,598	80,89,69,495
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	-	-
Less: Provision for impairment loss	-	-
Total	<u>85,32,49,598</u>	<u>80,89,69,495</u>

Notes:

- a) The average credit period of trade receivables varies from 15-45 days.
- b) The above does not include any amount due from related parties.
- c) The company has used practical expedient by computing the expected credit loss for doubtful trade receivables based on the ageing of receivables, history of recoverability from the customers, credit worthiness of the customers etc.,
- d) During the year, the company has recognised loss allowance of Rs.Nil under 12 months expected credit loss model.
- e) Of the above trade receivables balances Rs.58,13,35,403 (Rs.48,28,75,367 as at 31st March 2020) is due from Company's large customers, who represent more than 10% of trade receivables.

**10. CASH AND CASH EQUIVALENTS**

	As at 31st March, 2021 Rs.	As at 31st March, 2020 Rs.
<b>Balances with Banks</b>		
a. Balances In Current accounts	-	7,71,10,737
b. Balances In Working Capital Loans	2,76,41,728	5,19,55,158
c. In EEFC account	3,10,17,374	4,93,31,116
d. Fixed deposit accounts (Short-term)	-	4,00,00,000
Cash on hand	6,00,891	4,51,126
Total - A	<u>5,92,59,993</u>	<u>21,88,48,137</u>
<b>Other Bank balances</b>		
a. Earmarked balances with banks held as margin money against LC and guarantees	52,67,625	41,67,625
b. Fixed deposit repayment reserve	1,67,00,000	1,67,00,000
c. Earmarked balances with banks towards unclaimed dividends	23,06,290	24,76,246
Total - B	<u>2,42,73,915</u>	<u>2,33,43,871</u>
Total (A+B)	<u>8,35,33,908</u>	<u>24,21,92,008</u>

**11. CURRENT TAX ASSETS**

	As at 31st March, 2021 Rs.	As at 31st March, 2020 Rs.
Provision for income-tax	10,23,64,218	6,98,12,652
Less: Taxes paid	10,76,36,841	8,45,95,370
Current tax liability/(asset)	<u>(52,72,623)</u>	<u>(1,47,82,718)</u>

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

	Equity	
	No's	Rs.
As at 1st April 2019	1,00,00,000	10,00,00,000
Changes in equity	-	-
As at 31st March 2020	1,00,00,000	10,00,00,000
Changes in equity	-	-
As at 31st March 2021	<u>1,00,00,000</u>	<u>10,00,00,000</u>



**Issued share capital**

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

	No's	Rs.
As at 1st April 2019	88,81,150	8,88,16,250
Changes in equity	-	-
As at 31st March 2020	88,81,150	8,88,16,250
Changes in equity	-	-
As at 31st March 2021	88,81,150	8,88,16,250

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

**Rights, preferences and restrictions attached to Equity Shares**

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

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

Name of the Shareholder	As at 31st March, 2021		As at 31st March, 2020	
	No of Shares held	% out of total number of shares of the Company	No of Shares held	% out of total number of shares of the Company
The Andhra Sugars Limited	48,86,500	55.02	48,86,500	55.02
	<u>48,86,500</u>	<u>55.02</u>	<u>48,86,500</u>	<u>55.02</u>

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

**12. OTHER EQUITY**

<b>Capital reserves</b>	<b>Rs.</b>
As at 1st April 2019	39,66,150
Changes during the year	-
As at 31st March 2020	39,66,150
Changes during the year	-
As at 31st March 2021	<u>39,66,150</u>
<b>Securities premium</b>	<b>Rs.</b>
As at 1st April 2019	7,83,75,000
Changes during the year	-
As at 31st March 2020	7,83,75,000
Changes during the year	-
As at 31st March 2021	<u>7,83,75,000</u>
<b>General reserve</b>	<b>Rs.</b>
As at 1st April 2019	127,00,00,000
Changes during the year	-
As at 31st March 2020	127,00,00,000
Changes during the year	-
As at 31st March 2021	<u>127,00,00,000</u>
<b>Surplus in statement of profit and loss</b>	<b>Rs.</b>
<b>As at 1st April, 2019</b>	<b>29,58,00,389</b>
Add: Profit for the year transferred from statement of profit and loss	<u>7,89,66,825</u>
	37,47,67,214
Less: Final dividend for the financial year 2018-19 proposed & paid during the year	88,81,150
Dividend distribution tax on final dividend paid during the year	<u>18,25,546</u>
	<u>36,40,60,518</u>
<b>As at 31st March, 2020</b>	<b>36,40,60,518</b>
Add: Profit for the year transferred from statement of profit and loss	<u>18,25,28,751</u>
	54,65,89,269
Less: Final dividend for the financial year 2019-20 proposed & paid during the year	<u>2,66,43,450</u>
<b>As at 31st March, 2021</b>	<b><u>51,99,45,819</u></b>

**Summary of other equity**

	As at 31st March, 2021	As at 31st March, 2020
	Rs.	Rs.
Capital reserves	39,66,150	39,66,150
Securities Premium	7,83,75,000	7,83,75,000
General Reserve	127,00,00,000	127,00,00,000
Surplus in Statement of Profit and Loss (Incl. OCI)	51,99,45,819	36,40,60,518
	<u>187,22,86,969</u>	<u>171,64,01,668</u>

**Nature of reserves:**

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

**13. OTHER FINANCIAL LIABILITIES**

	Non-Current		Current	
	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
	Rs.	Rs.	Rs.	Rs.
a) Refundable security deposits from agents	8,91,000	8,91,000	-	-
b) Interest accrued but not due			15,07,918	30,95,255
c) Interest accrued and due			-	-
d) Unclaimed dividend			23,06,290	24,76,246
e) Employee related payments			1,99,37,168	1,81,82,011
f) Other liabilities			14,42,888	11,90,367
Total	<u>8,91,000</u>	<u>8,91,000</u>	<u>2,51,94,264</u>	<u>2,49,43,879</u>

**14. PROVISIONS**

	Non-Current		Current	
	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
	Rs.	Rs.	Rs.	Rs.
a) Provision for employee benefits				
- Leave encashment (unfunded)	1,02,64,088	96,47,136	86,01,058	50,79,233
Total	<u>1,02,64,088</u>	<u>96,47,136</u>	<u>86,01,058</u>	<u>50,79,233</u>

**15. DEFERRED TAX LIABILITIES (NET)**

	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
Comprises temporary differences attributable to:		
Liability:		
Depreciation	5,60,21,432	8,54,87,323
Asset:		
Employee benefits related and others	2,03,35,408	2,09,87,787
Provisions	-	-
Net deferred tax liability	3,56,86,024	6,44,99,536

**Movement in deferred tax assets/liabilities**

	As at 31st March 2019 Rs.	Charge/(Credit) to P&L a/c Rs.	As at 31st March 2020 Rs.	Charge/(Credit) to P&L a/c Rs.	As at 31st March 2021 Rs.
Deferred tax liabilities/ (Assets) in relation to:					
Depreciation	8,78,33,696	(23,46,373)	8,54,87,323	(2,94,65,891)	5,60,21,432
Expenses allowable under Income tax when paid	(2,42,33,657)	32,45,870	(2,09,87,787)	6,52,379	(2,03,35,408)
Total	6,36,00,039	8,99,497	6,44,99,536	(2,88,13,512)	3,56,86,024

**16. OTHER LIABILITIES**

	Non-Current		Current	
	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
a) Advance received against sales	-	-	3,00,000	4,61,340
b) Statutory liabilities	-	-	11,33,44,953	8,26,82,378
Total	-	-	11,36,44,953	8,31,43,718

**17. SHORT TERM BORROWINGS**

	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
<b>A. Secured</b>		
Loans repayable on demand :		
a) Working capital loans from banks		
i) Union Bank of India	-	-
ii) State Bank of India	-	-

**B. Unsecured**

## a) Fixed deposits from

i) Shareholders	1,93,85,496	6,66,38,057
ii) Directors	-	21,39,772
iii) Others	9,87,328	1,43,34,189
Total	2,03,72,824	8,31,12,018

## Note:

- a) Working capital loans from Union Bank of India and State Bank of India are secured by way of hypothecation of current assets of the company on paripassu basis.
- b) The above loans carries interest at following rates:  
Union bank of India@9.90% and SBI @7.90%
- c) Fixed deposits accepted during the year carries interest @ 8.50%. The company made no defaults in repayment of deposits on due date.

**18. TRADE PAYABLES**

	As at 31st March, 2021 Rs.	As at 31st March, 2020 Rs.
Dues to : Small and Micro enterprises	-	-
Other than Small and Micro enterprises	34,69,46,514	32,34,23,898
Total	34,69,46,514	32,34,23,898

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

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

	2020-21	2019-20
1) Amount remaining unpaid beyond the appointed/agreed date at the end of the year		
a) Principal	Nil	Nil
b) Interest due thereon	Nil	Nil
2) Payments made to suppliers during the year beyond appointed/agreed date		
a) Principal	Nil	Nil
b) Interest paid on such payments	Nil	Nil
c) Interest remaining unpaid as on date of balance sheet	Nil	Nil
3) Total amount of interest for the year accrued and remaining unpaid at the end of the year	Nil	Nil
4) Total amount of interest including that arising in earlier years accrued and remaining unpaid at the end of the year	Nil	Nil

19. REVENUE FROM OPERATIONS:	2020-21		2019-20	
	MT	Rs.	MT	Rs.
Fatty Acids	43,817	282,15,84,575	45,160	230,01,91,139
Soap Products	42,389	253,55,20,454	35,224	186,37,81,122
Glycerine	1,610	8,19,46,665	1,502	5,47,22,525
Pitch	2,682	5,48,64,976	2,402	5,74,54,372
Industrial Oxygen (cu.mtrs)	5,54,969	59,08,645	5,65,900	57,58,221
Biomass Power (kwh)	1,06,97,100	7,38,09,990	1,22,29,800	8,03,87,247
Wind Power (kwh)	1,17,77,565	3,41,61,282	1,23,02,213	3,56,02,031
Others		91,99,296		1,50,06,540
Revenue from sale of products (A)		<u>561,69,95,883</u>		<u>441,29,03,197</u>

Note: The sale of Bio mass power does not include 1,86,60,462 kwh value of Rs.10,91,63,704/- (P.Y.1,97,31,484 kwh value of Rs.10,91,88,044/-) consumed internally.

PROCESSING CHARGES RECEIVED :	2020-201		2019-20	
	MT	Rs.	MT	Rs.
Toilet soap	4,492	3,01,61,949	5,877	3,45,27,026
Soap noodles	-	-	859	47,58,974
Revenue from services (B)		<u>3,01,61,949</u>		<u>3,92,86,000</u>

OTHER OPERATING REVENUE	2020-21		2019-20	
		Rs.		Rs.
Export incentives - duty drawback		15,15,368		24,58,905
MEIS incentives		50,29,555		78,49,433
Other operating revenue (C)		<u>65,44,923</u>		<u>1,03,08,338</u>
Total revenue from operations (A+B+C)		<u>565,37,02,755</u>		<u>446,24,97,535</u>

## 20. OTHER INCOME

	2020-21	2019-20
	Rs.	Rs.
Interest received from Banks & others (From financial assets recognised at amortised cost)	90,12,226	1,36,75,075
Dividend received - Current investment (From financial assets recognised at FVTPL*)	30,87,730	69,46,741
Dividend received- Non-current investment (From financial assets recognised at FVTOCI**)	-	15,11,972
Rental charges received	87,321	1,17,513
Fair Value Changes in Current Investments	1,70,239	11,162
Profit on sale of assets	3,06,677	2,766
Miscellaneous receipts	1,02,797	77,610

Claims/Refunds received	<b>2,10,091</b>	79,68,691
Difference in Foreign Exchange (net)	-	2,18,39,915
Weighment charges received	<b>1,76,865</b>	2,17,415
Provision made in earlier years withdrawn	-	5,00,000
Total	<b>1,31,53,946</b>	5,60,56,058

\*FVTPL : Fair value through profit and loss.

\*\*FVTOCI : Fair value through other comprehensive income.

Note:

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

## 21. COST OF MATERIAL CONSUMED

	2020-21	2019-20
	Rs.	Rs.
Opening stock	25,67,93,735	13,49,38,560
Purchases	439,65,07,685	325,88,15,018
	<u>465,33,01,420</u>	<u>339,37,53,578</u>
Less: Sale of raw material	4,85,93,351	36,71,460
Closing stock	30,42,62,894	25,67,93,735
Total	<u>430,04,45,175</u>	<u>313,32,88,383</u>

### Components of materials consumed :

	2020-21		2019-20	
	MT	Rs.	MT	Rs.
Non edible oils	20,269	120,93,05,135	22,313	103,84,61,012
Fatty acid distillates	56,374	309,11,40,040	51,626	209,48,27,371
Total		<u>430,04,45,175</u>		<u>313,32,88,383</u>

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

	2020-21		2019-20	
	Value	Rs. %	Value	Rs. %
Imported	11,90,48,998	3	16,37,41,838	5
Indigenous	418,13,96,177	97	296,95,46,545	95
Total	<u>430,04,45,175</u>	<u>100</u>	<u>313,32,88,383</u>	<u>100</u>

**22. (Increase)/Decrease in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress**

	2020-21 Rs.	2019-20 Rs.
<b>A. Opening stock</b>		
Finished goods	17,41,22,381	15,72,25,710
Work-in-progress	19,12,15,744	18,02,60,190
Stock-in-trade	-	-
	<u>36,53,38,125</u>	<u>33,74,85,900</u>
<b>B. Closing stock</b>		
Finished goods	17,92,69,093	17,41,22,381
Work-in-progress	16,89,38,519	19,12,15,744
Stock-in-trade	-	-
	<u>34,82,07,612</u>	<u>36,53,38,125</u>
(Increase)/decrease in stocks (A-B)	<u>1,71,30,513</u>	<u>(2,78,52,225)</u>

**Details of opening and closing stock of Finished Goods:**

	2020-21		2019-20	
	MT	Rs.	MT	Rs.
<b>Opening stocks:</b>				
Fatty acids	1,137	5,92,00,250	1,626	8,49,86,382
Soap products	2,133	10,46,45,199	1,341	6,75,46,023
Glycerine	16	9,80,155	9	3,30,364
Industrial oxygen (cu.mtrs)	1,911	18,632	1,022	9,545
Others		92,78,145		43,53,396
		<u>17,41,22,381</u>		<u>15,72,25,710</u>
<b>Closing stocks:</b>				
Fatty acids	1120	72534758	1137	59200250
Soap products	1625	103311035	2133	104645199
Glycerine	22	1607299	16	980155
Industrial oxygen (cu.mtrs)	623	6579	1911	18632
Others		1809422		9278145
		<u>17,92,69,093</u>		<u>17,41,22,381</u>



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

	2020-21 Rs.	2019-20 Rs.
<b>Opening WIP:</b>		
Fatty acids	10,69,90,493	11,03,56,042
Soap products	2,23,06,397	2,20,08,096
Glycerine	6,19,18,854	4,78,96,052
	<u>19,12,15,744</u>	<u>18,02,60,190</u>
<b>Closing WIP:</b>		
Fatty acids	11,97,07,664	10,69,90,493
Soap products	1,84,75,464	2,23,06,397
Glycerine	3,07,55,391	6,19,18,854
	<u>16,89,38,519</u>	<u>19,12,15,744</u>
<b>23. EMPLOYEE BENEFITS EXPENSE</b>		
	2020-21 Rs.	2019-20 Rs.
Salaries, wages and bonus	25,76,73,703	24,68,08,500
Contribution to PF, Gratuity, ESI and other funds	3,77,59,672	3,91,00,242
Workmen and staff welfare expenses	22,76,594	31,23,363
Total	<u>29,77,09,969</u>	<u>28,90,32,105</u>
<b>24. FINANCE COSTS</b>		
	2020-21 Rs.	2019-20 Rs.
Interest paid to banks and others	66,11,244	82,17,532
Other borrowing costs	22,77,080	20,25,000
Total	<u>88,88,324</u>	<u>1,02,42,532</u>
<b>25. DEPRECIATION AND AMORTIZATION</b>		
	2020-21 Rs.	2019-20 Rs.
Depreciation	5,33,70,629	5,64,58,077
Amortization	27,08,955	27,47,357
Total	<u>5,60,79,584</u>	<u>5,92,05,434</u>

**26. OTHER EXPENSES**

	2020-21 Rs.	2019-20 Rs.
Stores and Spares consumed (including Process and Packing Materials)	40,97,31,057	40,13,97,538
Power and Fuel (Includes materials used for generation of power)	24,99,00,837	28,88,10,132
Rents	26,97,894	16,79,159
Repairs to Machinery	5,38,22,956	5,86,01,948
Repairs to Buildings	8,21,985	8,51,913
Repairs to other Assets	18,07,963	18,41,602
Insurance	1,15,40,829	74,76,803
Rates & Taxes	19,46,812	17,66,451
Payment to auditors towards :		
Statutory audit	4,00,000	3,50,000
Payment to Tax auditors towards:		
Tax audit	1,90,000	1,80,000
Tax representation & certification	1,05,000	90,000
Fee to Cost Auditors	1,70,000	1,60,000
Other expenses:		
Tools written off	2,36,634	1,13,072
Advertisement and Sales Promotion expenses	2,72,515	8,75,452
Freight Outward, Export Sales & Consignment expenses	4,94,92,223	6,97,92,182
Commission on Sales	2,75,89,481	2,29,56,994
Directors sitting fees and travelling expenses	9,36,474	13,13,877
Donations	5,000	25,05,000
CSR expenses	15,91,379	13,93,008
Difference in Foreign Exchange (net)	84,297	-
Assets written off	29,07,256	68,412
Miscellaneous expenses	1,60,65,425	1,59,31,833
Total	<u>83,23,16,017</u>	<u>87,81,55,376</u>

## 27. INCOME -TAX

	2020-21	2019-20
	Rs.	Rs.
<b>Current-tax</b>		
Provided for current year	4,70,00,000	5,00,00,000
<b>Deferred tax</b>		
Charge / (Credit) taken during the year	<u>(2,88,13,512)</u>	<u>8,99,497</u>
Total income-tax expense recognised during the year	<u>1,81,86,488</u>	<u>5,08,99,497</u>
<b>Reconciliation of income-tax expense with the tax on accounting profit as follows:</b>		
Profit before tax	15,42,87,120	17,64,81,988
Income-tax expense @ 25.17% (Pr. Year @ 29.12%)	3,88,34,068	5,13,91,555
Tax effect on depreciation difference	49,00,122	53,56,372
Tax on expenses disallowed	44,15,055	38,65,195
Tax on incomes exempt/not taxable	(1,20,040)	(83,80,293)
Tax effect on expenses allowed	(10,29,206)	(22,32,829)
Current Tax Provision - (A)	4,70,00,000	5,00,00,000
Decrease of deferred tax liability on account of fixed assets	(2,94,65,891)	(23,46,373)
Decrease/(Increase) of deferred tax on account financial assets and other assets	6,52,379	32,45,870
Deferred tax charge / (credit) - (B)	(2,88,13,512)	8,99,497
<b>Total income Tax expense (A+B)</b>	<b>1,81,86,488</b>	<b>5,08,99,497</b>

**28. PARTICULARS OF PRODUCTION**

	<b>Production</b>	
	<b>2020-21</b>	<b>2019-20</b>
	<b>TPA</b>	<b>TPA</b>
Fatty Acids	<b>69,120</b>	67,810
Toilet Soap	<b>8,434</b>	8,296
Soap Products	<b>42,210</b>	36,687
Glycerine	<b>2,711</b>	2,402
Industrial Oxygen (cu. mtrs)	<b>5,55,956</b>	5,69,673
Biomass Power (kWh)	<b>2,93,57,562</b>	3,19,61,284
Wind Power (kWh)	<b>1,18,70,213</b>	1,24,28,464
TPA = Tonnes per annum		

**Note:**

- a) Production of Fatty Acids includes 25,799 MT (Previous year 22,730 MT) utilized for captive consumption at Soap Plant and Nil MT (Previous year -Nil MT) processed on behalf of others.
- b) Production of Glycerine includes 1096 MT (Previous year 893 MT) consumed for captive consumption at Soap Plant.
- c) Production of Industrial Oxygen includes captive consumption of 2275 cubic meters (Previous year 2884 cu. mtrs).
- d) Power Generation includes 1,86,60,462 units (Previous year 1,97,31,484 units) utilized for captive consumption.

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

	<b>2020-21</b>	<b>2019-20</b>
	<b>Rs.</b>	<b>Rs.</b>
Raw materials	<b>35,72,04,908</b>	24,41,38,454
Stores and spares	<b>15,01,255</b>	1,13,01,256
Capital goods	<b>-</b>	3,86,03,274
<b>Total</b>	<b><u>35,87,06,163</u></b>	<u>29,40,42,984</u>

Company incurred expenditure in foreign currency \$ 2125 (Rs.1,60,459) (previous year \$ 2125) (Rs.1,52,363) on Consultancy Services and certification fees € 2000 (Rs.1,77,200) during the year (previous year- € 2000 equivalent Rs.1,58,080).

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

	2020-21		2019-20	
	Value (Rs.)	%	Value (Rs.)	%
Imported	<b>64,894</b>	<b>0.01</b>	82145	0.01
Indigenous	<b>68,80,23,351</b>	<b>99.99</b>	72,04,11,171	99.99
	<b>68,80,88,245</b>	<b>100.00</b>	72,04,93,316	100.00

### 31. SEGMENT INFORMATION

(Current year figures are in bold font)

	Chemicals	Soap	Power	Unallocated	Eliminations	Consolidated
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Revenue</b>						
External Revenue	<b>295,42,88,472</b>	<b>258,66,72,377</b>	<b>11,27,41,906</b>			<b>565,37,02,755</b>
	244,42,37,144	189,34,46,163	12,48,14,227			446,24,97,535
Inter-segment Revenue	<b>171,05,18,136</b>		<b>20,82,45,636</b>		<b>(191,87,63,772)</b>	
	120,40,19,737		21,78,05,348		(142,18,25,086)	
Total Revenue (See Note below)	<b>466,48,06,609</b>	<b>258,66,72,377</b>	<b>32,09,87,542</b>		<b>(191,87,63,772)</b>	<b>565,37,02,755</b>
	364,82,56,882	189,34,46,163	34,26,19,575		(142,18,25,086)	446,24,97,535
<b>Result</b>						
Segment Result	<b>9,93,34,233</b>	<b>10,33,74,513</b>	<b>4,93,89,122</b>			<b>25,20,97,867</b>
	9,59,77,045	12,16,10,763	1,78,56,320			23,54,44,128
Unallocated expenditure net of unallocated income				<b>(9,79,34,650)</b>		<b>(9,79,34,650)</b>
				(6,23,94,682)		(6,23,94,682)
Operating Profit						<b>15,41,63,217</b>
						17,30,49,447
Interest expenses				<b>88,88,324</b>		<b>88,88,324</b>
				1,02,42,532		1,02,42,532
Interest income				<b>90,12,226</b>		<b>90,12,226</b>
				1,36,75,075		1,36,75,075
Profit before tax						<b>15,42,87,119</b>
						17,64,81,988
Provision for tax						<b>4,70,00,000</b>
						5,00,00,000

Jocil Limited

	Chemicals	Soap	Power	Unallocated	Eliminations	Consolidated
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Deferred Tax (Provision)/						2,88,13,512
Withdrawal						(8,99,497)
Short Provision of I.T.						4543
in earlier years						(6,64,218)
Profit after Taxation						13,60,96,088
						12,49,18,273
<b>Other</b>						
<b>Information</b>						
Segment assets	115,78,06,636	59,26,67,974	36,49,70,244			211,54,44,854
	143,94,87,539	27,17,43,609	34,10,64,310			205,22,95,458
Unallocated corporate assets				40,72,59,090		40,72,59,090
				34,76,62,877		34,76,62,877
						252,27,03,944
Total assets						239,99,58,336
Segment liabilities	39,15,83,923	5,07,91,169	1,58,02,255			45,81,77,347
	11,62,33,569	5,24,13,187	3,89,61,855			20,76,08,612
Unallocated corporate liabilities				10,34,23,377		10,34,23,377
				38,71,31,806		38,71,31,806
Total liabilities						56,16,00,725
						59,47,40,418
Capital employed	76,62,22,713	54,18,76,805	34,91,67,989	30,38,35,713		196,11,03,220
	132,32,53,970	21,93,30,422	30,21,02,455	(3,94,68,929)		180,52,17,918
Capital expenditure during the year	4,69,19,088	25,93,694	25,35,744	50,89,382		5,71,37,908
	3,95,88,786	55,61,912	6,89,285	7,03,149		4,65,43,132
Depreciation for the year	2,71,07,376	78,50,183	1,59,21,691	52,00,333		5,60,79,583
	2,87,33,345	81,37,654	1,59,69,681	63,64,754		5,92,05,434

Note:

- The Company has considered business segment as the primary segment for disclosure. The products included in each of the reported domestic business segments are

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

	As at 31-03-2021 Rs.	As at 31-03-2020 Rs.
<b>32. Contingent liabilities not provided for –</b>		
a) Estimated amount of contracts remaining to be executed and not provided for which commitment is made (towards raw materials and stores)	57,42,23,195	59,94,83,069
b) Claims against the Company not admitted as debts relating to:		
i) Excise, customs and service tax	32,03,124	32,03,124
ii) State levies	57,94,228	1,02,30,845
<b>33. Foreign exchange earnings on exports during the year calculated on FOB basis Rs.11,65,66,762 (Previous year Rs.37,90,92,991).</b>		

**34. RELATED PARTY DISCLOSURES**

a) List of related parties and description of relationship:

1. Holding Company : The Andhra Sugars Ltd.
2. Key Managerial Personnel : J. Murali Mohan, Managing Director
3. Relatives of Key Managerial Personnel

- |    |                  |          |
|----|------------------|----------|
| a) | J. Ganga Bhavani | Mother   |
|    | J. Sunita Mohan  | Wife     |
|    | J. Namrata       | Daughter |
|    | V. Indira        | Sister   |
|    | J. Murali Mohan  | HUF      |

b) Related party transactions (Amount in Rs.)  
 (Current year figures are in bold font)

Particulars	Holding Company	Key Managerial Personnel	Relatives of Key Managerial Personnel
<b>Purchase of goods</b>	<b>5,82,31,543</b>	-	-
	8,26,21,053		
<b>Sale of goods</b>	<b>16,09,588</b>	-	-
	18,23,834	-	-
<b>Rendering of services</b>	<b>7,28,874</b>	-	-
	23,501		
<b>Receiving of services</b>			
J. Sunita Mohan	-	-	57,000
	-	-	57,000
<b>Interest paid</b>	-	<b>1,49,844</b>	-
		2,27,514	
J. Sunita Mohan	-	-	82,498
	-	-	91,342
J. Ganga Bhavani	-	-	2,07,924
	-	-	2,63,191
J. Namrata	-	-	5,86,877
	-	-	6,60,175
J. Murali Mohan (HUF)	-	-	3,81,358
	-	-	5,80,821



Particulars	Holding Company	Key Managerial Personnel	Relatives of Key Managerial Personnel
<b>Remuneration paid</b>	-	<b>1,80,89,905</b>	-
	-	1,50,31,627	-
<b>Dividend paid</b>	<b>1,46,59,500</b>	<b>7,680</b>	
	48,86,500	2,560	
J.Murali Mohan (HUF)	-	-	<b>52,620</b>
			17,540
J.Sunita Mohan	-	-	<b>16,008</b>
			5,336
J.Ganga Bhavani	-	-	<b>12,150</b>
	-	-	4,050
J.Namrata	-	-	<b>5,400</b>
	-	-	1,800
V.Indira	-	-	<b>22,500</b>
	-	-	7,500
Balances as at 31-3-2021			
<b>a) Share capital of the Company held by</b>	<b>4,88,65,000</b>	<b>25,600</b>	-
	4,88,65,000	25,600	-
J.Murali Mohan (HUF)	-	-	<b>1,75,400</b>
	-	-	1,75,400
J.Sunita Mohan	-	-	<b>53,360</b>
	-	-	53,360
J.Ganga Bhavani	-	-	<b>40,500</b>
	-	-	40,500
J.Namrata	-	-	<b>18,000</b>
	-	-	18,000
V. Indira	-	-	<b>75,000</b>
	-	-	75,000
<b>b) Fixed deposits received from</b>	-	-	-
	-	21,39,772	-
J. Sunita Mohan	-	-	-
	-	-	10,12,331
J. Ganga Bhavani	-	-	<b>4,17,508</b>
	-	-	28,94,008

Particulars	Holding Company	Key Managerial Personnel	Relatives of Key Managerial Personnel
J. Namrata	-	-	<b>51,50,811</b>
	-	-	69,41,542
J. Murali Mohan (HUF)	-	-	-
	-	-	62,80,993
<b>c) Remuneration payable</b>	-	<b>40,75,086</b>	-
	-	40,76,428	-

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

**I. Defined contribution plans**

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

	Year ended 31-3-2021	Year ended 31-3-2020
	Rs.	Rs.
Employer's contribution to Provident Fund	2,13,02,501	2,22,25,586
Employer's contribution to Superannuation Fund	53,41,499	54,64,277
Employer's contribution to Employees State Insurance	51,79,678	57,30,317
Total recognized in the statement of profit and loss	<u>3,18,23,678</u>	<u>3,34,20,180</u>

**II. Defined benefit plans :**

	Gratuity	
	31-3-2021	31-3-2020
	Rs.	Rs.
Present value of obligations at beginning of the year	10,60,21,634	9,06,31,354
Interest cost	68,78,213	67,12,742
Current service cost	75,98,751	76,02,387
Past service cost	-	-
Benefits paid	(82,44,375)	(57,66,162)
Net actuarial loss	(3,14,804)	68,41,313
<b>Present value of obligations at end of the year</b>	<u>11,19,39,419</u>	<u>10,60,21,634</u>

**Reconciliation for changes in fair value of plan assets**

Fair value of plan assets at beginning of the year	11,93,42,572	10,90,98,563
Expected return	73,77,903	84,17,166
Contribution by employer	1,09,00,663	76,25,685
Benefits paid	(82,44,375)	(57,66,162)
Re-measurements - return on assets	2,08,008	(32,680)
Fair value of plan assets at end of the year	<u>12,95,84,771</u>	<u>11,93,42,572</u>

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

Present value of defined benefit obligations at end of the year	<b>11,19,39,419</b>	10,60,21,634
Fair value of plan assets at end of the year	<b>12,95,84,771</b>	11,93,42,572
Fund balance recognised in the Balance Sheet	<b>1,76,45,352</b>	1,33,20,938

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

Current Service cost	<b>75,98,751</b>	76,02,387
Interest cost (net)	<b>(12,67,061)</b>	(17,04,424)
Net expenses recognized in the Statement of Profit and Loss	<b>63,31,690</b>	58,97,963

**Expenses recognized in Other Comprehensive Income**

Return on plan assets	<b>(2,08,008)</b>	32,680
Actuarial losses	<b>(3,14,803)</b>	68,41,313
	<b>(5,22,811)</b>	68,73,993

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

	31.3.2021	31.3.2020	31.3.2019	31.3.2018	31.3.2017
Obligations at the end of each year	11,19,39,419	10,60,21,634	9,06,31,354	9,39,46,799	8,50,68,598
Plan assets at the end of each year	12,95,84,771	11,93,42,572	10,90,98,563	10,71,48,499	10,27,37,883
<b>Fund status</b>	<b>1,76,45,352</b>	<b>1,33,20,938</b>	<b>1,84,67,209</b>	<b>1,32,01,700</b>	<b>1,76,69,285</b>

**Sensitivity analysis**

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

**Summary of financial & demographic assumptions:-**

Scenario	DBO Rs.	Percentage Change %
Under Base Scenario	11,19,39,419	0.00%
Salary Escalation - Up by 1%	12,52,52,644	11.90%
Salary Escalation - Down by 1%	10,05,39,636	-10.20%
Withdrawal Rates - Up by 1%	11,17,90,006	-0.10%
Withdrawal Rates - Down by 1%	11,20,89,546	0.10%
Discount Rate - Up by 1%	10,05,09,620	-10.20%
Discount Rate - Down by 1%	12,55,58,764	12.20%

**Maturity profile of defined benefit obligation**

	Rs.		Rs.
Year 1	78,48,546	Year 6	55,99,199
Year 2	64,86,703	Year 7	50,81,744
Year 3	75,96,264	Year 8	85,18,690
Year 4	37,38,017	Year 9	1,06,60,400
Year 5	70,05,459	Year 10	92,36,754

**Participant Data**

The defined benefit obligation for the period ending 31 March 2021 is based on the member data provided by the Company.

The summary statistics for the data is as follows:

Summary of membership status	31.03.2021	31.03.2020
Number of Employees	1,203	1,147
Total Monthly Salary (Rs.)	1,45,34,145	1,33,21,363
Average Monthly Salary (Rs.)	12,082	11,614
Average Past Service	10.33	10.52
Average Age	38	38
Average Future Service	22	22

(In %)

Actuarial assumptions	Gratuity	
	Year ended 2020-21	Year ended 2019-20
a) Discount rate	6.91	6.75
b) Salary escalation rate per unit	7-10	7-10

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

**36. EARNINGS PER SHARE**

	2020-21	2019-20
Profit for the year	13,60,96,088	12,49,18,273
Weighted average number of Equity Shares of Rs.10 each	88,81,150	88,81,150
Basic and diluted Earnings Per Share	15.32	14.07

**37. CATEGORY WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS**

The carrying amounts and fair value of financial instruments by categories as at 31 March 2021 and 31 March 2020 are as follows.

	Carrying value (Rs.)		Fair Value (Rs.)	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
<b>Financial Assets</b>				
<b>Measured at amortised cost</b>				
i) Cash and cash equivalents	8,35,33,908	24,21,92,008	8,35,33,908	24,21,92,008
ii) Trade receivables	85,32,49,598	80,89,69,495	85,32,49,598	80,89,69,495
iii) Other financial assets	87,21,731	85,15,722	87,21,731	85,15,722
iv) Loans and advances	-	-	-	-
<b>Measured at FVTOCI</b>				
i) Investments in equity instruments	6,28,34,201	1,69,24,349	6,28,34,201	1,69,24,349
<b>Measured at FVTPL</b>				
i) Current investments - mutual funds	14,00,54,384	12,26,535	14,00,54,384	12,26,535
<b>Total financial assets</b>	<b>114,83,93,822</b>	<b>107,78,28,109</b>	<b>114,83,93,822</b>	<b>107,78,28,109</b>
<b>Financial liabilities</b>				
<b>Measured at amortised cost</b>				
i) Borrowings	2,03,72,824	8,31,12,018	2,03,72,824	8,31,12,018
ii) Other financial liabilities	2,60,85,264	2,58,34,879	2,60,85,264	2,58,34,879
iii) Trade payables	34,69,46,514	32,34,23,898	34,69,46,514	32,34,23,898
<b>Total financial liabilities</b>	<b>39,34,04,602</b>	<b>43,23,70,795</b>	<b>39,34,04,602</b>	<b>43,23,70,795</b>

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

**Calculation of fair values**

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31st March, 2020.

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

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

**38. FAIR VALUE HIERARCHY**

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

The categories used are as follows:

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

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

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

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

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

Financial assets/ Financial liabilities	Fair value as at			Fair value hierarchy	Valuation technique and key input
		March 31 2021 Rs.	March 31 2020 Rs.		
1) Investments in quoted Mutual Funds	Investment in Quoted mutual funds-aggregate fair value of -	14,00,54,384	12,26,535	Level 1	Quoted bid prices in an active market
2) Investments in Equity instruments (quoted)	Listed Equity Securities in various companies domiciled in India aggregate fair value of -	6,28,34,201	1,69,24,349	Level 1	Quoted bid prices in an active market

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

### 39. Financial Risk Management

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

#### A. Credit risk

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

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

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Revenue from top customers from whom the company receives 10% or more of its revenues	331,89,56,215	176,84,74,583
Revenue from top five customers	416,41,33,001	291,20,57,533

#### Trade receivables

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

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

#### Other Financial Assets

The Company maintains exposure in Cash and Cash Equivalents, Term Deposits with Banks and Money Market Liquid Mutual Funds.

The Company's maximum exposure of credit risk as at March 31, 2021, and March 31, 2020 is the carrying value of each class of Financial Assets.

#### B. Foreign currency risk management

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

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

The following table presents foreign currency risk from non-derivative financial instruments as of March 31, 2021 and March 31, 2020.

Particulars	(Amount in Rs.)	
	31.3.2021 \$	31.3.2020 \$
<b>Assets :</b>		
Trade receivables	2,18,81,060	17,66,21,244
Cash and cash equivalents	3,10,17,374	4,93,31,116
<b>Liabilities</b>		
Trade payables	36,369	57,60,783
Net assets / (liabilities)	5,28,62,066	22,01,91,577

#### Foreign currency sensitivity analysis

A 5% strengthening of the INR against key currencies to which the Company is exposed would have led to approximately an additional Rs.26,43,103 gain in the Statement of Profit and Loss (2019-20: Rs.1,10,09,579 gain). A 5% weakening of the INR against these currencies would have led to an equal but opposite effect.

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

#### C. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2021 and March 31, 2020. Cash flow from operating activities provides the funds to service the financial liabilities on a day to day basis.

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



**d. Capital Management**

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

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

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

**40. Dividend**

The board of directors at its meeting held on 10 June, 2021 have recommended a dividend of Rs.3 per share of face value of Rs.10 each for the financial year ended 31.3.2021. The above is subject to approval at the ensuing Annual general meeting of the company and hence is not recognised as a liability.

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

i) Loans and advances in the nature of loans given to company in which Directors are interested Rs. NIL. (March 31, 2020 :Rs. NIL).

ii) Details of investments, loans / guarantees made u/s 186 of Companies Act 2013 : Rs. NIL (March 31, 2020 :Rs. NIL).

**42. a) Balances in personal accounts of various parties are subject to confirmation by and reconciliation with the said parties.**

b) In the opinion of the management, Current Assets, Loans and advances have a value on realization in the ordinary course of business equal to the values at which they are stated.

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


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

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As per our report of even date :

For CHEVUTURI ASSOCIATES.,  
Chartered Accountants  
Firm's Registration No.000632S  
RAGHUNADHA RAO BALINENI, Partner  
Membership No. 028105  
Camp : Guntur  
10th June, 2021  
UDIN: 21028105AAAABC7260

For and on behalf of the Board

P. NARENDRANATH CHOWDARY	Chairman
J. MURALI MOHAN	Managing Director
K. RAGHURAM	Secretary & DGM (Fin.) (CFO)





# Jocil Limited

(A Subsidiary of The Andhra Sugars Limited)

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

Form No. MGT-11

## PROXY FORM

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

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

Registered Address : .....

E-mail Id : .....

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

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

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

Address : .....

..... Signature .....

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

Address : .....

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

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

Address : .....

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Forty Third Annual General Meeting of the Company to be held on Wednesday, 22<sup>nd</sup> September 2021 at 3.30 p.m.

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

1. Adoption of Audited Statement of Profit and Loss, Balance Sheet, Report of Board of Directors and Auditors for the year ended 31<sup>st</sup> March, 2021.
2. Declaration of Dividend for the year 2020-21.
3. Re-appointment of Sri P. Narendranath Chowdary (DIN : 00015764) who retires by rotation.
4. Ratification of Cost Auditor's remuneration.
5. Appointment of Sri P.A. Chowdary as an Additional Director.
6. Appointment of Sri P.A. Chowdary as an Independent Director.
7. Continuation of Directorship of Sri K. Srinivasa Rao.

Signed this ..... day of .....2021.



x

Signature of the Shareholder

x

Signature of the Proxy holder(s)

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

\_\_\_\_\_



Form No. SH-13

Nomination Form

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

To

Jocil Limited

Dokiparru, Medikondur Mandal, Guntur - 522 438.

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

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

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

2. PARTICULARS OF NOMINEE/S -

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

3. IN CASE NOMINEE IS A MINOR-

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

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

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

Signature :

Name and address of the Security Holder (s) :

Witness with name and address :

#### Instructions :

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

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

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



Form No. SH-14

Cancellation or Variation of Nomination

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

Jocil Limited

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

or

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

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

Table with 5 columns: Nature of securities, Folio No., No. of securities, Certificate No., Distinctive No.

2. a. PARTICULARS OF THE NEW NOMINEE :

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

b. IN CASE NEW NOMINEE IS A MINOR-

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

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

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

Signature :

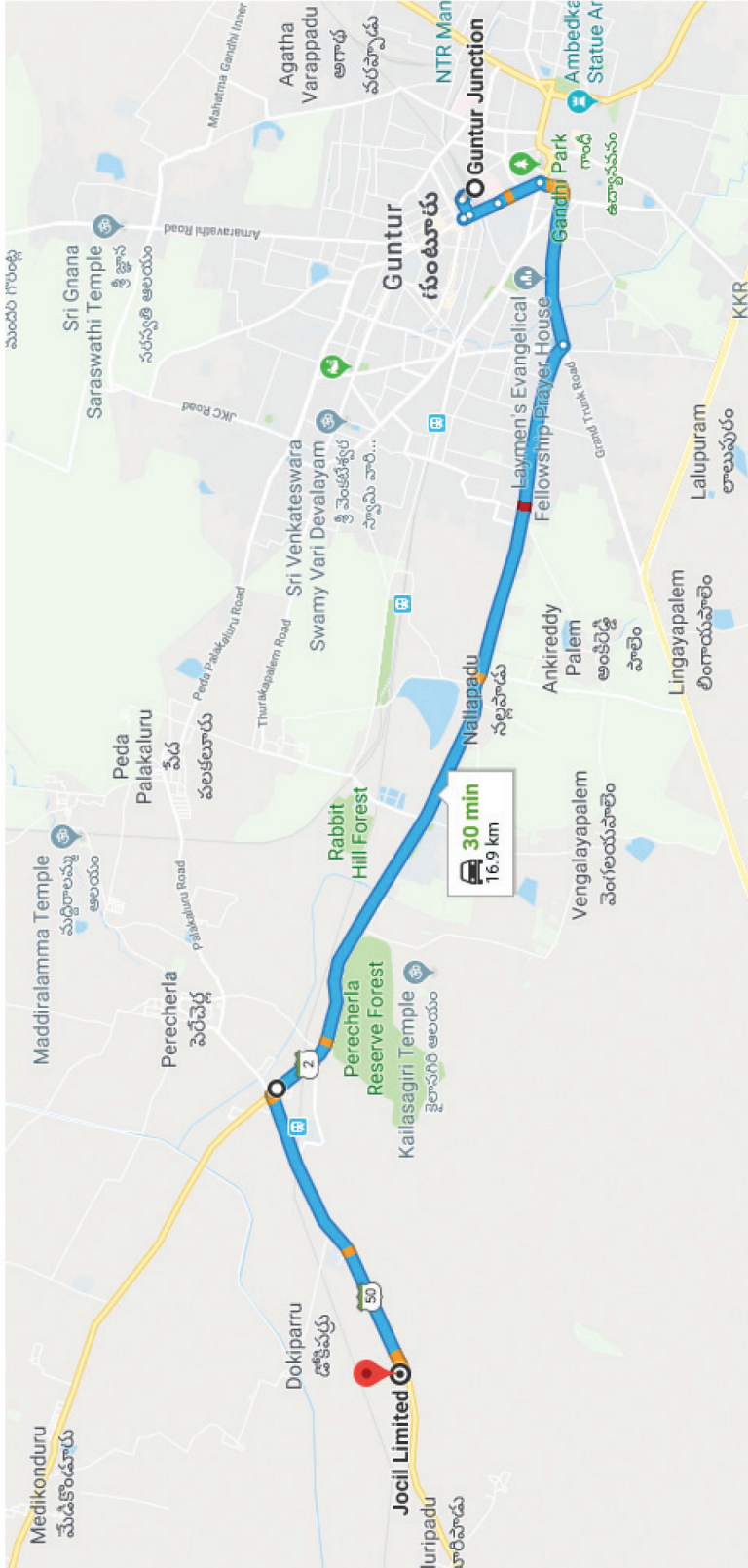
Name and address of the Security Holder (s) :

Witness with name and address :





# Route Map for attending 43rd AGM



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