partnership for progress

JVL AGRO INDUSTRIES LIMITED

Annual Report 2017-18

Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements, written or oral, that we periodically make, contain forward-looking statements that set out anticipated results based on management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion relating to future performance of the Company

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

contents

In three decades of manufacturing vegetable oil and other FMCG products, JVL Agro has grown to become sectoral leader with wide reach, rich experience, superior product quality, enhanced range and efficient processes.

Corporate snapshot

Vision

To delight the consumer through a complete portfolio of vegetable oils and other FMCG products through continuous research and development, leading to single-stop convenience.

Mission

To extend leadership from saturated fats to the entire vegetable oils segment in the first stage and to agro-based premium food products thereafter, from being present in a single region in India to acquiring a global manufacturing and marketing presence.

Background

JVL Agro Industries Limited is primarily engaged in the manufacture of edible oils and rice. The Company was incorporated by Mr. D. N. Jhunjhunwala and Mr. Satya Narayan Jhunjhunwala. JVL commenced production with a capacity of 25 metric tonnes per day in 1989 and has rapidly grown to become one of the largest manufacturers of edible oil in India with a capacity of 3,000 metric tonnes per day. In October 2008, the Company changed its name to JVL Agro Industries Limited (formerly known as Jhunjhunwala Vanaspati Limited), owing to the diversification of its operations from just a hydrogenated vegetable oil manufacturer to manufacturing multiple products.

Apart from Vanaspati, the Company is also engaged in the manufacture of refined oil (such as olein, cotton seed, palm, sunflower), mustard oil and bakery shortening agents. JVL Agro's rice producing mill in Bihar has a capacity of 60,000 tonnes per annum.

Presence

The Company has its headquarters in Varanasi and its manufacturing facilities at:

Naupur (Uttar Pradesh): Refined oil and vanaspati mill

Dehri-on-Sone (Bihar): Refined oil and vanaspati mill

Alwar (Rajasthan): Mustard and refined oil mill

Haldia (West Bengal): Refined oil mill

Akhori-gola (Bihar): Rice mill

Subsidiaries

JVL Agro has a wholly-owned subsidiary company mainly for raw material procurement in Singapore. It may be noted that crude edible oil is imported by the Company mainly from south-east Asia.

Listing

The Company's shares are listed on Bombay Stock Exchange and National Stock Exchange.

Awards and accreditations

All JVL Agro plants and products comply with national food quality standards like FSSAI

All plants are ISO 9001: 2008-certified

The Company was recognised as the fastest-growing vanaspati brand in 2006

The Company was adjudged 'Emerging Company of the Year' 2007 by Globoil

Mr. S.N. Jhunjhunwala, Managing Director, was conferred with the 'Globoil Man of the Year 2008' award

Mr. D.N. Jhunjhunwala, Chairman, was awarded the 'Globoil India Legend 2011' award

Mr. S.N. Jhunjhunwala, Managing Director, was made Co-Chairman of Oil Technology Association of India, Central Zone on 16 November 2014

Product portfolio

Brands	Products	Variants
Jhoola	Vanaspati	Vanaspati Ghee
Jhoola, JVL Royal, Payal	Refined oil	Olein Soya bean Mustard Cotton seed Palm Sunflower
Jhoola, Shankar, JVL Royal	Mustard oil	Kachchi ghani Pakki ghani
Jhoola, Payal, JVL Royal	Rice	Steamed Par-boiled White rice
Jhoola	Bakery shortening agents	

Our cooking solutions

Company under **Corporate Insolvency Resolution Process (CIRP)**

In response to the petition filed under section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC) by one of the financial creditors of the company for default in repayment of stipulated amount, the Hon'ble National Company Law Tribunal (NCLT), Allahabad Bench ordered Corporate Insolvency Resolution Process (CIRP) for the Company in accordance with the provisions of the IBC, vide its Order dated 25th July, 2018, and appointed Mr. Avishek Gupta as Interim Resolution Professional (IRP). Since then the powers of Board of Directors stand suspended in accordance with IBC. Thereafter, the Committee of Creditors at its meeting dated 23rd August, 2018, decided to replace the IRP with a new Resolution Professional (RP). The COC again met on 6th September 2018 and decided upon the name of Mr. Supriyo Kumar Chaudhuri as the RP for JVL Agro Industries Ltd. The Hon'ble NCLT then appointed Mr. Supriyo Kumar Chaudhuri as the RP to take over charge of the Company for the purpose of managing the affairs of the Company, by virtue of its Order dated 10th September, 2018.

The Company has been under the able management of Mr. Chaudhuri and his team since then.

According to the provisions of the IBC which is a time bound resolution process over a period of 180 days, the 180 days of the CIRP period of the Company expired on 21st January, 2019 which upon application by the RP has been extended by the Hon'ble NCLT by another 90 days as permissible by the IBC, up to 21st April, 2019.

The RP has been conducting management of the affairs of the Company as a going concern in quite an excellent manner and has been putting in the best of his efforts for resolution in accordance with the IBC by way of inviting resolution plans from the prospective resolution applicants. The last date for submission of resolution plans, as approved by the Committee of Creditors, is 16th April, 2019.

Management **discussion and analysis**

About the Company

JVL Agro Industries Limited (formerly known as Jhunjhunwala Vanaspati Limited) is primarily engaged in the manufacture of edible oils and rice. The Company commenced production with a capacity of 25 metric tonnes per day and has rapidly grown to become one of the largest manufacturers of edible oil in India with a capacity of 3,000 metric tonnes per day. In October 2008, the Company changed its name to JVL Agro Industries Limited, owing to the diversification of its operations from just a hydrogenated vegetable oil manufacturer to manufacturing multiple products.

Global economic overview

In 2017, a decade after the global economy collapsed, a revival manifested wherein major economies expanded: ongoing Euro-zone growth, modest growth in Japan, late revival in China and improving realities in Russia and Brazil. The result was an estimated 3.7% global economic growth in 2017, some 60 bps higher than the previous year. It would be relevant to indicate that crude oil prices increased in 2017 from $54.13 per barrel at year-start to a low of $46.78 per barrel in June 2017 and year-close at $61.02 per barrel, the highest since 2013.

Outlook

The outlook for advanced economies improved, notably for the eurozone, but in many countries inflation remained weak, indicating that prospects of GDP growth were being held back by weak productivity levels and rising dependency ratios. Prospects of emerging market and developing economies in sub- Saharan Africa, the Middle East, and Latin America remained lacklustre with several countries experiencing stagnant per capita incomes. Fuel exporters were particularly affected by protracted adjustments to lower commodity revenues. Global growth forecasts for 2018 and 2019 were revised upward by 20 bps to 3.9%, reflecting an improved momentum and the impact of tax policy changes in the US. *(Source: WEO, IMF)*

Indian economic overview

After registering GDP growth of over 7% for the third year in succession in 2016-17, the Indian economy headed for slower growth estimated at 6.7% in 2017- 18. The year under review was marked by structural reforms by the Government. In addition to GST introduction, the year witnessed significant efforts for resolution of problems associated with bank non-performing assets, FDI liberalization, and bank recapitalization. After remaining in negative territory for a couple of years, export growth rebounded in 2016- 17 and strengthened in 2017-18; foreign exchange reserves rose to US$ 426 billion as on April 2018.(Source: CSO, economic survey 2017-18)

Key government initiatives

Bank recapitalisation scheme: The Central Government announced capital infusion of Rs2.1 lakh crore in public sector banks.

Expanding road network: The Government of India announced aRs6.9 lakh crore investment to construct 83,677 kms of roads across five years.

Improving ecosystem: The country was ranked at the hundredth position, an improvement of 30 places in the World Bank's Ease of Doing Business 2017 report, a result of the Central Government's proreform agenda.

Goods and Services Tax: The Government of India launched GST in July 2017, with the vision of creating a unified market. Under this regime, various goods and services would be taxed as per five slabs (28%, 18%, 12%, 5% and zero tax).

Foreign Direct Investment: Foreign direct investment increased from approximately USD 24 billion in FY2012 to approximately USD 60 billion in FY2017, an all-time high.

Coal mining opened for private sector: The government took steps for opening coal mining to private sector firms for commercial use, the most ambitious sectoral reform since nationalization of coal mines in 1973.

Doubling farm incomes: The government initiated a seven-point action plan to double farm incomes by 2022.

Outlook

World Bank projected India's economic growth to accelerate to 7.3% in 2018-19 and 7.5% in 2019-20. Strong private consumption and services are expected to continue to support economic activity. Private investment is expected to revive as soon as the corporate sector adjusts to the GST. *(Source: IMF, World Bank)*

Global edible oil industry

The global edible oils and fats market was valued at around USD 88.70 billion in 2017 and is expected to reach approximately USD 146.21 billion by 2024, growing at a CAGR of around 7.4% between 2018 and 2024.

China is one of the leading markets of edible oil followed by India, United Arab Emirates and Pakistan.

Global production of vegetable oil is dominated by soya bean oil and palm oil. Argentina and Brazil, as major producers of soya beans and soya bean oil, are now responsible for a large share of exports of this oil. Palm oil production and export are located principally in South East Asia, with Indonesia and Malaysia responsible for bulk of both.

Manufacturers are adopting new techniques to increase production of edible oil such as cold pressing. This combined with growing disposable incomes and growing demand for snacks and fried food globally are major drivers in the global market. *(Source: JCR-VIS Credit Rating Company Limited, Zion Market Research)*

Indian edible oil industry

India's total demand for edible oils during 2017-18 is estimated at 230 lakh tons. Monthly requirement is about 19 lakh tons and operate at 30 days stock against which currently holding stock of over 25.53 lakh tons equal to 40 days requirements. The country's vegetable oil consumption was at 23 million tonne in 2017.

During November 17- September 18, overall Palm Oil import has decreased to 7,947,472 tons from 8,546,059 tons, while Soft Oils import remained at same level and reported 5,394,614 tons from 5,397,244 tons during the same period of last year. Practically palm and soft oil ratio is nearly 60:40.

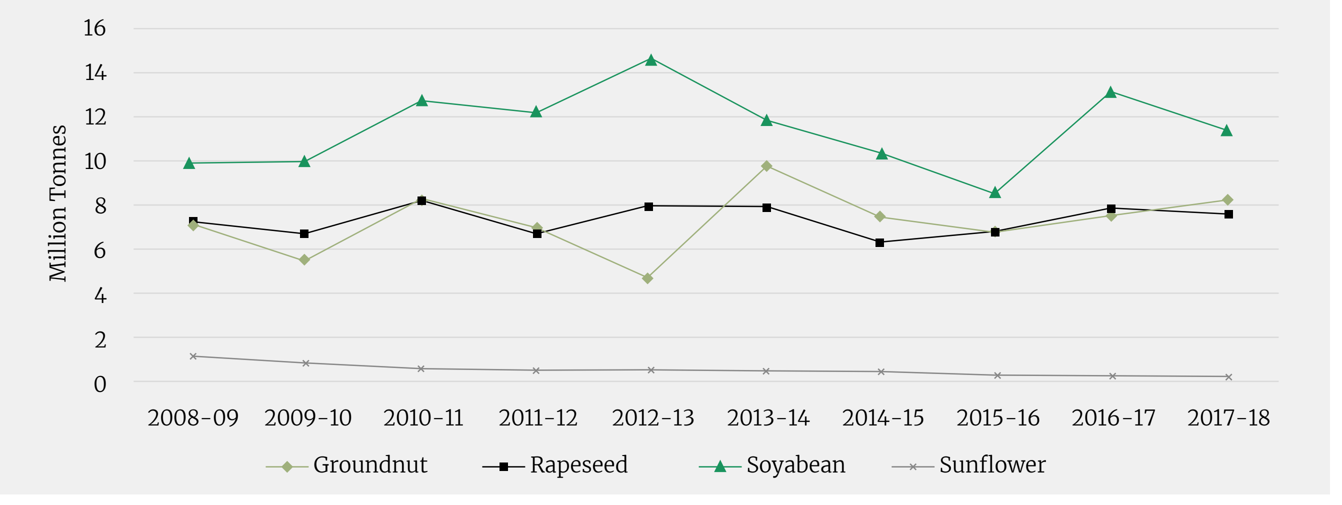
Growing population, economic growth and rising disposable income will drive India's vegetable oil consumption growth, which is expected to grow by three per cent annually to exceed 34 million tonnes by 2030

In last one year, edible oil prices have dipped to the extent of 11 to 25 per cent in international market due to excess supply and reduced demand from India. The prices have been further affected by the rupee depreciation that has declined nearly 15 per cent. *(Source: Hindu business line, Economic times)*

Production

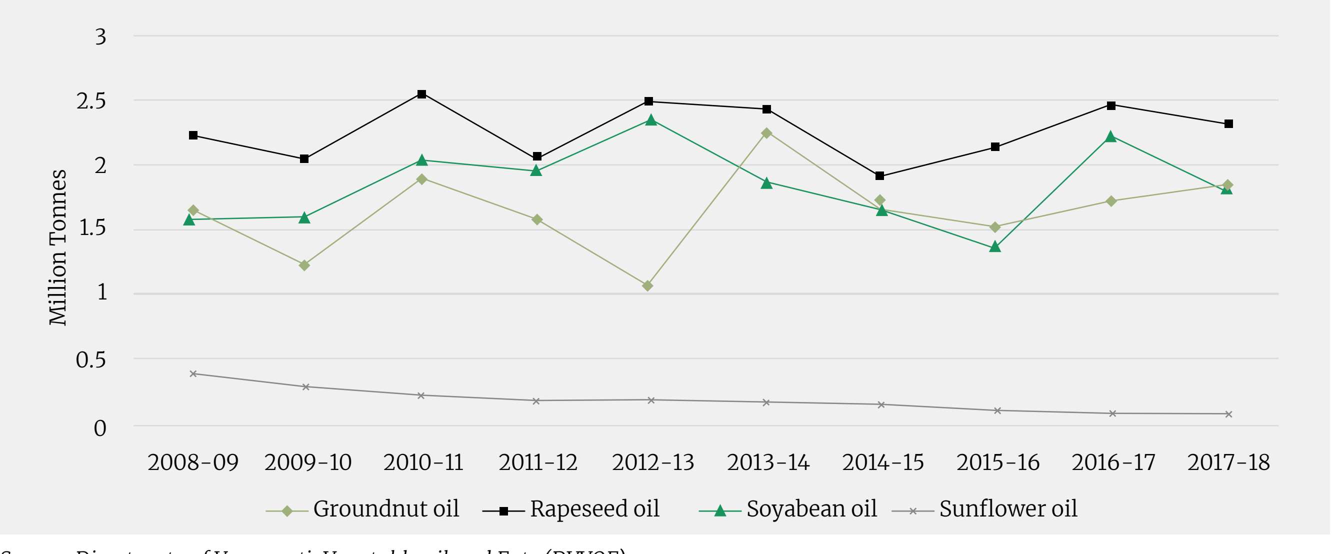
Domestic oilseed production growth can't keep up with rising demand. Rising demand and stagnant domestic vegetable oil supply, which has been range bound between 6.5 million tonne and 8.5 million tonne in the past decade, will push the country's vegetable oil imports to over 25 million tonne by 2030, from 15.5 million tonne in 2017. (Rabo Bank)

Production trend of domestic oilseeds



Source: Directorate of Economics and Statistics

Production trend of domestic edible oil



Source: Directorate of Vanaspati, Vegetable oil and Fats (DVVOF)

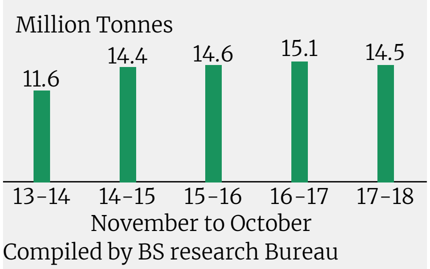
Oil imports

India imports about 60% of the edible oil requirements as the domestic production of edible oil is not sufficient to meet internal consumption needs. Import of vegetable oils during September 2018 is reported at 1,491,174 tons compared to 1,519,277 tons in September 2017 consisting 1,422,003 tons of edible oils and 69,171 tons of non-edible oils, down by 2 per cent. Because of low domestic supplies, palm oil, soy oil, and sunflower oil will continue to represent more than 98 per cent of total vegetable oil imports *(Source: Solvent Extractor Association)*

Outlook

Palm oil, soy oil and sunflower oil are expected to penetrate regional markets further in the future, with the packaged edible oil segment leading the way for future growth of the industry

Refined and crude edible oil chart

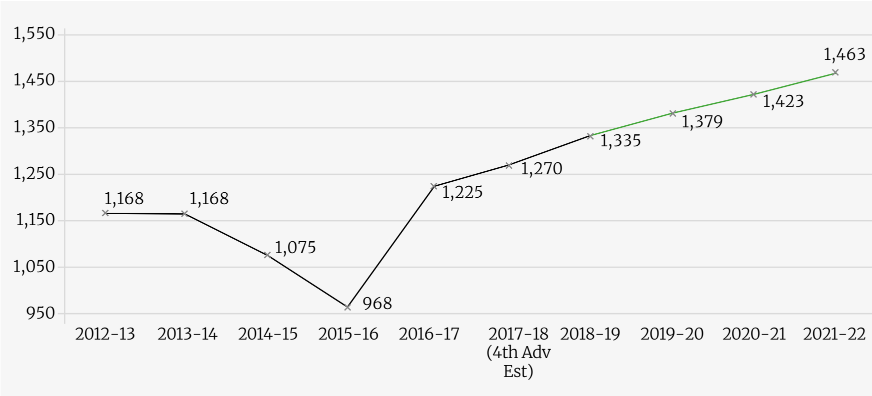


Sorce: The solvent Extractors' Association of India

Trend in oilseed yield

The yield that remained stable at 1,168 kg per hectare in the two years 2012-14 declined in the following two years to 1,075 kg per hectare in 2014-15 and 968 kg per hectare in 2015-16. Nevertheless, the trend changed and the yield increased to 1,225 kg per hectare in 2015-16. It is further estimated to improve and stand at 1,270 kg per hectare in 2017-18.The yield that increased at a CAGR of 1.2% during the five years 2012-13 to 2016-17 is estimated to increase at a CAGR of 3.6% in the coming five years 2017-18 to 2021-22.

Trend in oilseeds yield (kg/hectare)



Source: Department of Agriculture Co-operation & Farmers Welfare, Agenda Note of Department of Agriculture Co-operation & Farmers Welfare

Note: Green colour line indicates target

Oil targets

It is estimated that the vegetable oil requirement in the country is likely to be at 33.2 million tonnes by 2022. This is assuming per capita consumption of about 22 kg per person per annum from the level of 19 kg per person per annum during 2015-16. It also estimates the oilseed production (nine annual oilseed crops: primary source) target at 45.65 million tonnes from which the vegetable oils would be available at around 13.69 million tonnes by 2022. The current annual output of vegetable oils is 7.31 million tonnes. (Source: The Ministry of Agriculture and Farmers Welfare)

From the secondary sources viz. coconut, cotton seed, rice bran, solvent extracted oil (SEO) of tree & forest origin, the vegetable oil availability has been estimated at 5.22 million tonnes by 2022 from the present level of 3.58 million tonnes. Resultantly, the agenda estimates vegetable oil availability (primary + secondary + oil palm) to be about 17.03 million tonnes. This indicates a possible reduction in imports to the level of about 15% from the current level of 67% by 2022 and reduction of import burden to the extent of Rs. 15,000 crore.

Estimated area, production and yield of nine oilseed crops by 2022

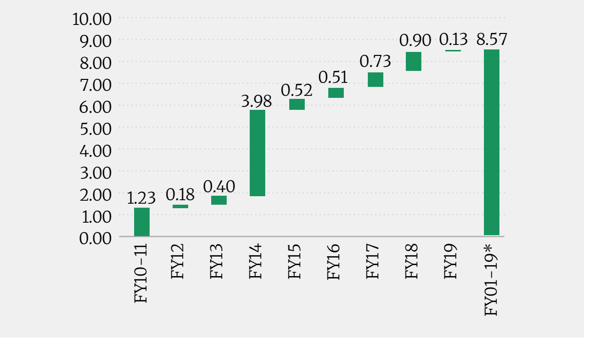
Year	Area (in million hectares)	Production (in million tonnes)	Yield (kg/hectare)
2017-18 (4th advanced estimate)	24.65	31.31	1,270
2018-19	28.5	38	1,335
2019-20	29.41	40.5	1,379
2020-21	30.3	43.1	1,423

(Source: CARE)

Way ahead

The key to improve oilseeds production lies in ensuring the availability of quality seeds, bridging the awareness gap in farmers regarding better techniques, developing supportive infrastructure facilities and ensuring an efficiently managed market for better price recovery. New location-specific high yielding varieties should be developed. Investment in oilseeds research and development is a key element and should be stepped up. Dissemination of technology is equally important and needs to be strengthened through effective agricultural extension system. *(Economic times)*

FDI inflows into food processing industries between April 2000-June 2018 (US$ billion)



Government's initiatives

- The government is currently running 'National Mission on Oilseeds and Oil Palm (NMOOP)' to encourage the adoption of newly released varieties and improved agro-techniques in oilseed crops. The mission targets increasing production of oilseeds to 42 mn tonnes by FY2022 from estimated 34 mn tonnes in FY2017. ICRA estimates that this can help lower the proportion of imports in total edible oil consumption in the country to around 55% in FY2022 from around 60% in FY2017, translating into saving of around Rs. 6,500 crore of foreign exchange.
- In March 2018, the Government of India extended the urea subsidy to the farmers till 2020 with the aim of ensuring supply of urea at statutory controlled prices. Urea subsidy for 2018-19 is estimated at Rs. 45,000 crore (US$ 6.95 billion).
- In December 2017, the Department of Agriculture, Cooperation & Farmers Welfare proposed National Programme on use of Space Technology for Agriculture (NPSTA), which will use integrated space and geospatial tools for mapping, monitoring and management of agriculture.
- Allocation of US$ 3.9 billion for RFID, US$ 234 million for long – term rural credit fund, US$ 7.03 billion for short – term cooperative rural credit finance fund, US$ 3.9 billion for short – term RRB refinance fund
- The Food Processing Industries have taken few initiatives for developing the food – processing sector that would enhance the exports of agro and processed foods and income of farmers
- Government is planning to invest US$ 8 billion so as to revive four fertilizer plants and setting up two plants to produce farm nutrients

Budgetary initiatives

- The government will set up an Agri-Market Infrastructure Fund to develop and upgrade the infrastructure in 22,000 Grameen Agricultural Markets (GrAMs) and 585 APMCs. The corpus of the fund will be Rs. 2,000 crore (US$ 308.93 million).
- Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) will be implemented in 96 irrigation deprived districts in the country for which Rs. 2,600 crore (US$ 401.6 million) has been allocated.
- Rs. 200 crore (US$ 30.89 million) allocated for supporting organised cultivation and associated industry.
- Minimum Support Price (MSP) for all unannounced kharif crops will be kept at one and half times of their production cost
- State-of-the-art testing facilities will be set up in all 42 mega food parks.

Growth drivers for food processing industry:

Bigger population, stronger income and higher demand: The country is reporting an annual population growth of 1.1% and is expected to emerge as the most populous country in the world by 2024. Nearly half of India's population is under the age of 25 and two-thirds are less than 35. India is expected to have the world's largest workforce by 2027, with a billion people aged between 15 and 64. The country is witnessing strong growth in per capita incomes, increasing from US$945.9 in FY12 to US$1,538.5 in FY17. The IMF expects nominal per capita incomes to grow at a CAGR of 4.94% between 2010 and 2019. With the population increasing and per capita incomes growing, consumer demand is expected to grow exponentially in the coming years.

Increase in the area under irrigation: Gross irrigated area under food grains is estimated to have grown to 68.4 million hectares in FY18. As per Union Budget 2018-19, Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) will be implemented in 96 irrigation deprived districts in the country for which Rs. 2,600 crore (US$ 401.6 million) has been allocated. A long term irrigation fund has been set up in NABARD. In Union Budget 2017-18, addition of US$ 3.10 billion to this corpus was announced. Also, a dedicated micro irrigation fund will be set up in NABARD to achieve the goal, 'per drop more crop'. The initial corpus of the fund will be US$ 775.67 million. Around 285 new irrigation projects will be undertaken in 2018 to provide irrigation for 18.8 million hectares of land. (Source: Ministry of Agriculture and Farmers' Welfare Annual Report 2017-18, FAO)

Increment in oilseed production: According to ICRA, India occupies a prominent position in the world oilseeds industry with contribution of around 10% in worldwide production. But the demand of edible oils (extracted from oilseeds in addition to palm oil) is significantly higher than the domestic production, leading to dependence on imports (60% of requirement). Over the last ten years, the oilseeds production in the country has increased to around 34 mn tonnes in FY2017 from 24 mn tonnes in FY2007. Considering the importance of oilseeds, and the high level of imports, various oilseeds development schemes have been funded by the government to encourage cultivation of oilseeds and palm. There has been some progress in increasing the area under cultivation and improving yields, but the growth has been slow. Average yield of various oilseeds crops in India, though improved, is lower than world average and significantly lower than other major oilseeds producing nations. *(Source: Economic times, ICRA)*

Changing Lifestyle of People: As far as the processed food market is concerned, Indian households are closely knit and the percentage of nuclear families and working women is very low. Therefore, while the market itself is one of the largest in the world, the penetration of packaged and branded products is abysmally low. People prefer homemade or fresh products, which are cheaper than branded products. However, over the last couple of years, private players have started taking enormous interest in the sector, with many MNC's already testing the waters. Their efforts have been aided by the fact that urban India is showing a marked shift towards ready-to-eat food. With urban incomes increasing and urban consumers squeezed for time, they are slowly demanding more of the products they consume. Also, the hygiene factor is facilitating growth. With more people expected to shift to processed and packaged food, there is an opportunity for makers of branded products.

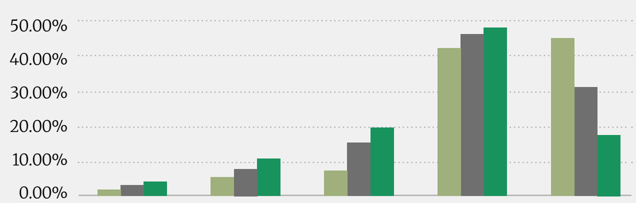
Growth in Retail: The Indian retail industry is one of the fastest growing in the world and is the fifth largest preferred retail destination globally. Retail industry in India is expected to grow to US$ 1,100 trillion by 2020 from US$ 672 billion in 2017. The country is among the highest in the world in terms of per capita retail store availability. India's retail sector is experiencing exponential growth, with retail development taking place not just in major cities and metros, but also in Tier-II and Tier- III cities. Healthy economic growth, changing demographic profile, increasing disposable incomes, urbanisation, changing consumer tastes and preferences are the other factors driving growth in the organised retail market in India. The annual growth of the retail market in India is expected to be around 8 per cent and it is expected to be seen 35-40 per cent in next 10 years.

Food Retail: Food retail has surpassed the dominating apparel and accessories sector. Contrary to the belief that fashion is the largest segment of organized retail in India, food & beverages is the major segment, worth Rs. 8.97 lakh crore. Growing at the rate of 30 per cent, the Indian food retail is going to be and no doubt is the major driving force for the retail industry. The percentage of income spent in households will drive growth in the food market. Food accounts for the largest share of consumer spending. Food and food products account for about 50 per cent of the value of final private consumption. This share is significantly higher compared to developed economies, where food and food products account for about 20 per cent of consumer spending. Currently, the retail food sector is Rs. 3500 billion and is expected to rise to Rs. 7500 billion by 2025. Food has the largest consumption in the Indian economy and will remain the single largest category.

Increasing affluence: Rising affluence has been the biggest driver of India's increasing consumption expenditure. Of India's five broad household categories (elite, affluent, aspirers, next billion, and strugglers), the top two income classes are the fastest growing.From 2016 through 2025, the share of elite and affluent households is anticipated to increase from 8% to 16% of the total while the share of strugglers would likely drop from 31% to 18%.

Rapid urbanisation: In terms of consumption expenditures, emerging cities (those with populations of less than 1mn) have been the fastest growing. Fuelled by rising affluence, expenditures in these cities are rising by nearly 14% annually, while consumer spending in India's biggest cities is increasing at about 12%.

Indian households

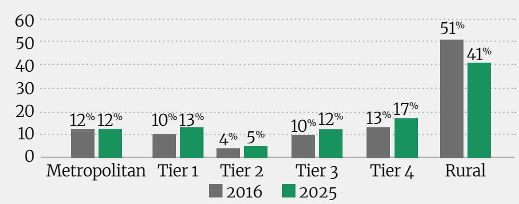


	Elite	Affluent	Aspirer	Next billion	Strugglers
2005	1.50%	3.00%	8.00%	42.00%	44.00%
2016	2%	6%	15%	45%	31%
2025	5%	11%	20%	46%	18%

Source: 'BCG Report – The New Indian (March 2017)

On account of conversion rates applied, all percentages do not add up to 100%

Urbanisation in India



Source: 'BCG Report – The New Indian (March 2017)

SWOT analysis of food processing industry

Strengths

- Round the year availability of raw materials.
- Social acceptability of food-processing as important area and support from the central government.
- Vast network of manufacturing facilities all over the country.
- Vast domestic market.

Weaknesses

- High requirement of working capital
- Low availability of new reliable and better accuracy instruments and equipment
- Inadequate automation information management.
- Remuneration less attractive for talent in comparison to contemporary disciplines.
- Inadequately developed linkages between R&D labs and industry.

Opportunities

- Large crop and material base in the country due to agro-ecological variability offers vast potential for agro processing activities.
- Integration of developments in contemporary technologies such as electronics, material science, computer, bio-technology etc. offer vast scope for rapid improvement and progress.
- Opening of global markets may lead to export of our developed technologies and facilitate generation of additional income and employment opportunities.

Threats

- Competition from global players
- Loss of trained manpower to other industries and other professions due to better working conditions prevailing there may lead to further shortage of manpower.
- Rapid developments in contemporary and requirements of the industry may lead to fast obsolescence.

Finance review

Basis of preparation

The financial statements of the Company have been prepared in accordance with IND - AS. The Company has prepared these financial statements to comply in all material respects with the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 (The 'Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act, to the extent notified.

Key performance metrics

Parameters	2016-17 (figures restated as per Ind AS)	2017-18 (on adoption of Ind AS from this Financial Year)	Growth (%)
Total revenue (Rs. crore)	3857.18	3190.21	(-)17.29
EBIDTA (Rs. crore)	21.95	(-)211.36	(-) 1062.92
PBT (Rs. crore)	(-) 65.44	(-)325.08	(-) 396.76
PAT (Rs. crore)	(-) 69.55	80.27	(-) 215.41
Earnings per share (Rs)	(-) 4.14	4.78	(-) 215.45

Analysis of the profit and loss statement

Revenues: The revenues from operation of the Company reported a 17.29% decline from Rs. 3857.18 Crore in 2016-17 to Rs. 3190.21 crore in 2017-18. The decline was primarily driven by reduction in manufacturing sales and trading sale during the year 2017-18 compared to 2016-17. The other income of the company reported decrease by Rs.20.10 crores, other income accounted for only 0.53% of the Company reflecting the Company's dependence on core business operations.

Expenses: Total expenses of the Company decreased 10.79% from Rs. 3959.77 crores in 2016-17 to Rs. 3532.35 Crores in 2017-18,largely on account of lower cost of raw material and trading purchases at Rs. 3290.87 crores, a decrease of 10.70% to Rs. 3290.87 crores in 2017-18 from Rs. 3685.01 crores in 2016-17 owing to decrease in operations of the company. Employees' expenses, comprising 0.38% of the total revenues, decreased 1.60% from Rs. 12.45 Crores in 2016-17 to Rs. 12.25 Crores in 2017-18.

Analysis of the Balance Sheet

Sources of funds

Capital employed: The capital employed of the Company increased 8.82% from Rs. (-) 403.98 crores as on 31st March, 2017 to Rs. (-) 368.35 crores as on 31st March, 2018 owing to creation of deferred tax assets resulting in profits for the current year.

The net worth of the Company increased 17.39% from Rs. (-) 461.23 Crores as on 31st March 2017 to Rs. (-) 380.96 Crores as on 31st March 2018 owing to deferred tax adjustment in the Profit & Loss Account for the year ended 31st March, 2018. The Company's equity share capital comprising 16,79,40,000 equity shares of Rs. 1.00 (face value) each remained unchanged during the year under review.

Long-term debt: Long-term debt of the Company decreased 77.97% from Rs. 57.25 Crores as on 31st March 2017 to Rs.12.61 Crores in 2017-18 owing to repayment.

Finance cost: Finance cost of the Company increased from Rs. 69.44 Crores in 2016-17 to Rs. 93.92 Crores in 2017-18 due to increase in interest outgo. The Company's interest cover stood at (-) 2.25 in 2017-18 (0.32 in 2016-17), reflecting an un- comfortable servicing capability for interest payment by the Company.

Applications of funds

Fixed assets (gross) of the Company increased 2.06% from Rs. 528.16 Crores as on 31st March 2017 to Rs. 539.08 Crores as on 31st March 2018 largely owing to [increase in plant and machinery]. Depreciation on tangible assets increased 10.31% from Rs. 17.95 Crores in 2016-17 to Rs. 19.80 Crores in 2017-18 owing to the increase in fixed assets during the year under review

Investments

Non-current investments of the Company increased from Rs. 3.73 Crores as on 31st March 2017 to Rs. 3.75 Crores as on 31st March 2018.

Working capital management

- Current assets of the Company decreased 25.41% from Rs. 1124.76 Crores as on 31st March 2017 to Rs. 837.49 Crores as on 31st March 2018 owing to decrease in Current ratio and quick ratio of the Company which stood at 0.42 and 0.23 respectively in 2017-18 against 0.57 and 0.34 in 2016-17.
- Inventories including raw materials, work in progress and finished goods among others decreased 17.88% from Rs. 460.05 Crores as on 31st March 2017 to Rs. 377.78 crores as on 31st March 2018 owing to lower volume of operation in the year ended 31st March, 2018 and a resultant decrease in inventory of raw materials, work in progress & Finished goods. Inventory turnover days decreased from

49 days in 2016-17 to 47 days in 2017-18.

- Trade receivable decreased from Rs. 211.76 Crores as on 31st March 2017 to Rs. 168.79 Crores as on 31st March 2018. These are unsecured considered good. The Company's debtor turnover cycle was within 22 days of turnover equivalent in 2017-18 as against 24 days in 2016-17.
- Cash and bank balances of the Company decreased 45.30% from Rs. 260.39 Crores as on 31st March 2017 to Rs. 142.46 Crores as on 31st March 2018.
- Loans and advances made by the Company increased 5.21% from Rs. 26.32 Crores on 31st March 2017 to Rs. 27.69 Crores in 2017-18 on accounts of increased prepayments and Security Deposits paid.

Margins

The EBIDTA margin of the Company declined from 0.57% in 2016-17 to (-) 6.63%.

Key performance ratios

	2016-17	2017-18
Current Ratio	0.57	0.42
Quick Ratio	0.34	0.23
Debtor turnover cycle (days)	24	22
Inventory turnover cycle (days)	49	47
Interest cover(x)	0.32	(-)2.25
Return on gross block (%)	– 13.24	14.89

The Company has adopted Indian Accounting Standard ("Ind AS") with effect from April 12017 and accordingly these financial results for the financial year 2017-18 as mentioned hereinbefore along with the comparatives for the immediately preceding financial year have been prepared in accordance with the recognition and measurement principles stated therein, prescribed under section 133 of the Companies Act,2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.

Risk **management**

At JVL, risk management is prioritised by consistently identifying new risks and steps are taken for its mitigation as far as practicable and continuous monitoring of the existing ones is done.

Economy risk

Slowdown in the economy might impact the overall business of the Company

Mitigation strategy: It took about 58 years for India's GDP to grow to $1 trillion, but only eight years to reach $2 trillion (by 2016). At current growth rates, it will take about five years to reach $3 trillion, and only three years after that to add the next trillion.

India is projected to become a $5 trillion economy by 2025 doubling its GDP and become the third largest economy. Thus resilient growth of the economy will push the growth of the underlying sectors and hence, processed food industry as well.

Raw material availability risk

Unavailability of raw material could impact the production and in turn the sales of the company

Mitigation strategy: JVL will contemplate hedging raw material risk appropriately in due course.

Quality risk

JVL continuously monitors quality of products manufactured so as to prevent any impact on Company's revenues and its image arising out of any quality deterioration.

Mitigation strategy: The quality culture is instilled in the Company's products right from the procurement of raw material to the delivery of the finished products.

Product portfolio risk

Over reliance on a single product could impact the earning potential in case of reduced demand or introduction of similar product by competitors.

Mitigation strategy: The Company has, over the years, expanded its portfolio from mass products to a few premium products. Thus, it has been able to position itself as a complete solution provider in the edible oil segment.

The Company restructured its product portfolio from the vanaspati segment to the premium oil segment (sunflower oil and soya bean oil) in response to changing consumer needs.

Competition risk

Increasing competition might impact the market share of the Company.

Mitigation strategy:JVL has been a leading player in edible oil market for over two decades in Uttar Pradesh and Bihar in the cooking oil segment through a strong customer pull. It is one of the few one-stop-shops for entire range of edible oil creating a strong identity. This provides JVL an edge over its competitors.

Price risk

Increase in the price of raw material might impact the profitability of the Company

Mitigation strategy: The Company has developed relationship with suppliers from Indonesia, Malaysia, etc. and generally has flexible prices rates. It also monitors the prices consistently and manages inventory by enhanced order quantity during price fall.

Internal control systems and their adequacy

The Company contemplates strengthening its internal control system.

Human resources

The Company believes that its intrinsic strength lies in its dedicated and motivated employees. As such, the Company provides competitive compensations, an amiable work environment and acknowledges employee performance through a planned reward and recognition programme. The Company aims to create a workplace where every person can achieve his or her true potential. The Company encourages individuals to go beyond the scope of their work, undertake voluntary projects that enable them to learn and devise innovative ideas.

Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Forward–looking statements are based on certain assumptions and expectations of future events. The Company does not guarantee that these assumptions and expectations are accurate or will be realised by the Company. Actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments.

Corporate Information

Board of Directors (Suspended during CIRP*)

Chairman
Mr. D. N. Jhunjhunwala

Managing Director & CEO
Mr. S. N. Jhunjhunwala

Whole-time Director
Mr. Adarsh Jhunjhunwala

Non Executive Independent Woman Director (Additional Director)
Mrs. Rajani Pandey (w.e.f. 28th June 2018)

Resolution Professional
Mr. Supriyo Kumar Chaudhuri
IP Registration no. IBBI/IPA-001 IP-P00644/2017-18/11098
BDO Restructuring Advisory LLP
C/O BDO India LLP
Floor 4, Duckback House 41,
Shakespeare Sarani,
Kolkata – 700017 INDIA
Office +91 033 46003505

Chief Finance Officer
Mr. R.C. Garg

Company Secretary
Mr. Kartik Agrawal

Audit Committee
Mrs. Rajani Pandey

Statutory Auditors
M/s. SPARSH & Co. (Resigned w.e.f. 04.01.2019)
Chartered Accountants
C -9/205-2-R, Habibpura, Chetganj,
Varanasi – 221001 (U.P.) India

Secretarial Auditors
M/s. Adesh Tandon & Associates
Company Secretaries
811, 8th Floor, KAN Chambers,
14/113, Civil Lines, Kanpur – 208001 (U.P.) India

Bankers
Bank of Baroda
Punjab National Bank
State Bank of India
State Bank of Bikaner and Jaipur
State Bank of Hyderabad
State Bank of Travancore
Vijaya Bank
Corporation Bank
Indian Overseas Bank
Union Bank of India
Oriental Bank of Commerce
Allahabad Bank
Standard Chartered Bank

Registrar and Share Transfer Agent
M/s. MCS Share Transfer Agent Limited
Registered Office: 12/1/5, Manoharpukur Road, Kolkata – 700026
Communication Office: F-65, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi 110020

Registered Office (changed w.e.f. 14th February 2018)
Village Tilmapur, Ghazipur Road, Near Ashapur,
Varanasi – 221007 (U.P.) India

Works
i. Village Naupur, P.O. Thanagaddihe,
Kerakat, Dist. Jaunpur (UP)

ii. JVL Agro Foods (a unit of JVL Agro Industries Ltd.)
207 MIA, Alwar 301001), Rajasthan

iii. JVL Oils & Foods (a unit of JVL Agro Industries Ltd.)
Village Chakia, P.O. Pahleja, District Rohtas, Bihar-821307

iv. JVL Oil Refinery (A unit of JVL Agro Industries Ltd.)
JL # 149, Mouza – Debhog, PS – Bhabanipur, Purba Medinipur, Haldia – 712657

v. JVL Rice Mill (A unit of JVL Agro Industries Limited)
Sasaram Akhorigola Road, Jorawarpur, District Rohtas, Bihar

*The Company is under Corporate Insolvency Resolution Process (CIRP) w.e.f. 25.07.2018 vide order of Hon'ble National Company Law Tribunal, Allahabad Bench. Hence the powers of Board of Directors stand suspended w.e.f 25.07.2018. Further the RP Team proposes no new appointment of directors due to ongoing CIRP which tantamount to non-adherence to the Companies Act and SEBI Norms regarding maintenance of composition of the Board.

Directors' Profile

(Powers Suspended w.e.f. 25.07.2018 due to triggering of CIRP)

Mr. D. N. Jhunjhunwala

- Date of birth: February 02, 1936
- Date of appointment: November 17, 1989
- Expertise in functional areas: Industrialist
- Mr. D. N. Jhunjhunwala is the Chairman of the Company. He is a graduate in Industrial Chemistry. He has 57+ years of experience in various facets of management, out of which 35 years were dedicated in various oil industries
- Mr. D. N. Jhunjhunwala promoted Jhunjhunwala Vanaspati Limited in 1989 and he was President of Solvent Extractors Association, member of U.P. Oil Millers Association, member of Vegetable Oil Refiners Association of India and he is also involved with various philanthropic activities. He has written many books on social and religious topics.
- Qualification: B. Sc. (Industrial Chemistry)

Mr. S. N. Jhunjhunwala (disqualified w.e.f November 1, 2017)

- Date of birth: April 24, 1957
- Date of appointment: November 17, 1989
- Expertise in functional areas: Industrialist
- Mr. S. N. Jhunjhunwala is the Managing Director & Chief Executive Officer and is a Commerce graduate. He has 35+ years of experience in solvent extraction, oil refining and Vanaspati manufacturing units.
- Qualification: B.Com

Mr. Adarsh Jhunjhunwala

- Date of birth: July 05, 1983
- Date of appointment: February 27, 2007
- Expertise in functional areas: Commerce and Financial Accounting
- Mr. Adarsh Jhunjhunwala is Whole Time Director of the Company.
- Qualification: Chartered Accountant and MBA (Finance).

Mrs. Rajani Pandey

- Date of birth: June 10, 1978
- Date of appointment: June 28, 2018
- Expertise in functional areas: Education and Social Works
- Mrs. Rajani Pandey has been appointed as the Non-Executive Independent Woman Director of the Company. She is a B.A. graduate in English. She has around 10 years of experience in different educational and social work initiatives.
- She is also involved with various philanthropic activities.
- Qualification: B.A. (English)

Directors' Report

Dear members

Presentation on Twenty Nine Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March, 2018 is hereby submitted as under:

INITIATION OF CORPORATE INSOLVENCY RESOLUTION PROCESS (CIRP)

The National Company Law Tribunal ("NCLT"), Allahabad Bench, vide order dated 25th July, 2018 ("Insolvency Commencement Order") has initiated Corporate Insolvency Resolution Process ("CIRP") based on petition filed by Standard Chartered Bank under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("the Code"). Mr Avishek Gupta (IP Registration No. IBBI/IPA-003/IP-N000135/2017-18/11499) was appointed as Interim Resolution Professional (IRP) to manage affairs of the Company in accordance with the provisions of the Code. In the first meeting of Committee of Creditors held on Thursday, 23rd August, 2018, appointment of Mr Gupta as Resolution Professional (RP) was disapproved. Vide order dated 10th September, 2018 of the Hon'ble Tribunal, Mr Supriyo Kumar Chaudhuri (IP Registration no. IBBI/IPA-001 /IP-P00644/2017-18/11098) was appointed as Resolution Professional (RP) to manage affairs of the Company in accordance with the provisions of the Code.

Since the Company is under Corporate Insolvency Resolution Process (CIRP), as per Section 17 of the Insolvency & Bankruptcy Code, from the date of appointment of the Resolution Professional.

(a) the management of the affairs of the Company shall vest in the Resolution Professional.

(b) the powers of the Board of Directors of the Company shall stand suspended and be exercised by the Resolution Professional.

(c) the officers and managers of the Company shall report to the Resolution Professional and provide access to such documents and records of the Company as may be required by the Resolution Professional.

(d) the financial institutions maintaining accounts of the Company shall act on the instructions of the Resolution Professional in relation to such accounts and furnish all information relating to the Company available with them to the Resolution Professional.

Financial Highlights (Standalone)

During the year under review, the performance of your Company as under:

(₹ in Crores)

Particulars	2017-2018	2016-2017
Sales and other Income	3,207.26	3,894.33
Profit before Depreciation (including exceptional item)	(305.28)	(47.49)
Depreciation	19.80	17.95
Profit after depreciation	(325.08)	(65.44)
Provision for taxation	-	0.53
Deferred Tax	(405.35)	3.58
Add: MAT Credit	-	-
Profit after Tax	**80.27**	**(69.55)**
Less:		
Previous year's Income/Expenses	-	-
Profit after previous year's adjustments	-	-
Add: Credit Balance		
Profit Brought forward from previous year	(478.02)	(406.45)

(₹ in Crores)

Particulars	2017-2018	2016-2017
Add:		
Transfer from Investment allowance reserve	-	-
	(397.75)	(476.00)
Provision for Dividend including Dividend Tax	-	(2.02)
Transfer to General Reserve	-	-
Transfer to Capital Reserve	-	-
Credit Balance carried over to Balance Sheet	(397.75)	(478.02)

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

In the financial year 2017-18, your Company's sales declined for various reasons as –

a) Squeeze in credit availability from the banks and increased cost of finance;

b) Increased cost of production and reduced margins due to acute competition;

c) Forex losses;

d) Write-off of the inventories in the form of sludge;

e) Utilization of working capital funds for long term assets creation.

Due to liquidity pressure, the Company's branded sales have reduced by 12.71% from ₹3,535.15 crores in 2016-17 to ₹3,085.98 crores in 2017-18. The total revenue of the financial year 2017-18 is ₹3,207.26 crores. Profit after tax for the year under review is ₹80.27 crores (including exceptional item) in the year 2017-18.

DIVIDEND

No dividend recommended for the financial year ended on 31st March, 2018, as the Company is under Corporate Insolvency Resolution Process and do not have adequate profits.

TRANSFERRED TO RESERVES

There has been no transfer of profits to General Reserves during the year under review (Nil amount was transferred to General Reserves in previous year).

CHANGES IN SHARE CAPITAL

The paid-up share capital of the Company remains unchanged during the period under review.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of Section 129(3) of the Companies Act, 2013 ('the Act') and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Consolidated Financial Statements form part of this Annual Report. The Consolidated Financial Statements are prepared in accordance with the Indian Accounting Standards (IND AS) notified under section 133 of the Act read with Companies (Accounts) Rules, 2014.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of sub section (6) and (7) of Section 152 of the Companies Act, 2013, Mr. Dina Nath Jhunjhunwala (DIN: 00189195) is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, have been re-appointed. Relevant details pertaining to them are provided in the notice of the Annual General Meeting.

Mr. Mahesh Kedia (DIN: 01607928) and Mrs. Anju Jhunjhunwala (DIN: 00189221) resigned w.e.f. 30th March, 2018. Further, Mr. Harsh Agrawal's (DIN: 03092264) resignation was approved by the Board on 28th June, 2018. Also Mr. S. K. Dikshit (DIN: 01713172) and Mr. B K Mishra (DIN: 07483516) Independent Directors have resigned w.e.f. 13th September, 2018 and 15th November, 2018 respectively.

It may be noted however that, pursuant to the NCLT order for commencement of the CIRP and in line with the provisions of the Code, the powers of the Board of Directors stand suspended and exercised by RP.

Independent Directors has not communicated to the Company that they meet the criteria of Independence as prescribed under the Companies Act, 2013 and SEBI (LODR) Regulations 2015.

BOARD EVALUATION

Board Evaluation has not taken place for the year 2017-18.

DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL

As disclosed, Hon'ble National Company Law Tribunal, Allahabad Bench vide its order dated 25th July, 2018, has initiated Corporate Insolvency Resolution Process as per Insolvency and Bankruptcy Code, 2016 and appointed Mr Supriyo Kumar Chaudhuri as Resolution Professional.

MEETINGS OF THE BOARD

The corporate insolvency resolution process (CIRP) of the Company has been in effect from 25th July, 2018 as per the Order passed by

Hon'ble National Company Law Tribunal, Allahabad Bench. Prior to the commencement of CIRP, the Board of Directors met Eleven (11) times during the financial year 2017-18. The dates of board meetings are :

22nd April, 2017	30th May, 2017	7th July, 2017	28th August, 2017
2nd September, 2017	14th September, 2017	16th October, 2017	1st November, 2017
13th December, 2017	22nd December, 2017	14th February, 2018	

EXTRACT OF ANNUAL RETURN OF THE COMPANY

Extract of Annual Return of the Company as provided under sub-section (3) of Section 92 of the Act, being Form MGT 9, form part of this Report as **Annexure I** – this has also been hosted on your Company's website.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered into by the Company during the financial year with related parties were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year, the Company had entered into contracts/ arrangements/transactions with few of its group & subsidiary Companies which were not material under provisions of Section 188 of the Companies Act, 2013 and for which the Company had obtained prior clearance from the Audit Committee, Board/ Shareholders as required under the Act and rules made there under. The relevant disclosure for the transactions with related party have been made in the Standalone Audited Financial Statements under Note 4.3.

Information on transactions with related parties pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure II** in Form AOC – 2 and the same forms part of this report.

PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186

During the period under review, your Company has not provided any loan, guarantee & made investments under section 186 of the Companies Act, 2013.

AUDITORS & AUDITORS' REPORT

The Statutory Auditors of the Company, M/s Sparsh & Co., Chartered Accountants, Varanasi (Firm Registration No 013070C) resigned w.e.f. 4th January, 2019. The Resolution Professional (RP) thereafter went to the Committee of Creditors and got approval for M/s A.K. Agrawal & Co., Chartered Accountants (Firm Registration No 108282C), Varanasi to be appointed as the Statutory Auditors of the Company in place of outgoing auditor subject to the approval of members in the Annual General Meeting. Accordingly, the management hereby proposes to appoint M/s A. K. Agrawal & Co. as Statutory Auditors of the Company in the ensuing AGM to hold office from conclusion of this 29th Annual General Meeting to the conclusion of 34th Annual General Meeting subject to ratification of the same by members in each intervening Annual General Meeting. The audit firm has also confirmed that their appointment, if made, will be within the limits prescribed under Section 141 of the Companies Act, 2013.

The observations and comments appearing in the Auditors' Report are self-explanatory and do not call for any further explanation/ comments/clarification of the suspended Board. The report contains qualified remarks.

DETAILS OF SUBSIDIARY, JOINT VENTURE AND ASSOCIATES

JVL Overseas Pte. Ltd. is a wholly-owned subsidiary of the Company based in Singapore. During the year, the turnover of the Subsidiary was ₹254.30 crores and cost of sales was ₹264.25 crores leaving a net loss of ₹12.72 crores.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed are provided in **Annexure V** to this report.

INTERNAL CONTROL SYSTEM

The Company has inadequate internal financial controls commensurate with the size, scale and complexity of operations. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

RISK MANAGEMENT POLICY

Hedging, in finance, is a risk management strategy. It deals with reducing or eliminating the risk of uncertainty. The aim of this strategy is to restrict the losses that may arise due to unknown fluctuations in the investment prices and to lock the profits therein. It works on the principle of offsetting i.e. taking an opposite and equal position in two different markets. The company mitigates it risk through some extent through hedging.

SECRETARIAL AUDIT REPORT

In terms of the provisions of Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Adesh Tondon & Associates, Practicing Company Secretary have furnished Secretarial Audit Report in prescribed Form MR-3 for financial year ended 31st March, 2018 to the Resolution Professional & Mr. Kartik Agrawal, Company Secretary and copy of the same is attached as **Annexure III** to the Directors' Report. The Resolution Professional has duly reviewed the Secretarial Audit Report and have asked for explanations from the Company Secretary.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

None of the directors/employees of the Company were in receipt of remuneration exceeding the level as prescribed in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has adopted a Vigil Mechanism (Whistle Blower Policy). Copy of the said policy is available on the website of the Company www.jvlagro.com. This policy is formulated to provide a secure environment and to encourage the individuals to report unethical, unlawful or improper practices, acts or activities that may be taking place in the Company and to prohibit senior managerial personnel from taking any adverse action against those individuals who report such practices in good faith. The Audit Committee of the Company reviews the functioning of the Vigil Mechanism on regular basis.

CORPORATE GOVERNANCE

Detailed Report on Corporate Governance as stipulated under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided under separate section and forms part of this Report. The requisite certificate issued by Awashesh Dixit, Practicing Company Secretary confirming the compliance of the conditions stipulated under Regulations is attached to the Report on Corporate Governance.

Also, the Annual Certificate under Regulation 34(3) read with Para D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed with the Corporate Governance Report forming part of Directors Report.

SYSTEM FOR PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has in place the system for prevention of sexual harassment of women at workplace in line with Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 notified by the Ministry of Women & Child Development. This system prohibits, prevents or deters the commission of acts of sexual harassment of women at workplace and adequate procedures are in place for redressal of complaints pertaining to sexual harassment. The Internal Audit Committee of the Company is authorized to investigate the cases of sexual harassment of women at workplace.

During the year under review, no complaints have been received from any of the women employees from any location or unit of the Company under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

As required under Section 135 of Companies Act, 2013, the Corporate Social Responsibility Committee, as a sub-committee of the Board was formulated during the year. The Committee comprises Mr. Mahesh Kedia, Mr. S. N. Jhunjhunwala and Mr. Adarsh Jhunjhunwala. The Committee, inter alia, frames CSR policy for the Company and monitors & supervises the progress of Company in CSR initiatives as per the approved policy document. The Committee has been disclosed on the website of the Company www.jvlagro.com.

The Committee met once during the year. There was no change in the composition of the Committee during the year 2017-18 which is as follows:

Sl. No.	Name of the Member	Category of Directorship	Status In Committee
1	Mr. Mahesh Kedia	NED/ID (resigned w.e.f. 30th March, 2018)	Chairman
2	Mr. S.N. Jhunjhunwala	CEO/MD/PD/ED	Member
3	Mr. Adarsh Jhunjhunwala	WTD/PD/ED	Member
4	Mr. Kartik Agrawal	Company Secretary	Secretary

The details of initiatives undertaken on CSR activities during the year are set out in **Annexure IV** of this report in the format prescribed in the Companies (Corporate Social Responsibility) Policy Rules, 2014.

OTHER COMMITTEES OF THE BOARD

Since the powers of the Board of Directors have been suspended pursuant to the order dated 25th July, 2018 by Hon'ble National Company Law Tribunal (NCLT), Allahabad Bench, the powers of the various committees have also been suspended and hence no meetings have since been conducted.

Prior to the commencement of corporate insolvency resolution process, the Board had four committees, Audit Committee, Corporate Social Responsibility Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee as mandated under the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are included in the Corporate Governance Report which forms part of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

a) In accordance with the provisions of Section 134(5) of the Act, the Board of Directors (suspended during CIRP) confirms that: in the preparation of the annual accounts for the financial year ended 31st March, 2018, the applicable Indian 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 as at 31st March, 2018 and of the profit /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 the Companies Act 2013 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 devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively and that such systems are adequate and operating.

f) the directors had not laid down internal financial controls to be followed by the company and that such internal financial controls are not adequate and were not operating effectively.

DISCLOSURES BY RESOLUTION PROFESSIONAL

The RP stated that the given Directors Report pertain to the period before commencement of Corporate Insolvency Resolution Process of the Company, he does not warrant the accuracy, correctness, truthfulness or fairness of the facts and figures contained in the report and took note of the report for the purpose of the statutory and regulatory compliances.

ACKNOWLEDGMENT

The Board of Directors (suspended during CIRP) wish to express appreciation for the support and co-operation of the Committee of Creditors, various departments of Central and the State Governments, Bankers, Financial Institutions, Suppliers, Employees and Associates.

For and on behalf of the Board
(suspended during CIRP)

Place: Kolkata
Date: 16th December, 2019

(R C Garg)
Chief Financial Officer

"ANNEXURE – I" OF BOARDS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2018
of JVL AGRO INDUSTRIES LIMITED
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L15140UP1989PLC011396
Registration Date	17/11/1989
Name of the Company	JVL Agro Industries Limited
Category/Sub-Category of the Company	Listed Public Limited Company
Address of the Registered office and contact details	Village Tilmapur, Ghazipur Road, Ashapur, Varanasi - 221007 (U.P.) India
Whether listed company	Yes on BSE Limited & National Stock Exchange of India Limited
Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	MCS Share Transfer Agent Limited Sri Venktesh Bhavan F-65, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi 110020

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product / service	% to total turnover of the company
1	Manufacture and sale of vegetable oils and fats (other than hydrogenated)	1040	96.73%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the company	CIN/GLN	Holding / Subsidiary Associate	% of shares held	Applicable Section
1	JVL Overseas Pte. Ltd. No: 1 North Bridge Road, #18-07, High Street Centre, Singapore – 179094	200714169R	Subsidiary	99.99	2(87)
2.	JVL Mega Food Park Pvt Ltd	U15400UP2014PTC064008	Associate	25%	2(6)
3.	JVL Cement Ltd (STRUCK OFF AS PER MCA RECORDS)	U26960WB2013PLC192753	Associate	20%	2(6)
4.	JVL Agro (Assam) Pvt Ltd	U15100UP2014PTC066901	Associate	50%	2(6)
5.	Adamjee Extraction Pvt Ltd	Sri Lanka	Associate	25%	2(6)

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

i) Category-wise Share Holding

Statement Showing Shareholding Pattern								
			Table (I)(a)					
Categaory code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a % of (A+B)[1]	As a % of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VIII)/ (IV)*100
(A)	**Shareholding of Promoter and Promoter Group**							
1	**Indian**							
(a)	Individuals/ Hindu Undivided Family	8	26609637	26609637	15.84	15.84	5000000	18.79
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(c)	Bodies Corporate	4	58757388	58757388	34.99	34.99	-	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-
(e)	Any Others (Specify)							
(e-i)	JVL Sewa Trust	1	7419000	7419000	4.42	4.42	-	-
	Sub Total(A)(1)	**13**	**92786025**	**92786025**	**55.25**	**55.25**	**5000000**	**5.39**
2	**Foreign**							
(a)	Individuals (Non-Residents Individuals/Foreign Individuals)	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-
(e)	Any Others(Specify)	-	-	-	-	-	-	-
	Sub Total(A)(2)	**0**	**0**	**0**	**0.00**	**0.00**	**0**	**0.00**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**13**	**92786025**	**92786025**	**55.25**	**55.25**	**5000000**	**5.39**
(B)	**Public Shareholding**							
1	**Institutions**							
(a)	Mutual Funds/ UTI	1	194857	194857	0.12	0.12	-	-
(b)	Financial Institutions / Banks	5	154664	75664	0.09	0.09	-	-
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-

i) Category-wise Share Holding (contd.)

Statement Showing Shareholding Pattern								
			Table (I)(a)					
Categaory code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a % of (A+B)[1]	As a % of (A+B+C)	Number of shares	As a percentage
(f)	Foreign Institutional Investors	2	21870710	21870710	13.02	13.02	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-
(i)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (B)(1)	**8**	**22220231**	**22141231**	**13.23**	**13.23**		
2	**Non-institutions**							
(a)	Bodies Corporate	472	25080144	25080144	14.93	14.93	-	-
(b)	Individuals							
	i. Individual shareholders holding nominal share capital up to ₹2 lakh	20005	22074092	20339972	13.14	13.14	-	-
	ii. Individual shareholders holding nominal share capital in excess of ₹2 lakh.	6	4758062	4758062	2.83	2.83	-	-
(c)	Qualified Foreign Investor	-	-	-	-	-	-	-
(d)	NRI with Repat	173	536457	536457	0.32	0.32	-	-
(e)	NRI without Repat	61	136620	136620	0.08	0.08	-	-
(f)	Any Other (specify)							
(f-i)	Trust & Foundations	2	327869	327869	0.20	0.20	-	-
(f-ii)	NBFCs registered with RBI	2	20500	20500	0.01	0.01	-	-
	Sub-Total (B)(2)	**20721**	**52933744**	**51199624**	**31.52**	**31.52**	**-**	**-**
	Total Public Shareholding (B)= (B)(1)+(B)(2)	**20729**	**75153975**	**73340855**	**44.75**	**44.75**	**-**	**-**
	TOTAL (A)+(B)	**20742**	**167940000**	**166126880**	**100.00**	**100.00**	**-**	**-**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**							
1	Promoter and Promoter Group	-	-	-	-	-	-	-
2	Public	-	-	-	-	-	-	-
	Sub-Total (C)	**0**	**0**	**0**	**0**	**0**	**0**	
	GRAND TOTAL (A)+(B)+(C)	**20742**	**167940000**	**166126880**	**100.00**	**100.00**	**5000000**	**2.98**

ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered as a % of entire share capital of the Company	No. of shares	% of total shares of the company	% of Shares Pledged/ encumbered as a % of entire share capital of the Company	
1.	Mr. Dinanath Jhunjhunwala	6225200	3.71	1.79	6225200	3.71	1.79	NIL
2.	Mr. Satya Narayan Jhunjhunwala	4465780	2.66	1.19	4465780	2.66	1.19	NIL
3.	Mrs. Anju Jhunjhunwala	4909300	2.92	-	4909300	2.92	-	NIL
4.	Mrs. Kishori Devi Jhunjhunwala	3296620	1.96	-	3296620	1.96	-	NIL
5.	Mrs. Uma Jhunjhunwala	20000	0.01	-	20000	0.01	-	NIL
6.	Mr. Vishwanath Jhunjhunwala	2716087	1.62	-	2716087	1.62	-	NIL
7.	Vishwanath Jhunjhunwala HUF	511500	0.30	-	511500	0.30	-	NIL
8.	Mr. Adarsh Jhunjhunwala	4465150	2.66	-	4465150	2.66	-	NIL
9.	Nilambar Trexim & Credit(P)Ltd.	16912900	10.07	-	16912900	10.07	-	NIL
10.	Jhunjhunwala Gases Pvt. Ltd.	16075000	9.57	-	16075000	9.57	-	NIL
11.	Aryan Multibusiness Pvt. Ltd	12000000	7.15	-	12000000	7.15	-	NIL
12.	JVL Sewa Trust	7419000	4.42	-	7419000	4.42	-	NIL
13.	Paharia Markets And Investment Pvt Ltd	13769488	8.20	-	13769488	8.20	-	NIL
	Total	92786025	55.25	2.98	92786025	55.25	2.98	NIL

iii) Change in Promoter's Shareholding as on 31/03/2018 (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	No changes during the year (92786025 fully paid equity shares of ₹1/- each)			
	Date wise Increase/Decrease in Promoters Shareholding during the Year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)	-			
	At the end of the year	No changes during the year (92786025 fully paid equity shares of ₹1/- each)			

iv) Shareholding Pattern of top ten Shareholders as on 31/03/2018 (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	LOTUS GLOBAL INVESTMENTS LTD	8307795	4.95	0	0.00
2.	UTTAR PRADESH CARBON AND CHEMICALS LTD	8280100	4.93	7530100	4.48
3.	JASRAPURIA SILK MILLS PVT LTD	7216218	4.30	2211218	1.32
4.	CRESTA FUND LTD	4900000	2.92	0	0.00
5.	ASIA INVESTMENT CORPORATION (MAURITIUS) LTD	8448425	5.03	8551340	5.09
6.	APMS INVESTMENT FUND LTD (FORMERLY KNOWN AS MAVI INVESTMENT FUND LTD MAURITIUS)	531575	0.32	0	0.00
7.	SUBHAM COAL PROCESSORS PVT LTD	4887000	2.91	201700	1.20
8.	BENNETT COLEMAN AND COMPANY LTD	2887537	1.72	2887537	1.72
9.	NEELAM AGARWAL	1408281	0.84	963281	0.57
10.	SHILPI AGARWAL	1319317	0.79	959821	0.57

V. INDEBTEDNESS

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

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	366.47	-	-	366.47
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**366.47**	**-**	**-**	**366.47**
Change in Indebtedness during the financial year				
*Addition	627.12	-	-	627.12
*Reduction	-	-	-	-
Net Change	**+627.12**	**-**	**-**	**+627.12**
Indebtedness at the end of the financial year				
i) Principal Amount	993.59	-	-	993.59
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i +ii+iii)	**993.59**	**-**	**-**	**993.59**

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Dina Nath Jhunjhunwala	6225200	3.71	6225200	3.71
2.	S.N. Jhunjhunwala	4465780	2.66	4465780	2.66
3.	Anju Jhunjhunwala	4909300	2.92	4909300	2.92
4.	Adarsh Jhunjhunwala	4465150	2.66	4465150	2.66

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Mr. Dina Nath Jhunjhunwala, Executive Chairman	Mr. Satya Narayan Jhunjhunwala, Managing Director	Mr. Adarsh Jhunjhunwala, Whole Time Director	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	21,00,000	26,00,000	20,00,000	67,00,000
2	Stock Option				
3	Sweat Equity				
4	Commission - as % of profit - others, specify…				
5	Others, please specify				
	Total (A)	**21,00,000**	**26,00,000**	**20,00,000**	**67,00,000**
	Ceiling as per the Act - NA				

B. Remuneration to other directors:

I. Independent Director:

Particulars of Remuneration	Name of Independent Director								Total Amount (₹)
Fee for attending Board / Committee Meetings	-	-	-	-	-	-	-	-	-
Commission	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Total B (I)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Ceiling as Per Act									

II. Other Non-Executive Director:

Particulars of Remuneration	Anju Jhunjhunwala	Total Amount (₹)
Fee for attending Board / Committee Meetings	-	-
Commission	-	-
Others	500,000	500,000
Total B (II)		**500,000**
Total B I + II		**500,000**
Ceiling as Per Act		

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

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount (₹)
		Mr. Kartik Agrawal, Company Secretary	Mr. R. C. Garg, Chief Financial Officer	
1	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	660000	998,400	1,658,400
	b) Value of perquisites u/s 17(2) Income tax Act, 1961	-	-	-
	c) Profits in lieu of Salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - As % of profit - Others, specify…	-	-	-
5	Others, please specify	-	-	-
	Total (C)	660000	998,400	1,658,400

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

<table>
<tr><th>Type</th><th>Section of the Companies Act</th><th>Brief Description</th><th>Details of Penalty / Punishment/ Compounding fees imposed</th><th>Authority [RD / NCLT / COURT]</th><th>Appeal made, if any (give Details)</th></tr>
<tr><td>A. COMPANY</td><td colspan="5" rowspan="4">The National Company Law Tribunal ("NCLT"), Allahabad Bench, vide order dated 25th July, 2018 ("Insolvency Commencement Order") has initiated Corporate Insolvency Resolution Process ("CIRP") based on petition filed by Standard Chartered Bank under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("the Code"). Mr Avishek Gupta (IP Registration No. IBBI/IPA-003/IP-N000135/2017-18/11499) was appointed as Interim Resolution Professional (IRP) to manage affairs of the Company in accordance with the provisions of the Code. In the first meeting of Committee of Creditors held on Thursday, 23rd August, 2018, appointment of Mr Gupta as Resolution Professional (RP) was disapproved. Vide order dated 10th September, 2018 of the Hon'ble Tribunal, Mr Supriyo Kumar Chaudhuri (IP Registration no. IBBI/IPA-001 IP-P00644/2017-18/11098) was appointed as Resolution Professional (RP) to manage affairs of the Company in accordance with the provisions of the Code.

Since the Company is under Corporate Insolvency Resolution Process (CIRP), as per Section 17 of the Insolvency & Bankruptcy Code, from the date of appointment of the Resolution Professional.</td></tr>
<tr><td>Penalty</td></tr>
<tr><td>Punishment</td></tr>
<tr><td>Compounding</td></tr>
<tr><td>B. DIRECTORS</td><td colspan="5" rowspan="4">The National Company Law Tribunal ("NCLT"), Allahabad Bench, vide order dated 25th July, 2018 ("Insolvency Commencement Order") has initiated Corporate Insolvency Resolution Process ("CIRP") based on petition filed by Standard Chartered Bank under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("the Code"). Mr Avishek Gupta (IP Registration No. IBBI/IPA-003/IP-N000135/2017-18/11499) was appointed as Interim Resolution Professional (IRP) to manage affairs of the Company in accordance with the provisions of the Code. In the first meeting of Committee of Creditors held on Thursday, 23rd August, 2018, appointment of Mr Gupta as Resolution Professional (RP) was disapproved. Vide order dated 10th September, 2018 of the Hon'ble Tribunal, Mr Supriyo Kumar Chaudhuri (IP Registration no. IBBI/IPA-001 IP-P00644/2017-18/11098) was appointed as Resolution Professional (RP) to manage affairs of the Company in accordance with the provisions of the Code.

Since the Company is under Corporate Insolvency Resolution Process (CIRP), as per Section 17 of the Insolvency & Bankruptcy Code, from the date of appointment of the Resolution Professional.</td></tr>
<tr><td>Penalty</td></tr>
<tr><td>Punishment</td></tr>
<tr><td>Compounding</td></tr>
<tr><td>C. OTHER OFFICERS IN DEFAULT</td><td colspan="5" rowspan="4">N.A.</td></tr>
<tr><td>Penalty</td></tr>
<tr><td>Punishment</td></tr>
<tr><td>Compounding</td></tr>
</table>

"ANNEXURE – II" OF BOARDS' REPORT

FORM NO. AOC- 2

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

Form for disclosure of particulars of contract/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

JVL Agro Industries Limited (JVL) has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length basis to any other contract or arrangement or transaction.

2. Details of material contracts or arrangements or transactions at arm's length basis

a. Name(s) of the related party and nature of relationship:

- i. D. N. Jhunjhunwala (Promoter),
- ii. S. N. Jhunjhunwala (Promoter),
- iii. S. N. Jhunjhunwala HUF (Promoter group),
- iv. Anju Jhunjhunwala (Promoter group),
- v. Kishori Devi Jhunjhunwala (Promoter group),
- vi. Juhi Jhunjhunwala (Promoter group),
- vii. Jhunjhunwala Gases Pvt. Ltd. (Promoter group Company),
- viii. Jhunjhunwala Oil Mills Ltd. (Promoter group Company),
- ix. Nilambar Trexim & Credit Pvt. Ltd. (Promoter group Company),
- x. JVL Infra Heights Ltd. (Promoter group Company),
- xi. Jhunjhunwala Sewa Society (Society being run by Promoters)
- xii. JVL Overseas Pte. Ltd. (Wholly owned subsidiary).

b. Nature of contract/ arrangement/ transaction: Office or place of profit pursuant to Section 188(f), remuneration, rent, sales of products, purchase or supply of any goods or materials handling & storage charges, bus rent, reimbursement for expenses.

c. Duration of contract/ arrangement/ transaction: Contracts are currently ongoing.

d. Salient Terms of contract or arrangement or transaction including the value if any:

- (i) diligently perform the contract in timely manner and provide goods and materials including services in accordance with the work orders given/issued,
- (ii) submit invoices on monthly basis for the goods and materials and for services received and rendered for each order as per the terms of contract and make payments as per mutually agreed terms.
- (iii) be responsible for all the expenses incurred in connection with the supply or purchase of goods and materials and for services received and rendered
- (iv) comply with the local, state and federal laws and regulations applicable while rendering/ receiving services.

e. Date(s) of approval by the Board, if any: Contract was entered into in the ordinary course of business and on arm's length basis and were approved by the Board in its meeting held on 25th August, 2015.

f. Amount paid as advances, if any: Nil

For and on behalf of the Board
(suspended during CIRP)

Place: Kolkata
Date: 16th December, 2019

(R C Garg)
Chief Financial Officer

"ANNEXURE – III" OF BOARDS' REPORT

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
JVL AGRO INDUSTRIES LIMITED
Village Tilmapur, Ghazipur Road,
Ashapur, Varanasi-221007 (UP)

We have conducted the secretariat audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **JVL AGRO INDUUSTRIES 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 our opinion thereon.

Based on our verification of the 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 March 31, 2018, 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 March 31, 2018 according to the provisions of:

(i) The Companies Act, 2013 ("the Act") and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1995 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'), as applicable:-

(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 (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit Period);

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the Audit Period);

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period);

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regutations, 1993 regarding the Companies Act and dealing with client (Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the Audit Period);

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period);

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period);

(i) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further report that, having regard to the compliance system prevailing in Company and as certified by management and on examination of the relevant documents and records in pursuance thereof, on test check basis, the Company has complied the following law applicable specifically to the company named as:

- FOOD SAFETY AND STANDARDS ACT, 2006.

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

i) Secretarial Standards issued by The Institute of Company Secretaries of India;

ii) The Listing Agreement as entered into by the Company with the Stock Exchanges.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the following observations -:

a) The form CRA-4 for filing the cost audit report for the financial year ended 31st March, 2017 is pending for filing;

b) Some amount lying on the unpaid/unclaimed dividend account for the earlier years is pending to be transferred to the IEPF account and relevant reporting formalities in respect of the same is pending.

c) Form ADT-1 for the appointment of Auditor was filed with late fee after closure of reporting period;

d) Form CHG-7 due date of which was 28.02.2018 has been filed with late fee after the closure of reporting period;

e) The voting results of the AGM were filed in time but the same was not uploaded in XBRL format on the BSE portal;

f) A petition was filed by the Standard Chartered Bank under IBC National Company Law Tribunal, Allahabad under section 7 of IBC Code, 2016. The same was admitted on 25.07.2018 and the Company is under Corporate Insolvency Resolution Process as on date.

g) Due to unavailability of reconciliation and confirmation of loans and advances, borrowings and other related party transactions and details thereof, I am unable to comment upon the compliance of section 180, 185 and 188 of the Companies Act, 2013. The same has also been reported by the Statutory Auditor in his report for the year ended 31.03.2018.

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

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

All decision at the Board Meetings and Committee Meetings are carried out by requisite majority as recorded in the minutes of the meetings of Committee of the Board as the case may be.

We further report that, in my opinion tthere exist 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. However, **the same is needed to be further strengthened.**

We further report that during the audit period, the Company has:

i) No instances of Public/Right/Preferential issue of shares / debentures/sweat equity, etc.

(ii) No instances of Redemption / buy-back of securities.

(iii) No major decisions were taken by the members in pursuance to section 180 of the Companies Act, 2013.

(iv) No instances of Mergers/ Amalgamations/ Reconstruction etc.

(v) No instances of Foreign Technical Collaboration.

For **ADESH TANDON & ASSOCIATES**
COMPANY SECRETARIES

ADESH TANDON
Proprietor
FCS No : 2253
CP No : 1121

Kanpur
18th December 2018

"ANNEXURE – IV" OF BOARDS' REPORT

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. **Brief outline of the Company CSR ACTIVITIES** JVL Agro Industries Limited (JVL Agro) has always been committed to the cause of social service and has repeatedly channelized a part of its resources and activities, such that it positively affects the society socially, ethically and also environmentally. The Company has, in past, taken up various Corporate Social Responsibility (CSR) initiatives and did value enhancement in the society.

   Social and environmental responsibility has always been at the forefront of JVL Agro operating philosophy and as a result the Company consistently contributes to socially responsible activities. CSR at JVL Agro portrays the deep symbolic ties that the Company enjoys with the communities it is engaged with. As a responsible corporate citizen, we try to contribute for social and environmental causes on a regular basis. We believe that to succeed, an organization must maintain highest standards of ethical corporate behavior towards its employees, consumers and societies in which it operates. We are of the opinion that CSR underlines the objective of bringing about a difference and adding value in our stakeholders' lives.

2. The Composition of the CSR Committee:

   The Corporate Social Responsibility Committee was constituted on 25th August, 2014 with three Board Members. Mr. Mahesh Kedia is the Chairman of the Committee, Mr. S. N. Jhunjhunwala and Mr. Adarsh Jhunjhunwala, Directors of the Company are the members of the Committee.

3. Average net profit of the Company for last three financial years: ₹16.30 crore

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹0.32 crore

5. Details of CSR spent during the financial year;

   (a) Total amount to be spent for the financial year: ₹0.32 crore

   (b) Amout Spent: ₹0.62 crore

   (c) Amount unspent: ₹0.00 crore.

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

Sl. No.	CSR Project of Activity Identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (Budget) Project or programs wise	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative Expenditure upto the reporting period	Amount Spent: Direct or through implementing agency
1	Provision of healthy food & safe drinking water for the needy & mal-nutritional; Arrangement of Free Food for the needy	Eradicating Hunger	Varanasi, Naupur, Chitrakoot, Ayodhya	0.30	0.30	0.30	Directly
2	Promotion of Road safety	Promotion of Education	Varanasi	0.32	0.32	0.32	Rotary Club

6. CSR Committee is responsible for the implementation and monitoring of CSR policy and shall comply with CSR objectives and policy of the Company.

For and on behalf of the Board
(suspended during CIRP)

Place: Kolkata
Date: 16th December, 2019

(R C Garg)
Chief Financial Officer

"ANNEXURE – V" OF BOARDS' REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC:

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are provided hereunder:

1. CONSERVATION OF ENERGY

(A) ENERGY CONSERVATION MEASURES TAKEN

The use of energy for production purposes is indispensable for edible oil cum rice manufacturer like ours. Therefore, significant measures are taken to reduce energy consumption by using energy-efficient equipment. The Company regularly reviews power consumption patterns across all locations and implements requisite improvements/changes in the process in order to optimize energy/ power consumption and thereby achieve cost savings.

Energy costs comprise a substantial part of the Company's total cost of operations. However, as a part of the Company's conservation of energy programme, the management has appealed to all the employees / workers to conserve energy. The management has set up an on-going process for optimum utilization of machines. The measures taken have resulted in savings in cost of production, power consumption and processing time. Some of the measures continued during the year 2017-18 are highlighted below:

(i) At each & every unit of the Company, Servo Automatic Voltage Stabilizer along with Auto Power Factor Controller (APFC) have been installed.

(ii) In the Naupur based unit of the Company, a captive power plant has been installed, thus making the unit self-sufficient to satisfy majority of its power needs & also brings in the efficiency in operations of the Company.

(iii) In Pahleja & Haldia based units of the Company Condensate Recovery System (CRS) have been installed under the survey & guidance of Forbes Marshall in order to utilize excess heat going through the condensate.

(iv) Variable frequency drives have been installed in all the units of the Company in order to get maximum utilization of variable power load and safe start of the machineries & equipments.

(v) During the year the Company has been doing R&D on heating the edible oil as a part of manufacturing it through high steam pressure in place of the thermic heating fluid.

(B) INVESTMENTS BEING MADE FOR REDUCTION OF CONSUMPTION OF ENERGY

The Company is getting energy audit survey done for the different units of the Company & will implement the feasible suggestions of the auditors.

(C) IMPACT OF THE ABOVE MEASURES

The impact of above measures is that the Company has saved substantial amount of energy along with the economical cost of production & increased efficiency due to low processing time.

(D) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION AS PER PRESCRIBED FORM A OF THE ANNEXRURES IN RESPECT OF THE INDUSTRIES SPECIFIED IN THE SCHEDULE THERETO

	Year Ended March 31, 2018	Year Ended March 31, 2017
(A) Power & Fuel Consumption		
(1) Electricity		
(a) Purchased		
Unit (000)	19932	20593
Total Amount (₹ In Crores)	16.02	15.36
Rate/Unit (₹)	8.04	7.46

	Year Ended March 31, 2018	Year Ended March 31, 2017
(b) Own Generation		
(i) Through Diesel Generators		
Unit (000)	401	424
Total Amount (₹ In Crores)	0.77	0.65
Rate/Unit (₹)	19.20	15.33
(ii) Through Turbine		
Unit (000)	4023	4324
Total Amount (₹ In Crores)	0.91	0.92
Rate/Unit (₹)	2.26	2.13
(2) Coal/Husk		
Quantity (M.T.)	85018	91498
Total Coal/Husk (₹ In Crores)	29.25	22.87
Average Rate (In ₹)	3440.45	2499.51
(3) Furnace Oil	-	-
(4) Other/Internal Generation	-	-
(B) Consumption per MT of Vanaspati Product		
Electricity	50.03	47.13
Furnace Oil	-	-
Coal (kgs.) / Husk (kgs.)	175	170

2. EFFORTS MADE IN TECHNOLOGY ABSORPTION

(A) Specific areas in which R & D is/has been carried out by the Company

R & D is focused on the development of new products & processes. Due emphasis is placed on improving quality standards with enhanced customer satisfaction. This was primarily achieved through process improvements, control on systems, reduction of waste and energy conservation. Effective use of tools and small group activities with the technological support resulted in controlling the variations in processes, maximizing the productivity and minimizing the cost of production.

Specific areas in which R & D carried out by the Company:

i) Material evaluation/characterization of raw materials.

ii) Capability development for in- house processes, designs and strategic applications of material for product improvement.

iii) Energy cost audit is a development exercise towards better utilization of the power resources.

iv) During the period the Company has begun R&D on heating the edible oil as a part of manufacturing it through high steam pressure in place of the thermic heating fluid.

v) The Company has its own research labs at the units to monitor the process operations & quality back-up.

(B) Benefits derived as a result of the above R & D

The R & D activities helped to add new quality product/s to the range viz. sunflower oil and to achieve greater customer acceptance in the retail market. These activities also enabled the Company to reduce waste, increase productivity, achieve higher "customer satisfaction" and derive following benefits:

a. Increase product range coupled with technology upgradations and cost reduction;

b. Introduction of new product with a focus on achieving global acceptance and in conformity with Indian and International standards;

c. Improved quality in edible oil manufacturing;

d. Increased customer base and additional business volumes;

(C) Future plan of action

a. The Company will explore various options to adopt latest technology and use of equipment for its operations.

b. Investment in expanding distribution footprint.

(D) Expenditure on R & D

Expenses incurred on R & D were not material enough to be stated in this report and being an ongoing process, it is difficult to allocate under the above referred heads.

(E) Technology absorption, adaptation and innovation

(i) Efforts, in brief, made towards technology absorption, adaptation and innovation: -

The Company values innovation and applies it to every facet of its business. This drives development of distinctive new products, ever improving quality standards and more efficient processes.

JVL is the only Company in to have installed the most advanced oil refinery in Haldia. It continues to strive for improvement and has currently adopted technology that helps automate the processes. Product development receives primacy in JVL. The Company is coming up with several premium segment oils as a part of its innovative drive. It has received numerous industry awards over the years.

The Company has augmented its revenues and per unit price realization by deploying innovative marketing strategies and offering exciting new products.

(ii) Benefits derived as a result of the above efforts e.g. Product improvement, cost reduction, product development, import substitution etc.: -

As a result of the above, the following benefits have been achieved:

a. Better efficiency in operations,

b. Reduced dependence on external sources for technology for developing new products and upgrading existing products,

c. Expansion of product range and cost reduction,

d. Meeting Global Standards of quality,

e. Retention of existing customers and expansion of customer base.

(iii) Imported Technology (Imported during the last five years reckoned from the beginning of the financial year)

N.A.

3. FOREIGN EXCHANGE EARNING AND OUTGO:

(₹ in Crores)

Foreign Exchange Earning and Outgo	Year Ended March 31, 2018	Year Ended March 31, 2017
Total Foreign Exchange earned	-	-
Total Foreign Exchange used	2215.28	3007.01

"ANNEXURE – VI" OF BOARDS' REPORT

Disclosure of Information under Section 197(12) of Companies At, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

I. Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2017-18:

Sl. No.	Name of the Director	Remuneration of each Director Per Annum (in ₹)	Median Remuneration of Employees Per Annum (In ₹)	Ratio (Remuneration of each Director to Median Remuneration)
1.	D. N. Jhunjhunwala	2,100,000	92488	22.70:1
2.	S. N. Jhunjhunwala	2,600,000	92488	28.11:1
3.	Adarsh Jhunjhunwala	2,000,000	92488	21.62:1
4.	Anju Jhunjhunwala	1,000,000	92488	10.81:1

II. Percentage increase in remuneration of each Director, CFO, CEO, CS or Manager in the financial year 2017-18:

Sl. No.	Name of the Director/CFO/ CEO/CS/Manager	Designation	Total Remuneration paid during FY 2017-18 (In ₹) (i)	Total Remuneration paid during FY 2016-17 (In ₹) (ii)	% increase between (I) and (II) [(I-II)/II*100]
1.	D. N. Jhunjhunwala	Chairman of the Board	2,100,000	2,100,000	-
2.	S. N. Jhunjhunwala	Managing Director & CEO	2,600,000	2,600,000	-
3.	Adarsh Jhunjhunwala	Whole Time Director	2,000,000	2,000,000	-
4.	Anju Jhunjhunwala	Director	1,000,000 (including rent)	1,000,000 (including rent)	-
5.	R. C. Garg	CFO	998400	650400	53.51
6.	Kartik Agrawal	CS	660000	630000	4.76

III. Percentage increase in the median remuneration of employees in the financial year 2017-18:

Median Remuneration of employees during the FY 2017-18 (in ₹)	Median Remuneration of employees during the FY 2016-17 (in ₹)	Percentage Increase
92488	87874	5.25

IV. **Number of permanent employees on the rolls of the Company –** There were 649 permanent employees as on Mach 31, 2018.

V. **Explanation on the relationship between average increase in remuneration and Company performance:**

Factors considered while increase in remuneration are financial performance of the Company, Comparison with peer companies, industry benchmark, consideration towards cost of living, inflation, regulatory guidelines as applicable.

Average increase in employee remuneration for the financial year 2017-18 is 5.25% which shows Company's commitment to its workforce given the declined financial performance for the year. The Company follows detailed performance review mechanism to ensure that the increase is commensurate with the performance of the employee.

VI. **Comparison of remuneration of Key Managerial Personnel against performance of your Company:**

For the financial year 2017-18, KMPs were paid approximately NIL% of the net profit for the year. Remuneration of CFO and CS have increased during the year under review.

VII. **Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:**

	Market Capitalization	Price Earnings Ratio
As on 31st March 2018 (based on BSE closing price)	365.27	4.55
As on 31st March 2017 (based on NSE closing price)	342.60	(16.26)

	Last Market Quotation of the Shares of the Company (in ₹)
As on 31st March 2018 (I) *	21.75
As on date of last public offer (II)	-
% increase/decrease between (I) & (II) [(I-II)/II*100]	-

** Taken from BSE*

VIII. **Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with percentile increase in managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

Average increase in remuneration of managerial personnel, as identified as per Nomination and Remuneration Policy of the Company and employees other than Managerial Personnel is given as follows:

		All Permanent Employees other than Managerial Personnel	Managerial Personnel (Directors)
A	Total salary given in FY 2017-18 (In ₹ crores)	11.04	0.72
B	Total number in FY 2017-18	649	3
C	Average Salary in FY 2017-18 (A/B)	0.017	0.24
D	Total salary given in FY 2016-17 (In ₹ crores)	11.20	0.67
E	Total number in FY 2016-17	501	3
F	Average Salary in FY 2016-17 (D/E)	0.022	0.22
G	% increase from FY 2016-17 to FY 2017-18 (Average Percentile) [(C-F)/F*100]	22.72	9.10

Average increase in remuneration of managerial personnel, as identified as per Nomination and Remuneration Policy of the Company and employees other than Managerial Personnel is detailed below. Increase in remuneration of both managerial personnel and employees other than Managerial Personnel are in line with financial performance of the Company, industry benchmark, consideration towards cost of living, inflation, regulatory guidelines and after review of performance of all employees and existing contract and approvals, if any. No particular discrimination is made between increase of remuneration of managerial personnel and employees other than Managerial Personnel.

IX. Comparison of remuneration of the Key Managerial Personnel against performance of your Company

S. No.	Name of the Key Managerial Personnel	% of Net Profit for the financial year 2017-18
1	D.N. Jhunjhunwala	0.26
2	S.N. Jhunjhunwala	0.33
3	Adarsh Jhunjhunwala	0.25
4	R.C. Garg	0.12
5	Kartik Agrawal	0.08

X. Key parameters for any variable component of remuneration availed by the Directors:

No variable component in remuneration of the Directors and other Key Managerial Personnel.

XI. Ratio of remuneration of the highest paid Director to that of the employees who are not directors but receive remuneration in excess of the highest paid Director during the year:

None

XII. Affirmation that remuneration is as per remuneration policy of the Company:

It is hereby affirmed that the remuneration of all Employees is in accordance with the remuneration policy of the Company.

Note:

1. Remuneration includes salary, allowances and value of perquisites and excludes contribution to provident fund and encashment of leaves, as per rules of the Company.

Disclosure under Section 197(14)

Details of Whole Time Directors or Managing Directors who are in receipt of any commission from the Company as well as Holding Company or Subsidiary Company:

Name of WTD or MD	Details of commission received from the Company (In ₹) (%)	Commission received from the holding company/subsidiary Company (Name of the company) (Relationship) (In ₹) (%)
N.A.	N.A.	N.A.

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes in transparency, empowerment, accountability and integrity in its operations having duly delegated authority to the various functional heads who are responsible for attaining the corporate plans with the ultimate purpose of enhancement of "stakeholder value".

2. CORPORATE INSOLVENCY RESOLUTION PROCESS (CIRP)

The National Company Law Tribunal ("NCLT"), Allahabad Bench, vide order dated 25th July, 2018 ("Insolvency Commencement Order") has initiated Corporate Insolvency Resolution Process ("CIRP") based on petition filed by Standard Chartered Bank under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("the Code"). Mr Avishek Gupta (IP Registration No. IBBI/IPA-003/IP-N000135/2017-18/11499) was appointed as Interim Resolution Professional (IRP) to manage affairs of the Company in accordance with the provisions of the Code. In the first meeting of Committee of Creditors held on Thursday, 23rd August, 2018, appointment of Mr Gupta as Resolution Professional (RP) was disapproved. Vide order dated 10th September, 2018 of the Hon'ble Tribunal, Mr Supriyo Kumar Chaudhuri (IP Registration no. IBBI/IPA-001/IP-P00644/2017-18/11098) was appointed as Resolution Professional (RP) to manage affairs of the Company in accordance with the provisions of the Code. Pursuant to the Insolvency Commencement Order and in line with the provisions of the Code, the powers of the Board of Directors stand suspended and the same are to be exercised by RP.

As per Notification No. SEBI/LAD-NRO/GN/2018/21 dated 31st May, 2018, Regulations 17, 18, 19 and 20 of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI LODR 2015], related to Board of Directors, Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee respectively, shall not be applicable during the insolvency resolution process period in respect of a listed entity which is undergoing CIRP under the Code provided that the role and responsibilities of the Board of Directors as specified under regulation 17 shall be fulfilled by the interim resolution professional or resolution professional in accordance with sections 17 and 23 of the Insolvency and Bankruptcy Code. Hence, the status of the Board of Directors and Committees provided in this Report is as on the date of commencement of CIRP.

3. BOARD OF DIRECTORS

The Board of Directors of the Company (suspended during CIRP) comprises of four directors. One Independent Non-Executive Woman Additional Director and the rest three directors are Executive Promoter Directors. Mr. Mahesh Kedia, Independent Non-Executive Director and Mrs. Anju Jhunjhunwala, Non-Independent Non-Executive Woman Director resigned w.e.f. 30th March, 2018 due his other professional commitments and her advanced age and health reasons respectively. Further Mr. Harsh Agrawal has resigned w.e.f. 28th June, 2018 due to some other pre-occupations and the Board appointed Mrs. Rajani Pandey as Additional Non-Executive Woman Director of Independent Category w.e.f. 28th June, 2018. Further, after the Insolvency Commencement Order, Mr. S. K. Dikshit and Mr. B. K. Misra, Independent Directors have also resigned w.e.f. 14th September, 2018 and 15th November, 2018 due to advanced age and health reasons and other professional commitments respectively with the information to the Resolution Professional.

Mr. Dina Nath Jhunjhunwala is liable to retire by rotation in terms of provisions of Section 152(6) of the Companies Act, 2013 at the ensuing Annual General Meeting and being eligible for re-appointment.

4. BOARD MEETING AND PROCEDURES

The Board met 11 times during the financial year 2017-18. The dates of board meetings are

22nd April, 2017	30th May, 2017	7th July, 2017	28th August, 2017
2nd September, 2017	14th September, 2017	16th October, 2017	1st November, 2017
13th December, 2017	22nd December, 2017	14th February, 2018	

The powers of the Board of Directors are suspended due to commencement of corporate insolvency resolution process and the same vest in the Resolution Professional.

5. ATTENDANCE RECORD OF DIRECTORS

Name of Directors	Category of Director	No. of Board Meetings held during the FY 2017-18		Whether attended last AGM	Relationship with other Directors	Share-holding in the Company in No. & %
Mr. Dina Nath Jhunjhunwala	Promoter, Executive Director, Chairman of the Board	11	11	Yes	Father of Mr. Satya Narayan Jhunjhunwala, Father –in – law of Mrs. Anju Jhunjhunwala, Grand Father of Mr. Adarsh Jhunjhunwala	62,25,200 (3.71%)
Mr. Satya Narayan Jhunjhunwala	Promoter, Executive Director, Managing Director and CEO	11	11	Yes	Son of Mr. Dina Nath Jhunjhunwala, Husband of Mrs. Anju Jhunjhunwala, Father of Mr. Adarsh Jhunjhunwala	44,65,780 (2.66%)
Mr. Adarsh Jhunjhunwala	Promoter, Executive Director, Whole-time Director	11	11	Yes	Son of Mr. Satya Narayan Jhunjhunwala and Mrs. Anju Jhunjhunwala, Grand Son of Mr. Dina Nath Jhunjhunwala	44,65,150 (2.66%)
Mrs. Anju Jhunjhunwala (ceased to be director from 30th March, 2018)	Non-Executive, Non-Independent Director	11	11	Yes	Daughter – in – law of Mr. Dina Nath Jhunjhunwala, Wife of Mr. Satya Narayan Jhunjhunwala, Mother of Mr. Adarsh Jhunjhunwala	49,09,300 (2.92%)
Mr. Shashi Kant Dikshit (ceased to be director from 14th September, 2018)	Non-Executive Independent Director	11	10	Yes	-	-
Mr. Mahesh Kedia (ceased to be director from 30th March, 2018)	Non-Executive Independent Director	11	5	No	-	-
Mr. Brajesh Kumar Misra (ceased to be director from 15th November, 2018)	Non-Executive Additional Independent Director	11	11	Yes	-	-
Mr. Harsh Agrawal (ceased to be director from 28th June, 2018)	Non-Executive Independent Director	11	4	No	-	-
Mrs. Rajani Pandey (appointed w.e.f. 28th June, 2018)	Non-Executive Independent Woman Director (Additional Director)	N.A.	N.A.	N.A.	-	-

Notes:

(i) Relationship with other Director(s) means 'Relative' of other Director(s) as defined u/s 2(77) of the Companies Act, 2013.

(ii) Company has not issued any convertible instrument.

6. OUTSIDE DIRECTORSHIPS AND MEMBERSHIP OF BOARD COMMITTEES AS 31ST MARCH, 2018

Sl. No.	Name	Number and Name of Directorships in other Public Companies	No. of Committee position held in other Companies	
			Chairman	Member
1	Mr. Dina Nath Jhunjhunwala	1 (One) - JVL Infra Heights Limited	None	None
2	Mr. Satya Narayan Jhunjhunwala	2 (Two) - JVL Infra Heights Limited JVL Cement Limited	None	None
3	Mr. Adarsh Jhunjhunwala	2 (Two) - Sealac Agro Ventures Limited JVL Infra Heights Limited	None	None
4	Mr. Shashi Kant Dikshit (ceased to be director w.e.f. 13th September, 2018)	None	None	None
5	Mr. Brajesh Kumar Misra (ceased to be director from 15th November, 2018)	None	None	None
6	Mr. Harsh Agrawal (ceased to be director w.e.f. 28th June, 2018)	None	None	None
7	Mrs. Rajani Pandey	None	None	None

Notes:

1) Directorship held by Directors in other Companies does not include directorship, if any, in Foreign Company, Section 8 Company and Private Limited Companies.
2) In accordance with Regulations 17 to 27 of SEBI (LODR), 2015, Chairmanship/Membership only in Audit Committee, Stakeholder Relationship Committee and Nomination & Remuneration Committee of Public Limited Companies has been considered for Committee positions.
3) None of the directors is a member in more than 10 Committees and is not a Chairman in more than 5 Committees across the Companies in which he/ she is a Director.

7. FAMILIARIZATION PROGRAM

The Company makes detailed presentations to the entire Board including Independent Directors on the Company's operations and business plans, the nature in which the company operates. Such presentations are made by the senior officials so that the Directors can have direct interaction with them.

8. CODE OF CONDUCT

The Board of Directors has an important role in ensuring good corporate governance and has laid down a comprehensive Code of Conduct for Directors and Senior Management of the Company. The Code was posted on the website of the Company. All Directors and Senior Management personnel affirm the compliance thereof during the year ended on 31st March, 2018.

9. AUDIT COMMITTEE:

The Audit Committee has been constituted by the Board of Directors in accordance with the requirement of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. The Audit Committee consisting of following non-executive directors met on 30th May, 2017; 14th September, 2017; 13th December, 2017; and 14th February, 2018. The gap between two Audit Committee does not exceed 120 days.

i. Composition and attendance in Committee meeting during the financial year 2017-18:

Name of Committee Members	Position	Meetings held	Meetings attended
Mahesh Kumar Kedia	Chairman (Non-Executive and Independent)	4	4

Name of Committee Members	Position	Meetings held	Meetings attended
Harsh Agrawal	Member (Non-Executive and Independent)	4	4
Brajesh Kumar Misra	Member (Non-Executive and Independent)	4	4

** It may please be noted that due to resignations of Mr. Mahesh Kumar Kedia, Mr. Harsh Agrawal, Mr. Brajesh Kumar Misra and Mr. S. K. Dikshit, the Committee constitution at present is not as per requirements of Regulation 18(1)(a) of the SEBI LODR, 2015 and Section 177 (2) of the Companies Act, 2013. The Chairman of the Committee was not present at the last Annual General Meeting held on 29th September, 2017.*

Mr. Kartik Agrawal, Company Secretary acted as Secretary to the Committee.

The Chief Financial Officer is regular invitee to the said meeting and representatives of the Statutory Auditor and Internal Auditor too are encouraged to attend the Audit Committee meetings and share their findings and address queries.

ii. Terms of Reference

The Audit Committee while exercising its functions has powers including but not limited to the following:

- To investigate any activity brought to the notice of the Committee.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee performs such additional function as would be assigned to it from time to time by the Board and in particular the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    a. Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
    b. Changes, if any, in accounting policies and practices and reasons for the same.
    c. Major accounting entries involving estimates based on the exercise of judgment by management.
    d. Significant adjustments made in the financial statements arising out of audit findings.
    e. Compliance with listing and other legal requirements relating to financial statements.
    f. Disclosure of any related party transactions.
    g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever there is such occasion;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the

department, reporting structure coverage and frequency of internal audit;

14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee.

The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company.

The Audit Committee shall have authority to investigate into any matter in relation to the items specified above or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company.

The auditors of a company and the key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote.

The Audit Committee shall also have powers, which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Company has established a vigil mechanism for directors and employees to report genuine concerns. Vigil mechanism provides for adequate safeguards against victimization of persons who use such mechanism and make direct access to the chairperson of the Audit Committee in appropriate or exceptional case. The details of establishment of such mechanism are disclosed by the Company on its website.

10. NOMINATION AND REMUNERATION COMMITTEE

In compliance with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) 2015, read with the provisions of the Companies Act, 2013, the Nomination and Remuneration Committee of the Board has been constituted. The Nomination and Remuneration Committee consisted of following Non-Executive Directors till 29th March, 2018:

a) Composition and attendance in Committee meeting during the financial year 2017-18:

Name of Committee Members	Position	Meetings held	Meetings attended
Dr. S.K. Dikshit	Chairman (Non-Executive and Independent)	0	0
Mr. Mahesh Kedia	Member (Non-Executive and Independent)	0	0
Brajesh Kumar Misra	Member (Non-Executive and Independent)	0	0

** It may please be noted that due to resignation of Mr. S.K. Dikshit, Brajesh Kumar Misra and Mr. Mahesh Kumar Kedia, the present constitution of the Committee is not in line with Regulation 19(1)(a) of the SEBI LODR, 2015 & Section 178 (1) of the Companies Act, 2013.*

Mr. Kartik Agrawal, Company Secretary acted as Secretary to the Committee.

b) Terms of Reference:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying 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 their appointment and removal. The company discloses the remuneration policy and the evaluation criteria in its Annual Report.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

The Chairman of the nomination and remuneration committee could be present at the Annual General Meeting, to answer the shareholders' queries. However, it would be up to the Chairman to decide who should answer the queries.

c) Remuneration of Directors

i. Independent and Non-Executive Directors Compensation and Disclosures:

There was no sitting fee paid to any directors during the Financial Year 2017-18 as the directors had waived the same by way of resolution passed in the Board Meeting in the early financial year. However, Mrs. Anju Jhunjhunwala was paid the following amount during the year:

Particulars	Salary (In ₹) (Gross of TDS)
Remuneration	5,00,000/-
Rent	5,00,000/-

ii. Executive Directors:

Managerial Remuneration to all Executive Directors during the financial year 2017-18 was paid in accordance with the terms of appointment as approved by the shareholders. The remuneration paid to each Executive Director was as follows:-

Name of Directors	Salary (In ₹) (Gross of TDS)
Dina Nath Jhunjhunwala	21,00,000/-
Satya Narayan Jhunjhunwala	26,00,000/-
Adarsh Jhunjhunwala	20,00,000/-

Notes:

a. No bonus, stock option and pension was paid to the Directors.

b. No incentives linked with performance are given to the Directors.

c. The term of Executive Directors is for a period of 5 years which is due to expire at the ensuing Annual General Meeting.

d. Besides above remuneration, all the Executive Directors are also entitled to Company's contribution to Provident Fund, Gratuity, travel benefits, holiday pays, and encashment of leave, as per their remuneration rules approved by the members of the Company.

11. STAKEHOLDERS RELATIONSHIP COMMITTEE:

In compliance with Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) 2015 and provisions of the Companies Act, 2013, the Stakeholders Relationship Committee has been constituted by the Board for a speedy disposal of grievances / complaints relating to stakeholders/ investors. The Stakeholders Relationship Committee consisted of following Non-Executive Directors till 30th March, 2018:

Composition and attendance in Committee meeting during the year:

Name of Committee Members	Category	Meetings held	Meetings attended
Dr. S.K. Dikshit	Chairman (Non-Executive and Independent)	4	4
Mr. Mahesh Kedia	Member (Non-Executive and Independent)	4	4
Brajesh Kumar Misra	Member (Non-Executive and Independent)	4	4

** It may please be noted that due to resignation of Mr. S.K. Dikshit, Mr. Brajesh Kumar Misra and Mr. Mahesh Kumar Kedia, the present constitution of the Committee is not in line with Regulation 20(3) of the SEBI LODR, 2015 & Section 178 (5) of the Companies Act, 2013.*

Investor Grievance Redressal:

The Committee specifically looks into the shareholder redressal and investor complaints on matters relating to refund orders, transfer of shares, dematerialization/ rematerialization, sub-division, consolidation of share certificates, issue of duplicate share certificates, non-receipt of annual report, non-receipt of declared dividends etc. In addition, the Committee advises on matters which can facilitate better investor services and relations. As per the Certificate issued by the Registrar and Share Transfer Agents (RTA), MCS Share Transfer Agent Limited, during the year under review, complaints were received from shareholders/ investors which were replied/ resolved to the satisfaction of the shareholders/investors. There were total 14 grievances raised during the year (including 2 opening unresolved) and out of that 13 were resolved during the year.

12. CORPORATE SOCIAL RESPOSIBILITY COMMITTEE:

In compliance with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has established Corporate Social Responsibility (CSR) Committee and statutory disclosures with respect to the CSR Committee and CSR activities forms part of the Director's Report.

Terms of Reference:

1. To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance as specified in Schedule VII of the Companies Act, 2013 and rules made thereunder;
2. To recommend the amount of expenditure to be incurred on the CSR activities;
3. To institute the transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company and perform any function as stipulated in Companies Act, 2013 and any applicable laws, as may be prescribed from time to time.

Composition and attendance in Committee meeting during the year:

Name of Committee Members	Position	Meetings held	Meetings attended
Mr. Mahesh Kedia	Chairman (Non-Executive/Independent)	1	1
Mr. Satya Narayan Jhunjhunwala	Member (Executive/Non-Independent)	1	1
Mr. Adarsh Jhunjhunwala	Member (Non-Executive/Independent)	1	1

13. MEETINGS OF INDEPENDENT DIRECTORS:

Pursuant to the provisions of Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements), 2015, the Company's Independent Directors met on 24th March, 2018 in this financial year without the presence of Executive Directors or management personnel except Company Secretary and CFO who performed the duties of Secretary and financial reporting to the meeting.

Terms of Reference:

1. To review the performance of the non-independent directors and Board as a whole;
2. To review performance of the Chairman;
3. To 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 as has been prescribed by Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), 2015.

14. INTERNAL AUDIT SYSTEM:

The Company has a robust system for internal audit and assesses corporate risk on an ongoing basis. The Company had appointed independent audit firm.

At the core of our processes is the wide use of technology instead of human intervention that ensures robustness of internal control, integrity and timely submission of reports including Management Reports (MIS).

15. VIGIL MECHANISM:

The Company promotes ethical behavior and has in place mechanism for reporting and redressal of illegal and unethical behavior. The Company has a vigil mechanism and Whistle Blower Policy for due protection of whistle blowers. It is hereby confirmed that no personnel has been denied access to the Audit Committee. The Company has complied with the mandatory requirements as per Regulation 27 of the SEBI LODR, 2015.

16. CEO/CFO CERTIFICATION:

CEO/CFO has certified to the Board, inter alia, the accuracy of financial statements and adequacy of Internal controls for the financial year ended 31st March, 2018, as required under Regulation 33(1) (e) read with Schedule IV of SEBI LODR, 2015.

17. GENERAL BODY MEETINGS:

The details of Annual General Meetings held in last 3 years are as under:

Year	Day, Date and Time	Venue
2016-2017	28th AGM - Friday, 29th September, 2017 at 3.00 P.M.	Hotel Gateway (Taj), Gulab Bagh, Nadesar Palace Compound, Varanasi (U.P.), India
2015-2016	27th AGM - Friday, 30th December, 2016 at 3.00 P.M.	Hotel Radisson, The Mall, Cantonment, Varanasi (U.P.), India
2014-2015	26th AGM - Friday, 25th September, 2015 at 3.00 P.M.	Hotel Radisson, The Mall, Cantonment, Varanasi (U.P.), India

At the 28th Annual General Meeting held on 29th September, 2017, the shareholders passed the resolutions including three special resolution as under:

a) Item No. 5 – Re-classification of existing 12,50,00,000 un-issued equity shares into 1,25,00,000 7% Unlisted Redeemable Non-Convertible Non-Cumulative Non-Participating Preference Shares of ₹10/- (Rupees Ten only) each and amend Clause V of the MOA accordingly;

b) Item No. 6 – Issue 7% Unlisted Redeemable Non-Convertible Non-Cumulative Non-Participating Preference Shares of ₹10/- (Rupees Ten only) for consideration of upto ₹25,00,00,000/- only;

c) Item No. 7 – Issue Non-Convertible Debentures in one or more series/tranches for consideration of upto ₹50,00,00,000/- only;

At the 27th Annual General Meeting held on 30th December, 2016, the shareholders passed the resolutions including one special resolution under Section 5 and Section 14 of the Companies Act, 2013 for the alteration of main object clause of Memorandum of Association of the Company by inserting a new clause bearing Clause No.(iii)(A)(3).

At the 26th Annual General Meeting held on 25th September, 2015, the shareholders passed the resolutions including one special resolution under Section 5 and Section 14 of the Companies Act, 2013 for the adoption of new set of Articles of Association of the Company.

The shareholders with requisite majority passed all the resolutions including special resolutions, set out in the respective notices.

No special resolution on the matters requiring postal ballot is proposed to be placed at the ensuing Annual General Meeting for shareholders' approval.

18. DISCLOSURES:

i) Disclosures on materially significant related party transactions

There is no significant or material related party transactions that have taken place during the year which have any potential conflict with the interest of the Company at large. The detailed related party information and transactions have been provided in Note No.4.3.4 of Standalone Financials Statements forming part of Annual Report.

All related party transactions are negotiated at arm's length basis and are only intended to further the interest of the Company.

ii) Details of Non-Compliance by the Company, penalties, and stricture imposed on the Company by the Stock Exchanges, SEBI or any statutory authorities or any matter related to capital markets.

BSE and NSE have imposed penalties on the Company for delayed filing of the financial results for the quarter ended on 31st March, 2018 & 30th June, 2018 which got delayed due to prolonged statutory audit as the Co. adopted IND-AS during the financial year 2017-18 and for these reasons beyond the control of the Management the submission of results got delayed and the same was duly notified in advance to the exchanges on 22nd May, 2018. The Company, in the interest of its stakeholders, paid the penalty under protest on 2nd July, 2018 as demanded by the exchanges by that time.

In an old matter of levy of penalty by the stock exchanges on the Company during the calendar year 2016, the Company was pursuing the matter before the Hon'ble Securities Appellate Tribunal, Mumbai bench in which Hon'ble SAT in its decision in March 2018 has remanded the matter back to exchanges for consideration and giving an opportunity to the Company to be heard. The hearing before the BSE has happened on 21st June, 2018. Further, NSE is yet to set-up the date for hearing.

iii) **Disclosures by Resolution Professional**

The RP stated that the given Corporate Governance Report pertain to the period before commencement of Corporate Insolvency Resolution Process of the Company, he does not warrant the accuracy, correctness, truthfulness or fairness of the facts and figures contained in the report and took note of the report for the purpose of the statutory and regulatory compliances.

19. MEANS OF COMMUNICATION:

Quarterly results: The Company regularly intimates and publishes its audited/un-audited results preferably in all the editions of Economic Times/Times of India (English) and Hindustan (Hindi). Quarterly results were sent to the Stock Exchanges immediately after the Board approved them.

Website: The Company's website (www.jvlagro.com) contains a separate dedicated section 'Investor Relations' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

Annual Report: The Annual Report containing, inter alia, Audited Financial Statement, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information are circulated to members and others entitled thereto.

Communique/ Reminder to Investors: The Company also takes into consideration the shareholders queries, complaints and suggestions which are responded timely and in consistent manner. Shareholders can contact Company directly as well as Registrar & Transfer Agents, MCS Share Transfer Agent Limited for their services.

NSE Electronic Application Processing System (NEAPS): The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

BSE Corporate Compliance & Listing Centre (the 'Listing Centre'): BSE's Listing Centre is a web-based application designed for the Corporate. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are:

Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

Designated Exclusive email-id: The Company has designated the following email-ids exclusively for investor servicing:

For queries on Annual Report: rpjvl@bdo.in

For queries in respect of shares in physical mode: admin@mcsregistrars.com

20. GENERAL SHAREHOLDERS INFORMATION:

Date of Annual General Meeting	Tuesday, 21st January, 2020
Time	11.00 AM
Venue	Hotel Surabhi International, Hall – Darbar Pahariya, Sarnath, Varanasi – 221 007, U.P.
Financial Calendar (2018 - 2019) (tentative and subject to change)	Financial Year – April 2018 to March 2019 • First Quarter - by second week of August 2018 • Second Quarter - by second week of November 2018 • Third Quarter - by second week of February 2019 • Fourth Quarter - by last week of May 2019
Book Closure Period	Thursday, 16th January, 2020 to Tuesday, 21st January, 2020
Dividend Payment Date	No dividend has been recommended for the FY 2017-18

a) **Corporate Identification Number (CIN)**

CIN allotted to the Company by the Ministry of Corporate Affairs (MCA) is L15140UP1989PLC011396.

b) **Listing on Stock Exchanges**

Equity Shares of the Company are listed both on BSE Limited and National Stock Exchange of India Limited under Stock Code Nos. 519248 and JVLAGRO respectively. Payment of Listing Fee for FY 2018-2019 has been effected to said Stock Exchanges. ISIN allotted to the Company under the Depository System is INE430G01026.

It may please be noted that due to delay in submission of the financials for the financial year / quarter ending March 31, 2018; June 30, 2018, September 30, 2018 and December 31, 2018 the security of the Company has been transferred to Z Category by the stock exchanges.

c) Market Price Data

Equity Shares of the Company have regularly been traded on BSE and NSE. Following is month-wise high/low prices of the Company's Equity Shares on BSE and NSE.

Month	National Stock Exchange of India Limited			BSE Limited		
	High Price (₹)	Low Price (₹)	Volume (No.)	High Price (₹)	Low Price (₹)	Volume (No.)
April, 2017	22.90	20.30	3,083,649	23.00	20.35	1,108,822
May, 2017	21.45	17.90	2,682,205	21.30	17.90	791,262
June, 2017	22.35	17.70	5,685,233	22.35	17.80	10,885,343
July, 2017	29.40	18.50	19,206,848	29.40	18.70	5,194,805
August, 2017	24.35	19.00	3,630,121	24.45	19.10	1,004,861
September, 2017	25.40	19.85	5,660,654	25.45	19.90	1,384,701
October, 2017	23.65	19.60	333,0479	23.55	20.25	851,914
November, 2017	23.75	20.30	725,2162	23.80	20.35	1,803,842
December, 2017	27.75	21.00	13,293,159	27.85	20.85	3,460,114
January, 2018	40.00	27.10	74,519,116	39.90	27.05	12,585,517
February, 2018	36.05	25.75	17,077,655	36.05	25.65	3,110,365
March, 2018	27.10	20.35	5,961,358	31.00	20.50	1,296,128

Increase or decrease in the SENSEX/NIFTY is not commensurate to fluctuations in Market Price of Company's Equity Share.

d) Registrar and Share Transfer Agent for Physical and Demat Segments (RTA)

In terms of SEBI Circular No. D&CC/FITT/CIR-15/2002 dated 27th December, 2002, the Company is providing facility of a common agency for all the work related to share registry in terms of both physical and electronic at a single point by its Registrar and Share Transfer Agents, (RTA) i.e., MCS Share Transfer Agent Limited, whose address is given below:

MCS Share Transfer Agent Limited:

M/s. MCS Share Transfer Agent Limited

Registered Office: 12/1/5, Manoharpukur Road,

Kolkata – 700026

Communication Office: F-65, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi 110020

Contact Person:

Mr. Ajay Dalal, Sr. Manager,

Tel No. 011 - 41406149, 41406151

Fax No. 011 - 41406152

Presently, the share transfers which are received in physical form and requests received for dematerialization /remateralisation of shares are processed and the share certificates are returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. Similarly, the processing activities of dematerialization / remateralisation requests are normally confirmed within 15 days from the date of their receipt provided the documents are in order in all respects.

Mr. S.N. Jhunjhunwala, Managing Director and Mr. Adarsh Jhunjhunwala, Whole Time Director are severally empowered to approve transfer. The Company obtains from a Practicing Company Secretary half yearly certificate of compliance as required under Regulation 7 of SEBI (LODR), 2015 and files the same with Stock Exchanges.

e) Secretarial Audit for reconciliation of Capital

The Securities and Exchange Board of India has directed vide circular No.D&CC/FITTC/CIR-16/2002 dated 31st December, 2002 that all issuer companies shall submit a certificate of capital integrity, reconciling the total shares held in both the Depositories, viz. NSDL and CDSL and in physical form with the total issued / paid up capital.

The said certificate, duly signed by the Practicing Company Secretary is submitted to the Stock Exchanges where the securities of the Company are listed within 30 days of the end of each quarter and the certificate is also placed before the Board of Directors of the Company.

Certificate from the secretarial auditor of the Company Adesh Tandon & Associates, Practising Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated under Regulation 34 of SEBI LODR, 2015, is attached to the Directors Report forming Part of the Annual Report.

f) **Shareholding Pattern:**

Table below shows the shareholding pattern of JVL Agro Industries Limited as on 31st March, 2018.

i. Distribution of Shareholding by size, as on 31st March, 2018:

Category		Number of Cases	% of Cases	Number of shares	Nominal Amount	% of Amount
From	To					
1	500	13,763	66.35	2,730,239	2,730,239	1.63
501	1000	3,338	16.09	2,997,017	2,997,017	1.78
1001	2000	1,659	8.00	2,776,887	2,776,887	1.65
2001	3000	571	2.75	1,544,502	1,544,502	0.92
3001	4000	277	1.34	1,017,208	1,017,208	0.61
4001	5000	347	1.67	1,690,329	1,690,329	1.00
5001	10000	442	2.14	3,446,006	3,446,006	2.05
10001	50000	262	1.26	5,433,794	5,433,794	3.24
50001	100000	39	0.19	2,863,533	2,863,533	1.71
100001	above	44	0.21	143,440,485	143,440,485	85.41
TOTAL		20,742	100.00	167,940,000	167,940,000	100.00

Increase or decrease in the SENSEX/NIFTY is not commensurate to fluctuations in Market Price of Company's Equity Share.

ii. Categories of Shareholding as on 31st March, 2018:

Sl. No.	Category	No. Shares held	% of holding
1	Promoters and Promoters Group	92,786,025	55.25
2	Mutual Funds & UTI	194,857	0.12
3	Banks, Financial Institutions, Insurance Companies, Central/ State Gov. Institutions/ Venture Capital	154,664	0.09
4	Foreign Institutional Investors (FIIs)/ Foreign Portfolio Investors	21,870,710	13.02
5	NBFCs registered with RBI	20,500	0.01
6	Private Corporate Bodies	25,080,144	14.93
7	Individual Public (including NRIs)	27,505,231	16.38
8	Others	327,869	0.20
	TOTAL	167,940,000	100.00

Dematerialization of shares as on 31st March, 2018:

Form	No. of Shares	% of Total
Held in dematerialized form in CDSL	20,619,181	12.28%
Held in dematerialized form in NSDL	137,608,699	81.94%
Physical form	9,712,120	5.78%
Total	167,940,000	100.00

The Company's shares are regularly traded on National Stock Exchange of India Limited and BSE Limited, in electronic form.

g) Corporate benefits to investors (During the last Financial Year, i.e. FY 2016-17):

a) Dividend:

Financial Year	Dividend per share (₹)	Dividend percentage
2016-17	-	-

*On face value of ₹1/- per share

h) Green Initiative for Paperless Communications:

The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by Companies through electronic mode. In accordance with the recent general circular bearing no.17/2011 dated 21st April, 2011 issued by the Ministry of Corporate Affairs (MCA), Companies can now send various notices/ documents to their shareholders through electronic mode to the registered e-mail addresses of the shareholders.

This is a golden opportunity for every shareholder of the Company to contribute to the Corporate Social Responsibility initiative of the Company.

As per the said MCA circular, the Company will forward the communication/letter to Equity shareholders after providing advance opportunity to register their e-mail address with the Company or Depository Participant and changes therein from time to time.

The Shareholders holding Shares in demat mode can register their e-mail address/change their email address with their Depository Participant, in the event they have not done so earlier for receiving notices/documents through Electronic mode.

i) Investor Services:

The Company is under the supervision of Mr. Supriyo Chaudhauri, Resolution Professional, committed to provide efficient and timely services to its shareholders. The Company has appointed M/s. MCS Share Transfer Agent Limited as its Registrar and Share Transfer Agents for rendering the entire range of services to the shareholders of the Company in regard to share transfer, refund, rematerialization, dematerialization, change of address, change of mandate, dividend etc.

j) Nomination:

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in the case of death of all the registered shareholder/s pursuant to the provisions of Section 109A of the Companies Act, 1956. The prescribed form for such nomination can be obtained from the Company. Nomination facility in respect of shares held in electronic form is also available with depository participant (DP) as per the bye-laws and business rules applicable to NSDL and CDSL.

k) Address for correspondence:

Investors and shareholders can correspond with the Company at the following address:-

To,
Resolution Professional of
JVL Agro Industries Limited
Village Tilmapur, Ghazipur Road,
Near Ashapur, Varanasi - 221007
Phone: +91-542 – 2595930-32
Fax: +91-5142-2595941
E-mail: rpjvl@bdo.in

ANNUAL CERTIFICATE UNDER REGULATION 34(3) READ WITH PARA D OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

DECLARATION

As required under Regulation 34(3) read with Para D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that affirmation for compliance of Code of Conduct has been received from all the Board Members and Senior Management Personnel i.e. Employees in the grades of General Manager and above of the Company for financial year ended 31st March, 2018.

By the Order of Resolution Professional

Place: Kolkata
Date: 16th December, 2019

R C GARG
Chief Financial Officer

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
JVL Agro Industries Limited
(Under Corporate Insolvency Resolution Process)

We have examined the compliance of conditions of Corporate Governance by JVL Agro Industries Limited ('the Company under Corporate Insolvency Resolution Process'), for the financial year ended 31st March, 2018 as per Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraph C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

MANAGEMENT'S RESPONSIBILITY

The Compliance of conditions of Corporate Governance is the responsibility of the management. The management's responsibility includes the implementation of the rules & regulations and maintenance of the internal control and procedure to comply with the conditions of the Corporate Governance stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

OUR RESPONSIBILITY

Our responsibility was limited to examining the procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. 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 explanations given to us and representation made by the Company and Resolution Professional and his team and/or the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

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.

RESTRICTIONS ON USE

This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

Awashesh Dixit
(Practicing Company Secretary)
Membership No: ACS 39950
C.P. No: 15398

Date: 18th March, 2019
Place: Kanpur

Independent Auditors' Report

To the members of
JVL AGRO INDUSTRIES LIMITED

Report on the Standalone Financial Statements

We are engaged to audit the accompanying standalone Ind-AS financial statements of JVL Agro Industries Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for The Standalone Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the standalone Ind-As financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind-As financial statements based on conducting our audit in accordance with the Standards on Auditing under Section 143(10) of the Act.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

Because of the limitation on work performed by us and on account of the matters described in the Basis for Disclaimer of Opinion paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

1. a) We would like to bring to your notice that the company has written off ₹961.50 crores from retained earnings mainly due to matters covered under Sr. 1 as a part of Ind-AS fair valuation.

   b) During FY 2017-18, the Company has incurred loss of ₹325.08 crore before tax expense and as on 31st March, 2018 the company has negative retained earnings of ₹651.16 crore and negative net-worth of ₹397.75 crore. Further the company's current liabilities exceed its current assets by ₹1159.73 crore.

   On account of its operational and financial position, the company has delayed payments to various parties and dues to statutory authorities and interest on such delay is not determined. These factors might impact the aspect of going concern.

2. We would like to draw your attention to Note 2.15.1, Note 4.8(C)(g) and Note 4.11(I) to the standalone Ind-AS financial

statements, based on these notes the company has written off the trade receivables of ₹120.03 crore and reduced from the retained earnings as on 31st March 2016 and 31st March 2017 as a part of fair valuation under Ind-AS. As per the Company aforesaid amount of ₹120.03 Crore written off due to a) write offs of ₹63.21 crores were trade receivables from the customers where the outstanding amount was receivable due to fluctuation in rate of oil between contract date and delivery date, b) write offs of ₹14.54 crore were on account of trade receivables which were outstanding for more than 3 years and c) write off of ₹42.28 Crore was on account of the claim lodged by the company on one supplier for delayed delivery of crude palm oil which remained outstanding. We are not able to comment on this trade receivables write offs due to unavailability of confirmations from the debtors, supporting related to recovery actions initiated, information and explanations from the management.

We would like to draw your attention to Note 2.15.1, Note 4.8(C)(h) and Note 4.11(H) of the standalone Ind-AS financial statements, based on these notes the company has written off foreign exchange losses of ₹439.49 crore and reduced from the retained earnings as on 31st March, 2016 as a part of fair valuation under Ind-AS.As per the Company these losses were on account non-recovery of foreign exchange fluctuation losses from suppliers. We are not able to comment on this foreign exchange losses due to unavailability of proper documents, information and explanations from the management.

We would like to draw your attention to Note 2.15.1, Note 3.3, Note 4.8(C)(i) and Note 4.11(G) of the standalone Ind-AS financial statements, based on these note the company has written off total inventory of ₹527.93 crore out of which ₹504.11 crore reduced from the retained earnings as on 31st March 2016 and 31st March 2017 as a part of fair valuation under Ind-AS and ₹23.82 crore were written off as cost of raw material consumed in statement of profit and loss on account. As per the Company these losses were a) on account of writing off of overvalued inventory and b) on account of writing off of revaluation of inventory which was wrongly accounted for. We are not able to comment on this inadequate records relating above transaction and unavailability of information and explanations from the management.

3. We would like to draw your attention to Note 4.12 of the standalone Ind-AS financial statements, based on this note the Company has incurred operating loss of ₹325.08 crore on account of various reasons. We are not able to comment on this inventory write offs due to inadequate records relating income and expenses and unavailability of information and explanations from the management.

4. Due to unavailability of reconciliation and confirmation of Trade Receivables, Loan and Advances, Trade Payables, Other Liabilities, long term borrowings and short term borrowings, we are not able to comment on its impact, if any, on the standalone financial statements.

5. We would like to draw your attention to Note 1.22 and Note 2.18 of the standalone Ind-AS financial statements, based on the note the company has recognized deferred tax assets of ₹427.11 crore. Due to possible effects of above matters from Sr. 1 to 3, we are not able to comment on creation of deferred tax assets due to inadequate documents demonstrating probability of future taxable profits which can be adjusted against unused tax losses.

6. We would like to draw your attention to the Note 1.13 of the standalone Ind-AS financial statements, the company has not provided any supporting document, supporting and clarification relating to determination of the net defined benefit liability in respect of Gratuity which comes under defined benefit plan under Ind-AS 19 Employee Benefits. We are not able to comment on the net defined liability as required under Ind-AS 19 Employee Benefits.

Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

Report on Other Legal and Regulatory Requirements

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

2. As required by section 143(3) of the Act, we report that:

   a) As described in the Basis for Disclaimer of opinion paragraph, we are unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit;

   b) Due to the possible effects of the matters described in Basis for Disclaimer of Opinion, we are unable to state whether proper books of accounts as required by law have been kept by the Company.

c) Due to the possible effects of the matters described in Basis for Disclaimer of Opinion paragraph, we are unable to comment whether the Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

d) Due to the possible effects of the matters described in Basis for Disclaimer of Opinion paragraph, we are unable to state whether the aforesaid standalone Ind-AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with relevant rule issued thereunder;

e) The matters described in the Basis for Disclaimer of Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;

f) On the basis of written representations received from the directors of the company as on 31st March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of section 164(2) of the Act;

g) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion Paragraph;

h) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B' and

i) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) Due to possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind-As financial statements - Refer note 4.1 to the standalone Ind-AS financial statements;

ii) Due to possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether, the Company has made provisions 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.

For -**SPARSH & COMPANY**
Chartered Accountants
Firm's Registration Number: 013070C

(RAHUL KUMAR SINGH)
(Partner)
Membership Number: 405120

Place: Varanasi
Date: 01.11.2018

Annexure 'A' to the Auditors' Report

The Annexure referred to in our report to the members of JVL AGRO INDUSTRIES LIMITED (the 'Company') for the year Ended on 31.03.2018. We report that

Sl. No.	Particulars	Auditors Remark
(i)	(a) whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.	The company has not maintained proper records showing full particulars including quantitative details and situation of fixed assets.
	(b) whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account.	As explained to us the assets have been physically verified by the management during the year and according to the management no material discrepancy was found during such verification.

	(c) whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;	According to information and explanation given to us and on the basis of our examination of the records of the company on test check basis, the title deeds of immovable properties are held in the name of the company.
(ii)	Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, whether they have been properly dealt with in the books of accounts;	The inventories have been physically verified during the year by the management. Please refer Note 4.11 (G) of the Financial Statements for the inventory write off by the Company. We would like to draw your attention to the matters covered under section "Basis for Disclaimer of Opinion"
(iii)	Whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. If so.	We are unable to comment due to the matters covered under section "Basis for Disclaimer of Opinion".
	(a) whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest;	N.A.
	(b) whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	N.A.
	(c) if the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;	N.A.
(iv)	In respect of loans, investments, guarantees and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	We are unable to comment due to the matters covered under section "Basis for Disclaimer of Opinion".
(v)	In case the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, where applicable, have been complied with? If not, the nature of contraventions should be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	The Company has not accepted any deposits from the public during the year
(vi)	Where maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 whether such accounts and records have been made and maintained;	In our opinion the company has made and maintained cost records under section 148 (1) of the Companies Act, 2013. We have not however made detailed examination of the records with a view of determining whether these are accurate or complete.
(vii)	(a) Is the company regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated.	We are unable to comment due to the matters covered under section "Basis for Disclaimer of Opinion".
	(b) where dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not constitute a dispute).	Explained under note 2.22 and note 4.1 to the standalone Ind-AS financial statements. Further, We would like to draw your attention to the matters covered under section "Basis for Disclaimer of Opinion"

(viii)	Whether the company has defaulted in repayment of loans or borrowings to a financial institutions, bank, Government or dues to debenture holders? If yes, the period and amount of default to be reported.	During the year under consideration the company has defaulted in repayment of borrowings. However, we are unable to comment due to the matters covered under section "Basis for Disclaimer of Opinion".
(ix)	Whether moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans where applied for the purpose for which those are raised. If not, the details together with delays or default and subsequent rectification, if any as may be applicable, be reported.	During the year the company did not raise any money by way of initial public offer or further offer or the term loan.
(x)	Whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated.	We are unable to comment due to the matters covered under section "Basis for Disclaimer of Opinion".
(xi)	Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act? If not, state the amount involved as steps taken by the company for securing refund of same.	We are unable to comment due to the matters covered under section "Basis for Disclaimer of Opinion".
(xii)	Whether the Nidhi Company has complied with the Net Owned Fund to Deposits in the ration of 1:20 to meet out the liability and whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules.2014 to meet out the liability.	In our opinion and according to the information and explanation given to us, the company is not Nidhi Company, hence paragraph 3(xii) of the order is not applicable
(xiii)	Whether all transaction with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standard.	We are unable to comment due to the matters covered under section "Basis for Disclaimer of Opinion".
(xiv)	Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliances.	According to the information and explanation 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.
(xv)	Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with.	We are unable to comment due to the matters covered under section "Basis for Disclaimer of Opinion".
(xvi)	Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

For **Sparsh & Company**
Chartered Accountants
Firm's Registration Number: 013070C

Rahul Kumar Singh
Partner
Membership Number: 405120

Place: Varanasi
Date: 01.11.2018

Annexure 'B' to the Auditors' Report

Report on the Internal Financial Controls 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 JVL Agro Industries Limited ("the Company") as of 31st March, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 qualified 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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness have been identified as at 31st March, 2018:

> The Company is not having a complete ERP system to manage different operational activities. Accordingly, many of the operations, which ideally would have been taken care by the system, require manual intervention to that extant there are limitations in control system and processes. The Company needs to strengthen controls to ensure correctness and completeness of accounting records by conducting reconciliation between postings in ERP system and physical documents as well as entries posted vis-a-vis control checks maintained.

As per the guidance note issued by ICAI, a "material weakness" is a deficiency, or combination of deficiency, in internal financial control over financial reporting, such that there is reasonable possibility that a material misstatement of the Company's annual or interim financial statement will not be prevented or detected on timely basis.

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the 31st March, 2018 standalone financial statements of the Company, and these material weakness can affect our opinion on standalone financial statements of the Company.

In our opinion, except for the effects, possible effects of material weakness, described above on the achievement of the objectives of the control criteria, the Company has maintained, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as on 31st March, 2018.

For -**SPARSH & COMPANY**
Chartered Accountants
Firm's Registration Number: 013070C

(RAHUL KUMAR SINGH)
(Partner)
Membership Number: 405120

Place: Varanasi
Date: 01.11.2018

Balance Sheet as at 31st March 2018, 2017 and April 1, 2016

(₹ In Crore)

	Note No	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
ASSETS				
I Non-Current Assets				
(a) Property, Plant and Equipment	2.1	392.99	401.31	404.94
(b) Capital Work-in-Progress	2.1	0.45	0.52	0.45
(c) Other Intangible Assets	2.1	1.40	1.96	2.08
(d) Financial Assets				
(i) Investments	2.2	3.75	3.73	3.71
(ii) Loan	2.3	0.38	0.38	0.38
(iii) Other Financial Assets	2.4	0.34	0.05	0.05
(e) Deferred Tax Assets (Net)	2.18	364.76	-	-
(f) Other Non-Current Assets	2.5	27.31	25.94	24.75
Total Non Current Assets		**791.38**	**433.89**	**436.36**
II Current Assets				
(a) Inventories	2.6	377.78	460.05	523.43
(b) Financial Assets				
(i) Investments	2.7	6.22	6.10	6.62
(ii) Trade Receivables	2.8	168.79	211.76	290.47
(iii) Cash and Cash Equivalents	2.9	60.56	121.20	131.78
(iv) Bank Balances other than Cash and Cash equivalents	2.10	81.90	139.19	95.30
(vi) Other Financial Assets	2.11	110.74	128.41	106.55
(c) Current Tax Assets (Net)	2.12	9.00	17.03	30.23
(d) Other Current Assets	2.13	22.50	41.02	12.90
Total Current Assets		**837.49**	**1,124.76**	**1,197.28**
TOTAL ASSETS		**1,628.87**	**1,558.65**	**1,633.64**
EQUITY AND LIABILITIES				
III Equity				
(a) Equity Share Capital	2.14	16.79	16.79	16.79
(b) Other Equity	2.15	(397.75)	(478.02)	(406.45)
Total Equity		**(380.96)**	**(461.23)**	**(389.66)**
IV Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	2.16	7.47	12.19	30.51
(ii) Other Financial Liabilities	2.17	5.14	4.47	5.44
(b) Deferred Tax Liabilities (Net)	2.18	-	40.59	37.01
Total Non Current Liabilities		**12.61**	**57.25**	**72.96**
V Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	2.19	986.12	354.28	207.51
(ii) Trade Payables	2.20	961.53	1,545.71	1,688.64
(iii) Other Financial Liabilities	2.21	47.16	46.34	37.71
(b) Other Current Liabilities	2.22	2.41	16.30	16.48
Total Current Liabilities		**1,997.22**	**1,962.63**	**1,950.34**
TOTAL EQUITY AND LIABILITIES		**1,628.87**	**1,558.65**	**1,633.64**
Notes Forming Part of Financial Statement	**1-4.12**			

As per our report of even date
For **SPARSH & COMPANY**
Chartered Accountants
FRN - 013070C

Rahul Kumar Singh
[Partner]
M.No. 405120
Place: Varanasi
Date: 30.10.2018

For and on behalf of Board of Directors

S.N. Jhunjhunwala
Managing Director & CEO

Adarsh Jhunjhunwala
Whole-time Director

R.C. Garg
Chief Financial Officer

Kartik Agrawal
Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2018 and 2017

(₹ In Crore)

		Note No	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
I	Revenue from Operations	3.1	3,190.21	3,857.18
II	Other Income	3.2	17.05	37.15
III	**Total Income**		**3,207.26**	**3,894.33**
IV	EXPENSES			
	(a) Cost of Materials Consumed	3.3	3,188.10	3,364.51
	(b) Purchase of Stock-in-Trade	3.4	102.77	320.50
	(c) Changes in Inventories	3.5	28.79	55.97
	(d) Employees Benefits Expenses	3.6	12.25	12.45
	(e) Finance Costs	3.7	93.92	69.44
	(f) Depreciation and Amortisation Expenses	2.1	19.80	17.95
	(g) Other Expenses	3.8	86.71	118.95
	Total Expenses		**3,532.34**	**3,959.77**
V	**Profit Before Tax (III-IV)**		**(325.08)**	**(65.44)**
VI	Tax Expenses			
	(a) Current Tax		0.00	0.53
	(b) Deferred Tax	2.18	(405.35)	3.58
	Total Tax Expense		**(405.35)**	**4.11**
VII	**Profit/ (Loss) for the Year (V-VI)**		**80.27**	**(69.55)**
VIII	OTHER COMPREHENSIVE INCOME	3.9		
	A (i) Items that will not be reclassified to statement of profit or loss		0.00	0.00
	(ii) Income Tax relating to items that will not be reclassified to Statement of profit or loss		0.00	0.00
	B (i) Items that will be reclasssified to Statement of profit or loss		0.00	0.00
	(ii) Income Tax relating to items that will be reclassified to profit or loss		0.00	0.00
	Other Comprehensive Income for the Year		**0.00**	**0.00**
IX	**Total Comprehensive Income/(Loss) for the Year (VII+VIII)**		**80.27**	**(69.55)**
X	Earnings per Equity Share (Face Value ₹1 each)			
	Basic (₹)		4.78	(4.14)
	Diluted (₹)		4.78	(4.14)
XI	Notes Forming Part of Financial Statement	1-4.12		

As per our report of even date
For **SPARSH & COMPANY**
Chartered Accountants
FRN - 013070C

Rahul Kumar Singh
[Partner]
M.No. 405120

Place: Varanasi
Date: 30.10.2018

For and on behalf of Board of Directors

S.N. Jhunjhunwala
Managing Director & CEO

Adarsh Jhunjhunwala
Whole-time Director

R.C. Garg
Chief Financial Officer

Kartik Agrawal
Company Secretary

Statement of Changes In Equity for the year ended 31st March, 2018 and 31st March, 2017

A. EQUITY SHARE CAPITAL

For the year ended 31st March, 2018

(₹ In Crore)

Balance as at 1st April, 2017	Changes in Equity Share Capital during the year	Balance as at 31st March, 2018
16.79	-	16.79

For the year ended 31st March, 2017

(₹ In Crore)

Balance as at 1st April, 2016	Changes in Equity Share Capital during the year	Balance as at 31st March, 2017
16.79	-	16.79

B. OTHER EQUITY

(i) As at 31st March, 2018

(₹ In Crore)

	Securities Premium Reserve	General Reserve	Capital Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Total Equity
Opening Balance as at 1st April, 2017	112.05	32.16	109.81	(731.43)	(0.61)	(478.02)
Profit for the year	-	-	-	80.27	-	80.27
Closing Balance as at 31st March, 2018	**112.05**	**32.16**	**109.81**	**(651.16)**	**(0.61)**	**(397.75)**

(i) As at 31st March, 2017

(₹ In Crore)

	Securities Premium Reserve	General Reserve	Capital Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Total Equity
Opening Balance as at 1st April, 2016	112.05	32.16	109.81	(659.86)	(0.61)	(406.45)
Profit for the year	-	-	-	(69.55)	-	(69.55)
Dividend (Including Corporate Dividend Tax)	-	-	-	(2.02)	-	(2.02)
Closing Balance as at 31st March, 2017	**112.05**	**32.16**	**109.81**	**(731.43)**	**(0.61)**	**(478.02)**

As per our report of even date
For **SPARSH & COMPANY**
Chartered Accountants
FRN - 013070C

Rahul Kumar Singh
[Partner]
M.No. 405120

Place: Varanasi
Date: 30.10.2018

For and on behalf of Board of Directors

S.N. Jhunjhunwala
Managing Director & CEO

Adarsh Jhunjhunwala
Whole-time Director

R.C. Garg
Chief Financial Officer

Kartik Agrawal
Company Secretary

Statement of Cash Flow for the year ended 31st March, 2018 and 2017

(₹ In Crore)

		For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
(A)	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit/(Loss) before tax	(325.08)	(65.44)
	Adjustments for:		
	Depreciation & amortisation	19.80	17.95
	Investment fair value adjustment	(0.13)	(0.03)
	Interest Income	(2.30)	(2.85)
	Finance costs	93.92	69.44
	Foreign exchange gain/loss	0.13	(0.95)
	Operating profit before working capital changes	**(213.66)**	**18.12**
	Adjustment for:		
	(Increase)/Decrease in Non Current/Current financial and others assets	142.82	(3.15)
	Inventory	82.27	63.38
	Increase)/(Decrease) in Non Current/Current financial and others Liabilities	(306.90)	198.92
	Cash generated from operations	**(295.47)**	**277.27**
	NET CASH FLOWS FROM OPERATING ACTIVITIES	**(295.47)**	**277.27**
	Cash flow from investing activities		
	Payment for purchase and construction of property, plant and equipment		
	Investments in Property, Plant and Equipment	(10.85)	(14.27)
	Interest Income	2.30	2.85
(B)	NET CASH FLOWS FROM INVESTING ACTIVITIES	**(8.55)**	**(11.42)**
	Cash flow from financing activities		
	Increase/(decrease) in Borrowings and Finance charges.	(93.92)	(69.44)
	Dividend Paid including dividend tax	0.00	(2.02)
	Proceeds from short term borrowing	341.30	(196.23)
	repayment from Long term borrowing	(4.03)	(8.74)
(C)	NET CASH FLOWS FROM FINANCING ACTIVITIES	**243.35**	**(276.43)**
	Net increase / (decrease) in cash and cash equivalents	(60.67)	(10.58)
	Cash and cash equivalents at the beginning of the year	121.20	131.78
	Cash and cash equivalents at the end of the year	**60.53**	**121.20**

As per our report of even date
For **SPARSH & COMPANY**
Chartered Accountants
FRN - 013070C

Rahul Kumar Singh
[Partner]
M.No. 405120

Place: Varanasi
Date: 30.10.2018

For and on behalf of Board of Directors

S.N. Jhunjhunwala
Managing Director & CEO

Adarsh Jhunjhunwala
Whole-time Director

R.C. Garg
Chief Financial Officer

Kartik Agrawal
Company Secretary

Notes to the Financial Statements as at 31st March, 2018

GENERAL INFORMATION

JVL Agro Industries Limited ("the Company") is a public limited company and listed on Bombay Stock Exchange (BSE), National Stock Exchange (NSE). The Company is market leader in edible oil industry. The Company produce rice as well. The company has manufacturing facilities in Naupur-Uttar Pradesh, Alwar- Rajasthan. Dehri - Bihar, Haldia - West Bengal and Rohtas, Bihar and sell primarily its products in India.

Note 1: Significant Accounting Policies

1.1 Statement of compliance:

These financial statements are prepared and presented in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under section 133 of the Companies Act, 2013, the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

These are Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2016. The Company has availed first time adoption exemption as per Ind AS 101 (Refer Note 4.11 for details).

Upto the year ended 31st March, 2017, the Company prepared its financial statements in accordance with previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006, the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable. In these financial statements for the year ended 31st March, 2018, the financial statements for previous year ended 31st March, 2017 and Balance Sheet as at 1st April, 2016, have been prepared and presented as per Ind AS for like- to- like comparison.

1.2 Basis of Preparation:

The financial statements have been prepared and presented on the going concern basis and at historical cost, except for the following assets and liabilities which have been measured at fair value:

- Derivative Financial Instruments (covered under para 1.16)
- Certain financial assets and liabilities at fair value [(refer accounting policy regarding financial instruments (covered under para 1.17 and para 1.18)]

1.3 Functional and presentation Currency:

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

1.4 Classification of assets and liabilities as current and non-current:

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time lag between the acquisition of assets for processing and their realization in cash and cash equivalents, 12 months period has been considered by the Company as its normal operating cycle.

1.5 Property, Plant and equipment (PPE):

Property, plant and equipment are stated at acquisition or construction cost less accumulated depreciation and impairment loss. Cost comprises the purchase price and any attributable cost of bringing the asset to its location and working condition for its intended use, including relevant borrowing costs and any expected costs of decommissioning.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Company in future periods and the cost of the item can be measured reliably. Expenditure incurred after the PPE

Notes to the Financial Statements as at 31st March, 2018

Note 2: SIGNIFICANT ACCOUNTING POLICIES (contd.)

have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Items such as spare parts, standby equipment and servicing equipment are recognised as PPE when it is held for use in the production or supply of goods or services, or for administrative purpose, and are expected to be used for more than one year. Otherwise such items are classified as inventory.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of PPE, is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

1.6 Treatment of Expenditure during Construction Period:

Expenditure, net of income earned, during construction (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) period is included under capital work-in-progress, and the same is allocated to the respective PPE on the completion of construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other Non- Current Assets".

1.7 Depreciation:

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life and is provided on a straight-line basis.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

The Company has used the following useful lives of the property, plant and equipment to provide depreciation.

A. Major Assets Class where useful life considered as provided in Schedule II:

S. No.	nature of assets	estimated useful life of the assets
1	Plant and Machinery - Continuous Process Plant	25 years
2	Plant and Machinery - Non – Continuous Process Plant	15 years
3	Factory Buildings	30 years
4	Building (other than Factory Buildings)	60 years
5	Electric Installations	10 years
6	Computer and other Hardware	3 years
7	Office Equipment	5 years
8	Motor Vehicle	8 years
9	Motor Cycle	10 years

The estimated useful lives, residual values and the depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Continuous process plant, as defined in Schedule II of the Companies Act, 2013, have been classified on the basis of technical assessment and depreciation is provided accordingly.

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of a new Project from the date of commencement of commercial production. Depreciation on deductions/ disposals is provided on a pro-rata basis upto the month preceding the month of deduction/disposal.

Notes to the Financial Statements as at 31st March, 2018

1.8 Intangible Assets Acquired Separately And Amortisation:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible Assets and their useful lives are as under:

S. no.	Nature of assets	Estimated useful life of the assets
1	Computer software	5 years

1.9 Non-Current Assets Classified As Held For Disposal:

Assets which are available for immediate sale and its sale must be highly probable are classified as "Assets held for Disposal". Such assets or group of assets are presented separately in the Balance Sheet, in the line "Assets held for Disposal". Once classified as held for disposal, such assets are no longer amortised or depreciated. Such assets are stated at the lower of carrying amount and fair value less costs to sell.

1.10 Impairment of non-Financial assets:

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.11 Inventories:

Inventories are valued at lower of cost or net realisable value except scrap (salvage), which is valued at net estimated realisable value.

The methods of determining cost of various categories of inventories are as follows:

Raw materials : Weighted average method

Stores and spares : Weighted average method

Notes to the Financial Statements as at 31st March, 2018

Work-in-progress and finished goods (manufactured)	:	Variable cost at weighted average including an appropriate share of variable and fixed production overheads. Fixed production overheads are included based on normal capacity of production facilities Fuel, consumables, packing material etc. Weighted average method Finished goods (traded) Weighted average method
Goods in transit	:	Cost of purchase

Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition inclusive of excise duty wherever applicable. Excise duty liability is included in the valuation of closing inventory of finished goods.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials and other supplies held for use in the production of finished products are not written down below cost, except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis.

Obsolete, defective, slow moving and unserviceable inventories, if any, are duly provided for.

1.12 Leases:

Finance lease: as a lessee:

Leases, where substantially all the risks and benefits incidental to ownership of the leased item are transferred to the Lessee, are classified as finance lease. The assets acquired under finance lease are capitalised at lower of fair value and present value of the minimum lease payments at the inception of the lease and disclosed as leased assets. Such assets are amortised over the period of lease or estimated life of such asset, whichever is lower. Lease payments are apportioned between the finance charges and reduction of the lease liability based on implicit rate of return. Lease management fees, lease charges and other initial direct costs are capitalised.

Operating lease: as a lessee:

Leases, where significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases and lease rentals thereon are charged to the Statement of Profit and Loss on a straight-line basis over the lease term.

1.13 Employee Benefits:

Short-term employee benefits:

Short-term employee benefits are recognised as an expense on accrual basis.

Defined contribution plan:

Contribution payable to recognised provident fund and approved superannuation scheme, which are substantially defined contribution plans, is recognised as expense in the Statement of Profit and Loss, as they are incurred.

The provident fund contribution as specified under the law is paid to the Provident Fund to the Regional Provident Fund Commissioner.

Defined benefit plan:

The Liability of gratuity of employee is provided by taking LIC's group gratuity insurance scheme.

Notes to the Financial Statements as at 31st March, 2018

1.14 Foreign Currency Transactions:

In preparing the financial statements of the Company, transactions in foreign currencies, other than the Company's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency, are not retranslated.

Exchange differences on monetary items are recognized in the Statement of Profit and Loss in the period in which these arise except for:

exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and exchange differences on transactions entered into in order to hedge certain foreign currency risks.

1.15 Derivative Financial Instruments And Hedge Accounting:

The Company enters into forward contracts to hedge the foreign currency risk of firm commitments and highly probable forecast transactions. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item. The Company does not hold financial instruments for speculative purpose.

Hedge accounting:

The Company designates certain hedging instruments in respect of foreign currency risk as cash flow hedges. At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to the Statement of Profit and Loss in the periods when the hedged item affects profit or loss. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the statement of profit and loss.

1.16 Fair value measurement:

The Company measures financial instruments, such as investments (other than equity investments in Subsidiaries, Joint Ventures and Associates) and derivatives at fair values at each Balance Sheet date.

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

Notes to the Financial Statements as at 31st March, 2018

participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations.

1.17 Financial Instruments:

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Initial Recognition And Measurement:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of profit and loss.

Classification And Subsequent Measurement:

Financial Assets:

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) on the basis of both:

a) business model for managing the financial assets, and

b) the contractual cash flow characteristics of the financial asset.

Notes to the Financial Statements as at 31st March, 2018

A Financial Asset is measured at amortized cost if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and

b) 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.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and

b) 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.

A Financial Asset shall be classified and measured at fair value through profit or loss (FVTPL) unless it is measured at amortized cost or at fair value through OCI.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Equity Investments:

Equity investments in Subsidiaries, Associates and Joint ventures are out of scope of Ind AS 109 and hence, the Company has accounted for its investment in Subsidiaries, Associates and Joint Ventures at cost.

All other equity investments are measured at fair value. Equity instruments, which are held for trading, are classified as at FVTPL. For equity instruments other than held for trading, the company has exercised irrevocable option to recognize in other comprehensive income subsequent changes in the fair value.

Where the Company classifies equity instruments as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Cash And Cash Equivalents:

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash, which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

Impairment of Financial assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments- for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk of trade receivable. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

De-recognition of Financial Assets:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains

Notes to the Financial Statements as at 31st March, 2018

substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes an associated liability.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in the Statement of profit and loss.

Financial Liabilities and Equity Instruments:

Classification As Debt Or Equity:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments:

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities:

Financial liabilities are classified, at initial recognition:

- at fair value through profit or loss,
- Loans and borrowings,
- Payables, or
- as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings and payables, they are recognized net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings, including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL:

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at FVTPL are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and Borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in the Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

Notes to the Financial Statements as at 31st March, 2018

Derecognition Of Financial Liabilities:

The Company de-recognizes financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognized and the consideration paid and payable is recognized in the statement of profit and loss.

1.18 Revenue Recognition:

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

a) Sales are recognized on transfer of significant risks and rewards of ownership of the goods to the buyer as per the terms of contract and no uncertainty exists regarding the amount of consideration that will be derived from sales of goods. It also includes excise duty (as it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not) and price variation based on the contractual agreement. It is measured at fair value of the consideration received net of sales tax/value added tax and discounts. Sales exclude self-consumption of finished goods.

b) Income from services is recognised (net of service tax as applicable) as they are rendered, based on agreement/ arrangement with the concerned customers.

c) Dividend income is accounted for when the right to receive the income is established.

d) For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

e) Interest income for all financial instruments measured at fair value through other comprehensive income is recognised in the statement of profit and loss.

f) Export incentives, insurance, railway and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

1.19 Employee Share Based Payments:

Equity-settled share-based payments to employees are measured by reference to the fair value of the equity instruments at the grant date using Black Scholes Model.

The fair value determined at the grant date of the equity-settled share-based payments, is charged to Profit and Loss on the straight-line basis over the vesting period of the option, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. The employee stock option outstanding account is shown net of unamortised deferred employee compensation expenses. However as on date there are no employee share based payment made.

1.20 Borrowing Cost:

Borrowing cost includes interest expense, amortization of discounts, ancillary costs incurred in connection with borrowing of funds and exchange difference, arising from foreign currency borrowings, to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are attributable to the acquisition or construction or production of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

All other borrowing cost are recognized in the Statement of Profit and Loss in the period in which they are incurred.

Notes to the Financial Statements as at 31st March, 2018

1.21 Government Grants and Subsidies:

Government grants, related to assets, are recognized in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognizes the related costs for which the grants are intended to compensate.

Government grants related to income under State Investment Promotion Scheme linked with VAT/GST etc, are recognized in the Statement of Profit and Loss in the period in which they become receivable.

Government Grants are recognized when there is a reasonable assurance that the same will be received and all attached conditions will be complied with.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates, and is recognized in the Statement of Profit and Loss.

1.22 Provision For Current And Deferred Tax:

Current tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961, and the rules framed there under.

Deferred tax is recognized using the Balance Sheet approach on the temporary differences between the carrying amounts of assets and liabilities in the financial statements and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset, if there is a legally enforceable right to offset current tax liabilities and assets, and these relate to income taxes levied by the same tax authority and are intended to settle current tax liabilities, and assets on a net basis or such tax assets and liabilities will be realized simultaneously.

In the event of unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets are recognized to the extent that it is probable that sufficient future taxable income will be available to realize such assets.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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.

Current and deferred tax are recognized in the statement of profit and loss, except when the same relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax relating to such items are also recognized in other comprehensive income or directly in equity respectively.

1.23 Minimum Alternate Tax (MAT):

MAT is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized, it is credited to the Statement of Profit and Loss and is considered as (MAT Credit Entitlement). The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period. Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence, it is presented as Deferred Tax Asset.

1.24 Provision for Contingent Liabilities:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Notes to the Financial Statements as at 31st March, 2018

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and is recognized.

1.25 Segment Reporting:

Identification Of Segments:

Operating segments are identified based on monitoring of operating results. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss of the company.

Operating segments are identified based on the nature of products and services, the different risks and returns and the internal business reporting system. Geographical segment is identified based on geography in which major operating divisions of the company operate.

Segment Policies:

However as on date there are no segment reporting applicable.

1.26 Earning per Share (EPS):

The basic EPS is computed by dividing the profit after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted EPS, profit after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

1.27 Significant Accounting Judgments, Estimates and Assumptions:

The preparation of financial statements in conformity with the Ind AS requires judgments, estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognized in the period in which the results are known or materialize. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in the current and future periods.

a. **Estimates And Assumptions:**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements

Notes to the Financial Statements as at 31st March, 2018

were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

- **Useful Lives Of Property, Plant And Equipment:**
  The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by the management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

- **Recognition and measurement of provisions and contingencies:**
  Key assumptions about the likelihood and magnitude of an outflow of resources.

- **Fair value measurement of Financial Instruments:**
  When the fair value of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted cash flow (DCF) model. The inputs to these models are taken from observable market where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgment includes consideration of input such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

1.28 Cash Dividend To Equity Holders Of The Company:

The Company recognizes a liability to make cash distributions to equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

Notes to the Financial Statements as at 31st March, 2018

Note 2.1 PROPERTY, PLANT AND EQUIPMENT

Year ended 31st March, 2018

(₹ In Crore)

Particulars	Gross Block				Depreciation				NET BLOCK
	As at 1st April, 2017	Additions	Disposal / Adjust-ment	As at 31st March, 2018	As at 1st April, 2017	For the year	Disposal / Adjust-ment	As at 31st March, 2018	As at 31st March, 2018
Tangible Assets *									
Land (Free Hold)	10.00	1.70	-	11.70	-	-	-	-	11.70
Buildings	58.39	1.48	-	59.87	10.57	1.90	-	12.47	47.40
Plant & Machinery	433.79	6.75	-	440.54	101.67	16.13	-	117.80	322.74
Office Equipments	2.87	0.84	-	3.71	2.54	0.38	-	2.92	0.79
Furniture & Fittings	1.51	0.01	-	1.52	0.62	0.14	-	0.76	0.76
Vehicles	3.99	0.14	-	4.13	2.44	0.34	-	2.78	1.35
Turbine (Co Generation System along with Pressure Boiler)	14.80	-	-	14.80	6.20	0.35	-	6.55	8.25
Total Tangible Assets	**525.35**	**10.92**	**-**	**536.27**	**124.04**	**19.24**	**-**	**143.28**	**392.99**
Intangible Assets *									
Server & Network	2.81	-	-	2.81	0.85	0.56	-	1.41	1.40
Total Intangible Assets	**2.81**	**-**	**-**	**2.81**	**0.85**	**0.56**	**-**	**1.41**	**1.40**
Capital Work-in-Progress	**0.52**	**-**	**0.07**	**0.45**	**-**	**-**	**-**	**-**	**0.45**
	528.68	**10.92**	**0.07**	**539.53**	**124.89**	**19.80**	**-**	**144.69**	**394.84**

Year ended 31st March, 2017

(₹ In Crore)

Particulars	Gross Block				Depreciation				NET BLOCK
	As at 1st April, 2016	Additions	Disposal / Adjust-ment	As at 31st March, 2017	As at 1st April, 2016	For the year	Disposal / Adjust-ment	As at 31st March, 2017	As at 31st March, 2017
Tangible Assets *									
Land (Free Hold)	10.00	-	-	10.00	-	-	-	-	10.00
Buildings	57.36	1.03	-	58.39	8.78	1.79	-	10.57	47.82
Plant & Machinery	421.06	12.73	-	433.79	86.99	14.68	-	101.67	332.12
Office Equipments	2.84	0.03	-	2.87	2.29	0.25	-	2.54	0.33
Furniture & Fittings	1.51	-	-	1.51	0.48	0.14	-	0.62	0.89
Vehicles	3.99	-	-	3.99	2.14	0.30	-	2.44	1.55
Turbine (Co Generation System along with Pressure Boiler)	14.80	-	-	14.80	5.94	0.26	-	6.20	8.60
Total Tangible Assets	**511.56**	**13.79**	**-**	**525.35**	**106.62**	**17.42**	**-**	**124.04**	**401.31**
Intangible Assets *									
Server & Network	2.40	0.41	-	2.81	0.32	0.53	-	0.85	1.96
Total Intangible Assets	**2.40**	**0.41**	**-**	**2.81**	**0.32**	**0.53**	**-**	**0.85**	**1.96**
Capital Work-in-Progress	**0.45**	**0.07**	**-**	**0.52**	**-**	**-**	**-**	**-**	**0.52**
	514.41	**14.27**	**-**	**528.68**	**106.94**	**17.95**	**-**	**124.89**	**403.79**

Notes to the Financial Statements as at 31st March, 2018

Note 2.2 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

(₹ In Crore)

	No. of Shares / Securities	Face Value	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Long-term, Fully Paid-up)					
Investments in Equity Instruments					
Subsidiaries & Associates: Carried at Cost					
(i) JVL Overseas Pte LTD (Singapore)	500000	USD 1	2.05	2.05	2.05
(ii) Adamjee Extraction P Ltd, Sri Lanka	2231439	10	1.00	1.00	1.00
(iii) JVL Mega Food Park P Ltd *	2500	10	-	-	-
(iv) JVL Cement Ltd	10000	10	0.01	0.01	0.01
Total Investments carried at cost			3.06	3.06	3.06
Others: Carried at Fair Value through Other Comprehensive Income (FVTOCI)					
Quoted:					
(i) Sun Phamaceutical Industries Ltd.	80	5	0.01	0.01	0.01
(ii) Indo Rama Synthetics (India) Ltd.**	500	10	-	-	-
(iii) Tata Tele Services. Ltd. ***	1133	10	-	-	-
(iv) Bank Of Baroda	2045	10	0.03	0.03	0.03
(v) BGR Energy System Ltd.	550	10	0.01	0.01	0.01
(vi) Reliance Power Ltd.	2614	10	0.01	0.01	0.01
Unquoted:					
(i) Jhunjhunwala Oil Mills Ltd.	100000	10	-	-	-
(ii) Sealac Agro Ventures Ltd	250000	10	0.25	0.25	0.25
(iii) JVL Textile Park Pvt Ltd	5000	10	0.01	0.01	0.01
(iv) Tripurari Finvest Ltd	9000	500	-	-	-
Investments in Mutual funds: Carried at Fair Value through Profit or Loss (FVTPL)					
Quoted Investments in Mutual Funds					
(i) PNB Mutual fund	15197.57	10	0.05	0.05	0.04
(ii) HDFC AMC PMS-Real Estate Portfolio		10	0.08	0.07	0.07
(iii) Baroda Pioneer Short Term Fund	126335.77	10	0.15	0.15	0.14
(iv) Unicon KBC Equity Fund	50000	10	0.09	0.08	0.08
Total Investments			3.75	3.73	3.71

* JVL Mega Food Park P Ltd ₹25,000 (₹25,000)

**Indo Rama Synthetics (India) Ltd. ₹14,625 (₹16,450)

***Tata Tele Services Ltd. ₹6,254 (₹8,158)

2.2.1 Aggregate Book Value of:

(₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Quoted Investments	0.37	0.36	0.36
Unquoted Investments	3.87	3.87	3.87
	4.24	4.23	4.23
Aggregate Market Value of Quoted Investments	0.43	0.41	0.39
Aggregate Market Value of Unquoted Investments	3.32	3.32	3.32
	3.75	3.73	3.71

Notes to the Financial Statements as at 31st March, 2018

2.2.2 Category wise Non-Current Investments:

(₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Quoted:			
Financial Investments measured at FVTOCI			
Equity Shares	0.06	0.06	0.06
Mutual Funds	0.37	0.35	0.33
Sub-Total (a)	**0.43**	**0.41**	**0.39**
Financial Investments carried at Cost			
Equity Shares	-	-	-
Sub-Total (b)	**-**	**-**	**-**
Sub-Total (a+b)	**0.43**	**0.41**	**0.39**
Unquoted:			
Financial Investments measured at FVTOCI			
Equity Shares	0.26	0.26	0.26
Sub-Total (a)	**0.26**	**0.26**	**0.26**
Financial Investments carried at Cost			
Equity Shares	3.06	3.06	3.06
Sub-Total (b)	**3.06**	**3.06**	**3.06**
Sub-Total (a+b)	**3.32**	**3.32**	**3.32**

2.2.3 The Company has opted to measure its Investments in Susbsidiary and Associates at cost in terms of the exemption available in Ind AS 101- First Time Adoption of Ind AS. Accordingly, the book value of Investments in Subsidiary and Associates as on 1st April, 2016 (the transition date), as per previous GAAP has been now considered as deemed cost.

2.2.4 Disclosure requirement of Ind AS 107 - Financial Instruments: Disclosure

a. **Equity Instruments (Other than Subsidiary and Associates) designated at FVTOCI**

These Investments have been designated on initial recognition to be measured at FVTOCI as these are strategic Investments and are not intended for sale.

b. **Mutual Fund's Unit at FVTPL**

Mutual Funds have been designated on initial recognition to be measured at FVTPL as these financial assets do not pass the contractual cash flow test as required by Ind AS 109 - Financial Instruments, for being designated at amortised cost or FVTOCI, hence classified at FVTPL

Note 2.3 NON-CURRENT FINANCIAL ASSETS - LOANS

(₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Unsecured, Considered Good unless otherwise stated)			
Other Loans	0.38	0.38	0.38
	0.38	**0.38**	**0.38**

Note 2.4 NON-CURRENT FINANCIAL ASSETS - OTHERS

(₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Fixed Deposits with Banks with maturity more than 12 Months	0.34	0.05	0.05
	0.34	**0.05**	**0.05**

Notes to the Financial Statements as at 31st March, 2018

Note 2.5 OTHER NON-CURRENT ASSETS

(₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Leasehold Land Prepayments	6.83	6.92	7.01
Capital Advances for Purchase of Property, Plant and Equipment	14.84	15.10	14.84
Security Deposits	5.63	3.91	2.89
Other Advances (Deposit with Government Authorities, etc.)	0.01	0.01	0.01
	27.31	**25.94**	**24.75**

Note 2.6 INVENTORIES

(Valued at lower of cost and net realisable value, unless otherwise stated)

(₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Raw Material *	185.58	235.29	235.85
Finished Goods	123.45	166.77	221.22
Stock in Process	46.42	31.89	33.41
Packing Materials, Stores & Chemicals	22.33	26.10	32.95
	377.78	**460.05**	**523.43**

Note 2.7 CURRENT FINANCIAL ASSETS - INVESTMENTS

(₹ In Crore)

	Face Value	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Investments at fair value through FVTPL (fully paid)				
Quoted Shares				
(i) Nil (FY 2016-17 Nil and 1st April, 2016 - 8,522)				
Dhunseri Petrochem & Tea Ltd.	10	-	-	0.05
(ii) 1,59,146 (FY 2016-1,59,146 and 1st April, 2016-1,59,146)				
Gyan Trade Ltd.	10	3.84	3.84	3.84
(iii) Nil (FY 2016 Nil and 1st April, 2016-96,619)				
Polylink Polymers India Ltd.	10	-	-	0.05
(iv) Nil (FY 2016 Nil and 1st April, 2016-4,05,334)				
Aftek Ltd.	10	-	-	0.23
(v) Nil (FY 2016 Nil and 1st April, 2016-10,000)				
Goldstone Technologies Ltd.	10	-	-	0.01
(vi) Nil (FY 2016 Nil and 1st April, 2016-44,504)				
Jubiliant Life Science Ltd.	10	-	-	0.70
(vii) Nil (FY 2016 Nil and 1st April, 2016-3,88,085)				
Hindustan Wires Ltd.	10	-	-	1.74
Quoted Investments in Mutual Funds				
(i) 22,50,000 (FY 2016-22,50,000 and 1st April, 2016 Nil)				
Union Capital Protection Fund	10	2.38	2.26	-
Total Investments		**6.22**	**6.10**	**6.62**

Notes to the Financial Statements as at 31st March, 2018

Note 2.8 TRADE RECEIVABLES

(₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unsecured-Considered Good	168.79	211.76	290.47
	168.79	**211.76**	**290.47**

Note 2.9 CASH AND CASH EQUIVALENTS

(₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Cash in hand	0.71	0.49	0.44
Balances with Banks			
In Current Account	7.86	7.96	6.26
In Deposit Account - Original Maturity of 3 Months or Less			
- In Margin Money account	39.04	-	45.06
- Others	12.95	112.75	80.02
	60.56	**121.20**	**131.78**

Note 2.10 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Earmarked Unclaimed Divided Accounts	0.39	0.39	0.36
In Deposit Accounts-Original maturity more than 3 months but less than 12 months			
- In Margin Money account	81.51	115.52	94.94
- Others	-	23.28	-
	81.90	**139.19**	**95.30**

Note 2.11 OTHERS FINANCIAL ASSETS

(₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Interest Accured on Fixed Deposit	0.44	13.31	15.48
Government Grant Receivable (Subsidy)	110.30	109.92	85.89
Advances to Related Party - against Expenses	-	5.18	5.18
	110.74	**128.41**	**106.55**

Note 2.12 CURRENT TAX ASSETS (NET)

(₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Advance Income Tax (Net of Provision)	9.00	17.03	30.23
	9.00	**17.03**	**30.23**

Notes to the Financial Statements as at 31st March, 2018

Note 2.13 OTHERS CURRENT ASSETS

(₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unsecured, Considered Good			
Leasehold Land Prepayments	0.09	0.09	0.09
Prepaid Expenses	0.02	3.00	3.06
Others	22.39	37.93	9.75
	22.50	**41.02**	**12.90**

Note 2.14 EQUITY SHARE CAPITAL

(₹ In Crore)

		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
2.14.1	**Authorised**			
	17,76,00,000 Equity shares of ₹1 each and 1,25,00,000 7% unlisted redeemable Non-Convertible Non Cumulative Non participating Preference share of ₹10 each. (31st March, 2017 30,26,00,000 Equity Shares of ₹1/- each) (1st April, 2016 30,26,00,000 Equity Shares of ₹1/- each)	30.26	30.26	30.26
		30.26	**30.26**	**30.26**

		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
2.14.2	**Issued, Subscribed and Fully Paid-up**			
	16,79,40,000 (FY 16-17 16,79,40,000 and 1st April, 2016 16,79,40,000 Equity Shares of ₹ 1/- each)	16.79	16.79	16.79
		16.79	**16.79**	**16.79**

2.14.3 Reconciliation of the Number of Equity Shares Outstanding

(₹ In Crore)

	Number of Shares		Current	Previous
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Outstanding as at the beginning of the year	167940000	167940000	16.79	16.79
Add: Issued during the year	0	0	0	0
Outstanding as at the end of the year	**167940000**	**167940000**	**16.79**	**16.79**

2.14.4 Rights, Preferences and Restrictions attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹1 per share. Each holder of the Equity Shares is entitled to one vote per share held. The Company declares dividend in Indian Rupees.

In the event of liquidation of the Company, the holders of Equity Shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to the number of Equity Shares held by the Shareholders.

Notes to the Financial Statements as at 31st March, 2018

2.14.5 List of Shareholders holding more than 5% Shares in the Equity Share Capital of the Company

	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	% Holding	No. of Shares	% Holding
Nilamber Trexim & Credit Private Limited	16912900	10.07%	16912900	10.07%
Jhunjhunuwala Gases Private Limited	16075000	9.57%	16075000	9.57%
Aryan Multibusiness Private Limited	12000000	7.15%	12000000	7.15%
Paharia Markets & Investments Private Limited	13769488	8.20%	13769488	8.20%
Asia Investment Corporation (Mauritius) Limited	8551340	5.09%	9068425	5.40%
Eriska Investment Fund Ltd	13319370	7.93%	0	0.00%

Note 2.15 OTHER EQUITY (₹ In Crore)

		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
A.	Securities Premium Reserve	112.05	112.05	112.05
B.	General Reserve	32.16	32.16	32.16
C.	Capital Reserve	109.81	109.81	109.81
E.	Retained Earnings	(651.16)	(731.43)	(659.86)
F.	Other Comprehensive Income	(0.61)	(0.61)	(0.61)
Total		**(397.75)**	**(478.02)**	**(406.45)**

Note 2.15.1 OTHER EQUITY (₹ In Crore)

		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
A.	**Securities Premium Reserve**			
	Balance as at the beginning of the year	112.05	112.05	112.05
	Add: Addition during the year	-	-	-
	Balance as at the end of the year	**112.05**	**112.05**	**112.05**
B.	**General Reserve**			
	Balance as at the beginning of the year	32.16	32.16	31.16
	Add: Addition during the year	-	-	1.00
	Balance as at the end of the year	**32.16**	**32.16**	**32.16**
C.	**Capital Reserve**			
	Balance as at the beginning of the year	109.81	109.81	74.19
	Add: Addition during the year	-	-	35.62
	Balance as at the end of the year	**109.81**	**109.81**	**109.81**
D.	**Retained Earnings**			
	Balance as at the beginning of the year	(731.43)	(659.86)	290.67
	Add: Profit/ (Loss) for the year	80.27	(69.55)	47.59
	Less: Fair Valuation on account of Ind AS taken to retained earning	-	-	(961.50)
	Less: Dividend (Including Corporate Dividend Tax)	-	(2.02)	
	Less: Transferred to Capital Reserve	-	-	(35.62)
	Less: Transferred to General Reserve	-	-	(1.00)
	Balance as at the end of the year	**(651.16)**	**(731.43)**	**(659.86)**
E.	**Other Comprehensive Income**			
	Balance as at the beginning of the year	(0.61)	(0.61)	(0.61)
	Add: Addition during the year	-	-	-
	Balance as at the end of the year	**(0.61)**	**(0.61)**	**(0.61)**

Notes to the Financial Statements as at 31st March, 2018

Note 2.15.1 OTHER EQUITY *(contd.)*

The Description of the nature and purpose of each reserve within equity is as follows:

a. **Securities Premium Reserve:** Securities premium reserve is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.

b. **General Reserve:** It is a free reserve which is created by appropriation from profits of the current year and/or undistributed profits of previous years, before declaration of dividend duly complying with any regulations in this regard.

c. **Capital Reserve:** Capital Reserve is mainly the reserve created out of Capital Subsidy Received.

Note 2.16 NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS (₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured			
Rupee Term Loan from Banks	7.47	12.19	30.51
Foreign Currency Term Loan from Banks	-	-	-
	7.47	**12.19**	**30.51**

Note 2.16.1 Nature of Security, Repayment Terms and Break-up of Current and Non-Current (₹ In Crore)

	Interest Rate	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured Long-Term Borrowings:				
a. Bank of Baroda				
For Alwar Unit: Rupee Term Loan secured by First Pari pasu charge on the entire assets by way of mortgage/ Joint Deed of Hypothication, Intersee Agreement and Personal Guarantee by two directors, their relatives and a group company. Also Secured by mortgage of Joint Property of one director. **Schedule of repayment:** 4 installment of ₹0.44 Crore having maturity in FY 18-19.	MCLR+3.65 p.a	1.76	3.08	4.25
For Rice Mill Unit - Rupee Term Loan secured by Hypothication of Plant & Machinery and Other Fixed Assets situated at Akurhi Gola, Dist. Rohatas and personal guarantee by two directors, Also Secured by Equitable mortgage of Factory Land and building. **Schedule of repayment:** 2 installment of ₹0.75, 9 installment of ₹1.00 Crore and 1 installment of ₹0.47 crore having maturity in FY 2020-21	MCLR+3.65 p.a	11.16	13.87	16.47
b. State Bank Of India				
Term Loan-I				2.09
Term Loan-II				1.27
Term Loan-III				1.63

Notes to the Financial Statements as at 31st March, 2018

Note 2.16.1 Nature of Security, Repayment Terms and Break-up of Current and Non-Current *(contd.)*

		Interest Rate	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
	(Equitable mortgage of land & factory building and other construction at village pahleza, mauza-chakia, Dehri, bihar,on pari-passu basis with other term lenders. Hypothecation charge on other fixed assets including plant & machinery of the projects at pahleza, chakia, dehri, bihar on pari passu basis with other term lenders of the project and collaterally secured by second charge on current assets of the company's unit at chakia, dehri, Bihar on pari passu basis with personal guarantee of two directors) **Schedule of repayment:** Repaid in full.				
c.	**Standard Chartered Bank- Foreign Currency Loan** Foreign Currency Term Loan secured by exclusive first charge on all movable and immovable fixed assets at Haldia Facility and second charge on all current assets of the company's unit at Haldia Facility with personal guarantee by two directors. **Schedule of repayment:** 6 quarterly installment of USD 1.058 Mio each having maturity till FY 17-18	3 month Libor+3.50 bps p.a	41.32	41.19	42.14
Total			**54.24**	**58.14**	**67.85**
Less: Current Maturity of Long Term Debts (Refer Note 2.24)			**46.77**	**45.95**	**37.34**
Non Current Borrowing			**7.47**	**12.19**	**30.51**

Note 2.17 NON-CURRENT OTHER FINANCIAL LIABILITIES (₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Security Deposits	5.14	4.47	5.44
	5.14	**4.47**	**5.44**

Note 2.18 DEFERRED TAX LIABILITIES (NET) (₹ In Crore)

	As at 31st March, 2016	MAT Credit Utilized	Charge for the C. Year		As at 31st March, 2017
			Profit or Loss	Other Comprehensive Income	
Deferred Tax Liabilities:					
Accumulated Depreciation	37.01	-	3.58	-	40.59
	37.01	**-**	**3.58**	**-**	**40.59**

Notes to the Financial Statements as at 31st March, 2018

Note 2.18 DEFERRED TAX LIABILITIES (NET) *(contd.)*

	As at 31st March, 2016	MAT Credit Utilized	Charge for the C. Year		As at 31st March, 2017
			Profit or Loss	Other Comprehensive Income	
Deferred Tax Assets:					
Carry Forward Loss	-	-	-	-	-
Other	-	-	-	-	-
	-	-	-	-	-
Deferred Tax Liabilities (Net)	37.01	-	3.58	-	40.59

(₹ In Crore)

	As at 31st March, 2017	MAT Credit Utilized	Charge for the C. Year		As at 31st March, 2018
			Profit or Loss	Other Comprehensive Income	
Deferred Tax Liabilities:					
Accumulated Depreciation	40.59	-	21.76	-	62.35
	40.59	-	21.76	-	62.35
Deferred Tax Assets:					
Carry Forward Loss	-	-	427.02	-	427.02
Other	-	-	0.09	-	0.09
	-	-	427.11	-	427.11
Deferred Tax Assets (Net)	-	-	405.35	-	364.76

Note 2.19 CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Loans Repayable on Demand from Banks			
Secured:			
Working Capital Borrowings	986.12	354.28	207.51
	986.12	354.28	207.51

Note 2.19.1 CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ In Crore)

	Interest Rate	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured Loans:				
a. Bank of Baroda	MCLR+3.65 p.a	304.34	55.00	54.85
b. Punjab National Bank (For Naupur & Alwar Unit - Secured by hypothecation of entire stock in trade, trade receivables and movable current assets. Secured by first pari passu charge on the fixed assets and personal guarantee by two directors, their relative and a group company. Also secured by mortage of joint property of one director.)	MCLR+5.00 p.a	154.20	178.00	53.00

Notes to the Financial Statements as at 31st March, 2018

Note 2.19.1 CURRENT FINANCIAL LIABILITIES - BORROWINGS *(contd.)*

		Interest Rate	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
c.	Bank of Baroda (For Rice Mill: Secured by hypothecation of entire stock in trade, trade receivables and movable current assets and secured by first charge on the fixed assets and personal guarantee by two directors)	MCLR+3.65 p.a	13.37	14.35	14.86
d.	State Bank of India		436.18	30.20	30.92
e.	Vijaya Bank (Hypothecation of entire current assets of unit at Chakia, Dehri, Bihar on pari-passu basis with other working capital bankers and personal guarantee of two directors and collaterally secured by second charge on equitable mortgage of the land and factory at Chakia, Dehri, Bihar on pari passu basis with other terms lenders and hypothecation charge on other fixed assets including plant & machinery at Chakia, Dehri, Bihar on pari passu basis with other term lenders.)	MCLR+5.90 p.a	5.83	6.50	5.66
f.	Allahabad Bank		(0.31)	5.00	5.00
g.	Corporation Bank	MCLR+3.65 p.a	15.12	40.00	15.00
h.	Indian Overseas Bank	MCLR+4.75 p.a	-	4.10	4.50
i.	Union Bank of India		2.27	3.03	3.72
j.	Oriental Bank of Commerce (For Haldia Unit - Secured by first (pari passu) hypothecation charge on entire current assets including stock, trade -receivables and movable current assets. Secured by second charge on the fixed assets and personal guarantee by two directors.)	MCLR+4.50 p.a	1.27	4.83	5.00
k.	Standard Chartered Bank - Cash Credit etc		20.71	13.27	15.00
i.	Standard Chartered Bank - WCDL		12.95	-	

Notes to the Financial Statements as at 31st March, 2018

Note 2.19.1 CURRENT FINANCIAL LIABILITIES - BORROWINGS *(contd.)*

	Interest Rate	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
j. **Standard Chartered Bank - Import Loan** (First pari passu charge on stocks of Halida unit with other Consortium member bank. Second Pari passu charge on all the movable fixed assets of Haldia unit of the company with other Consortium members of Haldia unit and Personal guarantee of two directors. Second pari passu charge on equitable mortgage of Land & factory located at Mouza Debhog, J.L.No. 149 P.S. Bhabanipur (Formally P.S. Sutahata) Haldia, Dist Purba Medinipur on pari passu basis with other working capital bankers of Haldia unit. First parri passu charge on all the current assets of the Haldia unit of the company covering receivables and other chargeable current assets with other consortium member banks.)		20.19	-	
Total		**986.12**	**354.28**	**207.51**

Note 2.20 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Due to Micro, Small & Medium Enterprise	-	-	-
Due to others	961.53	1,545.71	1,688.64
	961.53	**1,545.71**	**1,688.64**

Note 2.21 CURRENT - OTHER FINANCIAL LIABILITIES

(₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Current Maturities of Long-Term Debts (Note 2.16.1)	46.77	45.95	37.34
Dividend Payable	0.39	0.39	0.37
	47.16	**46.34**	**37.71**

Note 2.22 OTHER CURRENT LIABILITIES

(₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Statutory Liabilities	0.49	0.62	1.01
Advance from Customers	0.11	11.58	11.72
Other Payables (including Employee Benefits Payable, Provision etc.)	1.81	4.10	3.75
	2.41	**16.30**	**16.48**

Notes to the Financial Statements as at 31st March, 2018

Note 3.1 REVENUE FROM OPERATIONS (NOTE 4.2.1)

(₹ In Crore)

Particulars	For Year ended 31st March, 2018	For Year ended 31st March, 2017
Sale of Product		
Sale of Manufacturing Products	3,085.98	3,535.15
Sale of Trading Products	104.23	322.03
	3,190.21	**3,857.18**

Note 3.2 OTHER INCOME

(₹ In Crore)

Particulars	For Year ended 31st March, 2018	For Year ended 31st March, 2017
Interest Income		
Interest on IT Refund	1.78	0.17
Others	0.50	1.40
Government Grants (Subsidy)	14.62	34.00
Profit of Sale of Investments	-	0.27
Gain on Fair Valuation of Mutual Funds /Shares (Measured at FVTPL)	0.13	0.03
Other Income	0.02	1.28
	17.05	**37.15**

Note 3.3 COST OF MATERIAL CONSUMED

(₹ In Crore)

Particulars	For Year ended 31st March, 2018	For Year ended 31st March, 2017
Raw-Material Consumed		
Opening Stock	235.29	235.85
Add: Purchase & Incidental Expenses	2,966.05	3,178.50
Less: Closing Stock	(185.58)	(235.29)
Raw-Material Consumed	**3,015.76**	**3,179.06**
Packing Material & Chemicals consumed		
Opening Stock	26.10	32.95
Add: Purchase & Incidental Expenses	168.57	178.60
Less: Closing Stock	(22.33)	(26.10)
Packing Material & Chemicals consumed	**172.34**	**185.45**
	3,188.10	**3,364.51**

Note 3.4 PURCHASE OF STOCK-IN-TRADE

(₹ In Crore)

Particulars	For Year ended 31st March, 2018	For Year ended 31st March, 2017
Imported Oils	102.77	320.50
	102.77	**320.50**

Notes to the Financial Statements as at 31st March, 2018

Note 3.5 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE

(₹ In Crore)

Particulars	For Year ended 31st March, 2018	For Year ended 31st March, 2017
Closing Stock		
Finished Goods	123.45	166.77
Stock-in-Process	46.42	31.89
	169.87	**198.66**
Less: Opening Stock		
Finished Goods	166.77	221.22
Stock-in-Process	31.89	33.41
	198.66	**254.63**
(Increase)/Decrease in Stock	**28.79**	**55.97**

Note 3.6 EMPLOYEES BENEFIT EXPENSES

(₹ In Crore)

Particulars	For Year ended 31st March, 2018	For Year ended 31st March, 2017
Salaries, Wages and Bonus etc	11.04	11.20
Contribution to Provident and other funds	0.83	0.74
Staff Welfare Expenses	0.38	0.51
	12.25	**12.45**

Note 3.7 FINANCE COST

(₹ In Crore)

Particulars	For Year ended 31st March, 2018	For Year ended 31st March, 2017
Interest to Banks	78.20	48.35
Interest to Others	1.54	0.09
Bank Charges	14.18	21.00
	93.92	**69.44**

Note 3.8 OTHER EXPENSES

(₹ In Crore)

Particulars	For Year ended 31st March, 2018	For Year ended 31st March, 2017
Manufacturing Expenses		
Power and Fuel	42.10	40.67
Consumption of Store and Spares	1.64	1.21
Administrative, selling & Distribution Expenses		
Repairs & Maintenance	1.07	0.89
Repairs & Maintenance- Others	0.27	0.29
Legal Expenses	0.38	0.11
Bad Debts written-off	-	50.17

Notes to the Financial Statements as at 31st March, 2018

Note 3.8 OTHER EXPENSES *(contd.)*

Particulars	For Year ended 31st March, 2018	For Year ended 31st March, 2017
Amortization of lease Prepayments	0.09	0.09
Travelling Expenses	2.18	2.03
Conveyance Expenses	0.44	0.42
Insurance	0.34	0.25
Rate & Taxes	1.12	0.94
Auditor Fees (Note 4.4)	0.15	0.07
Postage, Telegram & telephone	0.47	0.74
Printing & Stationery	0.16	0.21
Miscellaneous Expenses	3.79	2.62
Foreign Exchange Gain/(Loss)	0.13	(0.95)
Professional & Consultancy Charges	2.55	2.05
Brokerage & Commission (net)	6.89	10.33
Advertisement & Publicity	0.99	0.10
Selling Expenses	1.43	2.00
Rent	2.44	3.92
Prior Period Expenditure	17.42	0.08
Lease Rent (Note 4.7.3)	0.04	0.06
CSR Expenses	0.62	0.65
	86.71	**118.95**

Note 3.9 OTHER COMPREHENSIVE INCOME

(₹ In Crore)

Particulars	For Year ended 31st March, 2018	For Year ended 31st March, 2017
Items that will not be reclassified to Profit and Loss		
Equity Instrument through Other Comprehensive Income	-	-
Income Tax relating to Items that will not be reclassified to Profit and Loss	-	-
Items that will be reclassified to Profit and Loss		
	-	-

Note 3.10 EARNING PER SHARE (EPS)

(₹ In Crore)

	For Year ended 31st March, 2018	For Year ended 31st March, 2017
Profit/ (loss) after tax Attributable to Equity Shareholders	80.27	(69.55)
Basic EPS		
Weighted-Average Number of Equity Shares Outstanding (Nos.) of Face Value of ₹1 each	16,79,40,000	16,79,40,000
Basic EPS (₹) for Face Value of Shares of ₹1 each	4.78	(4.14)
Diluted EPS		
Weighted-Average Number of Equity Shares Outstanding (Nos.) of Face Value of ₹1 each	16,79,40,000	16,79,40,000
Diluted EPS (₹) for Face Value of Shares of ₹1 each	4.78	(4.14)

Notes to the Financial Statements as at 31st March, 2018

Note 4.1 CONTINGENT LIABILITIES AND COMMITMENTS

Claims/Disputed Liabilities not acknowledged as Debts:

(₹ In Crore)

Sl. No.	Nature of Statute	Brief Description of Contingent Liabilities	For Year ended 31st March, 2018	For Year ended 31st March, 2017	For Year ended 31st March, 2016
1	Entry Tax	Entry Tax demand under appeal before H'ble Supreme Court for different years for which Bank Guarantee given by the company	0.67	0.67	0.68
2	Entry Tax	Entry Tax demand under appeal before High Court & appelate authority, Varanasi/Allahabad/Kolkata	49.37	0.20	0.37
3	VAT	Value added tax demand under appeal before appelate authority, Varanasi/Kolkata	1.44	0.19	0.19
4	Excise Duty	Demand on Excise Duty for different years under appeal at Appelate Tribunal, Custom, Excise & Service Tax, New Delhi/Allahabad/Kolkata	110.82	32.46	26.97

Cash outflows for the above are determinable only on receipt of Judgements pending with various authorities/courts/tribunals.

Note 4.2 DETAILS OF PRODUCTS (SALES)

4.2.1 Details of products (sales) are as under:

(₹ In Crore)

Particulars	For Year ended 31st March, 2018	For Year ended 31st March, 2017
Manufacturing Products		
Edible Oil	2,923.13	3,383.45
DOC	9.98	6.29
Rice	56.00	60.29
Others	96.87	85.12
Trading Products		
Edible Oil	92.55	322.03
Others	11.68	-
	3,190.21	**3,857.18**

Note 4.3 RELATED PARTY DISCLOSURE

4.3.1 Parties where control exists:

Name of the Related parties		Principle Place of Business	% Shareholding and Voting Power	
			As at 31st March, 2018	As at 31st March, 2017
JVL Overseas Pte LTD (Singapore)	Subsidiary	Singapore	100%	100%

4.3.2 List of Related Parties with Significant influence:

Name of the Related parties		Principle Place of Business	% Shareholding and Voting Power	
			As at 31st March, 2018	As at 31st March, 2017
JVL Mega Food Park Pvt Ltd	Associate	India	25%	25%
JVL Cement Ltd	Associate	India	20%	20%
JVL Agro (Assam) Private Limited	Associate	India	50%	50%
Adamjee Extraction Pvt Ltd.	Associate	Srilanka	25%	25%

Notes to the Financial Statements as at 31st March, 2018

4.3.2 Other Related Parties with whom transactions have taken place during the year and/or previous year:

Name of the Related parties	Relationship
Key Management Personnel (KMP)	
D. N. Jhunjhunwala	Chairman
S. N. Jhunjhunwala	Managing Director & CEO
Adarsh Jhunjhunwala	Whole-time Director

4.3.3 Other Related Parties with which Directors are interested

Name of the Related parties	Relationship
Anju Jhunjhunwala	Wife of Managing Director
Kishori Devi Jhunjhunwala	Mother of Managing Director
S. N. Jhunjhunwala (HUF)	Managing Director is Karta
Juhi Fatehpuria	Daughter of Managing Director
Jhunjhunwala Gases Pvt Ltd	Promoter Group Company
Jhunjhunwala Oils Mills Ltd.	Promoter Family Company
Jhunjhunwala Sewa Society	Promoter Society

4.3.4 Disclosure of Related Party Transactions: (₹ In Crore)

Nature of Transactions	For Year ended 31st March, 2018	For Year ended 31st March, 2017
Sales of Products and Services	1.20	1.98
Purchase of Goods and Services	0.64	0.13
Managerial Remuneration Paid	0.72	0.72
Others	0.08	0.08

Terms and conditions of transactions with related Parties

The Sales to and purchase from related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions.

Note 4.4 AUDITORS' REMUNERATION

(₹ In Crore)

Particulars	For Year ended 31st March, 2018	For Year ended 31st March, 2017
(a) **Statutory Auditors:**		
Audit Fees	0.15	0.07

Note 4.5 RECONCILIATION OF EFFECTIVE TAX RATE

(₹ In Crore)

Particulars	For Year ended 31st March, 2018	For Year ended 31st March, 2017
Applicable Tax Rate	30.90%	34.61%
Profit Before Tax	(325.08)	(65.44)
Tax Expenses	-	-
Tax effect on:		
Others	-	0.53
Origination/Reversal of temporary difference	(405.35)	3.53
Tax expenses as reported	(405.35)	4.06

Notes to the Financial Statements as at 31st March, 2018

Note 4.6 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES (Ind AS 107):

(₹ In Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Financial Assets at Amortised Cost			
Investments	3.06	3.06	3.06
Loans	0.38	0.38	0.38
Trade Receivables	168.79	211.76	290.47
Cash and Bank Balances	142.46	260.39	227.08
Other Financial Assets	111.08	128.46	106.60
Financial Assets at fair value through Other Comprehensive Income			
Investments (Current and Non-current)	0.32	0.32	0.32
Financial Assets at fair value through Profit and Loss			
Investments (Current and Non-current)	6.59	6.45	6.95
Total	**432.68**	**610.82**	**634.86**
Financial Liabilities at Amortised Cost			
Borrowings	993.59	366.47	238.02
Trade Payables	961.53	1,545.71	1,688.64
Other Financial Liabilities	52.30	50.81	43.15
Total	**2,007.42**	**1,962.99**	**1,969.81**

Note 4.7 ADDITIONAL INFORMATION DETAILS

4.7.1 Offsetting Financial Assets and Financial Liabilities

(₹ In Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
FDR's In Banks	220.94	381.83	733.71
Less: 100% Margin deposited in bank to take loan against deposit	87.10	130.23	513.64
Total	**133.84**	**251.60**	**220.07**

4.7.2 Government Grants (Ind AS 20)

The Company has received Government Grant from State Government being Capital Investment Subsidy. The same as been recognized as income in the Statement of Profit and Loss under "Other Income"

4.7.3 Assets taken on Operating Lease as per Ind AS 17:

Lease Prepayments made for leasehold land were classified as Leasehold Land under previous GAAP. However, under Ind AS, prepayments made for leasehold should be classified as lease prepayments under operating lease and the same should be amortized over lease term. According Lease prepayments as on 1st April, 2016 are classified from Property, Plant and Equipment into Lease Prepayments as Other Current and Non-Current Assets.

(₹ In Crore)

Sl. No	Particulars	For Year ended 31st March, 2018	For Year ended 31st March, 2017
1	Operating Lease Payments recognized in the Statement of Profit & Loss	0.09	0.09
2	General Description of Leasing Agreements:		
	(i) Lease Assets: Land		
	(ii) Future Lease Rentals are determined on the basis of agreed terms		
	(iii) At the expiry of lease terms, the Company has an option to return the assets or extend the terms by giving notice in writing.		
	(iv) Lease Agreements are generally cancellable and are renewable by mutual consent on mutually agreed terms.		

Notes to the Financial Statements as at 31st March, 2018

4.7.4 Corporate Social Responsibility

As per Companies Act, 2013, all companies having networth of ₹500 crores or more, turnover of ₹1,000 crores or more or net profit of ₹5 Crores or more during any financial year are required to spend at least 2% of average net profit of the Company's three immediately preceding financial years. Accordingly, the Company was required to spend ₹Nil towards CSR activities in financial year 2017-18.

Note 4.8 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARDS (IND AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARD

These financial statements for the year ended 31st March, 2018, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with generally accepted accounting principles in India (Previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on or after 31st March, 2018, together with the comparative period data as at and for the year ended 31st March, 2017, as described in the summary of significant accounting policies

In preparing these financial statements, the Company's opening statement of financial position was prepared as at 1st April, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Previous GAAP financial statements as at 1st April, 2016 and the financial statements as at and for the year ended 31st March, 2017.

A. Effect of Ind AS adoption on the Balance Sheet as at 31st March, 2017 and 1st April, 2016 (₹ In Crore)

	As at 31st March, 2017			As at 1st April, 2016		
	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS Balance Sheet	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS Balance Sheet
ASSETS						
Non-Current Assets						
Property, Plant and Equipment	409.20	(7.89)	401.31	412.83	(7.89)	404.94
Capital Work-in-Progress	0.52	-	0.52	0.45	-	0.45
Other Intangible Assets	1.96	-	1.96	2.08	-	2.08
Financial Assets						
Investments	4.23	(0.50)	3.73	4.23	(0.52)	3.71
Loan	0.38	-	0.38	0.38	-	0.38
Other Financial Assets	-	0.05	0.05	-	0.05	0.05
Other Non-Current Assets	19.02	6.92	25.94	17.74	7.01	24.75
Current Assets						-
Inventories	964.16	(504.11)	460.05	974.88	(451.45)	523.43
Financial Assets						
Investments	6.09	0.01	6.10	6.62	-	6.62
Trade Receivables	331.79	(120.03)	211.76	360.33	(69.86)	290.47
Cash and Cash Equivalents	121.25	(0.05)	121.20	131.83	(0.05)	131.78
Bank Balances other than Cash and Cash equivalents	139.19	-	139.19	95.30	-	95.30
Loans	153.03	(153.03)	-	100.82	(100.82)	-
Other Financial Assets	13.31	115.10	128.41	15.48	91.07	106.55
Current Tax Assets (Net)	17.03	-	17.03	30.23	-	30.23
Other Current Assets	3.00	38.02	41.02	3.06	9.84	12.90
TOTAL ASSETS	2,184.16	(625.51)	1,558.65	2,156.26	(522.62)	1,633.64

Notes to the Financial Statements as at 31st March, 2018

Note 4.8 A. Effect OF Ind AS adoption on the Balance Sheet as at 31st March, 2017 and 1st April, 2016 *(contd.)*

	As at 31st March, 2017			As at 1st April, 2016		
	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS Balance Sheet	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS Balance Sheet
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital	16.79	-	16.79	16.79	-	16.79
Other Equity	586.03	(1,064.05)	(478.02)	553.64	(960.09)	(406.45)
	602.82	**(1,064.05)**	**(461.23)**	**570.43**	**(960.09)**	**(389.66)**
Liabilities						
Non-Current Liabilities						
Financial Liabilities						
Borrowings	12.19	-	12.19	30.51	-	30.51
Other Financial Liabilities	4.47	-	4.47	5.44	-	5.44
	16.66	**-**	**16.66**	**35.95**	**-**	**35.95**
Deferred Tax Liabilities (Net)	40.59	-	40.59	37.01	-	37.01
Current Liabilities						
Financial Liabilities						
Borrowings	354.28	-	354.28	207.51	-	207.51
Trade Payables-Total Outstanding	1,106.22	439.49	1,545.71	1,249.15	439.49	1,688.64
Other Financial Liabilities	47.29	(0.95)	46.34	37.71	-	37.71
	1,507.79	**438.54**	**1,946.33**	**1,494.37**	**439.49**	**1,933.86**
Other Current Liabilities	16.30	-	16.30	16.48	-	16.48
Provisions	-	-	-	2.02	(2.02)	-
TOTAL EQUITY AND LIABILITIES	**2,184.16**	**(625.51)**	**1,558.65**	**2,156.26**	**(522.62)**	**1,633.64**

Previous GAAP numbers of the Financial Statements for the year ended 31st March, 2017 and Balance Sheet as on 1st April, 2016 have been reclassified as per Schedule III of Companies Act, 2013 for like-to-like comparison.

B. Effect OF Ind AS adoption on the Statement of Profit and Loss for the year ended 31st March, 2017

(₹ In Crore)

Particulars	Previous GAAP 31st March, 2017	Effect of Transition to Ind AS	Ind AS 31st March, 2017
INCOME			
Revenue from Operations	3,857.18	0.00	3,857.18
Other Income	3.12	34.03	37.15
Total Income (I)	**3,860.30**	**34.03**	**3,894.33**
EXPENSES			
Cost of Materials Consumed	3,311.85	52.66	3,364.51
Purchase of Stock-in-Trade	320.50	0.00	320.50
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	55.97	0.00	55.97
Employees Benefits Expenses	12.45	0.00	12.45
Finance Costs	69.50	(0.06)	69.44
Depreciation and Amortisation Expenses	17.95	0.00	17.95
Other Expenses	69.58	49.37	118.95
Total Expenses (II)	**3,857.80**	**101.97**	**3,959.77**

Notes to the Financial Statements as at 31st March, 2018

Note 4.8 B. Effect OF Ind AS adoption on the Statement of Profit and Loss for the year ended 31st March, 2017 *(contd.)*

Particulars			Previous GAAP 31st March, 2017	Effect of Transition to Ind AS	Ind AS 31st March, 2017
Profit Before Exceptional Item and Tax			**2.50**	**(67.94)**	**(65.44)**
	Exceptional Item		34.00	(34.00)	0.00
Profit Before Tax			**36.50**	**(101.94)**	**(65.44)**
	Tax Expenses				
		Current Tax	0.53	0.00	0.53
		Deferred Tax	3.58	0.00	3.58
Total Tax Expense			**4.11**	**0.00**	**4.11**
Profit for the Year (III)			**32.39**	**(101.94)**	**(69.55)**
OTHER COMPREHENSIVE INCOME					
A	(i)	Items that will not be reclassified to profit or loss	0.00	0.00	0.00
	(ii)	Income Tax relating to items that will not be reclassified to profit or loss	0.00	0.00	0.00
B	(i)	Items that will be reclasssified to profit or loss			
	(ii)	Income Tax relating to items that will be reclassified to profit or loss	0.00	0.00	0.00
			0.00	**0.00**	**0.00**
Other Comprehensive Income for the Year (IV)			**0.00**	**0.00**	**0.00**
Total Comprehensive Income for the Year (III+IV)			**32.39**	**(101.94)**	**(69.55)**

C. Reconciliation of Equity as at 31st March, 2017 and 1st April. 2016

(₹ In Crore)

Particulars		As at 31st March, 2017	As at 1st April, 2016
Total Equity as reported under previous GAAP		**602.82**	**570.43**
Re-measurements on transition to Ind AS			
a.	Fair Value of Investments designated through Other Comprehensive Income	(0.61)	(0.61)
b.	Fair Value of Investments designated through Profit and Loss	0.12	0.09
c.	Dividend not recognized as Liability until Declared and tax thereon	-	2.02
d.	Amortization of lease Prepayments	(0.88)	(0.79)
e.	Foreign Exchange Gain/(Loss)	0.95	-
f.	Sundry Debtor Written off	(120.03)	(69.86)
g.	Foreign Exchange Fluctuation Claim Written-off	(439.49)	(439.49)
h.	Loss for recoverable value of Inventory	(504.11)	(451.45)
Total Adjustments to Equity		**(1,064.05)**	**(960.09)**
Total Equity under Ind AS		**(461.23)**	**(389.66)**

Notes to the Financial Statements as at 31st March, 2018

Note 4.9 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

a. Credit Risk

b. Liquidity Risk

c. Market Risk

a. Credit Risk

Credit risk is the risk that counter party will not meet its obligations under a financial instruments or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks, investments, and other financial instruments.

i Trade Receivables

Customer credit risk is managed by the Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and major customers are generally secured by obtaining security deposits/bank guarantee or other forms of credit insurance. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivable.

ii Financial instrument and cash deposit

Credit risk is limited as the Company generally invest in deposits with banks. Investments primarily include investments in liquid mutual fund units. Counterparty credit limits are reviewed by the Company periodically and the limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

b. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically the Company ensures that it has sufficient cash on demand to meet expected short term operational expenses. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans/internal accruals.

c. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign currency risk. Financial instruments affected by market risk include borrowings,trade receivable and trade payable.

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company does not have significant debt obligations with floating interest rates, hence, is not exposed to any significant interest rate risk.

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not have significant foreign currency exposure and hence, is not exposed to any significant foreign currency risk.

Notes to the Financial Statements as at 31st March, 2018

Note 4.10 FIRST TIME ADOPTION OF IND AS (IND AS 101)

The Company has prepared financial statements for the year ended 31st March, 2018, in accordance with Ind AS for the first time. For the periods upto and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013.

Accordingly, the Company has prepared its financial statements to comply with Ind AS for the year ending 31st March, 2018, together with comparative information as at and for the year ended 31st March, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening Balance Sheet was prepared as at 1st April, 2016 i.e. the transition date to Ind AS for the Company. This note explains the principal adjustment made by the Company in restating its previous GAAP financial statements, including the Balance Sheet as at 1st April, 2016, and the financial statements as at and for the year ended 31st March, 2017.

Exemptions availed;

Deemed Cost for Property, Plant and Equipment and Intangible Assets:

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of 1st April, 2016 (the transition date), measured as per the Previous GAAP and use that carrying value as its deemed cost as of the transition date under Ind AS.

Investments in Subsidiaries, Joint Ventures and Associates:

The Company has elected to apply Previous GAAP carrying amount of its investments in Subsidiaries and Associates as deemed cost as on the date of transition to Ind AS.

Classification and Measurement of Financial Assets:

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

Fair Value of Financial Assets and Liabilities:

As per Ind AS exemption, the Company has not fair valued the financial assets and liabilities retrospectively and has measured the same prospectively.

Note 4.11 NOTES TO THE RECONCILIATION OF EQUITY AS AT 1ST APRIL, 2016 AND 31ST MARCH, 2017 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2017

A. Fair Valuation of Non-Current Investments [Equity Investments (other than Investments in Subsidiaries and Associates)]:

Equity Investments (Other than Investments in Subsidiaries and Associates):

Under Previous GAAP, long- term investments were measured at cost less diminution in value other than temporary. Under Ind AS, these financial assets have been classified as fair value through Other Comprehensive Income (FVTOCI). On the date of transition to Ind AS, these financial assets have been measured at their fair value.

B. Fair Valuation of Investments

[Mutual Funds]:

Under previous GAAP, current investments were measured at lower of cost or fair value. Under Ind AS, these financial assets have been classified as FVTPL on the date of transition. The fair value changes are recognised in the Statement of Profit and Loss.

Equity Investments (Other than Investments in Subsidiaries and Associates):

Under previous GAAP, current investments were measured at lower of cost or fair value. Under Ind AS, these financial assets have been classified as FVTOCI on the date of transition. The fair value changes are recognised in the OCI.

Notes to the Financial Statements as at 31st March, 2018

Note 4.11 NOTES TO THE RECONCILIATION OF EQUITY AS AT 1ST APRIL, 2016 AND 31ST MARCH, 2017 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2017 *(contd.)*

C. Other Comprehensive Income (OCI):

Under Previous GAAP, there was no concept of OCI. Under Ind AS, fair valuation of Bonds and Equity Investments not held for trade (other than Subsidiaries, Joint Ventures and Associates) are recognised in OCI.

D. Deferred Tax

IGAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS12 requires entities to account for deferred taxes using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under IGAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings, OCI or profit and loss respectively.

E. Minimum Alternate Tax (MAT) Credit Entitlement

As per Ind AS 12, the Company has considered MAT credit entitlement as deferred tax asset being unused tax credit entitlement.

F. Re-classification of Assets and Liabilities as per Schedule III of the Companies Act, 2013:

1 Under Previous GAAP, Loans as well as Advances were shown together under heading "Loans and Advances". However, as per Schedule III, Loans are classified under Financial Assets.

2 Fixed deposits with banks with maturity greater than twelve months have been reclassified from Cash and Cash equivalents to other non-current financial assets as per Schedule III of the Companies Act, 2013.

3 Fixed deposit with banks with maturity less than twelve months and those earmarked for specific purpose have been reclassified from Cash and Cash equivalents to Other Bank Balances as per Schedule III of the Companies Act, 2013.

4 Capital Advances have been reclassified from Long-term loans and advances to other Non-Current Assets.

5 Current and Non-Current Liabilities have been reclassified into financial and non-financial liabilities as per the nature of liabilities.

6 Lease hold land have been classified as operating leases as against the current practice of capitalizing them as leasehold land. Consequently, leasehold land has been de-recognised and Lease Land Prepayments have been recognised.

G. Inventory

The company has written off overvalued inventory ₹527.93 Crore as given in notes forming part of financial statement in para 4.8(C) (i) loss for recoverable value of inventory & Note No. 3.3 cost of material consumed. The year wise details as under:

Financial Year	Amount (In Crores)
2012-13	317.85
2013-14	168.91
2016-17	33.65
2017-18	7.52

Notes to the Financial Statements as at 31st March, 2018

Note 4.11 NOTES TO THE RECONCILIATION OF EQUITY AS AT 1ST APRIL, 2016 AND 31ST MARCH, 2017 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2017 *(contd.)*

Thus the effect of ₹451.45 Crore have been taken in the Balance Sheet Note 2.15(D) Retained Earning in total adjustment given in Fair Valuation on account of IND AS taken to Retained Earning ₹961.50 Crore.

₹52.66 Crore pertaining to financial year 2016-17 has been adjusted in Note No. 3.3 cost of material consumed.

₹23.82 Crore pertaining to financial year 2017-18 has been adjusted in Note No. 3.3 cost of material consumed.

The company has written off overvalued inventory by ₹527.93 Crore as mentioned in here above the over valuation was result of 2 reasons. The first reason was over valuation of sludge which is already taken at value of raw oil. The year wise over valuation is as under:

Financial Year	(In MT)	Amount (In Crores)
2015-16	27684	171.04
2016-17	3077	19.01
2017-18	2636	16.29

In the second reason was transfer of forex losses debited to supplier which were transferred to purchase account in financial year 2015-16 amounting to ₹280.41 Crore. The same was due to software error has been considered as purchase and quantity of 30,563.290 MT was taken excess in purchase and same was erroneous clubbed in inventory. The same has been rectified and the excess quantity has been deleted from the opening stock and valuation remains in purchase which were excess by ₹280.41 Crore. The effect of same has been given in note pertaining to written off.

H. Trade Payable

The company has written off foreign exchange losses of ₹439.49 crore as given in notes forming part of financial statement in para 4.8(C) (h) Foreign Exchange Fluctuation Claim Written off. The claim has been debited to foreign parties in following years:

Financial Year	Amount (In Crores)
2013-14	121.15
2014-15	152.40
2015-16	165.95

Thus the effect of ₹439.49 crore have been taken in the Balance Sheet Note 2.15(D) Retained Earning in total adjustment given in Fair Valuation on account of IND AS taken to Retained Earning ₹961.50 crore.

The company was not accounting for the excess payment made at the due date of L.C. in accordance with the AS-11 and in contradiction to the same was being debited to respective suppliers of the company and accordingly debit notes were raised as realizable from supplier. The company after its effort ultimately failed to recover the foreign exchange fluctuation losses from the supplier and therefore written off the foreign exchange losses.

Notes to the Financial Statements as at 31st March, 2018

Note 4.11 NOTES TO THE RECONCILIATION OF EQUITY AS AT 1ST APRIL, 2016 AND 31ST MARCH, 2017 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2017 *(contd.)*

I. Trade Receivable

The company has written off foreign exchange losses of ₹120.03 Crore as given in notes forming part of financial statement in para 4.8(C) (g) Sundry Debtor Written off. The claim has been debited to sundry debtors in following years:

Financial Year	Amount (In Crores)
09-10 to 15-16	69.86
2016-17	50.17

Thus the effect of ₹69.86 Crore have been taken in the Balance Sheet Note 2.15(D) Retained Earning in total adjustment given in Fair Valuation on account of IND AS taken to Retained Earning ₹961.50 Crore.

The effect of trade receivable written off ₹50.17 in financial year 2016-17 has been given effect in the Profit & Loss account of note 3.8 – other expenses.

The aforesaid amount of ₹120.03 Crore written off out of trade receivable can be bifurcated broadly on 3 aspects.

The first of ₹120.03 Crore as ₹63.21 Crore receivable from around 4900 customers/ parties where balances outstanding were less than ₹2 Lacs from each party. The outstanding amount was receivable due to fluctuation in rate of oil between contract date and delivery date. The difference was recoverable as per trade practice of oil industry and the company has raised the claim in accordance there with. The contracts are entered mostly on telephonic confirmation and the company has made its full effort to receive the money through regular follow up and personal visit of company's representative. The company has decided to write off the same as the legal cost have been very much higher and in view of the remote possibility of recovery. The company has no other option but to write off.

The second component of trade receivable amounting to ₹120.03 Crore is ₹14.54 Crore which is debited against sale of 93 parties. The said debit balances were mostly more than 3 years where debit become time barred and company could not recover the same through regular follow up and personal visit of company's representative.

The third component of trade receivable written off is ₹42.28 Crore which is due to late delivery of crude palm oil after a gap of 15 months from the date of dispatch. The company had placed order for crude palm oil from Golden Agri Trade Pte Ltd. and due to some unforeseen circumstances vessel was received after 15 months when entire crude palm oil was not usable at all. The company had lodged claim and even after settlement of claim amount ₹42.28 Crore remains unreleased which has been therefore written off.

J. Lease Hold Land:

Prepayments made for leasehold land were classified as Leasehold Land under previous GAAP. However, under Ind AS, prepayments made for leasehold should be classified as lease prepayments under operating lease and the same should be amortized over lease term. According Lease prepayments as on 1st April, 2016 are classified from Property, Plant and Equipment into Lease Prepayments as Other Current and Non-Current Assets.

Notes to the Financial Statements as at 31st March, 2018

Note 4.12 CURRENT YEAR OPERATION LOSS:

The losses amounting to ₹325.08 Crore in F.Y. 2017-18 and the same has been resulted to following reason:

a. The major component was ₹260.75 Crore was gross profit fluctuation. The reason of negative gross loss, lower yield, decrease in sales price in compared to purchase price & over valuation on F.G.

b. ₹20.10 Crore due to difference in other income.

c. ₹24.48 Crore due to excess finance cost.

d. ₹17.42 Crore due to prior period expenditure.

e. ₹0.48 Crore difference due to difference in other income.

f. ₹1.85 Crore difference due to depreciation and amortization.

Note 4.13 PREVIOUS YEARS FIGURES

Previous year figures have been regrouped / re-casted wherever considered necessary to make them comparable with those of the current year.

As per our report of even date
For **SPARSH & COMPANY**
Chartered Accountants
FRN - 013070C

Rahul Kumar Singh
[Partner]
M.No. 405120

Place: Varanasi
Date: 30.10.2018

For and on behalf of Board of Directors

S.N. Jhunjhunwala
Managing Director & CEO

Adarsh Jhunjhunwala
Whole-time Director

R.C. Garg
Chief Financial Officer

Kartik Agrawal
Company Secretary

Independent Auditors' Report

To the members of
JVL AGRO INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

We are engaged to audit the accompanying Consolidated Ind-AS financial statements of JVL Agro Industries Limited ('the Company'), and its subsidiary which comprise the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for The Consolidated Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the Consolidated Ind-As financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Ind-As financial statements based on conducting our audit in accordance with the Standards on Auditing under section 143(10) of the Act.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

Because of the limitation on work performed by us and on account ofthe matters described in the Basis for Disclaimer of Opinion paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

1. a) We would like to bring to your notice that the company has written off ₹961.50 crores from retained earnings mainly due to matters covered under Sr. 1 as a part of Ind-AS fair valuation.

   b) During FY 2017-18, the Company has incurred loss of ₹337.81 crore before tax expense and as on 31st March, 2018 the company has negative retained earnings of ₹655.95 crore and negative net-worth of ₹399.98 crore. Further the company's current liabilities exceed its current assets by ₹1,159.93 crore.

   On account of its operational and financial position, the company has delayed payments to various parties and dues to statutory authorities and interest on such delay is not determined. These factors might impact the aspect of going concern.

2. We would like to draw your attention to Note 2.15.1, Note 4.8(C)(g) and Note 4.11(I) to the standalone Ind-AS financial statements, based on these notes the company has written off the trade receivables of ₹120.03 crore and reduced from the retained earnings as on 31st March, 2017 as a part of fair valuation under Ind-AS. As per the Company aforesaid amount of ₹120.03 Crore written off due to a) write offs of ₹63.21 crores were trade receivables from the customers where the outstanding amount was receivable due to fluctuation in rate of oil between contract date and delivery date, b) write offs of ₹14.54 crore were on account of trade receivables which were outstanding for more than 3 years and c) write off of ₹42.28 Crore was on account of the claim lodged by the company on one supplier for delayed delivery of crude palm oil which remained outstanding. We are not able to comment on this trade receivables write offs due to unavailability of confirmations from the debtors, supporting related to recovery actions initiated, information and explanations from the management.

   We would like to draw your attention to Note 2.15.1, Note 4.8(C) (h) and Note 4.11(H) of the standalone Ind-AS financial statements, based on these notes the company has written off foreign exchange losses of ₹439.49 crore and reduced from the retained earnings as on 31st March, 2017 as a part of fair valuation under Ind-AS. As per the Company these losses were on account non-recovery of foreign exchange fluctuation losses from suppliers. We are not able to comment on this foreign exchange losses due to unavailability of proper documents, information and explanations from the management.

   We would like to draw your attention to Note 2.15.1, Note 3.3, Note 4.8(C)(i) and Note 4.11(G) of the standalone Ind-AS financial statements, based on these note the company has written off total inventory of ₹527.93 crore out of which ₹504.11 crore reduced from the retained earnings as on 31st March, 2017 as a part of fair valuation under Ind-AS and ₹23.82 crore were written off as cost of raw material consumed in statement of profit and loss on account. As per the Company these losses were a) on account of writing off of overvalued inventory and b) on account of writing off of revaluation of inventory which was wrongly accounted for. We are not able to comment on this inventory write offs due to inadequate records relating above transaction and unavailability of information and explanations from the management.

3. We would like to draw your attention to Note 4.12 of the standalone Ind-AS financial statements, based on this note the Company has incurred operating loss of ₹325.08 crore on account of various reasons. We are not able to comment on this inventory write offs due to inadequate records relating income and expenses and unavailability of information and explanations from the management.

4. Due to unavailability of reconciliation and confirmation of Trade Receivables, Loan and Advances, Trade Payables, Other Liabilities, long term borrowings and short term borrowings, we are not able to comment on its impact, if any, on the standalone financial statements.

5. We would like to draw your attention to Note 1.22 and Note 2.18 of the standalone Ind-AS financial statements, based on the note the company has recognized deferred tax assets of ₹427.11 crore. Due to possible effects of above matters from Sr. 1 to 3, we are not able to comment on creation of deferred tax assets due to inadequate documents demonstrating probability of future taxable profits which can be adjusted against unused tax losses.

6. We would like to draw your attention to the Note 1.13 of the standalone Ind-AS financial statements, the company has not provided any supporting document, supporting and clarification relating to determination of the net defined benefit liability in respect of Gratuity which comes under defined benefit plan under Ind-AS 19 Employee Benefits. We are not able to comment on the net defined liability as required under Ind-AS 19 Employee Benefits.

7. As mentioned in Independent Auditor's Report of the Subsidiary Company, it has recognized a revenue of INR 254.29 Crs. (2016: INR 378.19 Crs.) and purchases of INR 264.25 Crs. (INR 379.16 Crs.) for financial year ended December 31, 2017. The auditor do not concur with the revenue recognition of the Group and Company as there is no physical delivery or receipt of goods, i.e. net gain on trading should be recognised in the Income Statements. The difference in revenue recognition has no impact on profit before tax of the company.

Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED ON 31ST March, 2018

1. PRINCIPLES ON CONSOLIDATION

   The consolidated financial statements relate to JVL AGRO INDUSTRIES LIMITED ("the Company") and it's Subsidiary

Company. The consolidated financial statements have been prepared on the following basis:

The financial statements of the Company and its Subsidiary company are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions in accordance with Accounting Standards (AS) 21 – "Consolidated Financial Statements"

The Subsidiary is foreign subsidiary, being non integral operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the exchange fluctuation reserve. The average rate of one US$ for the year is taken INR 65.04 (67.09) and closing rate of one US$ is taken INR 65.04 (64.84) for conversion purpose.

As far as possible the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's separate financial statements.

2. OTHER SIGNIFICANT ACCOUNTING POLICIES

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

For -**SPARSH & COMPANY**
Chartered Accountants
Firm's Registration Number: 013070C

(RAHUL KUMAR SINGH)
(Partner)
Membership Number: 405120

Place: Varanasi
Date: 29.12.2018

Consolidated Balance Sheet as at 31st March, 2018

(₹ In Crore)

	Note No	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
ASSETS				
I. Non-Current Assets				
(a) Property, Plant and Equipment	2.1	393.00	401.32	404.95
(b) Capital Work-in-Progress	2.1	0.45	0.52	0.45
(c) Other Intangible Assets	2.1	1.40	1.96	2.08
(d) Financial Assets				
(i) Investments	2.2	1.70	1.68	1.66
(ii) Loan	2.3	0.38	0.38	0.38
(iii) Other Financial Assets	2.4	0.34	0.05	0.05
(e) Deferred Tax Assets (Net)	2.18	364.76	-	-
(f) Other Non-Current Assets	2.5	27.32	27.04	25.69
Total Non Current Assets		**789.35**	**432.95**	**435.26**
II. Current Assets				
(a) Inventories	2.6	377.78	460.05	523.43
(b) Financial Assets				
(i) Investments	2.7	6.22	6.10	6.62
(ii) Trade Receivables	2.8	168.79	213.07	290.47
(iii) Cash and Cash Equivalents	2.9	60.62	121.55	132.30
(iv) Bank Balances other than Cash and Cash equivalents	2.10	81.90	139.19	95.30
(v) Other Financial Assets	2.11	110.74	128.41	106.55
(c) Current Tax Assets (Net)	2.12	9.00	17.03	30.17
(d) Other Current Assets	2.13	22.50	51.00	24.51
Total Current Assets		**837.55**	**1,136.40**	**1,209.35**
TOTAL ASSETS		**1,626.90**	**1,569.35**	**1,644.61**
EQUITY AND LIABILITIES				
III. Equity				
(a) Equity Share Capital	2.14	16.79	16.79	16.79
(b) Other Equity	2.15	(399.98)	(467.58)	(395.71)
Total Equity		**(383.19)**	**(450.79)**	**(378.92)**
IV. Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	2.16	7.47	12.19	30.51
(ii) Other Financial Liabilities	2.17	5.14	4.47	5.44
(b) Deferred Tax Liabilities (Net)	2.18	-	40.59	37.01
Total Non Current Liabilities		**12.61**	**57.25**	**72.96**
V. Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	2.19	986.12	354.28	207.51
(ii) Trade Payables	2.20	961.53	1,545.71	1,688.64
(iii) Other Financial Liabilities	2.21	47.16	46.34	37.71
(b) Other Current Liabilities	2.22	2.67	16.56	16.71
Total Current Liabilities		**1,997.48**	**1,962.89**	**1,950.57**
TOTAL EQUITY AND LIABILITIES		**1,626.90**	**1,569.35**	**1,644.61**
Notes Forming Part of Financial Statement	1-4.12			

As per our report of even date
For **SPARSH & COMPANY**
Chartered Accountants
FRN - 013070C

Rahul Kumar Singh
[Partner]
M.No. 405120

Place: Varanasi
Date: 29.12.2018

For and on behalf of Board of Directors

S.N. Jhunjhunwala
Managing Director & CEO

Adarsh Jhunjhunwala
Whole-time Director

Consolidated Statement of Profit and Loss for the years ended 31st March, 2018 and 2017

(₹ In Crore)

		Note No	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
I	Revenue from Operations	3.1	3,444.50	4,235.37
II	Other Income	3.2	17.06	40.84
III	**Total Income**		**3,461.56**	**4,276.21**
IV	EXPENSES			
	(a) Cost of Materials Consumed	3.3	3,188.10	3,364.51
	(b) Purchase of Stock-in-Trade	3.4	367.02	699.66
	(c) Changes in Inventories	3.5	28.79	55.97
	(d) Employees Benefits Expenses	3.6	12.25	12.45
	(e) Finance Costs	3.7	93.92	69.44
	(f) Depreciation and Amortisation Expenses	2.1	19.80	17.95
	(g) Other Expenses	3.8	89.49	121.66
	Total Expenses		**3,799.37**	**4,341.64**
V	**Profit Before Tax (III-IV)**		**(337.81)**	**(65.43)**
VI	Tax Expenses			
	(a) Current Tax		0.00	0.53
	(b) Deferred Tax	2.18	(405.35)	3.58
	Total Tax Expense		**(405.35)**	**4.11**
VII	**Profit/ (Loss) for the Year (V-VI)**		**67.54**	**(69.54)**
VIII	OTHER COMPREHENSIVE INCOME	3.9		
	A (i) Items that will not be reclassified to statement of profit or loss		0.00	0.00
	(ii) Income Tax relating to items that will not be reclassified to Statement of profit or loss		0.00	0.00
	B (i) Items that will be reclasssified to Statement of profit or loss		0.00	0.00
	(a) Foreign Currency Translation differences		0.06	(0.31)
	(ii) Income Tax relating to items that will be reclassified to profit or loss		0.00	0.00
	Other Comprehensive Income for the Year		**0.06**	**(0.31)**
IX	**Total Comprehensive Income/(Loss) for the Year (VII+VIII)**		**67.60**	**(69.85)**
X	**Earnings per Equity Share (Face Value ₹1 each)**			
	Basic (₹)		4.02	(4.14)
	Diluted (₹)		4.02	(4.14)
XI	**Notes Forming Part of Financial Statement**	**1-4.12**		

As per our report of even date
For **SPARSH & COMPANY**
Chartered Accountants
FRN - 013070C

Rahul Kumar Singh
[Partner]
M.No. 405120

Place: Varanasi
Date: 29.12.2018

For and on behalf of Board of Directors

S.N. Jhunjhunwala
Managing Director & CEO

Adarsh Jhunjhunwala
Whole-time Director

Consolidated Statement of Changes In Equity for the year ended 31st March, 2018 and 31st March, 2017

A. EQUITY SHARE CAPITAL

For the year ended 31st March, 2018 (₹ In Crore)

Balance as at 1st April, 2017	Changes in Equity Share Capital during the year	Balance as at 31st March, 2018
16.79	-	16.79

For the year ended 31st March, 2017 (₹ In Crore)

Balance as at 1st April, 2016	Changes in Equity Share Capital during the year	Balance as at 31st March, 2017
16.79	-	16.79

B. OTHER EQUITY

(i) As at 31st March, 2018 (₹ In Crore)

	Securities Premium Reserve	General Reserve	Capital Reserve	Retained Earnings	Other Comprehensive Income		Total Equity/ Equity attributable to share holders of the Group
					Equity Instruments through Other Comprehensive Income	Foreign Exchange Translation Difference	
Opening Balance as at 1st April, 2017	112.05	32.16	109.81	(723.49)	(0.61)	2.50	(467.58)
Profit for the year	-	-	-	67.54	-	-	67.54
Foreign Exchange Conversion Difference	-				-	0.06	0.06
Closing Balance as at 31st March, 2018	**112.05**	**32.16**	**109.81**	**(655.95)**	**(0.61)**	**2.56**	**(399.98)**

(i) As at 31st March, 2017 (₹ In Crore)

	Securities Premium Reserve	General Reserve	Capital Reserve	Retained Earnings	Other Comprehensive Income		Total Equity/ Equity attributable to share holders of the Group
					Equity Instruments through Other Comprehensive Income	Foreign Exchange Translation Difference	
Opening Balance as at 1st April, 2016	112.05	32.16	109.81	(651.93)	(0.61)	2.81	(395.71)
Profit for the year	-	-	-	(69.54)	-	-	(69.54)
Dividend (Including Corporate Dividend Tax)	-	-	-	(2.02)	-	-	(2.02)
Foreign Exchange Conversion Difference	-	-	-	-		(0.31)	(0.31)
Closing Balance as at 31st March, 2017	112.05	32.16	109.81	(723.49)	(0.61)	2.50	(467.58)

As per our report of even date
For SPARSH & COMPANY
Chartered Accountants
FRN - 013070C

Rahul Kumar Singh
[Partner]
M.No. 405120

Place: Varanasi
Date: 29.12.2018

For and on behalf of Board of Directors

S.N. Jhunjhunwala
Managing Director & CEO

Adarsh Jhunjhunwala
Whole-time Director

Consolidated Statement of Cash Flow for the year ended 31st March, 2018 and 2017

(₹ In Crore)

		For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
(A)	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit/(Loss) before tax	(337.81)	(65.43)
	Adjustments for:		
	Depreciation & amortisation	19.80	17.95
	Investment fair value adjustment	(0.13)	(0.03)
	Interest Income	(2.31)	(6.54)
	Finance costs	93.92	69.44
	Foreign exchange gain/loss	0.13	(0.95)
	Operating profit before working capital changes	**(226.40)**	**14.44**
	Adjustment for:		
	(Increase)/Decrease in Non Current/Current financial and others assets	155.20	(3.05)
	Inventory	82.27	63.38
	Increase/(Decrease) in Non Current/Current financial and others Liabilities	(306.81)	198.64
	Cash generated from operations	**(295.74)**	**273.41**
	NET CASH FLOWS FROM OPERATING ACTIVITIES	**(295.74)**	**273.41**
	Cash flow from investing activities		
	Payment for purchase and construction of property, plant and equipment		
	Investments in Property, Plant and Equipment	(10.85)	(14.27)
	Interest Income	2.31	6.54
(B)	NET CASH FLOWS FROM INVESTING ACTIVITIES	**(8.54)**	**(7.73)**
	Cash flow from financing activities		
	Increase/(decrease) in Borrowings and Finance charges.	(93.92)	(69.44)
	Dividend Paid including dividend tax	0.00	(2.02)
	Proceeds from short term borrowing	341.30	(196.23)
	repayment from Long term borrowing	(4.03)	(8.74)
(C)	NET CASH FLOWS FROM FINANCING ACTIVITIES	**243.35**	**(276.43)**
	Net increase / (decrease) in cash and cash equivalents	(60.93)	(10.75)
	Cash and cash equivalents at the beginning of the year	121.55	132.30
	Cash and cash equivalents at the end of the year	**60.62**	**121.55**

As per our report of even date
For **SPARSH & COMPANY**
Chartered Accountants
FRN - 013070C

For and on behalf of Board of Directors

S.N. Jhunjhunwala
Managing Director & CEO

Adarsh Jhunjhunwala
Whole-time Director

Rahul Kumar Singh
[Partner]
M.No. 405120

Place: Varanasi
Date: 29.12.2018

Notes to the Consolidated Financial Statements as at 31st March, 2018

GENERAL INFORMATION

JVL Agro Industries Limited ("the Company") is a public limited company and listed on Bombay Stock Exchange (BSE), National Stock Exchange (NSE). The Company is market leader in edible oil industry. The Company produce rice as well. The company has manufacturing facilities in Naupur-Uttar Pradesh, Alwar- Rajasthan. Dehri - Bihar, Haldia - West Bengal and Rohtas, Bihar and sell primarily its products in India.

Note 1: Significant Accounting Policies

1.1 Statement of compliance:

These financial statements are prepared and presented in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under section 133 of the Companies Act, 2013, the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

These are Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2016. The Company has availed first time adoption exemption as per Ind AS 101 (Refer Note 4.11 for details).

Upto the year ended 31st March, 2017, the Company prepared its financial statements in accordance with previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006, the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable. In these financial statements for the year ended 31st March, 2018, the financial statements for previous year ended 31st March, 2017 and Balance Sheet as at 1st April, 2016, have been prepared and presented as per Ind AS for like- to- like comparison.

1.2 Basis of Preparation:

The financial statements have been prepared and presented on the going concern basis and at historical cost, except for the following assets and liabilities which have been measured at fair value:

- Derivative Financial Instruments (covered under para 1.16)
- Certain financial assets and liabilities at fair value [(refer accounting policy regarding financial instruments (covered under para 1.17 and para 1.18)]

1.3 Functional and presentation Currency:

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

1.4 Classification of assets and liabilities as current and non-current:

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time lag between the acquisition of assets for processing and their realization in cash and cash equivalents, 12 months period has been considered by the Company as its normal operating cycle.

1.5 Property, Plant and equipment (PPE):

Property, plant and equipment are stated at acquisition or construction cost less accumulated depreciation and impairment loss. Cost comprises the purchase price and any attributable cost of bringing the asset to its location and working condition for its intended use, including relevant borrowing costs and any expected costs of decommissioning.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Notes to the Consolidated Financial Statements as at 31st March, 2018

The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Company in future periods and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Items such as spare parts, standby equipment and servicing equipment are recognised as PPE when it is held for use in the production or supply of goods or services, or for administrative purpose, and are expected to be used for more than one year. Otherwise such items are classified as inventory.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of PPE, is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

1.6 Treatment of Expenditure during Construction Period:

Expenditure, net of income earned, during construction (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) period is included under capital work-in-progress, and the same is allocated to the respective PPE on the completion of construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other Non- Current Assets".

1.7 Depreciation:

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life and is provided on a straight-line basis.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

The Company has used the following useful lives of the property, plant and equipment to provide depreciation.

A. Major Assets Class where useful life considered as provided in Schedule II:

S. No.	nature of assets	estimated useful life of the assets
1	Plant and Machinery - Continuous Process Plant	25 years
2	Plant and Machinery - Non – Continuous Process Plant	15 years
3	Factory Buildings	30 years
4	Building (other than Factory Buildings)	60 years
5	Electric Installations	10 years
6	Computer and other Hardware	3 years
7	Office Equipment	5 years
8	Motor Vehicle	8 years
9	Motor Cycle	10 years

The estimated useful lives, residual values and the depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Continuous process plant, as defined in Schedule II of the Companies Act, 2013, have been classified on the basis of technical assessment and depreciation is provided accordingly.

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of a new Project from the date of commencement of commercial production. Depreciation on deductions/ disposals is provided on a pro-rata basis upto the month preceding the month of deduction/disposal.

Notes to the Consolidated Financial Statements as at 31st March, 2018

1.8 Intangible Assets Acquired Separately And Amortisation:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible Assets and their useful lives are as under:

S. no.	Nature of assets	Estimated useful life of the assets
1	Computer software	5 years

1.9 Non-Current Assets Classified As Held For Disposal:

Assets which are available for immediate sale and its sale must be highly probable are classified as "Assets held for Disposal". Such assets or group of assets are presented separately in the Balance Sheet, in the line "Assets held for Disposal". Once classified as held for disposal, such assets are no longer amortised or depreciated. Such assets are stated at the lower of carrying amount and fair value less costs to sell.

1.10 Impairment of non-Financial assets:

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.11 Inventories:

Inventories are valued at lower of cost or net realisable value except scrap (salvage), which is valued at net estimated realisable value.

The methods of determining cost of various categories of inventories are as follows:

Raw materials	:	Weighted average method
Stores and spares	:	Weighted average method

Notes to the Consolidated Financial Statements as at 31st March, 2018

Work-in-progress and finished goods (manufactured)	:	Variable cost at weighted average including an appropriate share of variable and fixed production overheads. Fixed production overheads are included based on normal capacity of production facilities Fuel, consumables, packing material etc. Weighted average method Finished goods (traded) Weighted average method
Goods in transit	:	Cost of purchase

Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition inclusive of excise duty wherever applicable. Excise duty liability is included in the valuation of closing inventory of finished goods.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials and other supplies held for use in the production of finished products are not written down below cost, except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis.

Obsolete, defective, slow moving and unserviceable inventories, if any, are duly provided for.

1.12 Leases:

Finance lease: as a lessee:

Leases, where substantially all the risks and benefits incidental to ownership of the leased item are transferred to the Lessee, are classified as finance lease. The assets acquired under finance lease are capitalised at lower of fair value and present value of the minimum lease payments at the inception of the lease and disclosed as leased assets. Such assets are amortised over the period of lease or estimated life of such asset, whichever is lower. Lease payments are apportioned between the finance charges and reduction of the lease liability based on implicit rate of return. Lease management fees, lease charges and other initial direct costs are capitalised.

Operating lease: as a lessee:

Leases, where significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases and lease rentals thereon are charged to the Statement of Profit and Loss on a straight-line basis over the lease term.

1.13 Employee Benefits:

Short-term employee benefits:

Short-term employee benefits are recognised as an expense on accrual basis.

Defined contribution plan:

Contribution payable to recognised provident fund and approved superannuation scheme, which are substantially defined contribution plans, is recognised as expense in the Statement of Profit and Loss, as they are incurred.

The provident fund contribution as specified under the law is paid to the Provident Fund to the Regional Provident Fund Commissioner.

Defined benefit plan:

The Liability of gratuity of employee is provided by taking LIC's group gratuity insurance scheme.

Notes to the Consolidated Financial Statements as at 31st March, 2018

1.14 Foreign Currency Transactions:

In preparing the financial statements of the Company, transactions in foreign currencies, other than the Company's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency, are not retranslated.

Exchange differences on monetary items are recognized in the Statement of Profit and Loss in the period in which these arise except for:

exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and exchange differences on transactions entered into in order to hedge certain foreign currency risks.

1.15 Derivative Financial Instruments And Hedge Accounting:

The Company enters into forward contracts to hedge the foreign currency risk of firm commitments and highly probable forecast transactions. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item. The Company does not hold financial instruments for speculative purpose.

Hedge accounting:

The Company designates certain hedging instruments in respect of foreign currency risk as cash flow hedges. At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to the Statement of Profit and Loss in the periods when the hedged item affects profit or loss. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the statement of profit and loss.

1.16 Fair value measurement:

The Company measures financial instruments, such as investments (other than equity investments in Subsidiaries, Joint Ventures and Associates) and derivatives at fair values at each Balance Sheet date.

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

Notes to the Consolidated Financial Statements as at 31st March, 2018

participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations.

1.17 Financial Instruments:

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Initial Recognition And Measurement:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of profit and loss.

Classification And Subsequent Measurement:

Financial Assets:

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) on the basis of both:

a) business model for managing the financial assets, and

b) the contractual cash flow characteristics of the financial asset.

Notes to the Consolidated Financial Statements as at 31st March, 2018

A Financial Asset is measured at amortized cost if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and

b) 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.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and

b) 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.

A Financial Asset shall be classified and measured at fair value through profit or loss (FVTPL) unless it is measured at amortized cost or at fair value through OCI.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Equity Investments:

Equity investments in Subsidiaries, Associates and Joint ventures are out of scope of Ind AS 109 and hence, the Company has accounted for its investment in Subsidiaries, Associates and Joint Ventures at cost.

All other equity investments are measured at fair value. Equity instruments, which are held for trading, are classified as at FVTPL. For equity instruments other than held for trading, the company has exercised irrevocable option to recognize in other comprehensive income subsequent changes in the fair value.

Where the Company classifies equity instruments as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Cash And Cash Equivalents:

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash, which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

Impairment of Financial assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments- for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk of trade receivable. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

De-recognition of Financial Assets:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains

Notes to the Consolidated Financial Statements as at 31st March, 2018

substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes an associated liability.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in the Statement of profit and loss.

Financial Liabilities and Equity Instruments:

Classification As Debt Or Equity:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments:

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities:

Financial liabilities are classified, at initial recognition:

- at fair value through profit or loss,
- Loans and borrowings,
- Payables, or
- as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings and payables, they are recognized net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings, including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL:

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at FVTPL are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and Borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in the Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

Notes to the Consolidated Financial Statements as at 31st March, 2018

Derecognition Of Financial Liabilities:

The Company de-recognizes financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognized and the consideration paid and payable is recognized in the statement of profit and loss.

1.18 Revenue Recognition:

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

a) Sales are recognized on transfer of significant risks and rewards of ownership of the goods to the buyer as per the terms of contract and no uncertainty exists regarding the amount of consideration that will be derived from sales of goods. It also includes excise duty (as it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not) and price variation based on the contractual agreement. It is measured at fair value of the consideration received net of sales tax/value added tax and discounts. Sales exclude self-consumption of finished goods.

b) Income from services is recognised (net of service tax as applicable) as they are rendered, based on agreement/arrangement with the concerned customers.

c) Dividend income is accounted for when the right to receive the income is established.

d) For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

e) Interest income for all financial instruments measured at fair value through other comprehensive income is recognised in the statement of profit and loss.

f) Export incentives, insurance, railway and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

1.19 Employee Share Based Payments:

Equity-settled share-based payments to employees are measured by reference to the fair value of the equity instruments at the grant date using Black Scholes Model.

The fair value determined at the grant date of the equity-settled share-based payments, is charged to Profit and Loss on the straight-line basis over the vesting period of the option, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. The employee stock option outstanding account is shown net of unamortised deferred employee compensation expenses. However as on date there are no employee share based payment made.

1.20 Borrowing Cost:

Borrowing cost includes interest expense, amortization of discounts, ancillary costs incurred in connection with borrowing of funds and exchange difference, arising from foreign currency borrowings, to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are attributable to the acquisition or construction or production of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

All other borrowing cost are recognized in the Statement of Profit and Loss in the period in which they are incurred.

Notes to the Consolidated Financial Statements as at 31st March, 2018

1.21 Government Grants and Subsidies:

Government grants, related to assets, are recognized in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognizes the related costs for which the grants are intended to compensate.

Government grants related to income under State Investment Promotion Scheme linked with VAT/GST etc, are recognized in the Statement of Profit and Loss in the period in which they become receivable.

Government Grants are recognized when there is a reasonable assurance that the same will be received and all attached conditions will be complied with.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates, and is recognized in the Statement of Profit and Loss.

1.22 Provision For Current And Deferred Tax:

Current tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961, and the rules framed there under.

Deferred tax is recognized using the Balance Sheet approach on the temporary differences between the carrying amounts of assets and liabilities in the financial statements and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset, if there is a legally enforceable right to offset current tax liabilities and assets, and these relate to income taxes levied by the same tax authority and are intended to settle current tax liabilities, and assets on a net basis or such tax assets and liabilities will be realized simultaneously.

In the event of unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets are recognized to the extent that it is probable that sufficient future taxable income will be available to realize such assets.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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.

Current and deferred tax are recognized in the statement of profit and loss, except when the same relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax relating to such items are also recognized in other comprehensive income or directly in equity respectively.

1.23 Minimum Alternate Tax (MAT):

MAT is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized, it is credited to the Statement of Profit and Loss and is considered as (MAT Credit Entitlement). The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period. Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence, it is presented as Deferred Tax Asset.

Notes to the Consolidated Financial Statements as at 31st March, 2018

1.24 Provision for Contingent Liabilities:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and is recognized.

1.25 Segment Reporting:

Identification Of Segments:

Operating segments are identified based on monitoring of operating results. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss of the company.

Operating segments are identified based on the nature of products and services, the different risks and returns and the internal business reporting system. Geographical segment is identified based on geography in which major operating divisions of the company operate.

Segment Policies:

However as on date there are no segment reporting applicable.

1.26 Earning per Share (EPS):

The basic EPS is computed by dividing the profit after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted EPS, profit after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

1.27 Significant Accounting Judgments, Estimates and Assumptions:

The preparation of financial statements in conformity with the Ind AS requires judgments, estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognized in the period in which the results are known or materialize. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in the current and future periods.

a. **Estimates And Assumptions:**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year, are

Notes to the Consolidated Financial Statements as at 31st March, 2018

described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

- **Useful Lives Of Property, Plant And Equipment:**
  The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by the management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

- **Recognition and measurement of provisions and contingencies:**
  Key assumptions about the likelihood and magnitude of an outflow of resources.

- **Fair value measurement of Financial Instruments:**
  When the fair value of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted cash flow (DCF) model. The inputs to these models are taken from observable market where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgment includes consideration of input such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

1.28 Cash Dividend To Equity Holders Of The Company:

The Company recognizes a liability to make cash distributions to equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

Notes to the Consolidated Financial Statements as at 31st March, 2018

Note 2.1 PROPERTY, PLANT AND EQUIPMENT

Year ended 31st March, 2018

(₹ In Crore)

Particulars	Gross Block				Depreciation				NET BLOCK
	As at 1st April, 2017	Additions	Disposal / Adjust-ment	As at 31st March, 2018	As at 1st April, 2017	For the year	Disposal / Adjust-ment	As at 31st March, 2018	As at 31st March, 2018
Tangible Assets *									
Land (Free Hold)	10.00	1.70	-	11.70	-	-	-	-	11.70
Buildings	58.39	1.48	-	59.87	10.57	1.90	-	12.47	47.40
Plant & Machinery	433.80	6.75	-	440.55	101.67	16.13	-	117.80	322.75
Office Equipments	2.87	0.84	-	3.71	2.54	0.38	-	2.92	0.79
Furniture & Fittings	1.51	0.01	-	1.52	0.62	0.14	-	0.76	0.76
Vehicles	3.99	0.14	-	4.13	2.44	0.34	-	2.78	1.35
Turbine (Co Generation System along with Pressure Boiler)	14.80	-	-	14.80	6.20	0.35	-	6.55	8.25
Total Tangible Assets	**525.36**	**10.92**	**-**	**536.28**	**124.04**	**19.24**	**-**	**143.28**	**393.00**
Intangible Assets *									
Server & Network	2.81	-	-	2.81	0.85	0.56	-	1.41	1.40
Total Intangible Assets	**2.81**	**-**	**-**	**2.81**	**0.85**	**0.56**	**-**	**1.41**	**1.40**
Capital Work-in-Progress	**0.52**	**-**	**0.07**	**0.45**	**-**	**-**	**-**	**-**	**0.45**
	528.69	**10.92**	**0.07**	**539.54**	**124.89**	**19.80**	**-**	**144.69**	**394.85**

Year ended 31st March, 2017

(₹ In Crore)

	Gross Block				Depreciation				NET BLOCK
	Deemed Cost 1st April, 2016	Additions	Disposal / Adjust-ment	As at 31st March, 2017	As at 1st April, 2016	For the year	Disposal / Adjust-ment	As at 31st March, 2017	As at 31st March, 2017
Tangible Assets *									
Land (Free Hold)	10.00	-	-	10.00	-	-	-	-	10.00
Buildings	57.36	1.03	-	58.39	8.78	1.79	-	10.57	47.82
Plant & Machinery	421.07	12.73	-	433.80	86.99	14.68	-	101.67	332.13
Office Equipments	2.84	0.03	-	2.87	2.29	0.25	-	2.54	0.33
Furniture & Fittings	1.51	-	-	1.51	0.48	0.14	-	0.62	0.89
Vehicles	3.99	-	-	3.99	2.14	0.30	-	2.44	1.55
Turbine (Co Generation System along with Pressure Boiler)	14.80	-	-	14.80	5.94	0.26	-	6.20	8.60
Total Tangible Assets	**511.57**	**13.79**	**-**	**525.36**	**106.62**	**17.42**	**-**	**124.04**	**401.32**
Intangible Assets *									
Server & Network	2.40	0.41	-	2.81	0.32	0.53	-	0.85	1.96
Total Intangible Assets	**2.40**	**0.41**	**-**	**2.81**	**0.32**	**0.53**	**-**	**0.85**	**1.96**
Capital Work-in-Progress	**0.45**	**0.07**	**-**	**0.52**	**-**	**-**	**-**	**-**	**0.52**
	514.42	**14.27**	**-**	**528.69**	**106.94**	**17.95**	**-**	**124.89**	**403.80**

Notes to the Consolidated Financial Statements as at 31st March, 2018

Note 2.2 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

Year ended 31st March, 2018 (₹ In Crore)

	No. of Shares / Securities	Face Value	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Long-term, Fully Paid-up)					
Investments in Equity Instruments					
Associates: Carried at Cost					
(i) Adamjee Extraction P Ltd, Sri Lanka	2231439	10	1.00	1.00	1.00
(ii) JVL Mega Food Park P Ltd *	2500	10	-	-	-
(iii) JVL Cement Ltd	10000	10	0.01	0.01	0.01
Total Investments carried at cost			**1.01**	**1.01**	**1.01**
Others: Carried at Fair Value through Other Comprehensive Income (FVTOCI)					
Quoted:					
(i) Sun Phamaceutical Industries Ltd.	80	5	0.01	0.01	0.01
(ii) Indo Rama Synthetics (India) Ltd.**	500	10	-	-	-
(iii) Tata Tele Services. Ltd. ***	1133	10	-	-	-
(iv) Bank Of Baroda	2045	10	0.03	0.03	0.03
(v) BGR Energy System Ltd.	550	10	0.01	0.01	0.01
(vi) Reliance Power Ltd.	2614	10	0.01	0.01	0.01
Unquoted:					
(i) Jhunjhunwala Oil Mills Ltd.	100000	10	-	-	-
(ii) Sealac Agro Ventures Ltd	250000	10	0.25	0.25	0.25
(iii) JVL Textile Park Pvt Ltd	5000	10	0.01	0.01	0.01
(iv) Tripurari Finvest Ltd	9000	500	-	-	-
Investments in Mutual funds: Carried at Fair Value through Profit or Loss (FVTPL)					
Quoted Investments in Mutual Funds					
(i) PNB Mutual fund	15197.57	10	0.05	0.05	0.04
(ii) HDFC AMC PMS-Real Estate Portfolio		10	0.08	0.07	0.07
(iii) Baroda Pioneer Short Term Fund	126335.77	10	0.15	0.15	0.14
(iv) Unicon KBC Equity Fund	50000	10	0.09	0.08	0.08
Total Investments			**1.70**	**1.68**	**1.66**

* JVL Mega Food Park P Ltd ₹25,000 (₹25,000)

**Indo Rama Synthetics (India) Ltd. ₹14,625 (₹16,450)

***Tata Tele Services Ltd. ₹6,254 (₹8,158)

2.2.1 Aggregate Book Value of:

(₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Quoted Investments	0.37	0.36	0.36
Unquoted Investments	1.82	1.82	1.82
	2.19	**2.18**	**2.18**
Aggregate Market Value of Quoted Investments	0.43	0.41	0.39
Aggregate Market Value of Unquoted Investments	1.27	1.27	1.27
	1.70	**1.68**	**1.66**

Notes to the Consolidated Financial Statements as at 31st March, 2018

2.2.2 Category wise Non-Current Investments: (₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Quoted:			
Financial Investments measured at FVTOCI			
Equity Shares	0.06	0.06	0.06
Mutual Funds	0.37	0.35	0.33
Sub-Total (a)	**0.43**	**0.41**	**0.39**
Financial Investments carried at Cost			
Equity Shares	-	-	-
Sub-Total (b)	**-**	**-**	**-**
Sub-Total (a+b)	**0.43**	**0.41**	**0.39**
Unquoted:			
Financial Investments measured at FVTOCI			
Equity Shares	0.26	0.26	0.26
Sub-Total (a)	**0.26**	**0.26**	**0.26**
Financial Investments carried at Cost			
Equity Shares	1.01	1.01	1.01
Sub-Total (b)	**1.01**	**1.01**	**1.01**
Sub-Total (a+b)	**1.27**	**1.27**	**1.27**

2.2.3 The Company has opted to measure its Investments in Associates at cost in terms of the exemption available in Ind AS 101- First Time Adoption of Ind AS. Accordingly, the book value of Investments in Associates as on 1st April, 2016 (the transition date), as per previous GAAP has been now considered as deemed cost.

2.2.4 Disclosure requirement of Ind AS 107 - Financial Instruments: Disclosure

a. **Equity Instruments (Other than Subsidiary and Associates) designated at FVTOCI**
These Investments have been designated on initial recognition to be measured at FVTOCI as these are strategic Investments and are not intended for sale.

b. **Mutual Fund's Unit at FVTPL**
Mutual Funds have been designated on initial recognition to be measured at FVTPL as these financial assets do not pass the contractual cash flow test as required by Ind AS 109 - Financial Instruments, for being designated at amortised cost or FVTOCI, hence classified at FVTPL

Note 2.3 NON-CURRENT FINANCIAL ASSETS - LOANS

(₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Unsecured, Considered Good unless otherwise stated)			
Other Loans	0.38	0.38	0.38
	0.38	**0.38**	**0.38**

Note 2.4 NON-CURRENT FINANCIAL ASSETS - OTHERS

(₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Fixed Deposits with Banks with maturity more than 12 Months	0.34	0.05	0.05
	0.34	**0.05**	**0.05**

Notes to the Consolidated Financial Statements as at 31st March, 2018

Note 2.5 OTHER NON-CURRENT ASSETS

(₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Leasehold Land Prepayments	6.83	6.92	7.01
Capital Advances for Purchase of Property, Plant and Equipment	14.84	15.10	14.84
Security Deposits	5.64	5.01	3.83
Other Advances (Deposit with Government Authorities, etc.)	0.01	0.01	0.01
	27.32	**27.04**	**25.69**

Note 2.6 INVENTORIES

(Valued at lower of cost and net realisable value, unless otherwise stated)

(₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Raw Material *	185.58	235.29	235.85
Finished Goods	123.45	166.77	221.22
Stock in Process	46.42	31.89	33.41
Packing Materials, Stores & Chemicals	22.33	26.10	32.95
	377.78	**460.05**	**523.43**

Note 2.7 CURRENT FINANCIAL ASSETS - INVESTMENTS

(₹ In Crore)

	Face Value	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Investments at fair value through FVTPL (fully paid)				
Quoted Shares				
(i) Nil (FY 2016-17 Nil and 1st April, 2016 - 8,522)				
Dhunseri Petrochem & Tea Ltd.	10	-	-	0.05
(ii) 1,59,146 (FY 2016-1,59,146 and 1st April, 2016-1,59,146)				
Gyan Trade Ltd.	10	3.84	3.84	3.84
(iii) Nil (FY 2016 Nil and 1st April,2016-96,619)				
Polylink Polymers India Ltd.	10	-	-	0.05
(iv) Nil (FY 2016 Nil and 1st April, 2016-4,05,334)				
Aftek Ltd.	10	-	-	0.23
(v) Nil (FY 2016 Nil and 1st April, 2016-10,000)				
Goldstone Technologies Ltd.	10	-	-	0.01
(vi) Nil (FY 2016 Nil and 1st April, 2016-44,504)				
Jubiliant Life Science Ltd.	10	-	-	0.70
(vii) Nil (FY 2016 Nil and 1st April, 2016-3,88,085)				
Hindustan Wires Ltd.	10	-	-	1.74
Quoted Investments in Mutual Funds				
(i) 22,50,000 (FY 2016-22,50,000 and 1st April, 2016 Nil)				
Union Capital Protection Fund	10	2.38	2.26	-
Total Investments		**6.22**	**6.10**	**6.62**

Notes to the Consolidated Financial Statements as at 31st March, 2018

Note 2.8 TRADE RECEIVABLES

(₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unsecured-Considered Good	168.79	213.07	290.47
	168.79	**213.07**	**290.47**

Note 2.9 CASH AND CASH EQUIVALENTS

(₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Cash in hand	0.71	0.52	0.47
Balances with Banks			
In Current Account	7.92	8.28	6.75
In Deposit Account - Original Maturity of 3 Months or Less			
- In Margin Money account	39.04	-	45.06
- Others	12.95	112.75	80.02
	60.62	**121.55**	**132.30**

Note 2.10 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Earmarked Unclaimed Divided Accounts	0.39	0.39	0.36
In Deposit Accounts-Original maturity more than 3 months but less than 12 months			
- In Margin Money account	81.51	115.52	94.94
- Others	-	23.28	-
	81.90	**139.19**	**95.30**

Note 2.11 OTHERS FINANCIAL ASSETS

(₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Interest Accured on Fixed Deposit	0.44	13.31	15.48
Government Grant Receivable (Subsidy)	110.30	109.92	85.89
Advances to Related Party - against Expenses	-	5.18	5.18
	110.74	**128.41**	**106.55**

Note 2.12 CURRENT TAX ASSETS (NET)

(₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Advance Income Tax (Net of Provision)	9.00	17.03	30.17
	9.00	**17.03**	**30.17**

Notes to the Consolidated Financial Statements as at 31st March, 2018

Note 2.13 OTHERS CURRENT ASSETS

(₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unsecured, Considered Good			
Leasehold Land Prepayments	0.09	0.09	0.09
Prepaid Expenses	0.02	3.07	3.14
Others	22.39	47.84	21.28
	22.50	**51.00**	**24.51**

Note 2.14 EQUITY SHARE CAPITAL

(₹ In Crore)

		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
2.14.1	**Authorised**			
	17,76,00,000 Equity shares of ₹1 each and 1,25,00,000 7% unlisted redeemable Non-Convertible Non Cumulative Non participating Preference share of ₹10 each. (31st March, 2017 30,26,00,000 Equity Shares of ₹1/- each) (1st April, 2016 30,26,00,000 Equity Shares of ₹1/- each)	30.26	30.26	30.26
		30.26	**30.26**	**30.26**

		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
2.14.2	**Issued, Subscribed and Fully Paid-up**			
	16,79,40,000 (FY 16-17 16,79,40,000 and 1st April, 2016 16,79,40,000 Equity Shares of ₹1/- each)	16.79	16.79	16.79
		16.79	**16.79**	**16.79**

2.14.3 Reconciliation of the Number of Equity Shares Outstanding

(₹ In Crore)

	Number of Shares		Current	Previous
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Outstanding as at the beginning of the year	167940000	167940000	16.79	16.79
Add: Issued during the year	0	0	0	0
Outstanding as at the end of the year	**167940000**	**167940000**	**16.79**	**16.79**

2.14.4 Rights, Preferences and Restrictions attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹1 per share. Each holder of the Equity Shares is entitled to one vote per share held. The Company declares dividend in Indian Rupees.

In the event of liquidation of the Company, the holders of Equity Shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to the number of Equity Shares held by the Shareholders.

Notes to the Consolidated Financial Statements as at 31st March, 2018

2.14.5 List of Shareholders holding more than 5% Shares in the Equity Share Capital of the Company (₹ In Crore)

	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	% Holding	No. of Shares	% Holding
Nilamber Trexim & Credit Private Limited	16912900	10.07%	16912900	10.07%
Jhunjhunuwala Gases Private Limited	16075000	9.57%	16075000	9.57%
Aryan Multibusiness Private Limited	12000000	7.15%	12000000	7.15%
Paharia Markets & Investments Private Limited	13769488	8.20%	13769488	8.20%
Asia Investment Corporation (Mauritius) Limited	8551340	5.09%	9068425	5.40%
Eriska Investment Fund Ltd	13319370	7.93%	0	0.00%

Note 2.15 OTHER EQUITY (₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
A. Securities Premium Reserve	112.05	112.05	112.05
B. General Reserve	32.16	32.16	32.16
C. Capital Reserve	109.81	109.81	109.81
D. Retained Earnings	(655.95)	(723.49)	(651.93)
E. (i) Other Comprehensive Income	(0.61)	(0.61)	(0.61)
(ii) Foreign Exchange Conversion Difference	2.56	2.50	2.81
Total	**(399.98)**	**(467.58)**	**(395.71)**

Note 2.15.1 OTHER EQUITY (₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
A. Securities Premium Reserve			
Balance as at the beginning of the year	112.05	112.05	112.05
Add: Addition during the year	-	-	-
Balance as at the end of the year	112.05	112.05	112.05
B. General Reserve			
Balance as at the beginning of the year	32.16	32.16	31.16
Add: Addition during the year	-	-	1.00
Balance as at the end of the year	32.16	32.16	32.16
C. Capital Reserve			
Balance as at the beginning of the year	109.81	109.81	74.19
Add: Addition during the year	-	-	35.62
Balance as at the end of the year	109.81	109.81	109.81
D. Retained Earnings			
Balance as at the beginning of the year	(723.49)	(651.93)	297.21
Add: Profit/ (Loss) for the year	67.54	(69.54)	48.98
Less: Fair Valuation on account of Ind AS taken to retained earning	-	-	(961.50)
Less: Dividend (Including Corporate Dividend Tax)	-	(2.02)	
Less: Transferred to Capital Reserve	-	-	(35.62)
Less: Transferred to General Reserve	-	-	(1.00)
Balance as at the end of the year	(655.95)	(723.49)	(651.93)
E. Other Comprehensive Income			

Notes to the Consolidated Financial Statements as at 31st March, 2018

Note 2.15.1 OTHER EQUITY *(contd.)*

		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(i)	**Equity Instruments through Other Comprehensive Income**			
	Balance as at the beginning of the year	(0.61)	(0.61)	(0.61)
	Add: Addition during the year	-	-	-
	Balance as at the end of the year	(0.61)	(0.61)	(0.61)
(ii)	**Foreign Exchange Conversion Difference**			
	Balance as at the beginning of the year	2.50	2.81	2.87
	Add:	0.06	(0.31)	(1.57)
	Less: Foreign Exchange Conversion Difference-Error	-	-	1.51
	Balance as at the end of the year	2.56	2.50	2.81

The Description of the nature and purpose of each reserve within equity is as follows:

a. **Securities Premium Reserve:** Securities premium reserve is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.

b. **General Reserve:** It is a free reserve which is created by appropriation from profits of the current year and/or undistributed profits of previous years, before declaration of dividend duly complying with any regulations in this regard.

c. **Capital Reserve:** Capital Reserve is mainly the reserve created out of Capital Subsidy Received.

Note 2.16 NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured			
Rupee Term Loan from Banks	7.47	12.19	30.51
Foreign Currency Term Loan from Banks	-	-	-
	7.47	**12.19**	**30.51**

Note 2.16.1 Nature of Security, Repayment Terms and Break-up of Current and Non-Current

(₹ In Crore)

	Interest Rate	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured Long-Term Borrowings:				
a. Bank of Baroda				
For Alwar Unit: Rupee Term Loan secured by First Pari pasu charge on the entire assets by way of mortgage/ Joint Deed of Hypothication, Intersee Agreement and Personal Guarantee by two directors, their relatives and a group company. Also Secured by mortgage of Joint Property of one director. **Schedule of repayment:** 4 installment of ₹0.44 Crore having maturity in FY 18-19.	MCLR+3.65 p.a	1.76	3.08	4.25

Notes to the Consolidated Financial Statements as at 31st March, 2018

Note 2.16.1 **Nature of Security, Repayment Terms and Break-up of Current and Non-Current** *(contd.)*

		Interest Rate	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
	For Rice Mill Unit - Rupee Term Loan secured by Hypothecation of Plant & Machinery and Other Fixed Assets situated at Akurhi Gola, Dist. Rohatas and personal guarantee by two directors, Also Secured by Equitable mortgage of Factory Land and building. **Schedule of repayment:** 2 installment of ₹0.75, 9 installment of ₹1.00 Crore and 1 installment of ₹0.47 crore having maturity in FY 2020-21	MCLR+3.65 p.a	11.16	13.87	16.47
b.	**State Bank Of India**				
	Term Loan-I				2.09
	Term Loan-II				1.27
	Term Loan-III				1.63
	(Equitable mortgage of land & factory building and other construction at village pahleza, mauza-chakia, Dehri, bihar, on pari-passu basis with other term lenders. Hypothecation charge on other fixed assets including plant & machinery of the projects at pahleza, chakia, dehri, bihar on pari passu basis with other term lenders of the project and collaterally secured by second charge on current assets of the company's unit at chakia, dehri, Bihar on pari passu basis with personal guarantee of two directors) **Schedule of repayment:** Repaid in full.				
c.	**Standard Chartered Bank- Foreign Currency Loan** Foreign Currency Term Loan secured by exclusive first charge on all movable and immovable fixed assets at Haldia Facility and second charge on all current assets of the company's unit at Haldia Facility with personal guarantee by two directors. **Schedule of repayment:** 6 quarterly installment of USD 1.058 Mio each having maturity till FY 17-18	3 month Libor+3.50 bps p.a	41.32	41.19	42.14
Total			**54.24**	**58.14**	**67.85**
Less: Current Maturity of Long Term Debts (Refer Note 2.24)			**46.77**	**45.95**	**37.34**
Non Current Borrowing			**7.47**	**12.19**	**30.51**

Notes to the Consolidated Financial Statements as at 31st March, 2018

Note 2.17 NON-CURRENT OTHER FINANCIAL LIABILITIES

(₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Security Deposits	5.14	4.47	5.44
	5.14	**4.47**	**5.44**

Note 2.18 DEFERRED TAX LIABILITIES (NET)

(₹ In Crore)

	As at 31st March, 2016	MAT Credit Utilized	Charge for the C. Year		As at 31st March, 2017
			Profit or Loss	Other Comprehensive Income	
Deferred Tax Liabilities:					
Accumulated Depreciation	37.01	-	3.58	-	40.59
	37.01	**-**	**3.58**	**-**	**40.59**
Deferred Tax Assets:					
Carry Forward Loss	-	-	-	-	-
Other	-	-	-	-	-
	-	**-**	**-**	**-**	**-**
Deferred Tax Liabilities (Net)	**37.01**	**-**	**3.58**	**-**	**40.59**

	As at 31st March, 2017	MAT Credit Utilized	Charge for the C. Year		As at 31st March, 2018
			Profit or Loss	Other Comprehensive Income	
Deferred Tax Liabilities:					
Accumulated Depreciation	40.59	-	21.76	-	62.35
	40.59	**-**	**21.76**	**-**	**62.35**
Deferred Tax Assets:					
Carry Forward Loss	-	-	427.02	-	427.02
Other	-	-	0.09	-	0.09
	-	**-**	**427.11**	**-**	**427.11**
Deferred Tax Assets (Net)	**-**	**-**	**405.35**	**-**	**364.76**

Note 2.19 CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Loans Repayable on Demand from Banks			
Secured:			
Working Capital Borrowings	986.12	354.28	207.51
	986.12	**354.28**	**207.51**

Note 2.19.1 CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ In Crore)

	Interest Rate	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured Loans:				
a. Bank of Baroda	MCLR+3.65 p.a	304.34	55.00	54.85

Notes to the Consolidated Financial Statements as at 31st March, 2018

Note 2.19.1 CURRENT FINANCIAL LIABILITIES - BORROWINGS *(contd.)*

		Interest Rate	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
b.	Punjab National Bank (For Naupur & Alwar Unit - Secured by hypothecation of entire stock in trade, trade receivables and movable current assets. Secured by first pari passu charge on the fixed assets and personal guarantee by two directors, their relative and a group company. Also secured by mortgage of joint property of one director.)	MCLR+5.00 p.a	154.20	178.00	53.00
c.	Bank of Baroda (For Rice Mill: Secured by hypothecation of entire stock in trade, trade receivables and movable current assets and secured by first charge on the fixed assets and personal guarantee by two directors)	MCLR+3.65 p.a	13.37	14.35	14.86
d.	State Bank of India		436.18	30.20	30.92
e.	Vijaya Bank (Hypothecation of entire current assets of unit at Chakia, Dehri, Bihar on pari-passu basis with other working capital bankers and personal guarantee of two directors and collaterally secured by second charge on equitable mortgage of the land and factory at Chakia, Dehri, Bihar on pari passu basis with other terms lenders and hypothecation charge on other fixed assets including plant & machinery at Chakia, Dehri, Bihar on pari passu basis with other term lenders.)	MCLR+5.90 p.a	5.83	6.50	5.66
f.	Allahabad Bank		(0.31)	5.00	5.00
g.	Corporation Bank	MCLR+3.65 p.a	15.12	40.00	15.00
h.	Indian Oversease Bank	MCLR+4.75 p.a	-	4.10	4.50
i.	Union Bank of India		2.27	3.03	3.72
j.	Oriental Bank of Commerce (For Haldia Unit - Secured by first (pari passu) hypothecation charge on entire current assets including stock, trade -receivables and movable current assets. Secured by second charge on the fixed assets and personal guarantee by two directors.)	MCLR+4.50 p.a	1.27	4.83	5.00
k.	Standard Chartered Bank - Cash Credit etc		20.71	13.27	15.00

Notes to the Consolidated Financial Statements as at 31st March, 2018

Note 2.19.1 CURRENT FINANCIAL LIABILITIES - BORROWINGS *(contd.)*

		Interest Rate	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
i.	Standard Chartered Bank - WCDL		12.95	-	
j.	Standard Chartered Bank - Import Loan (First pari passu charge on stocks of Halida unit with other Consortium member bank. Second Pari passu charge on all the movable fixed assets of Haldia unit of the company with other Consortium members of Haldia unit and Personal guarantee of two directors. Second pari passu charge on equitable mortgage of Land & factory located at Mouza Debhog, J.L.No. 149 P.S. Bhabanipur (Formally P.S. Sutahata) Haldia, Dist Purba Medinipur on pari passu basis with other working capital bankers of Haldia unit. First parri passu charge on all the current assets of the Haldia unit of the company covering receivables and other chargeable current assets with other consortium member banks.)		20.19	-	
Total			**986.12**	**354.28**	**207.51**

Note 2.20 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Due to Micro, Small & Medium Enterprise	-	-	-
Due to others	961.53	1,545.71	1,688.64
	961.53	**1,545.71**	**1,688.64**

Note 2.21 CURRENT - OTHER FINANCIAL LIABILITIES

(₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Current Maturities of Long-Term Debts (Note 2.16.1)	46.77	45.95	37.34
Dividend Payable	0.39	0.39	0.37
	47.16	**46.34**	**37.71**

Note 2.22 OTHER CURRENT LIABILITIES

(₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Statutory Liabilities	0.49	0.62	1.01
Advance from Customers	0.11	11.58	11.72
Other Payables (including Employee Benefits Payable, Provision etc.)	2.07	4.36	3.98
	2.67	**16.56**	**16.71**

Notes to the Consolidated Financial Statements as at 31st March, 2018

Note 3.1 REVENUE FROM OPERATIONS (NOTE 4.2.1)

(₹ In Crore)

	For Year ended 31st March, 2018	For Year ended 31st March, 2017
Sale of Product		
Sale of Manufacturing Products	3,085.98	3,535.15
Sale of Trading Products	358.52	700.22
	3,444.50	**4,235.37**

Note 3.2 OTHER INCOME

(₹ In Crore)

	For Year ended 31st March, 2018	For Year ended 31st March, 2017
Interest Income		
Interest on IT Refund	1.78	0.17
Others	0.50	1.40
Government Grants (Subsidy)	14.62	34.00
Profit of Sale of Investments	-	0.27
Gain on Fair Valuation of Mutual Funds /Shares (Measured at FVTPL)	0.13	0.03
Other Income	0.03	4.97
	17.06	**40.84**

Note 3.3 COST OF MATERIAL CONSUMED

(₹ In Crore)

Particulars	For Year ended 31st March, 2018	For Year ended 31st March, 2017
Raw-Material Consumed		
Opening Stock	235.29	235.85
Add: Purchase & Incidental Expenses	2,966.05	3,178.50
Less: Closing Stock	(185.58)	(235.29)
Raw-Material Consumed	**3,015.76**	**3,179.06**
Packing Material & Chemicals consumed		
Opening Stock	26.10	32.95
Add: Purchase & Incidental Expenses	168.57	178.60
Less: Closing Stock	(22.33)	(26.10)
Packing Material & Chemicals consumed	**172.34**	**185.45**
	3,188.10	**3,364.51**

Note 3.4 PURCHASE OF STOCK-IN-TRADE

(₹ In Crore)

Particulars	For Year ended 31st March, 2018	For Year ended 31st March, 2017
Imported Oils	367.02	699.66
	367.02	**699.66**

Notes to the Consolidated Financial Statements as at 31st March, 2018

Note 3.5 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE

(₹ In Crore)

Particulars	For Year ended 31st March, 2018	For Year ended 31st March, 2017
Closing Stock		
Finished Goods	123.45	166.77
Stock-in-Process	46.42	31.89
	169.87	**198.66**
Less: Opening Stock		
Finished Goods	166.77	221.22
Stock-in-Process	31.89	33.41
	198.66	**254.63**
(Increase)/Decrease in Stock	**28.79**	**55.97**

Note 3.6 EMPLOYEES BENEFIT EXPENSES

(₹ In Crore)

Particulars	For Year ended 31st March, 2018	For Year ended 31st March, 2017
Salaries, Wages and Bonus etc	11.04	11.20
Contribution to Provident and other funds	0.83	0.74
Staff Welfare Expenses	0.38	0.51
	12.25	**12.45**

Note 3.7 FINANCE COST

(₹ In Crore)

Particulars	For Year ended 31st March, 2018	For Year ended 31st March, 2017
Interest to Banks	78.20	48.35
Interest to Others	1.54	0.09
Bank Charges	14.18	21.00
	93.92	**69.44**

Note 3.8 OTHER EXPENSES

(₹ In Crore)

Particulars	For Year ended 31st March, 2018	For Year ended 31st March, 2017
Manufacturing Expenses		
Power and Fuel	42.10	40.67
Consumption of Store and Spares	1.64	1.21
Administrative, selling & Distribution Expenses		
Repairs & Maintenance	1.07	0.89
Repairs & Maintenance- Others	0.27	0.29
Legal Expenses	0.38	0.11
Bad Debts written-off	-	50.17
Amortization of lease Prepayments	0.09	0.09
Travelling Expenses	2.18	2.03
Conveyance Expenses	0.44	0.42

Notes to the Consolidated Financial Statements as at 31st March, 2018

Note 3.8 OTHER EXPENSES *(contd.)*

Particulars	For Year ended 31st March, 2018	For Year ended 31st March, 2017
Insurance	0.34	0.25
Rate & Taxes	1.12	0.94
Auditor Fees (Note 4.4)	0.15	0.07
Postage, Telegram & telephone	0.47	0.74
Printing & Stationery	0.16	0.21
Miscellaneous Expenses	3.79	2.62
Foreign Exchange Gain/(Loss)	0.13	(0.95)
Professional & Consultancy Charges	2.55	2.05
Other Operating expenses	2.78	2.71
Brokerage & Commission (net)	6.89	10.33
Advertisement & Publicity	0.99	0.10
Selling Expenses	1.43	2.00
Rent	2.44	3.92
Prior Period Expenditure	17.42	0.08
Lease Rent (Note 4.7.3)	0.04	0.06
CSR Expenses	0.62	0.65
	89.49	**121.66**

Note 3.9 OTHER COMPREHENSIVE INCOME

(₹ In Crore)

	For Year ended 31st March, 2018	For Year ended 31st March, 2017
Items that will not be reclassified to Profit and Loss		
Equity Instrument through Other Comprehensive Income	-	-
Income Tax relating to Items that will not be reclassified to Profit and Loss	-	-
Items that will be reclassified to Profit and Loss		
	-	-

Note 3.10 EARNING PER SHARE (EPS)

(₹ In Crore)

	For Year ended 31st March, 2018	For Year ended 31st March, 2017
Profit/ (loss) after tax Attributable to Equity Shareholders	67.54	(69.54)
Basic EPS		
Weighted-Average Number of Equity Shares Outstanding (Nos.)	16,79,40,000	16,79,40,000
of Face Value of ₹1 each		
Basic EPS (₹) for Face Value of Shares of ₹1 each	4.02	(4.14)
Diluted EPS		
Weighted-Average Number of Equity Shares Outstanding (Nos.)	16,79,40,000	16,79,40,000
Diluted EPS (₹) for Face Value of Shares of ₹1 each	4.02	(4.14)

Notes to the Consolidated Financial Statements as at 31st March, 2018

Note 4.1 CONTINGENT LIABILITIES AND COMMITMENTS

Claims/Disputed Liabilities not acknowledged as Debts: (₹ In Crore)

Sl. No.	Nature of Statute	Brief Description of Contingent Liabilities	For Year ended 31st March, 2018	For Year ended 31st March, 2017	For Year ended 31st March, 2016
1	Entry Tax	Entry Tax demand under appeal before H'ble Supreme Court for different years for which Bank Guarantee given by the company	0.67	0.67	0.68
2	Entry Tax	Entry Tax demand under appeal before High Court & appellate authority, Varanasi/Allahabad/Kolkata	49.37	0.20	0.37
3	VAT	Value added tax demand under appeal before appellate authority, Varanasi/Kolkata	1.44	0.19	0.19
4	Excise Duty	Demand on Excise Duty for different years under appeal at Appellate Tribunal, Custom, Excise & Service Tax, New Delhi/Allahabad/Kolkata	110.82	32.46	26.97

Cash outflows for the above are determinable only on receipt of Judgements pending with various authorities/courts/tribunals.

Note 4.2 DETAILS OF PRODUCTS (SALES)

4.2.1 Details of products (sales) are as under: (₹ In Crore)

	For Year ended 31st March, 2018	For Year ended 31st March, 2017
Manufacturing Products		
Edible Oil	2,923.13	3,383.45
DOC	9.98	6.29
Rice	56.00	60.29
Others	96.87	85.12
Trading Products		
Edible Oil	346.84	700.22
Others	11.68	-
	3,444.50	**4,235.37**

Note 4.3 RELATED PARTY DISCLOSURE

4.3.1 Parties where control exists:

Name of the Related parties		Principle Place of Business	% Shareholding and Voting Power As at 31st March, 2018	% Shareholding and Voting Power As at 31st March, 2017
JVL Overseas Pte LTD (Singapore)	Subsidiary	Singapore	100%	100%

4.3.2 List of Related Parties with Significant influence:

Name of the Related parties		Principle Place of Business	% Shareholding and Voting Power As at 31st March, 2018	% Shareholding and Voting Power As at 31st March, 2017
JVL Mega Food Park Pvt Ltd	Associate	India	25%	25%
JVL Cement Ltd	Associate	India	20%	20%
JVL Agro (Assam) Private Limited	Associate	India	50%	50%
Adamjee Extraction Pvt Ltd.	Associate	Srilanka	25%	25%

Notes to the Consolidated Financial Statements as at 31st March, 2018

4.3.2 Other Related Parties with whom transactions have taken place during the year and/or previous year:

Name of the Related parties	Relationship
Key Management Personnel (KMP)	
D. N. Jhunjhunwala	Chairman
S. N. Jhunjhunwala	Managing Director & CEO
Adarsh Jhunjhunwala	Whole-time Director

4.3.3 Other Related Parties with which Directors are interested

Name of the Related parties	Relationship
Anju Jhunjhunwala	Wife of Managing Director
Kishori Devi Jhunjhunwala	Mother of Managing Director
S. N. Jhunjhunwala (HUF)	Managing Director is Karta
Juhi Fatehpuria	Daughter of Managing Director
Jhunjhunwala Gases Pvt Ltd	Promoter Group Company
Jhunjhunwala Oils Mills Ltd.	Promoter Family Company
Jhunjhunwala Sewa Society	Promoter Society

4.3.4 Disclosure of Related Party Transactions: (₹ In Crore)

Nature of Transactions	For Year ended 31st March, 2018	For Year ended 31st March, 2017
Sales of Products and Services	1.20	1.98
Purchase of Goods and Services	0.64	0.13
Managerial Remuneration Paid	0.72	0.72
Others	0.08	0.08

Terms and conditions of transactions with related Parties

The Sales to and purchase from related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions.

Note 4.4 AUDITORS' REMUNERATION

(₹ In Crore)

	For Year ended 31st March, 2018	For Year ended 31st March, 2017
(a) **Statutory Auditors:**		
Audit Fees	0.15	0.07

Note 4.5 RECONCILIATION OF EFFECTIVE TAX RATE

(₹ In Crore)

	For Year ended 31st March, 2018	For Year ended 31st March, 2017
Applicable Tax Rate	30.90%	34.61%
Profit Before Tax	(337.81)	(65.43)
Tax Expenses	-	-
Tax effect on:		
Others	-	0.53
Origination/Reversal of temporary difference	(405.35)	3.53
Tax expenses as reported	(405.35)	4.06

Notes to the Consolidated Financial Statements as at 31st March, 2018

Note 4.6 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES (Ind AS 107):

(₹ In Crore)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Financial Assets at Amortised Cost			
Investments	1.01	1.01	1.01
Loans	0.38	0.38	0.38
Trade Receivables	168.79	213.07	290.47
Cash and Bank Balances	142.52	260.74	227.60
Other Financial Assets	111.08	128.46	106.60
Financial Assets at fair value through Other Comprehensive Income			
Investments (Current and Non-current)	0.32	0.32	0.32
Financial Assets at fair value through Profit and Loss			
Investments (Current and Non-current)	6.59	6.45	6.95
Total	**430.69**	**610.43**	**633.33**
Financial Liabilities at Amortised Cost			
Borrowings	993.59	366.47	238.02
Trade Payables	961.53	1,545.71	1,688.64
Other Financial Liabilities	52.30	50.81	43.15
Total	**2,007.42**	**1,962.99**	**1,969.81**

Note 4.7 ADDITIONAL INFORMATION DETAILS

4.7.1 Offsetting Financial Assets and Financial Liabilities

(₹ In Crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
FDR's In Banks	220.94	381.83	733.71
Less: 100% Margin deposited in bank to take loan against deposit	87.10	130.23	513.64
Total	**133.84**	**251.60**	**220.07**

4.7.2 Government Grants (Ind AS 20)

The Company has received Government Grant from State Government being Capital Investment Subsidy. The same as been recognized as income in the Statement of Profit and Loss under "Other Income"

4.7.3 Assets taken on Operating Lease as per Ind AS 17:

Lease Prepayments made for leasehold land were classified as Leasehold Land under previous GAAP. However, under Ind AS, prepayments made for leasehold should be classified as lease prepayments under operating lease and the same should be amortized over lease term. According Lease prepayments as on 1st April, 2016 are classified from Property, Plant and Equipment into Lease Prepayments as Other Current and Non-Current Assets.

(₹ In Crore)

Sl. No	Particulars	For Year ended 31st March, 2018	For Year ended 31st March, 2017
1	Operating Lease Payments recognized in the Statement of Profit & Loss	0.09	0.09
2	General Description of Leasing Agreements:		
	(i) Lease Assets: Land		
	(ii) Future Lease Rentals are determined on the basis of agreed terms		
	(iii) At the expiry of lease terms, the Company has an option to return the assets or extend the terms by giving notice in writing.		
	(iv) Lease Agreements are generally cancellable and are renewable by mutual consent on mutually agreed terms.		

Notes to the Consolidated Financial Statements as at 31st March, 2018

4.7.4 Corporate Social Responsibility

As per Companies Act, 2013, all companies having networth of ₹500 crores or more, turnover of ₹1,000 crores or more or net profit of ₹5 Crores or more during any financial year are required to spend at least 2% of average net profit of the Company's three immediately preceding financial years. Accordingly, the Company was required to spend ₹Nil towards CSR activities in financial year 2017-18.

Note 4.8 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARDS (IND AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARD

These financial statements, for the year ended 31st March, 2018, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with generally accepted accounting principles in India (Previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on or after 31st March, 2018, together with the comparative period data as at and for the year ended 31st March, 2017, as described in the summary of significant accounting policies

In preparing these financial statements, the Company's opening statement of financial position was prepared as at 1st April, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Previous GAAP financial statements as at 1st April, 2016 and the financial statements as at and for the year ended 31st March, 2017.

A. Effect OF Ind AS adoption on the Balance Sheet as at 31st March, 2017 and 1st April, 2016 (₹ In Crore)

	As at 31st March, 2017			As at 1st April, 2016		
	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS Balance Sheet	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS Balance Sheet
ASSETS						
Non-Current Assets						
Property, Plant and Equipment	409.21	(7.89)	401.32	412.84	(7.89)	404.95
Capital Work-in-Progress	0.52	-	0.52	0.45	-	0.45
Other Intangible Assets	1.96	-	1.96	2.08	-	2.08
Financial Assets						
Investments	2.18	(0.50)	1.68	2.18	(0.52)	1.66
Loan	0.38	-	0.38	0.38	-	0.38
Other Financial Assets	-	0.05	0.05	-	0.05	0.05
Other Non-Current Assets	20.12	6.92	27.04	18.68	7.01	25.69
Current Assets						-
Inventories	964.16	(504.11)	460.05	974.88	(451.45)	523.43
Financial Assets						
Investments	6.09	0.01	6.10	6.62	-	6.62
Trade Receivables	333.10	(120.03)	213.07	375.50	(85.03)	290.47
Cash and Cash Equivalents	121.60	(0.05)	121.55	132.35	(0.05)	132.30
Bank Balances other than Cash and Cash equivalents	139.19	-	139.19	95.30	-	95.30
Loans	162.94	(162.94)	-	95.67	(95.67)	-
Other Financial Assets	13.31	115.10	128.41	15.48	91.07	106.55
Current Tax Assets (Net)	17.03	-	17.03	30.17	-	30.17
Other Current Assets	3.07	47.93	51.00	3.14	21.37	24.51
TOTAL ASSETS	**2,194.86**	**(625.51)**	**1,569.35**	**2,165.72**	**(521.11)**	**1,644.61**
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital	16.79	-	16.79	16.79	-	16.79
Other Equity	596.47	(1,064.05)	(467.58)	562.87	(958.58)	(395.71)
	613.26	**(1,064.05)**	**(450.79)**	**579.66**	**(958.58)**	**(378.92)**

Notes to the Consolidated Financial Statements as at 31st March, 2018

Note 4.8 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STATNDARDS (IND AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARD *(contd.)*

	As at 31st March, 2017			As at 1st April, 2016		
	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS Balance Sheet	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS Balance Sheet
Liabilities						
Non-Current Liabilities						
Financial Liabilities						
Borrowings	12.19	-	12.19	30.51	-	30.51
Other Financial Liabilities	4.47	-	4.47	5.44	-	5.44
	16.66	**-**	**16.66**	**35.95**	**-**	**35.95**
Deferred Tax Liabilities (Net)	40.59	-	40.59	37.01	-	37.01
Current Liabilities						
Financial Liabilities						
Borrowings	354.28	-	354.28	207.51	-	207.51
Trade Payables-Total Outstanding	1,106.22	439.49	1,545.71	1,249.15	439.49	1,688.64
Other Financial Liabilities	47.29	(0.95)	46.34	37.71	-	37.71
	1,507.79	**438.54**	**1,946.33**	**1,494.37**	**439.49**	**1,933.86**
Other Current Liabilities	16.56	-	16.56	16.71	-	16.71
Provisions	-	-	-	2.02	(2.02)	-
TOTAL EQUITY AND LIABILITIES	**2,194.86**	**(625.51)**	**1,569.35**	**2,165.72**	**(521.11)**	**1,644.61**

Previous GAAP numbers of the Financial Statements for the year ended 31st March, 2017 and Balance Sheet as on 1st April, 2016 have been reclassified as per Schedule III of Companies Act, 2013 for like-to-like comparison.

B. Effect OF Ind AS adoption on the Statement of Profit and Loss for the year ended 31st March, 2017 (₹ In Crore)

	Previous GAAP 31st March, 2017	Effect of Transition to Ind AS	Ind AS 31st March, 2017
INCOME			
Revenue from Operations	4,235.37	0.00	4,235.37
Other Income	6.81	34.03	40.84
Total Income (I)	**4,242.18**	**34.03**	**4,276.21**
EXPENSES			
Cost of Materials Consumed	3,311.85	52.66	3,364.51
Purchase of Stock-in-Trade	699.66	0.00	699.66
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	55.97	0.00	55.97
Employees Benefits Expenses	12.45	0.00	12.45
Finance Costs	69.50	(0.06)	69.44
Depreciation and Amortisation Expenses	17.95	0.00	17.95
Other Expenses	72.29	49.37	121.66
Total Expenses (II)	**4,239.67**	**101.97**	**4,341.64**
Profit Before Exceptional Item and Tax	**2.51**	**(67.94)**	**(65.43)**
Exceptional Item	34.00	(34.00)	0.00
Profit Before Tax	**36.51**	**(101.94)**	**(65.43)**
Tax Expenses			
Current Tax	0.53	0.00	0.53
Deferred Tax	3.58	0.00	3.58
Total Tax Expense	**4.11**	**0.00**	**4.11**
Profit for the Year (III)	**32.40**	**(101.94)**	**(69.54)**

Notes to the Consolidated Financial Statements as at 31st March, 2018

Note 4.8 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STATNDARDS (IND AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARD *(contd.)*

	Previous GAAP 31st March, 2017	Effect of Transition to Ind AS	Ind AS 31st March, 2017
OTHER COMPREHENSIVE INCOME			
A (i) Items that will not be reclassified to profit or loss	0.00	0.00	0.00
(ii) Income Tax relating to items that will not be reclassified to profit or loss	0.00	0.00	0.00
B (i) Items that will be reclasssified to profit or loss	0.00	(0.31)	(0.31)
(a) Foreign Currency Translation differences	0.00	0.00	0.00
(ii) Income Tax relating to items that will be reclassified to profit or loss	0.00	0.00	0.00
Other Comprehensive Income for the Year (IV)	0.00	(0.31)	(0.31)
Total Comprehensive Income for the Year (III+IV)	32.40	(102.25)	(69.85)

C. Reconciliation of Equity as at 31st March, 2017 and 1st April. 2016 (₹ In Crore)

	As at 31st March, 2017	As at 1st April, 2016
Total Equity as reported under previous GAAP	613.26	579.66
Re-measurements on transition to Ind AS		
a. Fair Value of Investments designated through Other Comprehensive Income	(0.61)	(0.61)
b. Fair Value of Investments designated through Profit and Loss	0.12	0.09
c. Dividend not recognized as Liability until Declared and tax thereon	-	2.02
d. Amortization of lease Prepayments	(0.88)	(0.79)
e. Foreign Exchange Gain/(Loss)	0.95	-
f. Sundry Debtor Written off	(120.03)	(69.86)
g. Foreign Exchange Fluctuation Claim Written-off	(439.49)	(439.49)
h. Loss for recoverable value of Inventory	(504.11)	(451.45)
i. Other Comprehensive Income-Foreign Exchange Conversion Difference-Error Rectification	-	1.51
Total Adjustments to Equity	(1,064.05)	(958.58)
Total Equity under Ind AS	(450.79)	(378.92)

Note 4.9 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

a. Credit Risk

b. Liquidity Risk

c. Market Risk

a. Credit Risk

Credit risk is the risk that counter party will not meet its obligations under a financial instruments or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks, investments, and other financial instruments.

i Trade Receivables

Customer credit risk is managed by the Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and major customers are generally secured by obtaining security deposits/bank guarantee or other forms of credit insurance. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivable.

Notes to the Consolidated Financial Statements as at 31st March, 2018

Note 4.9 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(contd.)*

ii **Financial instrument and cash deposit**

Credit risk is limited as the Company generally invest in deposits with banks. Investments primarily include investments in liquid mutual fund units. Counterparty credit limits are reviewed by the Company periodically and the limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

b. **Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically the Company ensures that it has sufficient cash on demand to meet expected short term operational expenses. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans/internal accruals.

c. **Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign currency risk. Financial instruments affected by market risk include borrowings,trade receivable and trade payable.

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company does not have significant debt obligations with floating interest rates, hence, is not exposed to any significant interest rate risk.

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not have significant foreign currency exposure and hence, is not exposed to any significant foreign currency risk.

Note 4.10 FIRST TIME ADOPTION OF IND AS (IND AS 101)

The Company has prepared financial statements for the year ended 31st March, 2018, in accordance with Ind AS for the first time. For the periods upto and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013.

Accordingly, the Company has prepared its financial statements to comply with Ind AS for the year ending 31st March, 2018, together with comparative information as at and for the year ended 31st March, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening Balance Sheet was prepared as at 1st April, 2016 i.e. the transition date to Ind AS for the Company. This note explains the principal adjustment made by the Company in restating its previous GAAP financial statements, including the Balance Sheet as at 1st April, 2016, and the financial statements as at and for the year ended 31st March, 2017.

Exemptions availed;

Deemed Cost for Property, Plant and Equipment and Intangible Assets:

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of 1st April, 2016 (the transition date), measured as per the Previous GAAP and use that carrying value as its deemed cost as of the transition date under Ind AS.

Investments in Subsidiaries, Joint Ventures and Associates:

The Company has elected to apply Previous GAAP carrying amount of its investments in Subsidiaries and Associates as deemed cost as on the date of transition to Ind AS.

Notes to the Consolidated Financial Statements as at 31st March, 2018

Note 4.10 FIRST TIME ADOPTION OF IND AS (IND AS 101) *(contd.)*

Classification and Measurement of Financial Assets:

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

Fair Value of Financial Assets and Liabilities:

As per Ind AS exemption, the Company has not fair valued the financial assets and liabilities retrospectively and has measured the same prospectively.

Note 4.11 NOTES TO THE RECONCILIATION OF EQUITY AS AT 1ST APRIL, 2016 AND 31ST MARCH, 2017 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2017

A. **Fair Valuation of Non-Current Investments [Equity Investments (other than Investments in Subsidiaries and Associates:**

Equity Investments (Other than Investments in Subsidiaries and Associates):

Under Previous GAAP, long- term investments were measured at cost less diminution in value other than temporary. Under Ind AS, these financial assets have been classified as fair value through Other Comprehensive Income (FVTOCI). On the date of transition to Ind AS, these financial assets have been measured at their fair value.

B. **Fair Valuation of Investments**

[Mutual Funds]:

Under previous GAAP, current investments were measured at lower of cost or fair value. Under Ind AS, these financial assets have been classified as FVTPL on the date of transition. The fair value changes are recognised in the Statement of Profit and Loss.

Equity Investments (Other than Investments in Subsidiaries and Associates):

Under previous GAAP, current investments were measured at lower of cost or fair value. Under Ind AS, these financial assets have been classified as FVTOCI on the date of transition. The fair value changes are recognised in the OCI.

C. **Other Comprehensive Income (OCI):**

Under Previous GAAP, there was no concept of OCI. Under Ind AS, fair valuation of Bonds and Equity Investments not held for trade (other than Subsidiaries, Joint Ventures and Associates) are recognised in OCI.

D. **Deferred Tax**

IGAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS12 requires entities to account for deferred taxes using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under IGAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings, OCI or profit and loss respectively.

E. **Minimum Alternate Tax (MAT) Credit Entitlement**

As per Ind AS 12, the Company has considered MAT credit entitlement as deferred tax asset being unused tax credit entitlement.

F. **Re-classification of Assets and Liabilities as per Schedule III of the Companies Act, 2013:**

1 Under Previous GAAP, Loans as well as Advances were shown together under heading "Loans and Advances". However, as per Schedule III, Loans are classified under Financial Assets.

2 Fixed deposits with banks with maturity greater than twelve months have been reclassified from Cash and Cash equivalents to other non-current financial assets as per Schedule III of the Companies Act, 2013.

3 Fixed deposit with banks with maturity less than twelve months and those earmarked for specific purpose have been reclassified from Cash and Cash equivalents to Other Bank Balances as per Schedule III of the Companies Act, 2013.

Notes to the Consolidated Financial Statements as at 31st March, 2018

Note 4.11 NOTES TO THE RECONCILIATION OF EQUITY AS AT 1ST APRIL, 2016 AND 31ST MARCH, 2017 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2017 *(contd.)*

4 Capital Advances have been reclassified from Long-term loans and advances to other Non-Current Assets.

5 Current and Non-Current Liabilities have been reclassified into financial and non-financial liabilities as per the nature of liabilities.

6 Lease hold land have been classified as operating leases as against the current practice of capitalizing them as leasehold land. Consequently, leasehold land has been de-recognised and Lease Land Prepayments have been recognised.

G. Inventory

The company has written off overvalued inventory ₹527.93 Crore as given in notes forming part of financial statement in para 4.8(C) (i) loss for recoverable value of inventory & Note No. 3.3 cost of material consumed. The year wise details as under:

Financial Year	Amount (In Crores)
2012-13	317.85
2013-14	168.91
2016-17	33.65
2017-18	7.52

Thus the effect of ₹451.45 Crore have been taken in the Balance Sheet Note 2.15(D) Retained Earning in total adjustment given in Fair Valuation on account of IND AS taken to Retained Earning ₹961.50 Crore.

₹52.66 Crore pertaining to financial year 2016-17 has been adjusted in Note No. 3.3 cost of material consumed.

₹23.82 Crore pertaining to financial year 2017-18 has been adjusted in Note No. 3.3 cost of material consumed.

The company has written off overvalued inventory by ₹527.93 Crore as mentioned in here above the over valuation was result of 2 reasons. The first reason was over valuation of sludge which is already taken at value of raw oil. The year wise over valuation is as under:

Financial Year	(In MT)	Amount (In Crores)
2015-16	27684	171.04
2016-17	3077	19.01
2017-18	2636	16.29

In the second reason was transfer of forex losses debited to supplier which were transferred to purchase account in financial year 2015-16 amounting to ₹280.41 Crore. The same was due to software error has been considered as purchase and quantity of 30,563.290 MT was taken excess in purchase and same was erroneous clubbed in inventory. The same has been rectified and the excess quantity has been deleted from the opening stock and valuation remains in purchase which were excess by ₹280.41 Crore. The effect of same has been given in note pertaining to written off.

H. Trade Payable

The company has written off foreign exchange losses of ₹439.49 crore as given in notes forming part of financial statement in para 4.8(C) (h) Foreign Exchange Fluctuation Claim Written off. The claim has been debited to foreign parties in following years:

Financial Year	Amount (In Crores)
2013-14	121.15
2014-15	152.40
2015-16	165.95

Thus the effect of ₹439.49 crore have been taken in the Balance Sheet Note 2.15(D) Retained Earning in total adjustment given in Fair Valuation on account of IND AS taken to Retained Earning ₹961.50 crore.

Notes to the Consolidated Financial Statements as at 31st March, 2018

Note 4.11 NOTES TO THE RECONCILIATION OF EQUITY AS AT 1ST APRIL, 2016 AND 31ST MARCH, 2017 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2017 *(contd.)*

The company was not accounting for the excess payment made at the due date of L.C. in accordance with the AS-11 and in contradiction to the same was being debited to respective suppliers of the company and accordingly debit notes were raised as realizable from supplier. The company after its effort ultimately failed to recover the foreign exchange fluctuation losses from the supplier and therefore written off the foreign exchange losses.

I. Trade Receivable

The company has written off losses of ₹120.03 Crore as given in notes forming part of financial statement in para 4.8(C) (g) Sundry Debtor Written off. The claim has been debited to sundry debtors in following years:

Financial Year	Amount (In Crores)
09-10 to 15-16	69.86
2016-17	50.17

Thus the effect of ₹69.86 Crore have been taken in the Balance Sheet Note 2.15(D) Retained Earning in total adjustment given in Fair Valuation on account of IND AS taken to Retained Earning ₹961.50 Crore.

The effect of trade receivable written off ₹50.17 in financial year 2016-17 has been given effect in the Profit & Loss account of note 3.8 – other expenses.

The aforesaid amount of ₹120.03 Crore written off out of trade receivable can be bifurcated broadly on 3 aspects.

The first of ₹120.03 Crore as ₹63.21 Crore receivable from around 4900 customers/ parties where balances outstanding were less than ₹2 Lacs from each party. The outstanding amount was receivable due to fluctuation in rate of oil between contract date and delivery date. The difference was recoverable as per trade practice of oil industry and the company has raised the claim in accordance there with. The contracts are entered mostly on telephonic confirmation and the company has made its full effort to receive the money through regular follow up and personal visit of company's representative. The company has decided to write off the same as the legal cost have been very much higher and in view of the remote possibility of recovery. The company has no other option but to write off.

The second component of trade receivable amounting to ₹120.03 Crore is ₹14.54 Crore which is debited against sale of 93 parties. The said debit balances were mostly more than 3 years where debit become time barred and company could not recover the same through regular follow up and personal visit of company's representative.

The third component of trade receivable written off is ₹42.28 Crore which is due to late delivery of crude palm oil after a gap of 15 months from the date of dispatch. The company had placed order for crude palm oil from Golden Agri Trade Pte Ltd. and due to some unforeseen circumstances vessel was received after 15 months when entire crude palm oil was not useable at all. The company had lodged claim and even after settlement of claim amount ₹42.28 Crore remains unreleased which has been therefore written off.

J. Lease Hold Land:

Prepayments made for leasehold land were classified as Leasehold Land under previous GAAP. However, under Ind AS, prepayments made for leasehold should be classified as lease prepayments under operating lease and the same should be amortized over lease term. According Lease prepayments as on 1st April, 2016 are classified from Property, Plant and Equipment into Lease Prepayments as Other Current and Non-Current Assets.

Notes to the Consolidated Financial Statements as at 31st March, 2018

Note 4.12 CURRENT YEAR OPERATION LOSS:

The losses amounting to ₹337.81 Crore in F.Y. 2017-18 and the same has been resulted to following reason:

a. The major component was ₹273.48 Crore was gross profit fluctuation. The reason of negative gross loss, lower yield, decrease in sales price in compared to purchase price & over valuation on F.G.

b. ₹20.10 Crore due to difference in other income.

c. ₹24.48 Crore due to excess finance cost.

d. ₹17.42 Crore due to prior period expenditure.

e. ₹0.48 Crore difference due to difference in other income.

f. ₹1.85 Crore difference due to depreciation and amortization.

Note 4.13 PREVIOUS YEARS FIGURES

Previous year figures have been regrouped / re-casted wherever considered necessary to make them comparable with those of the current year.

Note 4.14 STATEMENT OF NET ASSETS AND PROFIT OR LOSS ATTRIBUTABLE TO OWNERS AND MINORITY INTEREST

Name of Entity	Reporting Currency	Net Assets, i.e. total assets minus total liabilities	Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
			As % of consolidated profit or loss	Amount (in crore)	As % of consolidated other comprehensive income	Amount (in crore)	As % of total comprehensive income	Amount (in crore)
JVL Overseas Pte LTD (Singapore)	USD	0.00%, ₹(0.18) cr	-18.85%	(12.73)	0%	0	-18.85%	(12.73)

LIST OF ASSOCIATES WHICH HAVE NOT BEEN CONSOLIDATED AND REASONS FOR NOT CONSOLIDATING:

Sl. No.	Name	Reason
1	JVL Mega Food Park Pvt Ltd	The operations of the companies are not significant and hence are immaterial for consolidation
2	JVL Cement Ltd	The operations of the companies are not significant and hence are immaterial for consolidation
3	JVL Agro (Assam) Private Limited	The operations of the companies are not significant and hence are immaterial for consolidation
4	Adamjee Extraction Pvt Ltd.	The operations of the companies are not significant and hence are immaterial for consolidation

As per our report of even date
For **SPARSH & COMPANY**
Chartered Accountants
FRN - 013070C

Rahul Kumar Singh
[Partner]
M.No. 405120

Place: Varanasi
Date: 29.12.2018

For and on behalf of Board of Directors

S.N. Jhunjhunwala
Managing Director & CEO

Adarsh Jhunjhunwala
Whole-time Director

Notes

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