"Khane mein kaunsa tel istemaal karti hain aap?"

JVL AGRO INDUSTRIES LIMITED
ANNUAL REPORT 2010-11

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 and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the 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 of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in 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. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise

Contents

"Khane mein kaunsa tel istemaal karti hain aap?"

At JVL Agro, this singular question resulted in a rural encyclopedia capturing insights into what people use and how people eat.

This simple query enabled us to create a consumer franchise across different regional pockets, covering a number of cooking media products.

As a result, one out of every three edible oil customers across our target market is a JVL consumer. Even as you read this, we already sold 10 mt of edible oil.

The result is in the numbers: In 2010-11, we reported a 77% increase in our revenues to ₹2,180.79 crore and a 71% increase in our post-tax bottomline to ₹50.02 crore.

"Aapke munh mein ghee-shakkar."

Traditions go a long way.

In our case, it helped us emerge as India's largest and fastest-growing edible oil brand.

Promoter holding
49.51%
March 31, 2011

Team strength
2,500 members
March 31, 2011

Revenues
₹
2,180.79
crore
2010-11

Profit after tax
₹
50.02
crore
2010-11

Market capitalisation
₹
211.28
crore
March 31, 2011

Net worth
₹
262.02
crore
March 31, 2011

Vision

To delight the consumer through a complete vegetable oils solution, through continuous research and development in healthier oil varieties, leading to a single-stop convenience

Mission

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

Identity

Promoted by Mr. D. N. Jhunjhunwala in 1989; commenced operations through the establishment of a 25 MT/day hydrogenated vegetable oil unit

Products

Vanaspati (hydrogenated vegetable oil), refined oils (palm and soya oil) and mustard oil

Assets

Operations carried out at three state-of-the-art manufacturing facilities in Uttar Pradesh (Varanasi), Rajasthan (Alwar) and Bihar (Dehri-on-sone). A new plant being proposed for Haldia in 2011-12.

Recognition

Recognised as the fastest-growing vanaspati brand in 2006 and Emerging company of the year 2007 by Globoil India; Mr. S. N. Jhunjhunwala (Managing Director) honoured as Globoil Man Of The Year 2008 for his industry contribution

Presence

Headquartered in Varanasi (Uttar Pradesh), India, with offices in Delhi, Mumbai and Kolkata and a subsidiary in Singapore. The Company also acquired additional land at Haldia for further expansion.

Markets

Products available across North, Central, East and Northeast India, covering 18 states and two Union Territories

Listing

Equity shares listed on the National Stock Exchange, Bombay Stock Exchange, Delhi Stock Exchange and Uttar Pradesh Stock Exchange. Stock split from one share of ₹10 each into 10 shares of Re. 1 each

Cutting a long story short

1990

Commenced production with a 25 TPD capacity

1993

Achieved 100-TPD production at Varanasi

1995

Switched vanaspati processing from chemical to modern mechanical technology

1999

Installed a 60 TPD unit for refined oil at Jaunpur, introducing crude soybean and palm olien oil

2000

Increased vanaspati production capacity to 200 TPD

2005

Introduced a fractionation unit of 200 TPD capacity

2006

- Acquired Rajasthan-based mustard oil seed-crushing and refining plant
- Invested in Adamjee Extraction, Sri Lanka, to import saturated fats under the Jhoola brand
- Product sales in the states of UP, Bihar, Jharkhand, Madhya Pradesh, Uttaranchal and Chhattisgarh.

2007

- Emerged as the first Uttar Pradesh vanaspati manufacturer to commission a 3-MW power plant
- Formed a wholly-owned Singapore subsidiary under JVL Overseas Pte Ltd
- Introduced products in the Northeastern states.

2008

- Commissioned an edible oil refinery/saturated fats unit in Bihar
- Commenced production of a new refinery in Uttar Pradesh, plant supplied by Alfa Laval with the latest technology
- Initiated de-oiled cake exports

2009

- Commenced commercial production from the Bihar unit
- Introduced products in Jammu and Kashmir, Himachal Pradesh and West Bengal

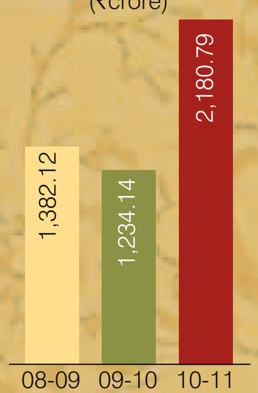
2010

- Commenced development of the Haldia unit with 1,200 TPD refining capacity, captive power plant and oleochemical section.

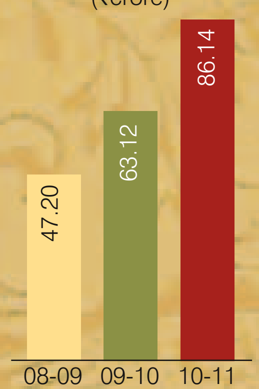
TPD = tonnes per day

Lajawaab taste, mazedaar results

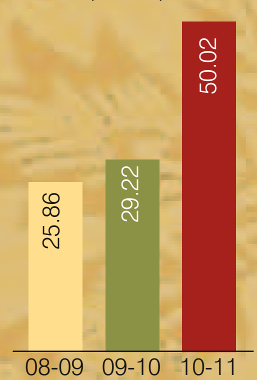
Gross sales
(₹crore)



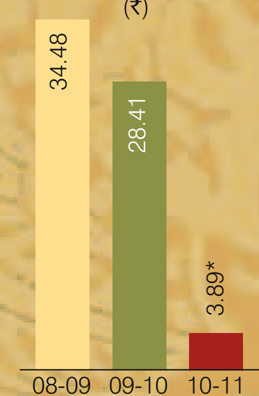
EBIDTA
(₹crore)



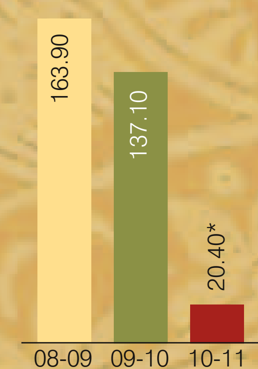
Profit after tax
(₹crore)



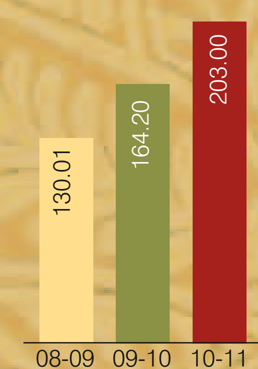
Earnings per share
(₹)



Book value
(₹)



Gross block
(₹crore)



*Stock split from one share of ₹10 each into 10 shares of Re. 1 each, so number of paid-up equity shares as on March 31, 2011 is 12,84,40,000.

"Growing ruralisation - rising incomes and aspirations - translated into our record tonnage sales and turnover in 2010-11."

Mr. S. N. Jhunjhunwala

Were you pleased with the Company's working during the financial year under review?

At JVL Agro, we are a faithful proxy of India's rural consumption story. The year under review was a microcosm of our business potential – growing incomes and rising consumption, represented by a phenomenon which we term as 'ruralisation'. A strengthening agrarian economy, job assurance through the Mahatma Gandhi National Rural Employment Scheme (MNREGA), large consumption pool of 0.7 bn and increased mirroring of urban consumption trends enhanced rural consumption. By virtue of being a faithful 'ruralisation' proxy, we reported record tonnage sales (3,76,493 MT) and turnover (₹2,180.79 crore) in 2010-11.

We projected revenues of ₹1,800 crore for the year under review and eventually finished with ₹2,180.79 crore, which indicates that the market performed better than what we expected. In fact, there is usually a seasonal lull every winter; in 2010-11, edible oil demand was robust and we closed the quarter with better numbers than ever. As it turned out, a growing consumer pull strengthened our margins year on year. I think this is the beginning of an interesting trend: While urban India is relatively satiated for the consumption of our products, rural India is extensively under-penetrated; the correction of this under-penetration will last for the next few decades, which represents the underlying foundation of our optimism.

What is the most potent tool to capitalise on 'ruralisation'?

Rural India is typically a great Indian bazaar. It is home to nearly 70% of India's population across 600,000 villages. With a view to tap this diverse and disparate consumer base, companies will need to go back to their drawing boards to redraw their rural distribution strategy and reach Tier-IV and Tier-V towns. At JVL Agro, we have been proactive in our response to external developments, as we now serve consumers through a distribution network comprising 5,200 dealers, resulting in an industry-leading market share across the geographies of our presence.

What was the highlight of the Company's working in 2010-11?

We operationalised our greenfield 500 TPD Bihar unit in 2009 and this facility reported a full 12-month working during the period under review as compared with 2009-10. This generated a volume thrust of 97169 MT and contributed 33% to our topline during the period under report. Moreover, we reported a 72% average overall capacity utilisation in 2010-11, which was higher than 2009-10. This added to a 19% realisation growth, enabling us to report our highest-ever turnover during the period under report.

Does this point to a growing strength in the Company's working?

In a volume-driven business, scale defines sustainability. I am proud to state that we are one of India's largest manufacturers of vanaspati and other value-added vegetable oils. Higher volumes made it possible for us to cover our fixed costs efficiently and strengthened our ability to bargain better for resources. The result is that our EBIDTA, cash profit and net profit increased 36%, 53% and 71% respectively during the period under report.

Why did the Company choose Bihar as the location of its greenfield plant?

Proactive policies, greater industrial security and an underserviced geography made Bihar an attractive investment destination. Besides, there is less competition in that state, we enjoyed a wide reach, we could maximise the use of railways for cost-efficiency, we enjoyed a lower cost structure than other states and the labour cost was attractively low.

There was another important reason: Income translates first into improved food consumption followed by spending on clothes and homes. This made Bihar – home to a tenth of India's population – one of the key consumption centres with a per capita edible oil consumption rising from 8-10 kg to the Indian average of 12-13 kg in the last few years. One of the key drivers of Bihar's 'ruralisation' was the MNREGA scheme in which the government guarantees a minimum 100 working days to beneficiaries. This accelerated reverse migration, with Bihar emerging as one of the beneficiaries.

Besides, by the virtue of having once stayed in urban locations, this population mirrors the health consciousness of its urban counterpart, making it imperative to commission an edible oil capacity in that state. As it turned out, all our sales were made within 390 kms of our plant, resulting in logistical efficiency.

What operational improvements were undertaken by the Company in 2010-11?

The following improvements strengthened our performance during the year under review:

- We reported a significant capacity utilisation at our Bihar unit, a significant achievement considering it was only the first year of plant operation in a business marked by cyclical demand patterns; we recorded a 93% capacity utilisation in our Varanasi plant as against over 80% in the previous year and 128% capacity utilisation in our Alwar (Rajasthan) unit as against over 80% in the previous year
- We switched resource acquisition from carry-and-forward, which included freight charges, to free-on-board, which excludes freight charges, to reduce logistics cost
- We chartered the vessel space through our Singapore subsidiary, opening up a new avenue for timely cost-effective raw material supply
- We implemented ERP, improving operational efficiencies through real-time information; we trained our manpower, resulting in higher productivity
- We expanded our sales and distribution network by reaching two new Indian states with a deepened penetration across our existing markets

How did the Company strengthen its competitive positioning during the year under review?

Over the years, we strengthened our competitive positioning through the following initiatives:

- We reinforced our vanaspati position through the largest Indian single-location vanaspati plant, accounting for about 20% of the organised North Indian vanaspati capacity
- We provide a comprehensive product solution to our customers under the Jhoola umbrella brand; this comprised vanaspati on the one hand and refined (palm oil and soya oil) and mustard oil on the other
- We widened our footprint from Madhya Pradesh, Chhattisgarh, Uttar Pradesh, Uttarakhand, Jharkhand and

Bihar to the Northeast and Delhi, Punjab, Mizoram, Assam, Sikkim, Meghalaya, Arunachal Pradesh, West Bengal, among others, resulting in a footprint across North, Central and East India, which we expect will become a pan-Indian presence by 2015

The result is that JVL led the vanaspati market in Bihar and UP; it emerged among India's top three companies in refined palm oil, among the top three in West Bengal and Northeast states for mustard oil.

The Company intends to take this competitive positioning ahead through its greenfield Haldia plant. Will this compromise the strength of the Company's balance sheet?

We are engaged in establishing a greenfield 1,200 TPD facility at Haldia.

The Haldia project will enable us to extend our presence from landlocked states to port-based locations, providing us with the dual benefits of international raw material access and end-product sales. We will also look at setting up an oleochemical section.

The project, with a ₹150 crore capex, is funded through an optimum debt-equity ratio. The Haldia unit possesses a cumulative revenue potential of ₹1,000 crore considering the optimal 80% capacity utilisation and conservative realisations.

How does the Company expect to enhance shareholder value?

I will answer this from eight perspectives:

• One, our product caters to the price-sensitive bottom of India's income pyramid, which is going through the biggest income transition following the implementation of MNREGA and other debt waiver schemes

• Two, our brand value of is not fully reflected in our market capitalisation and the correction of this mismatch will lead to stock re-rating

• Three, we are looking to plantation acquisition, which will secure and strengthen our raw material access even as we possess a gearing of less than 1.0

• Four, even as service a region that can be classified as a country by itself (Bihar, Uttar Pradesh, Jharkhand, Madhya Pradesh, Chandigarh, Northeast India, West Bengal and Uttaranchal) we expect to commission two more manufacturing units - on India's West and South Coasts in upcoming years – which will facilitate a pan-India coverage

• Five, we augmented refined oil sales (value-added) in 2010-11 compared with previous year, strengthening margins, a trend that we expect will sustain

• Six, we reported a throughput of 350,000 to 400,000 MT in 2010-11, which we expect will rise to 450,000 MT in 2011-12 and a projected 600,000 MT in 2012-13; we expect to correspondingly grow our revenues to an estimated ₹2,500 crore in 2011-12 and a projected ₹4,000 crore by 2013-14

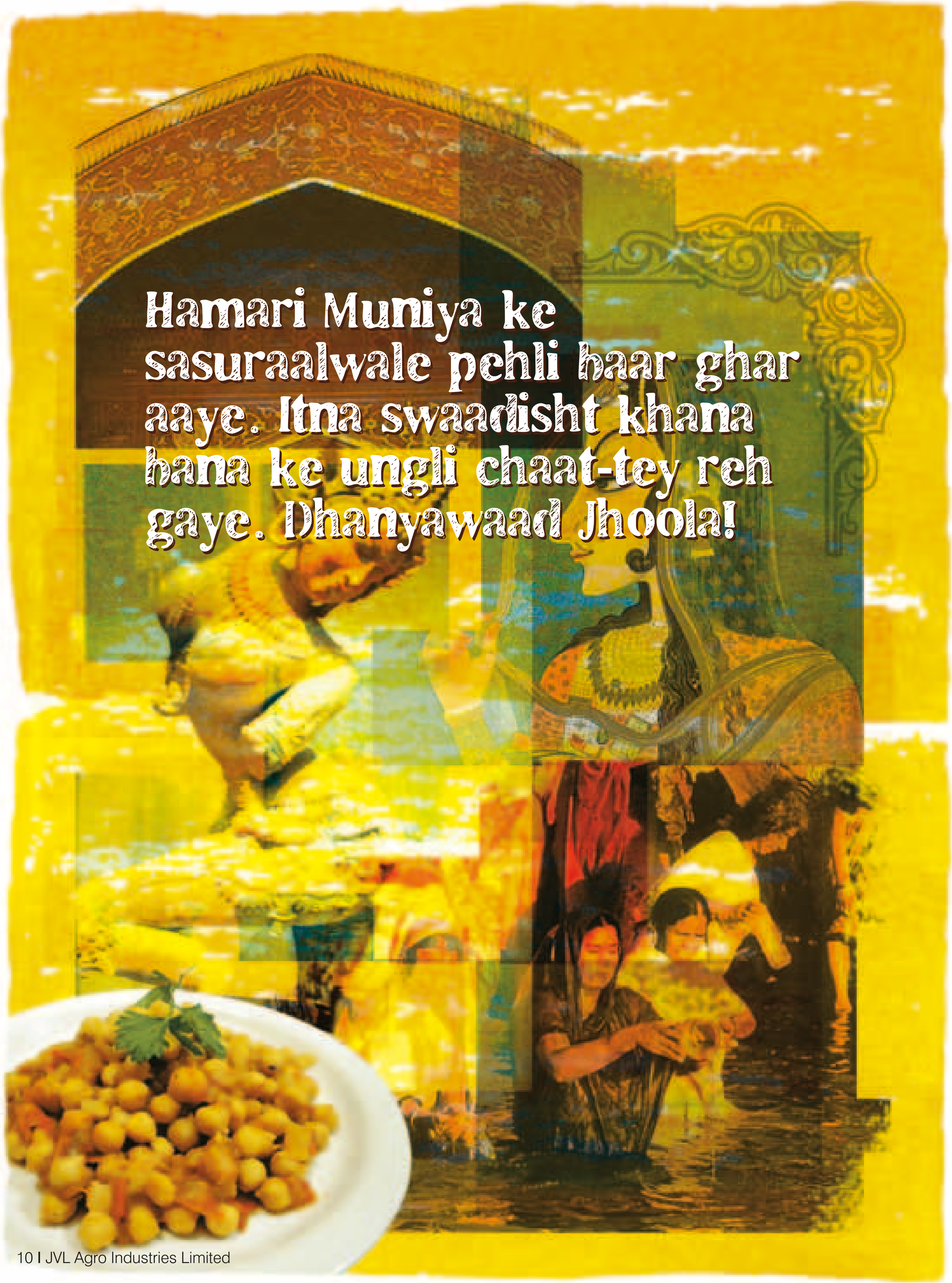
• Seven, we may progressively liquidate debt through our accruals even as our turnover rises, strengthening our interest cover and market capitalisation.

• Eight, we plan to use the sales and distribution channel created for launching other agro products which follow the same distribution channel such as rice and pulses, among others.

Strategic corporate pillars

Experience	JVL possesses over two decades of rich experience in the vegetable oil industry.
Product range	JVL provides an extensive range of vegetable oils comprising refined (palm oil and soya oil), saturated fats (vanaspati) and mustard oil.
Relationships	JVL enjoys long-term relationships with plantation owners in Indonesia and Malaysia ensuring timely and cost-effective raw material delivery.
Logistics	JVL's positioning as northern and Central India's largest crude oil importer translates into better bargaining and logistics competitiveness.
Brand	The Jhoola brand is available across 18 Indian states and two union territories, enjoying a market-leading share in Central India's edible oil market.
Scale	JVL's saturated fats manufacturing unit is the single-largest in India, resulting in optimised production and conversion costs.
Integration	JVL is integrated from plantation access to product packaging (18,00,000 HDPE jars per annum and 42,00,000 tins per annum as well as manufacturing container handles and caps).
Energy	JVL invested in a 3-MW captive power plant in its Varanasi facility, feeding 100% of the unit's requirements.
Quality	JVL is certified for the prestigious ISO 9001-2008.
Distribution	JVL enjoys an entrenched presence in North India through a distribution network comprising over 30 depots, over 5,200 dealers and thousands of retail outlets.
Customisation	JVL caters to the needs of various Indian consumers through various packaging options ranging from 200 ml to 15 ltrs to 15 kg.
Customer-centric	JVL offers customers a superior price-value proposition in terms of product diversity, customisation and service.

Hamari Muniya ke sasuraalwale pehli baar ghar aaye. Itna swaadisht khana bana ke ungli chaat-tey reh gaye. Dhanyawaad Jhoola!



At JVL, we are not just a food ingredient but an integral part of people's lives.

This relationship-centric approach resulted in millions of loyal consumers.

We strengthened our brand presence through the following initiatives:

- Strengthened our vanaspati production capacity from 25 TPD in 1990 to 1,350 TPD in 2010-11
- Expanded our footprint from Varanasi (UP) in 1989 (highest per capita vanaspati consumer), to Alwar (Rajasthan) in 2007 (India's largest mustard seed producer) to Dehri-on-sone (Bihar) in 2009 (among India's largest vanaspati and RBD palmolein markets)
- Expanded our presence from Central India to 18 states and two Union Territories

Result: Our turnover grew 33.21% CAGR over the four years leading to 2010-11, EBIDTA grew 43.81% CAGR and PAT grew 14.38% CAGR during the period.

Rural India is growing faster than ever before.

Enhanced income and awareness have translated into an emerging trend: An increasing number of consumers are particular about the cooking media being used, what they are eating and counting their calories.

JVL responded to this emerging trend through the following initiatives:

- Graduated from a single product offering (vanaspati) to value-added refined oils, emerging as a complete edible oil solutions provider
- Installed a membrane filtration system for fractionation to improve refined palm oil quality
- Maintained product consistency through a thorough check of raw materials, processes and finished goods
- Achieved highest food quality certifications from Prevention of Food Adulteration Act and vegetable oil product specification from the government; possesses certifications like ISO 9001-2008 and AGMARK for mustard oil.

Result: Even as the outlook appears positive for the country (rural household food expenditure was higher than 50% of the total rural expenditure in 2010-11), JVL expects to capitalise through growing investments in assets, products and efficiency.

₹76,000
Average annual rural household income grown at an 8% CAGR for 2005-2010

₹190 bn
Size of rural consumption, making it higher than Singapore's GDP

17%
CAGR of average annual household savings for 2005-2010

69%
Percentage of rural households possessing a bank account

₹332 bn
Union Budget expenditure on education in 2010

70%
Rise in number of literates from 60% in 2001 to 70% in 2010

Business enablers

A. Robust product portfolio

JVL enjoys a growing presence in four major edible oil categories – palm oil, soybean oil, mustard oil and vanaspati (hydrogenated vegetable oil). This wide positioning makes it possible for the Company to capitalise on more opportunities than single-product players. The Company is also among India's few large integrated players, better placed over small and mid-sized manufacturers in countering sectoral cyclicality. The Company's economies of scale translated into enhanced bargaining power, optimised production costs and superior product availability.

JVL's product portfolio

- Vanaspati/hydrogenated vegetable oil
- RBD palm oil
- RBD palm olein
- Refined soybean oil
- Mustard oil

B. Scale

JVL is among India's largest edible oil producers. Some of the production highlights in 2010-11 comprise:

- Increased vanaspati production from 1,14,526 MT in 2009-10 to 1,24,570 MT
- Increased refined oil (palm oil and soya oil) production from 84,395 MT in 2009-10 to 1,25,239 MT
- Increased mustard oil production from 26,486 MT in 2009-10 to 41,483 MT
- Increased de-oiled cake production from 69,638 MT in 2009-10 to 72,321 MT
- Increased fatty acid oil production from 6,825 MT in 2009-10 to 12,823 MT

The increase in production was derived from the following:

- The greenfield Bihar unit produced 51,734 MT of refined oils in 2010-11 as against 16,369 MT in 2009-10
- The Varanasi fractionation capacity expanded from 300 TPD to 700 TPD

Our assets

Products	Installed capacity (MT per annum)
Vanaspati (Varanasi, UP)	84,000
Red palm olein and esterified oil (Varanasi, UP)	90,000
Mustard oil (Alwar, Rajasthan)	81,000
Refined oil/vanaspati (Dehri-on-sone, Bihar)	1,50,000

C. Location

JVL's manufacturing facilities are located strategically to capture consumption upturns:

- **Varanasi (Uttar Pradesh):** Located in eastern UP, which accounts for the highest vanaspati per capita consumption in India
- **Dehri-on-sone (Bihar):** Located in a state that is among India's largest vanaspati and RBD palm olein markets
- **Alwar (Rajasthan):** Located proximate to raw material sources as Rajasthan is India's largest mustard seed producer
- **Haldia (West Bengal):** This upcoming plant is located near the Haldia port, facilitating international trade

The Company transports imported raw material (crude palm oil) from Kolkata port (700 km from Varanasi and 600 km from Pahleza) through its rail network, which is cheaper than road transportation. Besides, the upcoming plant's proximity to the Haldia port is expected to reduce freight and will prove cheaper than transporting by trucks.

D. Product utility and acceptance

Palm oil is the most affordable of all oils (mustard, soybean and sunflower) used in refined and saturated forms. It also possesses a higher nutrition value than other edible oils and is largely used as a cooking medium by mid- and lower-income groups, comprising 70% of India's population.

The share of refined palm oil and saturated fats in the edible oil market stands at 50% and 15% respectively. The demand for refined oil has grown steadily, owing to rising incomes and health awareness. The cumulative refined palm oil demand in India is pegged at over 7 mn MT per annum. Vanaspati, refined oils and mustard oil are also used as a cooking medium in kitchens, hotels, restaurants, sweet makers/*halwaais, namkeen* makers and industrial consumers (bakers and confectioners). While vanaspati is essentially saturated fat, refined and mustard oil are unsaturated fats.

Vanaspati is widely consumed in UP and Bihar and refined palm olein is fast-emerging as a popular cooking medium in both these states. Mustard oil is widely consumed in eastern Uttar Pradesh and Bihar while refined soybean oil is a popular cooking medium in North India. These products enjoy steady round-the-year consumption and are less prone to demand cyclicality. De-oiled cake is used for cattle and poultry feed.

E. Markets and brand

The edible oil industry comprises big, small and MNC players. The Company faces competition from national and regional players. International competitors comprise multinational players like Cargill India, Bunge India and Louis Dreyfus Commodities, while Indian competitors comprise Ruchi Soya, Adani Wilmar, Gokul Refoils and Solvents, K S Oils, Emami Biotech, among others. The Company has grow, competition notwithstanding, on account of direct raw material import, scale economies and logistics advantages.

The Company markets products under the Jhoola, Payal and Joohi umbrella brands.

- Vanaspati is sold under the Jhoola brand
- RBD palm olein under Jhoola and Payal brands
- Refined soybean oil under Jhoola Health brand
- Mustard oil under Jhoola, Joohi and Shankar brands

Our brands are easily recognised and well-accepted. They are sold in diverse pack sizes (200 ml, 500 ml, 1 litres, 2 litres, 5 litres, 10 litres, 15 litres and 15 kg) to meet various requirements. Besides household consumers, JVL also caters to institutional clients from the hospitality, bakery and confectionery sectors. The Company's stock keeping units comprise 11 for vanaspati, five each for refined soyabean and palm oil and eight for mustard oil.

The Company's biggest consumption centres comprise Uttar Pradesh and Bihar, contributing over 70% of revenues. The Company enjoys about a 30% market share across these core markets.

F. Quality and R&D

At JVL, our quality policy is enshrined in our ability to consistently meet customer expectations through process and manufacturing improvements. We possess confidence-enhancing certifications like ISO 9001-2008 and AGMARK for newly introduced mustard oil. We also enjoy certifications from high-quality standard authorities like PFA (Prevention of Food Adulteration Act) and VOP (vegetable oil product) specification from the Government of India. Our quality infrastructure comprises centralised laboratories for inspecting incoming raw material quality (oils, packaging material and chemicals), intermediate materials and finished products, leading to negligible rejection rates.

G. Raw material

Our principal raw materials include crude palm oil, soybean degum/refined oil and mustard seeds. We import crude palm oil from Indonesia and Malaysia, soybean degum from Argentina and Brazil. These are also purchased from within the country. As a prudent policy, we source mustard seeds ahead of requirement.

Procurement strengths

- JVL is a direct importer of its principal raw material
- It is among India's largest manufacturers and marketers of vanaspati, strengthening bargaining power
- Its brands are prominent across target markets, resulting in a premium
- It enjoys logistical advantages across primary markets owing to its proximity to key consumption centres

H. Information technology

Information technology is JVL's backbone, networking its offices, manufacturing facilities and depots and resulting in a quicker access to real-time information. It currently uses ERP (based on SQL).

At JVL, the implementation of MIS links technology, information and people. The Company established day-to-day production information based on the physical stock of commodities, thereby controlling losses. It developed a techno-commercial hub of 10-15 competent people resulting in a better coordination between production, planning and marketing.

Finance review

Accounting policy

The Company prepared its accounts under the historical cost convention method with generally accepted accounting principles as prescribed by the Institute of Chartered Accountants of India and as per the relevant provisions of the Companies Act, 1956.

A. Profit & Loss Account

Highlights, 2010-11

Absolutes	Derivates
• Gross revenues increased 77% from ₹1,234.14 crore in 2009-10 to ₹2,180.79 crore	• Interest cover strengthened from 3.47 in 2009-10 to 4.92.
• EBIDTA grew 36.47% from ₹63.12 crore in 2009-10 to ₹86.14 crore	
• PBT grew 56.16% from ₹38.44 crore in 2009-10 to ₹60.03 crore	
• PAT grew 71.18% from ₹29.22 crore in 2009-10 to ₹50.02 crore	

Revenue

Gross sales grew 77% from ₹1,234.14 crore in 2009-10 to ₹2,180.79 crore in 2010-11, largely owing to the following reasons: The new Bihar unit reported 12-month working compared with 2009-10; the Varanasi fractionation capacity increased from 300 TPD to 700 TPD coupled with stronger capacity utilisation and realisations.

Revenue from vanaspati sales increased from ₹440.53 crore in 2009-10 to ₹617.09 crore; refined oil sales increased from ₹339.99 crore in 2009-10 to ₹633.60 crore; mustard oil sales increased from ₹128.92 crore in 2009-10 to ₹218.86 crore.

Cost analysis

The Company's operating cost increased 80.32% from ₹1,190.56 crore in 2009-10 to ₹2,146.84 crore in 2010-11, owing to increased production of refined oils and vanaspati. Total cost (including interest and depreciation charges) increased 78.80% from ₹1,215.24 crore in 2009-10 to ₹2,172.95 crore in 2010-11 on account of growing operations.

Cost break-up

(₹crore)

	2010-11		2009-10	
	Amount	% of total cost	Amount	% of total cost
Cost of materials	1,984.12	91.30	1,077.27	88.65
Manufacturing expenses	150.13	6.90	104.95	8.64
Administrative and other expenses	4.89	0.23	3.62	0.30
Selling and distribution expenses	7.70	0.37	4.72	0.39
Financial charges	17.50	0.80	18.17	1.49
Depreciation	8.61	0.40	6.51	0.53
Total	2,172.95	100	1,215.24	100

Cost of materials: This increased 84.21% from ₹1,077.27 crore in 2009-10 to ₹1,984.12 crore in 2010-11, owing to increased scale on the one hand and increase in average crude palm oil prices on the other. Raw material consumption increased 64.78% from ₹853.12 crore in 2009-10 to ₹1,405.85 crore in 2010-11.

Manufacturing expenses: The Company's manufacturing components largely comprised the consumption of packing materials, power, fuel, chemicals and production expenses. This increased 43.04% from ₹104.95 crore in 2009-10 to ₹150.13 crore in 2010-11. Power and fuel costs increased 100% to ₹43.84 crore while packing cost increased 32.18% to ₹84.03 crore in 2010-11.

Administrative and other expenses: This increased from ₹3.62 crore in 2009-10 to ₹4.89 crore in 2010-11, due to an increase in insurance costs, professional and consultancy charges and miscellaneous expenses.

Selling and administrative expenses: This increased 63.13% from ₹4.72 crore in 2009-10 to ₹7.70 crore in 2010-11, largely due to an increase in brokerage and commission.

B. Balance Sheet

Highlights, 2010-11

Absolutes	Derivates
• Reserves grew 28.81% from ₹163.19 crore as on March 31, 2010 to ₹210.21 crore as on March 31, 2011	• ROCE improved 407 bps from 16.59% in 2009-10 to 20.66%, owing to a substantial improvement in profit after tax
• Gross block grew 23.62% from ₹164.20 crore as on March 31, 2010 to ₹203.00 crore as on March 31, 2011	• ROCE improved 918 bps from 11.80% in 2009-10 to 20.98%, owing to debt repayment

Capital employed

Capital employed declined 23.21% from ₹534.71 crore as on March 31, 2010 to ₹410.58 crore as on March 31, 2011, owing to a ₹191.82 crore repayment of secured loans. The judicious application of each rupee invested in the business was reflected in the improved return on capital employed (ROCE) from 11.80% in 2009-10 to 20.98% in 2010-11.

Sources of funds

Shareholders' funds: Net worth increased 34.83% from ₹194.33 crore as on March 31, 2010 to ₹262.02 crore as on March 31, 2011. This was largely due to an increase in reserves and surplus – from ₹163.19 crore as on March 31, 2010 to ₹210.21 crore as on March 31, 2011. The equity capital stood unchanged at ₹12.84 crore, but the number of fully-paid equity shares grew ten-fold to 12,84,40,000, owing to a stock split. The promoter group held a 49.51% stake in the Company as on March 31, 2011.

External funds: The debt portfolio declined 61.64% during the year. The Company's debt (fully secured/unsecured) stood at ₹148.56 crore as on March 31, 2011 as against ₹340.38 crore as on March 31, 2010. Debt-equity ratio was 0.56:1 as on 31 March 2011 (1.75:1 as on March 31, 2010) following a decline in secured loans. During the year, the Company repaid ₹191.82 crore of secured debt. Interest cost declined 3.68% from ₹18.17 crore in 2009-10 to ₹17.50 crore in 2010-11 even as there was an improvement in revenues. The Company sources external funds from two consortiums of eight banks.

Application of funds

Gross block: Gross block increased 23.62% from ₹164.20 crore as on March 31, 2010 to ₹203.00 crore as on March 31, 2011, due to additions in plant and machinery and capital work-in-progress at Haldia. This also resulted in an increase in the accumulated depreciation provision from ₹25.72 crore in 2009-10 to ₹34.23 crore in 2010-11 (Straight Line Method). Depreciation increased 32.25% from ₹6.51 crore in 2009-10 to ₹8.61 crore in 2010-11. Accumulated depreciation, as a proportion of gross block, stood at 16.68%, reflecting asset newness.

Working capital: The Company's working capital was used to purchase raw material, manage overheads and provide credit. Net current assets declined 42.63% from ₹387.14 crore as on March 31, 2010 to ₹222.09 crore as on March 31, 2011, owing to repayment of secured loans. Net current assets as a proportion of capital employed declined from 72.40% in 2009-10 to 54.06% in 2010-11.

The Company strengthened its receivables management through various initiatives: It assigned credit limits to customers and maintained a strict vigil on timely receivables; it ensured the recovery of old receivables before new dispatches; it facilitated a reduction in the debtors' cycle from 29.40 days of turnover equivalent in 2009-10 to 20.23 days in 2010-11; it maintained a commitment to pay vendors on the agreed due date, strengthening trust and leading to a better negotiation capability.

Cash and bank balance: Cash and bank balance increased from ₹297.88 crore in 2009-10 to ₹332.77 crore in 2010-11.

Risk management

Industry risk

The Company's growth is largely dependent on the edible oil sector, which is linked to increasing consumption expenditure. A downturn could depress performance.

1

Mitigation

India is on the verge of entering a high-growth decade. Nominal private expenditure will scale from about USD 790 bn to about USD 3.6 tn by 2020. This estimate is based on the following trends:

• Shift in the average household income distribution over the next decade owing to a rise in median household income from the current USD 3,400 per annum to about USD 8,000 by 2020

• Growing middle and upper middle-class households are projected to increase from 58 mn to 110 mn (representing 40% of India's households)

• Fall in dependency ratio, rising income levels and rapid urbanisation

As a result, the Indian edible oil market is expected to almost double to 30 mn MT by 2020.

Product risk

The Company's product basket may not synergic.

2

Mitigation

• JVL provides a complement of vegetable oil products – vanaspati on the one hand and refined (palm oil and soya oil) and mustard oil on the other

• It added blended oil (combination of essential oils) to its product basket

• It increased the revenue proportion from saturated fats (vanaspati) to edible oils like refined palm oil, refined soya oil and mustard oil in response to changing consumer preferences

• It is in the process of launching a premium brand of refined soyabean and mustard oil by 2012-13

The Company expects to enrich its product basket from four product categories in 2009-10 to seven by 2015-16.

Raw material risk

Non-availability of crude palm oil and other resources could affect business growth.

3

Mitigation

• Over the last two decades, JVL established enduring relationships with global plantation owners in Indonesia and Malaysia (top two countries for crude edible oil production), leading to consistent supply

• It maintained strong relationships with soyabean oil producers in Argentina and Brazil, facilitating procurement flexibility

• It incorporated a Singapore subsidiary to oversee trading activities

• As a significant backward integration initiative, the Company is planning for palm oil Indonesian land acquisition

Brand and awareness risk

Hyper competition might lead to brand clutter, resulting in a lack of product awareness.

4

Mitigation

• JVL markets products under well-recognised brands

• It provides consumer comfort through affordable pricing, superior cooking properties and effective price-value propositions

• It plans to leverage its brand, sales and distribution network to introduce synergic products like rice

Marketing risk

Ineffective or insufficient marketing may dilute market share.

5

Mitigation

• JVL's marketing team continuously monitors competitors backed by proactive action

• It focuses on below-the-line promotional activities comprising danglers, posters, hoardings and print advertisements

• It intends to launch a television commercial to enhance national awareness

Distribution risk

Non-timely product availability can erode brand image.

6

Mitigation

• JVL established plants across strategic locations comprising Varanasi (UP), Dehri-on-Sone (Bihar) and Alwar (Rajasthan)

• It possesses strong distribution infrastructure across UP, Bihar, Haryana, Jammu and Kashmir, Uttaranchal, Chhattisgarh, Punjab, Himachal Pradesh, West Bengal, seven Northeastern states and the national capital region (NCR)

• It is establishing a plant in Haldia (1,200 TPD capacity) to facilitate raw material import and access West and South India markets

• It plans to establish plants in Andhra Pradesh and Maharashtra/Gujarat

Quality risk

Quality deviations may result in customer attrition.

7

Mitigation

• JVL follows stringent quality control measures from raw material procurement to packaging, resulting in the prestigious ISO certification

• Its cordial relationship with suppliers ensures quality raw material availability and extended product shelf life

• It continuously invests in R&D for adopting world-class technology

Cost risk

A non-commensurate rise between costs and prices might impact profit margins.

8

Mitigation

• JVL hedges positions through forward/options contracts, thereby mitigating input cost increases

• The Company transports imported raw material through its rail network, which is cheaper than road transportation.

• The location of existing plants near market proximities helps reduce logistics costs on the one hand and faster rollout of inventories on the other.

• The new refinery in Haldia will support raw material import in the next few months, reducing logistics costs significantly.

Management discussion and analysis

Global economy

The global economy grew at a robust 4.8% in 2010 against -2.9% in 2009. Advanced economies sustained their moderate growth owing to stronger-than-expected consumption in the US and Japan. Private consumption, which fell sharply during the crisis, strengthened in major advanced economies. Growth in emerging and developing economies remained robust, buoyed by well-entrenched private demand, facilitative policy stances and resurgent capital inflows. Going ahead, global GDP growth is projected to increase by over 3% in 2011 with developing economies expanding over 6%, more than twice the 2.4-2.7% growth expected for advanced economies. This growth should give an impetus to consumption, resulting in opportunities for the edible oil sector.

Indian economy

India's GDP grew at a healthy 8.6% in 2010-11 (8% during 2009-10) primarily driven by a significant rise in agricultural sector contribution.

The index for six core industries (crude oil, petroleum refinery products, coal, electricity, cement and finished carbon steel) with a combined weight of 26.68% in the Index of Industrial Production (IIP) grew 5.6% during April-January 2010-11 compared with a growth of 5.5% achieved during the corresponding period in 2009-10.

Outlook

Given the strong underlying economic momentum, outlook is encouraging towards a sustained services sector growth, normalisation in agricultural output and strengthening private consumption. Further, the substantial government thrust on infrastructure projects and development is expected to witness sustained growth, propelling industrial sector growth. The pace of economic activity is expected to rise with GDP expected to grow at 8-8.5% in 2011-12 as private demand gathers momentum and supports overall growth.

Indian edible oil industry

Indian edible oil demand grew steadily at 4.5% CAGR over the last decade and is projected at 16.2 mn MT for 2010-11. This growth was spearheaded by per capita consumption improvement attributed to an increase in income levels and living standards. However, India's current per capita consumption level (14 kg/year for 2010-11 compared with 13.3 kg in 2009-10) is lower than the global average (24 kg/year). The Indian edible oils market continues to be under-penetrated but positive macro and demographic fundamentals will support and enhance demand growth.

Palm, soyabean and mustard oil are the three most consumed Indian edible oils with respect to volumes, having a 46%, 16% and 14% share respectively in total oil consumed in 2010. Given the fact that Indian consumers are price sensitive with different preferences, these oil varieties are expected to continue to account for the country's bulk edible oil consumption.

There exists an ever-widening gap between demand-supply of edible oil, owing to limited oil seed availability and a shift in land use for growing other crops in India. This gap was bridged by imports, accounting for around 45-50% of the total oil consumed. However, in the first half of 2010-11, edible oil imports were at a three-year low owing to an improvement in Indian oilseed production. Further, a higher dependence on imported oil is projected due to domestic supply constraints and the cost-competitiveness of imported oil. Refined and crude palm oil (CPO) accounted for a significant portion of Indian edible oil imports owing to relatively low prices and sufficient availability. Palm oil is expected to dominate imports in the near-to medium-term.

Consolidation

Due to the recent financial crisis, poor harvests and a reduction in edible oil import duties, a number of small-scale solvent extractors and refiners closed operations or were taken over by larger players. The number of solvent extractors declined from 766 to 711, while refiners declined from 800 to 600 since 2005. This trend will sustain as larger players possess several key advantages (being able to sustain a price war, access to cheaper credit from MNC banks and markets, lower production costs and operational integration).

Demand scenario

Indian edible oil demand witnessed a 4.5% CAGR over the last decade and is projected at 16.2 mn MT for 2010-11. India has an important role to play in the global edible oil market, accounting for 10.2% of the consumption share, 7% of oilseed production share, 5% of edible oil production share and 13.6% of global edible oil imports share for oil year 2009-10. According to USDA estimates, India is the world's third-largest edible oil consumer (after China and the EU), expected to account for 11% of the world's demand for edible oil and 16% of global imports in 2010-11.

Branded oil sales

Owing to a large number of unorganised participants in India's edible oil market, the share of branded product sales remained low, while low-income consumers opted for cheaper grades of oil in loose form. According to industry data, 31% of urban households and 9% of rural households consume branded edible oils compared with a national average of 16%. Given the low branded oil market penetration, rising affluence levels and Indian consumers becoming quality-conscious, there is significant growth expected in the branded segment. Among the major edible oils consumed, palm oil is still traded and sold mostly in loose form with packaged sales contributing 15%-20% of total sales. On the other hand, sunflower and soya oil have a high proportion of packaged sales at around 70% and 55% of total sales respectively.

India opportunity

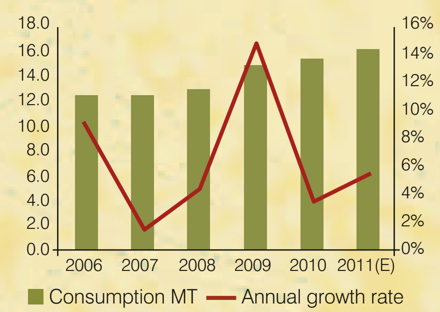
The Indian market represents significant opportunity for edible oil players owing to a growing population, income growth, low per capita consumption, low penetration and the fact that edible oils are a necessary input in the diet for most Indian consumers.

Per capita consumption: The Indian annual per capita consumption grew steadily from 4 kg in the 1970s to 10.2 kg in the late 1990s to 13.5-14 kg in 2010-11. However, it is still below the global average of around 24 kg, signaling high growth industry potential.

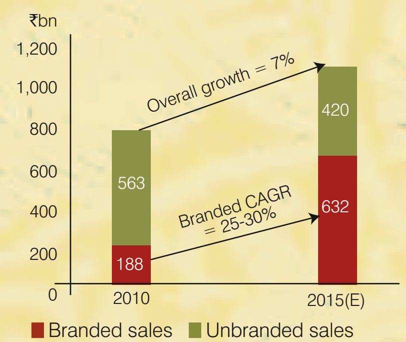
Palm oil: The next big opportunity

With soybean and rapeseed crop output hardly growing, palm oil emerged as the answer to India's edible oil consumption. The share of palm oil in India's consumption is expected to increase from 31% in 2007 to 46% in 2011 due to the following reasons: Easy availability from Malaysia and Indonesia, cheaper alternative which suits the price-conscious Indian consumer and zero duties on CPO.

Domestic edible oil demand

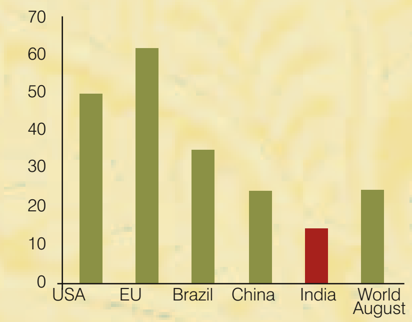


Branded edible oil market is forecast to grow at 25-30% per year



Source: NOMURA research

Per capita consumption



Source: Solvent Extractors Association of India (SEA) and ICRA Analysis

Imports

Indian edible oil imports witnessed a sizeable 21% y-o-y reduction in the second half of 2010-11 (November 2010-April 2011) on account of a relatively higher domestic oilseed availability (29-30 mn MT expected for 2011 compared with 24.9 mn MT for 2010), leading to higher domestic oil production. An increase in CPO prices (trading almost at par with soya during December 2010-February 2011), following concerns over Malaysian production estimates, resulted in lower imports. A subsequent improvement in palm oil production estimates led to a correction in prices, which coupled with the upcoming festive demand, is expected to revive import volumes in the second half of 2011.

Taking into account the current domestic edible oil supply of 8-8.5 mn MT per annum and normal growth of 2-3% (through moderate expansion in cultivated area and yield improvements) in supply, a significant gap between domestic demand and supply is likely to persist, which will result in continued import dependence for at least 45% of consumption requirements, in addition to a dip in imports seen in the first half of 2011.

Consumption

Indian edible oil consumption is varied in preference across regions, owing to taste and availability. Going by volumes, palm, soyabean and mustard/rapeseed are India's three major edible oils and cumulatively account for 75% of the total demand. While India produces mustard oil almost entirely, soyabean oil is imported in significant quantities (about 45-50%). Palm oil is imported entirely in its crude form for port-based refineries, while a certain quantity is also imported in its refined form.

Owing to consumer cost economics and taste preferences, these three edible oil varieties are expected to dominate the consumption mix. Therefore, companies with an exposure to these oil types stand to benefit. Given the inherent price volatility, participants with a diverse presence in all edible oil categories will benefit than participants focused on a single oil variety, owing to flexibility in modifying product portfolios in line with market realities.

As per industry data, about 31% of urban households and about 9% of rural households consume branded edible oils with the national average at around 16%. This represents a significant untapped opportunity with a potential to grow to USD 13.5 bn by 2015.

Pricing

India's edible oil prices are directly linked to imported palm and soyabean oil prices, owing to large dependence on imports among various oil types. Due to highly volatile global edible oil prices, Indian participants are at various risks like unexpected squeeze on margins owing to price differences in raw material (linked to domestic factors) and final product prices (affected by global factors).

Edible oil prices witnessed recovery owing to crude oil price increases in 2010-11 owing to expected increases in bio-fuel demand, shortage of CPO production in Malaysia/Indonesia and increasing demand. With the probability of sustained high crude oil prices in the near-term, edible oil prices will continue to remain firm, going forward.

It is expected that anticipated demand growth will outstrip supply growth in 2010-11 and 2011-12. This widening gap is likely to result in firm pricing and revenue growth for most edible oil companies. Companies with a larger portfolio of branded products and higher capacity will probably benefit from higher average volumes and sales prices.

Import duty

The current duties on crude palm oil is nil and refined palm oil is 7.5% (7.7% including education cess), with the difference in net duty at 7.5% to protect the domestic industry. Going forward, reducing the difference in import duties will remain a key regulatory risk for the industry.

Growth drivers

Population: India's population increased to 1.21 bn at the end of March 2011, from 1.17 bn in March 2010. Uttar Pradesh is the most populous state with 199 mn people.

Rural market attractiveness: The Union Budget 2011-12 proposed a 12% increase in the rural development department's plan outlay from ₹66,100 crore in 2010-11 to ₹74,100 crore for 2011-12. The government increased the allocation for the Mahatma Gandhi National Rural Employment Guarantee Act (NREGA) by ₹10,000 crore to ₹58,000 crore. From January 2011, wages under the scheme were linked to consumer price index for agricultural workers, which increased wage payout by about ₹4,000 crore. The government increased allocation for the Department of Rural Development by over 300% from 2005-06 levels. The literacy rate increased from 64.83% in 2001 to 74.04% in 2011, an increase of 921 bps.

Per capita income: India's per capita income grew 17.9% to ₹54,835 in 2010-11 from ₹46,492 in 2009-10.

Middle-class: The Indian middle-class is expected to grow to 267 mn over five years; the percentage of the country's middle-class is expected to increase from 13.1% in 2009-10 to 20.3% by 2015-16 and 37.2% by 2025-26.

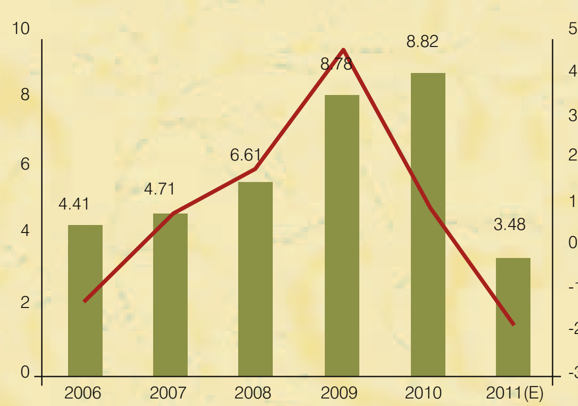
Changing demographics: India is expected to be the largest contributor to the global workforce over 20 years with working-age population expected to swell from 749 mn in 2010 to 962 mn by 2030.

Government initiatives

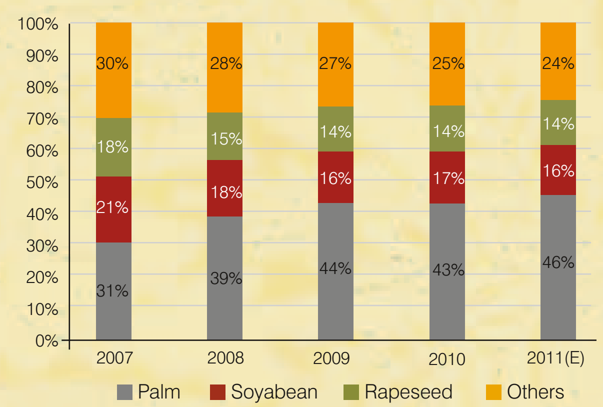
- The Budget 2011-12 states that India will set up 15 more mega food parks and that the states should reform the Agriculture Produce Marketing Act (APMC) to improve the supply chain
- The Budget also allocated USD 135 mn to the Food Processing Ministry from the existing USD 90 mn
- As a measure to boost investment in agriculture, viability gap funding for public private partnerships was extended for setting up modern storage facilities besides giving infrastructure status to cold chains
- According to industry experts, with the upcoming mega parks, there will be an increase in processing perishable products in India from the existing 6% to 20%. Moreover, there will also be an increase in India's share in global food trade from 1.5 to 3% by 2015.

According to an industry body and E&Y study on the Indian food industry titled 'Flavours of Incredible India – Opportunities in the Food Industry', published in October 2009, investment opportunities in the Indian food industry are set to surge from USD 181 bn in 2015 to USD 318 bn by 2020.

Growing imports



Growing palm oil consumption



Directors' profile

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 50 years of experience in various facets of management, out of which 30 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

- **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 and is a Commerce graduate. He has 28 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 02, 2007
- **Expertise in functional areas:** Commerce and Financial Accounting
- Mr. Adarsh Jhunjhunwala is a Wholetime Director of the Company.
- **Qualification:** Chartered Accountant and MBA (Finance).

Mr. H. L. Agrawal

- **Date of birth:** August 01, 1927
- **Date of appointment:** June 01, 1992
- **Expertise in functional areas:** Legal
- Sri H. L. Agarwal is a Director and an ex-Administrative Judge of Honorable Patna High Court and retired Chief Justice of Honorable Orissa High Court. He has extensive experience in the field of legal matters. He looks after all the legal affairs of the Company
- **Qualification:** BA, LLB

Mr. S. K. Dikshit

- **Date of birth:** July 01, 1946
- **Date of appointment:** July 10, 2001
- Mr. S. K. Dikshit is a Director of the Company. He is a Doctor.
- He has expertise in herbal products and medical science.

Mr. Mahesh Kedia

- **Date of birth:** June 13, 1963
- **Date of appointment:** December 29, 2003
- **Expertise in functional areas:** Commerce and Financial Accounting
- Shri Mahesh Kedia is a Director, Chartered Accountant and a Science graduate.
- **Qualification:** B. Sc (Statistics), C.A

Mr. Kanhaiya Lal Goenka

- **Date of birth:** March 03, 1979
- **Date of appointment:** February 27, 2007
- **Expertise in functional areas:** Experience in solvent extraction, oil refining and vanaspati manufacturing units.
- **Qualification:** B.Com

Corporate Information

Chairman
Mr. D. N. Jhunjhunwala

Managing Director
Mr. S. N. Jhunjhunwala

Wholetime Director
Mr. Adarsh Jhunjhunwala

Directors
Mr. H. L. Agrawal
Dr. S. K. Dikshit
Mr. Mahesh Kedia
Mr. Kanhaiya Lal Goenka

Company Secretary
Mr. Rohit Kumar Jaiswal

Audit Committee
Mr. D. N. Jhunjhunwala
Dr. S. K. Dikshit
Mr. Mahesh Kedia

Statutory Auditors
Garg & Company
Chartered Accountants
27A, Waterloo Street, Kolkata 700069

Bankers
Bank of Baroda
Punjab National Bank
State Bank of India
State Bank of Bikaner and Jaipur
State Bank of Hyderabad
State Bank of Patiala
State Bank of Travancore
Vijaya Bank

Registrar and Share Transfer Agent
M/s. MCS Limited
F-65, 1st Floor, Okhla Industrial Area
Phase-I, New Delhi 110020

Registered Office
Jhunjhunwala Bhawan
Nati Imli, Varanasi 221001

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. Pahleza,
District: Rohtas, Bihar 821307

Directors' Report

Dear members...

Your Directors have pleasure in presenting the 22nd Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended on March 31, 2011.

(₹ in crores)

Financial Performance	Year Ended March 31, 2011	Previous Year March 31, 2010
Sales and other Income	2186.92	1244.63
Profit before depreciation	68.64	44.95
Depreciation	8.61	6.51
Profit after depreciation	60.03	38.44
Provision for taxation	8.25	5.83
Profit after tax	51.78	32.61
Less:		
Previous year's Income/Expenses	-	-
Profit after previous year's adjustment	51.78	32.61
Add: Credit Balance		
Profit brought forward from previous year	108.26	83.33
Add:		
Transfer from Investment Allowance Reserve	-	-
	160.04	115.94
Provision for Dividend	2.57	1.53
Provision for Dividend Tax	0.43	0.26
Transfer to General Reserve	4.00	2.50
Deferred Tax	1.67	3.39
Income Tax for earlier years	0.09	----
Transfer to Capital Reserve	13.90	----
Credit Balance carried over to Balance Sheet	137.38	108.26
	160.04	115.94

Appropriations

Dividend

Your Directors are pleased to recommend a dividend of 20% (previous year dividend 15%), subject to the approval of the shareholders at the Annual General Meeting, for fully paid-up equity shares of ₹1.00 each, amounting to ₹2.57 crore (previous year dividend ₹1.53 crore). The tax on distributed profits payable on this dividend is ₹0.43 crore (previous year ₹0.26 crore) making the aggregate distribution to ₹3.00 crore (previous year ₹1.79 crore).The proposed dividend will be tax-free in the hands of the shareholders.

Transfer to Reserves

The Board recommended a transfer of ₹4.00 crore to the General Reserve (previous year ₹2.50 crore).

Performance in the year 2010-11

In the financial year 2010-11, the Company performed unexpectedly. The Company crossed its topline target of 1,800.00 crore. The total revenue of the financial year 2010-11 is ₹2,180.79 crore which was ₹1,234.14 crore in the financial year 2009-10. There is a growth of 77%. The revenue of all the four quarters of 2010-11 surpassed the corresponding period of the last financial year 2009-10. As far as the half-yearly trend is concerned, the turnover of the Company for the first half year period ended as on September 30, 2010 almost touched the total turnover of the financial year 2009-10. We can clearly see that the Company performed tremendously in the financial year 2010-11. Profit after tax has also gone up from ₹29.22 Crore to ₹50.02 Crore from the year 2009-10 to 2010-11. EBIDTA for the year 2009-10 was ₹63.12 Crore and increased to ₹86.14 Crore in year 2010-11 i.e. by 36%.

Current Performance

During the three-month period ended June 30, 2011, the Company achieved a turnover of ₹612.25 crore as compared with ₹469.12 crore during the corresponding period in the previous financial year, in percentage there is a growth of 31%. The PAT increased by 47% while the EBIDTA increased by 33%. This has been its historical performance. The Company is moving aggressively on its sales and marketing efforts and reaching out to bigger population in line with its plan to become a pan-India company by 2015. It continues to follow the policy of perpetual technological upgradation. The Company is ISO 9001:2008-certified in recognition of the organisation's quality system.

Annual General Meeting

The Annual General Meeting of the Company will be held on September 30, 2011 at 3.00 P.M. at 'Hotel Ramada Plaza', JHV, The Mall, Cantonment, Varanasi (U.P) to transact the businesses as specified in the Notice of the meeting.

Expansion Plans

The Company is focusing on its 1,200 MT Haldia unit to get it started by the end of this year. This project is expected to contribute and strengthen the position of the Company in the national edible oil sector and enhance the presence of the Company in the eastern, North-Eastern and central markets of India.

This will be the biggest and technologically most advanced project of the company. The company already has an existing network of sales and distribution in Eastern and Northeastern market and will be able to leverage that in selling the output of the Haldia unit under its brand.

The Company is expanding its seed crushing capacity at Alwar, Rajasthan to meet growing demand of its mustard oil and for lesser dependence on outside parties for solvent extraction plant. This will also help in improvising on cost and bringing technology upgradation, plant and machinery order are being placed and the company plans to start the new plant before the next season of mustard crop in March, 2012.

The Company acquired 500 acres of land in Bihar for further agro-related upgradation activities, as part of its plan to enter into other commodities in which the Company can leverage its existing sales and distribution network.

Central India being the most thickly populated part of the country, the Company wants to be a formidable force in the agro and related sectors along with its plan to grow in the edible oil space.

Secretarial Audit

As directed by Securities and Exchange Board of India (SEBI) secretarial audit is being carried out at the specified periodity by a practising Company secretary. The findings of the secretarial audit were satisfactory.

Human Resources

The Company's comprehensive HR policy interalia provides manpower training and development, keeping in mind the growing requirement for custom trained manpower at its new initiatives. The Company's factory at Naupur is used as a training ground for technical manpower. The employees are also sent to the Company's other units for training which helps in reducing manpower costs, avoids poaching of the Company's manpower, and develops a sense of belonging among the Company employees, resulting in employee satisfaction and a high employee retention rate.

The Company's office is fully computerized. The new recruits are trained with an ERP system when they join, bringing out their true potential. The Company hires engineers, ITIs, MBAs, among others, for internal training and then positions them at the Company's other locations. The management interacts regularly with staff members to understand their needs and problems and to create a suitable working environment.

The Company promotes employees working in the lower order on a regular basis, and also transfers them to other branches to enable them to undertake more challenging roles, resulting in employee growth and development. The Company provides accommodation to employees whom needed and takes appropriate efforts to make them feel at home.

The Company conducts various sporting activities and celebrates Independence day and Republic day. These initiatives help boost employee morale and create a cordial environment. The senior management participates in various training programmes and attends conferences to update their knowledge base, in turn providing better value to the Company. These proactive measures resulted in an improved performance and a reduction in employee turnover.

The Company is planning on developing a recreation centre for employees and their families in Varanasi, along with a state-of-the-art guest house for employees travelling to the head office from the various offices/units.

Capital and Borrowings

During the year, there was a change in the equity share capital of the Company due to sub- division of the shares of the Company. Earlier, the face value of the Company was ₹10 per share, but after subdivision the face value of the shares is ₹1 per share, accordingly the new share capital comprises 12,84,40,000 equity shares of ₹1 each.

During the year 2010-11, the Company availed of credit facilitiesfrom Bank of Baroda and Punjab National Bank for its Varanasi and Alwar (Rajasthan) unit, under the consortium arrangement. The Company also availed credit facilities from consortium led by State Bank of India for the units in Bihar. The total outstanding long-term loans from banks/financial institution/others as on March 31, 2011 is ₹53.89 crore (previous year ₹51.50 crore). The gross fixed assets increased by ₹38.80 crore representing capital expenditure on setting up new projects (Dehri-On-Sone, Bihar and at Haldia, West Bengal), expansion of existing manufacturing facility, research and development facility, other maintenance capital expenditure and for technological upgradation. The Company had cash and cash equivalents aggregating to ₹332.77 crore as on March 31, 2011, as against ₹297.88 crore as on March 31, 2010. This increase is largely on account of increase in cash generated from operating activities. The Company has sufficient financial flexibility, in terms of available cash and cash equivalents and committed facilities from banks/financial institution to finance the future growth plans and capitalise on emerging opportunities.

Cash Flow Statement

In accordance with the requirement of Clause 32 of Listing Agreement of the stock exchange cash flow statement duly verified by the Auditors together with their certificate is annexed hereto.

Statutory Auditors

The Company received the letters from M/s Garg & Company, Chartered Accountants, Kolkata, West Bengal and M/s Singh Dikshit & Company, Chartered Accountants, Varanasi, U.P. to the effect that there reappointment as the Company's Joint Statutory Auditors for the financial year 2011-12, if made, would be within the prescribed limits of Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such reappointment within the meaning of Section 226 of the Companies Act, 1956.

Auditors Reports

The notes to the accounts referred to in the Auditors' Report have been explained in note schedule of the Audited accounts. Your directors however like to briefly clarify the auditors' qualification as follows:

A. The Company has a large network of suppliers dealing with raw material, packing materials, among others, catering to the Company and buyers of its finished products. Hence it is not possible to get confirmation from each and every party therefore the Auditors has qualified the same.

B. The Company has not made provision for diminution in the value of long-term investments and it is of the opinion that the fall in the value of such investments is not of permanent nature.

C. The salary and wages include payment of remuneration of ₹16.80 lacs to Mr. D. N. Jhunjhunwala, Chairman, ₹15.60 lacs to Mr. S. N. Jhunjhunwala, Managing Director and ₹13.50 lacs to Mr. Adarsh Jhunjhunwala, Wholetime Director of the Company.

D. Advances given to Mr. D. N. Jhunjhunwala and Mr. S. N. Jhunjhunwala are pertaining to the Company.

E. Other observations made in the Auditors' Report are self-explanatory therefore do not call for further comments under Section 217 of the Companies Act, 1956.

F. The contingent liability mentioned in Schedule 16 are payable only on the basis of legal pronouncement made by the different authorities previously.

G. The Company maintained cost records under Section 209(1) (d) of the Companies Act, 1956.

Particulars of the Employees

Company's (Particulars of Employees) Rules, 1975 as amended read with section 217(2A) of the Companies Act, 1956 are not applicable to the Company as there are no employees drawing the minimum salary envisaged in the rules.

Audit Committee

Pursuant to the requirement under section 292(A) of the Companies Act, 1956, an Audit Committee was constituted. The Committee comprises Mr. D. N. Jhunjhunwala, Dr. S. K. Dikshit and Mr. Mahesh Kedia, Directors of the Company.

Directors Responsibility Statement

The Board of Directors of the Company confirms:

A. That in preparation of the annual accounts, the applicable accounting standards has been followed and there has been no material departure.

B. That the selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company as on March 31, 2011 and profit of the Company for the year ended on that date.

C. That the proper and sufficient care has been taken for the maintenance of adequate accounting records and are in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and others.

D. That the assumption of going concern is followed.

Directors' Re-Appointment

a) Mr. D. N. Jhunjhunwala, Director of the Company retire by rotation and being eligible to offers himself for reappointment, in view of valuable contribution made by Mr. D. N. Jhunjhunwala to the Company, the Board of Directors recommend to the shareholders to reappoint Mr. D. N. Jhunjhunwala as a Director of the Company, he is having 50 years of experience in various facets of management, out of which 30 years have been dedicated in oil industries.

b) Mr. H. L. Agarwal, Director of the Company retire by rotation and being eligible offers himself for reappointment, in view of valuable contribution made by Mr. H. L. Agarwal to the Company, the Board of Directors recommend to the shareholders to reappoint Mr. H. L. Agarwal as a Director of the Company, by profession he is a retired Judge of Hon'ble Patna High Court, he has rich experience in the law.

Listing of Shares

The equity shares of the Company continue to be listed during the year under review at the Bombay Stock Exchange, Mumbai and Uttar Pradesh Stock Exchange Association Ltd., Kanpur, Delhi Stock Exchange Limited, New Delhi. The Company is listed with National Stock Exchange on 17.06.2011 and the trading in NSE has been started. The annual listing fees of each of these stock exchanges were paid on due date.

Corporate Governance

As required by Clause 49 of the Listing Agreement, a separate report on Corporate Governance is included Annexure II to the Director's Report in the annual report and your Directors affirm that the Company has, during the year under review, complied with the conditions of Clause 49 of the Listing Agreement.

Management discussion and analysis

As required by Clause 49 of the Listing Agreement, the detailed analysis of the operating performance of the Company for the year, the state of affairs and the key changes in the operating environment has been included in the management discussion and analysis section which forms a part of the annual report.

Conservation Of Energy, Technology Absorption and Foreign Exchange Earnings

As required U/S 217(1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the information on conservation of energy, technology absorption and foreign exchange earnings and out go are given in Annexure I forming part of this report.

Corporate Social Responsibility

The Company is constructing a building to promote Sanskrit teaching in Varanasi. This is a contribution of the Company towards the promotion of Indian cultural heritage.

The Company has undertaken a plantation drive on the occasion of Independence Day (August 15, 2011) and planted 2,000 trees close to all its units in India. The Company is also adopting parks in Varanasi for its maintenance as its contribution to the society for greener tomorrow.

The Company bought more buses to pick the children from remote places and bring them to study at the two charitable schools run by it in Varanasi, so that it can spread the message of education and help the needy who cannot afford to travel to its school every day.

The Company is planning to adopt a hospital in local village for the medical needs of the people residing in villages around the plant. For this, the initiative was started and the management is engaged in the finalishing the formalities for adopting the same. The Company is trying to provide all the possible medical facilities there. After starting of the hospital the people need not to go to towns for the medical facilities.

The Company is providing safe drinking water facility for the local people and labourers of all its units and is maintaining proper hygiene conditions.

The Company is making good policies and implementing them for the interest of its employees, stakeholders and for everybody having interest in the Company by producing quality product, instant credit mechanism, good working capital cycle, among others.

Appreciation and acknowledgements

Your Directors are grateful and pleased to place on record the appreciation for their support, trust, guidance and cooperation extended and reposed by all its stakeholders, employees, customers, consumers, media, financial institutions and banks, all agencies of Government of India and other central and state government bodies, statutory and regulatory bodies and local authorities in the Company and look forward to their continued patronage. The Board also expresses its appreciation of the understanding and support extended by the shareholders and employees of the Company.

For and on behalf of the Board
Sd/-

Place: Varanasi (D. N. Jhunjhunwala)
Dated: September 03, 2011 Chairman

ANNEXURE TO DIRECTORS' REPORT

Particulars as required U/S 217 (1) (e) of the Companies Act, 1956 for the year ended March 31, 2011

(₹ in crore)

	Year Ended March 31, 2011	Year Ended March 31, 2010
(A) Power & Fuel Consumption		
(1) Electricity		
(a) Purchased		
Unit (000)	15807	10836
Total Amount (₹crore)	7.23	4.43
Rate/Unit (₹)	4.57	4.09
(b) Own Generation		
(i) Through Diesel Generators		
Unit (000)	1402	862
Total Amount (₹crore)	1.65	0.73
Rate/Unit (₹)	11.76	8.46
(ii) Through Turbine		
Unit (000)	9708	11950
Total Amount (₹crore)	2.80	2.15
Rate/Unit (₹)	2.88	1.80
(2) Coal/Husk		
Quantity (M.T.)	104755	73238
Total Coal/Husk (₹crore)	31.12	14.11
Average Rate (₹)	2970.75	1925.98
(3) Furnace Oil	--	---
(4) Other/Internal Generation	---	---
(B) Consumption per MT of Vanaspati production		
Electricity	74.05	80.15
Furnace Oil	---	---
Coal (Kgs.)/Husk (Kgs.)	288.01	248.23
(C) Technology Absorption		
Adaptation & Innovation	---	---
(D) Foreign Exchange Earning and Outgo	(₹ in crore)	(₹ in crore)
Total Foreign Exchange earned	---	3.48
Total Foreign Exchange Used	12.40	14.60

Corporate Governance Report

1) Company's philosophy on Code of Corporate Governance

"Your" Company philosophy of Corporate Governance envisages attainment of the highest level of transparency, accountability, and equity in all its dealings with shareholders, employees, government and lenders and believes that good Corporate Governance is a powerful medium of sub-serving the long-term interests of its stakeholders and contemplates corporate actions, balances the interests of all stakeholders and satisfy the tests of transparency, independence, accountability, responsibility, fairness and social responsibility.

The Directors (both Executive and Non-Executive Directors) and employees are responsible to carry out their duties in an honest, fair, diligent and ethical manner, within the scope of the authority conferred upon and in accordance with the laws, rules, regulations, agreements, guidelines, standards and internal policies, including such other requirements, which are incidental thereto. As Directors and employees of the Company, they have a duty to make decisions and implement policies in the best interests of the Company and its stakeholders. The Board of Directors of the Company is entrusted with the fiduciary responsibility of oversight over the assets and affairs of the Company.

2) Board of Directors

The Board comprises an Executive Chairman and seven other Directors i.e. total eight Directors, of which five Directors are Non-Executive/Independent Directors (i.e. more than half of the Board comprises Non-Executive/Independent Directors). Hence, the composition of the Board complies with the requirements of Clause 49 I (A) of the Listing Agreement for Non-Executive/Independent Directors.

The composition, category and details of Directors' attendance, committee membership and directorship in any other company during the financial period 2010-11 are given below:

Name of the Directors	Category of directorship**	Board meetings attended	Attendance at the last AGM	No. of Board/Committees Membership held	Number of other Directorship held
Mr. D. N. Jhunjhunwala	EC/PD/ED/NID	14	Yes	2	2
Mr. S. N. Jhunjhunwala	MD/PD/ED/NID	14	Yes	1	2
Mr. Adarsh Jhunjhunwala	WTD/PD/ED/NID	14	Yes	0	3
Mr. H.L. Agarwal	NED/ID	08	No	0	0
Dr. S. K. Dikshit	NED/ID	09	Yes	3	0
Mr. Shyam Poddar	NED/ID	05	Yes	0	0
Mr. Mahesh Kedia	NED/ID	06	No	3	0
Mr. Kanhaiya Lal Goenka	NED/ID	05	No	3	0

Notes:

1. This number includes memberships of Directors in the Audit Committee, Remuneration Committee, Shareholders'/ Investors' Grievance Committee and Warrant Allotment Committee.
2. This number excludes the directorship held in private limited companies, foreign companies and companies registered under Section 25 of the Companies Act, 1956.

Mr. D. N. Jhunjhunwala and Mr. H. L. Agarwal are liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, have offered themselves for reappointment .Relevant details pertaining to them are provided in the notice of the Annual General Meeting.

** EC: Executive Chairman	MD: Managing Director	WTD: Wholetime Director
PD: Promoter Director	ED: Executive Director	ID: Independent Director
NP: Non-Promoter Directo	NED: Non-Executive Director	NID: Non-Independent Director

Number of Board meetings held and their dates

Fourteen Board meetings were held during the period from April 01, 2010 to March 31, 2011 on the following dates:

May 04, 2010, May 11, 2010, June 11, 2010, June 18, 2010, August 07, 2010, September 04, 2010, October 27, 2010, November 13, 2010, November 22, 2010, December 14, 2010, January 14, 2011, February 12, 2011, March 01, 2011, and March 24, 2011.

Information placed before the Board

The Board of 'JVL' is presented with all relevant information on various vital matters affecting the working of the company in addition to the matters set out in Annexure IA of Clause 49 of the Listing Agreement. Also, extensive information is provided on various critical matters such as production, sales, exports, financial performance, foreign exchange exposure, staff matters, legal proceedings, share transfer compliance, quarterly financial results, significant labour and human relation matters, and other such matters.

Board procedures

The Company Secretary prepares the agenda in consultation with the Chairman, Managing Director, and Wholetime Director of the Company and the Chairman of various committees of the Company. The agenda for the Board meetings and its committees, together with the appropriate supporting documents, are circulated well in advance of the meetings. The meetings are normally held at the Company's registered office.

3) Audit Committee

The Audit Committee consists of Directors viz. Mr. D. N. Jhunjhunwala, Dr. S. K. Dikshit, and Mr. Mahesh Kedia. Dr. S. K. Dixit is the chairman of the Committee and was present in the last Annual General Meeting. Mr. Sunil Kumar Tripathi was the Secretary of the meeting. The constitution of the Audit Committee complies with the requirements of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The primary objective of the Audit Committee is to monitor and supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and financial reporting.

Terms of Reference

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

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

The broad terms of reference of the Committee are to review and recommend the financial statements and to review the adequacy of internal control systems and internal audit function. The role and terms of reference of the Audit Committee cover the matters specified under Clause 49 of the Listing Agreement with the stock exchanges, other terms as may be referred by the Board of Directors and inter-alia includes the following:

- Review of the Company's financial reporting process and its financial statements is correct, sufficient and credible.
- Review of accounting and financial policies and practices.
- Review of internal control system.

- Compliance with stock exchange.
- Recommend to the Board, the appointment, reappointment and if required the replacement or removal of the statutory auditor and the fixation of the audit fees.

The Committee met four times during the year. The composition of the Committee during the year 2010-11 as well as particulars of attendance, category and status is given below:

Sl. No.	Name of the member	Category of directorship	Status in Committee	No. of meetings attended
1	Dr. S. K. Dikshit	NED/ID	Chairman	4
2	Mr. D. N. Jhunjhunwala	EC/PD/ED/NID	Member	4
3	Mr. Mahesh Kedia	NED/ID	Member	4

4) Remuneration Committee

This is a non-mandatory requirement of Clause 49 of the Listing Agreement. Yet the Board formed a Remuneration Committee and all decisions on appointment and remuneration of Directors are taken by the Board of Directors and approved by the shareholders in the general meeting.

Remuneration Committee comprises three Non-Executive Independent Directors viz. Dr. S. K. Dikshit, Mr. Kanhaiya Lal Goenka and Mr. Mahesh Kedia. The policy of the Remuneration Committee is to pay remuneration according to comparable size of the industry.

The broad terms of reference of the Remuneration Committee are as follows:

- To decide on the remuneration policy of the managerial personnel.
- To approve of the appointment/reappointment of the managerial personnel for such tenure as they may decide.
- To approve the remuneration package to the managerial personnel within the limits provided in Schedule XIII of the Companies Act, 1956 read with other applicable provisions of the said Companies Act, 1956.
- Such other powers/functions as may be delegated by the Board from time to time.

The Committee met only once during the year. The composition of the Committee during the year 2010-11 as well as particulars of attendance, category and status is given below:

Sl. No.	Name of the member	Category of directorship	Status in Committee	No. of meetings attended
1	Dr. S. K. Dikshit	NED/ID	Chairman	1
2	Mr. Mahesh Kedia	NED/ID	Member	1
3	Mr. Kanhaiya Lal Goenka	NED/ID	Member	1

There was a discussion on the issue.

Remuneration paid to Non-Executive Directors

No remuneration is paid to Non-Executive Directors.

5) Shareholders'/ Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee, as a sub-committee of the Board. The Committee comprises Dr. S. K. Dikshit, Mr. Kanhaiya Lal Goenka and Mr. Mahesh Kedia. The Committee, inter alia, reviews shareholders grievances/ complaints like transfer of shares, non-receipt of Balance Sheet and other ancillary matters. The Committee looks after the performance of Registrar and Transfer Agent and recommends measures for overall improvement in the quality of investors services

The Committee met four times during the year. The composition of the Committee during the year 2010-11 as well as particulars of attendance, category and status is given below:

Sl. No.	Name of the member	Category of directorship	Status in Committee	No. of meetings attended
1	Dr. S. K. Dikshit	NED/ID	Chairman	4
2	Mr. Mahesh Kedia	NED/ID	Member	4
3	Mr. Kanhaiya Lal Goenka	NED/ID	Member	4
4	Ms. Alka Khemka*	COMPANY SECRETARY	Secretary	1
5	Mr. Sunil Kumar Tripathi	COMPANY SECRETARY	Secretary	3

* Ms. Alka Khemka ceased to be the Company Secretary of the Company w.e.f. June 11, 2010 and Mr. Sunil Kumar Tripathi ceased to be the Company Secretary w.e.f. March 01, 2011.

The Board has designated Mr. S. N. Jhunjhunwala, Managing Director as Compliance Officer and Mr. Rohit Kumar Jaiswal, Company Secretary as Co-Compliance Officer. Mr. Rohit Kumar Jaiswal, Company Secretary, provide secretarial support to the Committee. During the year, the Company received 13 complaints from the shareholders and the same were attended within a reasonable period of time.

6) Warrant Allotment Committee

Warrant Allotment Committee has been constituted to execute all the work related to allotment of warrants. The Committee consists of Directors viz. Mr. D. N. Jhunjhunwala, Mr. S. N. Jhunjhunwala and Mr. Kanhaiya Lal Goenka.

The Committee met four times during the year. The composition of the Committee during the year 2010-11 as well as particulars of attendance, category and status is given below:

Sl.No.	Name of the member	Category of directorship	Status in Committee	No of meetingsattended*
1	Mr. D. N. Jhunjhunwala	EC/PD/ED/NID	Chairman	-
2	Mr. S. N. Jhunjhunwala	MD/PD/ED/NID/NED	Member	-
3	Mr. Kanhaiya Lal Goenka	NED/ID	Member	-

* Since no meeting was held of Warrant Allotment Committee.

7) General body meeting:

Details of the Annual General Meetings (AGM) held during last three years are as under:

Year	Location	Date	Day	Time
2007-08	Hotel Taj Ganges Nadesar, Varanasi (U.P.)	September 30, 2008	Tuesday	3.00 p.m.
2008-09	Hotel Ramada Plaza JHV, The Mall, Cantonment, Varanasi	November 13, 2009*	Friday	3.00 p.m.
2009-10	Hotel Ramada Plaza JHV, The Mall, Cantonment, Varanasi	September 30, 2010	Thursday	3.00 p.m.

* Due to non-connectivity among the data locations at Head office Varanasi, branch office at Dehri-on-son, Bihar and factory located at Varanasi, in the Enterprises Resource Planning i.e. 'ERP' implementation process, installed in the company, the data stored therein could not be merged properly and thereby got corrupted. We were unable to give final shape to our accounts and as a result we found it difficult to hold the AGM within the stipulated time frame of September 30, 2009. ROC had given an extension of two months.

8) Disclosures

a) The transactions with the related parties i.e. Promoters, Directors or their management or relatives are not contradictory with the Company's interest as one disclosed in the notes forming part of the accounts. Adequate care was taken to ensure that the potential conflict of interest did not harm the interest of the Company at large.

b) The Company complied with the requirements of the stock exchanges/SEBI/statutory authorities on all related to the capital market during last three years. There were no penalties or strictures imposed on the Company by the stock exchanges or SEBI or any statutory authorities.

c) Whistleblower policy
Although the Company does not have any Whistleblower policy at present, yet no personnel is being denied any access to the Audit Committee.

d) The Company has complied with all mandatory requirement laid down by the Clause 49.

e) The Company follows a formal management policy and system of legal compliance and reporting to facilitate periodical review by the Board of compliance status of laws applicable to the Company and steps taken to rectify non- compliance, if any.

f) Declarations by the CEO under Clause 49 IV (F) (II) of the Listing Agreement
The Company's senior management has confirmed to the Board of Directors that they do not have any personal interest related to its material, financial and commercial transactions that may have a potential conflict with the interests of the Company at large.

g) Declarations by the CEO
Mr. D. N. Jhunjhunwala, Chairman of the Company has furnished the requisite certificate regarding the Code of Conduct, which is attached with the report..

9) Means of communication

During the year, unaudited quarterly results, audited annual financial results and notices of the Company were submitted to the stock exchanges soon after their approval in the Board meeting and the same were published in two leading newspapers –Economic Times (English national daily) and Dainik Jagran (regional newspaper).

10) General shareholder information

a) 22nd Annual General Meeting

Date, day & time	: September 30, 2011, Friday, at 3.00 p.m.
Venue	: At Hotel Ramada Plaza JHV, the Mall, Cantonment, Varanasi (U.P.)

b) Tentative Financial Calender for the year 2011-12

Financial Year	: April 01, 2011 to March 31, 2012
Annual General Meeting	: September 30, 2012 (Approx)
Results for quarter ending June 30, 2011	: First week of August, 2011.
Results for quarter ending Sept.30, 2011	: First week of November, 2011.
Results for quarter ending Dec 31, 2011	: First week of February, 2012.
Results for quarter ending Mar 31, 2012	: Last week of April, 2012.

c) Book closure date	: September 24, 2012 to September 30, 2012 (Both days inclusive)
d) Dividend payment date	: Within thirty days from the date of dividend declaration.
e) Listing of Equity Share	: National Stock Exchange of India Ltd., Mumbai The Bombay Stock Exchange, Mumbai, Delhi Stock Exchange Limited, New Delhi The U.P. Stock Exchange Association Ltd., Kanpur

The company has paid the annual listing fees for the year 2011-12 to above stock exchanges.

f) (i) Stock code	: Scrip Code No.	: The Bombay Stock Exchange	: 519248
		The National Stock Exchange of India	: –
	Trading symbol	The Bombay Stock Exchange	: JVLAGRO
		The National Stock Exchange of India	: JVLAGRO
(ii) Demat ISIN Nos. in NSDL and CDSL for equity shares			: INE430G01026

g) Stock Market Price Data (In ₹)

Month	The Bombay Stock Exchange (BSE)	
	Month's High Price	Month's Low Price
April, 2010	219.90	108.55
May, 2010	267.20	160.00
June, 2010	297.30	244.85
July, 2010	260.15	112.25
August, 2010	454.30	265.00
September, 2010	458.00	363.00
October, 2010	453.30	355.00
November, 2010*	424.00	28.00
December, 2010*	31.40	21.35
January, 2011*	27.60	20.65
February, 2011*	22.05	15.70
March, 2011*	20.00	16.25

* The face value of the shares was subdivided form ₹10 each to Re. 1 each w.e.f. 10.11.2010
There was no trading at the U.P. Stock Exchange Association Ltd., Kanpur and at Delhi Stock Exchange Limited, New Delhi, during the year 2010-11

h) Distribution of shareholding as on March 31, 2011

No. of Shares held	No of Shareholders	% of shareholders	No of Shares	% of Shareholding
Up to 500	3,124	44.8335	7,42,516	.5781
501 to 1000	1,589	22.8042	14,85,317	1.1564
1001 to 2000	812	11.6533	14,37,347	1.1191
2001 to 3000	368	5.2813	10,06,882	.7839
3001 to 4000	134	1.9231	5,00,759	.3899
4001 to 5000	288	4.1332	14,12,004	1.0993
5001 to 10000	312	4.4776	25,02,393	1.9483
10001 to 50000	249	3.5735	50,73,432	3.9500
50001 to 100000	43	.6171	30,83,521	2.4007
Above 100000	49	.7032	11,11,95,829	86.5743
	6,968	100.0000	12,84,40,000	100.0000

i) Registrar and Transfer Agents : MCS Limited

(Share transfer and communication regarding share certificates, and change of address, etc.) : F-65, Ist Floor, Okhla Indl. Area, Phase 1, New Delhi 110 020

Contact No : 011-41406149 (Extn. 51&52)

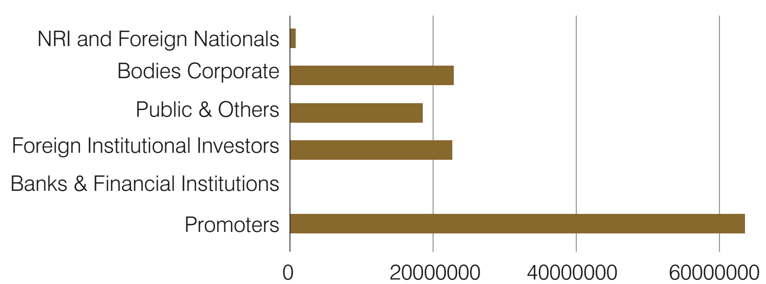
E-mail Id : admin@mcsdel.com, mcscomplaintsdel@mcsdel.com

j) Share transfer system

To expedite the transfer of shares held in physical form, the power to authorise transfers have been delegated to R & TA of the company 'MCS Limited', New Delhi. The requests for share transfers received being valid and complete in all respects are processed and the share certificates after transfer are returned within a period of 21 days from the date of receipt.

k) Shareholding pattern as on March 31, 2011

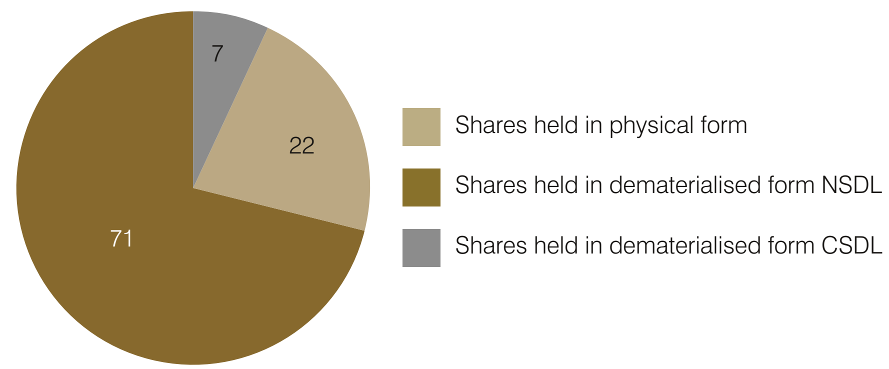
Share Holding Pattern as on March 31, 2011



	Promoters	Banks and Financial Institutions	Foreign Institutional Investors	Public and Others	Bodies Corporate	NRI and Foreign Nationals
% of total shares	49.51%	0.06%	17.56%	14.47%	17.85%	0.55%
No. of shares	63590900	79000	22556885	18575888	22925453	711874

l) Dematerialisation of shares and liquidity:

The equity share of the Company is traded compulsorily in the dematerialised segment of all the stock exchanges. The Company has arrangements with both National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to establish electronic connectivity of our shares for scrip less trading and liquidity of shares. As on March 31, 2011, form of shares are as follows:



The shares of the Company are actively traded at the Bombay Stock Exchange, Mumbai and National Stock Exchange, Mumbai.

m) Plant locations:

(A) Vill. Naupur, P.O. Thanagaddihe, Kerakat, Dist. Jaunpur (U.P.)
(B) JVL Agro Foods (a unit of JVL Agro Industries Ltd.) 207 MIA RIICO, Alwar, Rajasthan.
(C) JVL Oils & Foods (a unit of JVL Agro Industries Ltd.) Pahleja, Dehri On Sone, Bihar

n) (i) Investor correspondence:

For transfer/dematerialisation of shares and any other query related to the Company shares.

i) For shares held in physical form: MCS Limited
F-65, 1ST Floor, Okhla Indl. Area,
Phase 1, New Delhi 110 020
Ph. No. - 011-41406149 (Extn. 51&52)
E-mail -admin@mcsdel.com

ii) For shares held in demat form:
To the depository participants.

(ii) Any query on Annual Report

Secretarial Department
Mr. Rohit Kumar Jaiswal
Jhunjhunwala Bhawan,
Nati Imli, Varanasi-221001
Ph. No.- 2595930/2595931/2595932
E-mail Id - rohitjaiswal@jvlagro.com

The above report was adopted by Board of Directors at their meeting held on September 03, 2011.

Declaration by the CEO under Clause 49 of the Listing Agreement regarding adherence to the code of conduct

In accordance with Clause 49 sub-clause I (D) of the Listing Agreement with the stock exchanges, I hereby confirm that, all the Directors and the senior management personnel of the Company have affirmed compliance to the Code of Conduct, as applicable to them for the financial year ended March 31, 2011.

For JVL Agro Industries Limited

Sd/-

Place: Varanasi
Date: September 03, 2011

(D. N. Jhunjhunwala)
Chairman

Auditors Certificate On Compliance With The Conditions Of Corporate Governance Under Clause 49 Of The Listing Agreement(S)

To the Members of
JVL Agro Industries Ltd

1. We have reviewed the implementation of Corporate Governance by JVL Agro Industries Ltd during the year ended 31st March, 2011, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions on Corporate Governance is the responsibility of the Management. Our examination was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. 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.
4. We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders / Investors Grievance Committee.
5. On the basis of our review and according to the information and explanations provided to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement(s) with the Stock Exchanges have been complied with in all material respect by the Company.

For Garg & Company
Chartered Accountants
(Firm Reg. No.-305104E)

G.C.Agarwal
Partner
Membership No. 52463
27A, Waterloo Street
Kolkata - 700 069

For Singh Dikshit & Co.
Chartered Accountants
(Firm Reg. No.-007555C)

Ranjish Vishwakarma
Partner
Membership No. 404363
Part-5, First Floor, Hathua Market,Chetganj
Varanasi - 221001

Dated : The 3rd day of September, 2011

Auditors' Report

To the Members of
JVL AGRO INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of JVL Agro Industries Ltd, as at 31st March, 2011 and also the Annexed Profit and Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

3. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

4. In our opinion proper books of account as required by law, have been kept by the company so far as appears from our examination of the books of the company.

5. The Balance Sheet and Profit and Loss Account dealt with by the Report are in agreement with the books of Accounts of the company.

6. In our opinion, Profit & Loss Account and Balance Sheet are prepared in accordance with the applicable accounting standards.

7. On the basis of the written representation received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified from being appointed as a Director in terms of section 274 (1) (g) of the Companies Act, 1956.

8. In our opinion and to the best of our information and according to the explanations given to us, the said account subject to Note No. 4 of Schedule 16 regarding different parties balances taken in account and read together with other notes thereon, give the information required by the Companies Acts, 1956 in the manner so required and give a true and fair view in conformation with the accounting principles generally accepted in India.

   i) In the case of Balance Sheet of the state of affairs of the company as at 31st March, 2011 and

   ii) In the case of Profit & Loss Account of the profit for the year ended on that date.

   iii) In the case of Cash Flow Statement of the Cash Flows for the year ended on that date.

9. As required by the Companies (Auditors Report) Order, 2003 issued by the Company Law Board in Terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate, we further state that :-

   i) The company has not yet maintained proper records showing full particulars including quantitative details and situation of fixed assets, which have been physically verified by the management and according to the management no discrepancy was found on such verification. Fixed assets register is under preparation. Addition during the year has been taken as certified by the management. Based on the information and explanations given to us and on the basis of audit procedures performed by us, substantial part of fixed assets have not been disposed off during the year.

   ii) a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

   b) The procedure of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

   c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical stocks and the book records were not material.

   iii) a) The Company has given interest free loan to a wholly owned subsidiary of the company without any stipulation. As per management loan is repayable on demand. Maximum amount outstanding during the year ₹6.55 Crore and the year end balance is ₹6.55 Crore.

   b) The company has neither taken nor given any loan from/to any other parties listed u/s 301 of The Companies Act, 1956.

   iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.

   v) a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 have been so entered.

   b) In our opinion and according to the information and explanations given to us, transactions were made in pursuance of contracts or arrangements entered in the registers maintained under Section 301 and exceeding the value of five lacs in respect of each party during the year, which as per management are at the prices which are reasonable having regard to the prevailing market prices at the relevant time.

   vi) The Company has not accepted any deposits from the public during the year.

   vii) In our opinion, the Company has an Internal Audit System commensurate with the size and nature of its business.

   viii) In our opinion, the Company has made and maintained cost records under 209 (1) (d) of the Companies Act, 1956. We have not however made a detailed examination of the record with a view of determining whether these are accurate or complete.

   ix) a) According to the records of the company and information and explanations given to us, the Company is regular in depositing with appropriate authorities, undisputed amounts payable in respect of Provident Fund, Investor and Protection Fund, E.S.I., Income Tax, Sales Tax, Custom Duty, Excise Duty, Cess and any other statutory dues as applicable.

   b) According to the records of the company and information and explanations given to us, there are no dues of Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty / cess which have not been deposited on account of any dispute except as mentioned under note no 6 of Schedule 16.

   x) The Company has no accumulated losses at the end of the year. The Company has not incurred cash losses during the year as well as in immediately preceding financial year.

   xi) Based on our audit procedures and information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, Bank wherever applicable.

   xii) According to the information and explanations given to us, the Company has not granted any loan against security and hence maintenance of adequate records for such securities does not arise.

   xiii) Based on our examination of the records and information and explanations given to us, proper records have been maintained for dealing in Shares & Other securities and timely entries have been made in those records. We also report that the Company has held the Shares & Securities in its own name, except some of the shares, which are under transfer.

   xiv) According to the information and explanations given to us, the Company has given guarantees for the loans taken by others (agriculturists) from banks , the terms and conditions where of are Stated to be not prima facie prejudicial to the interest of the company.

   xv) The term loans have been applied for the purpose for which they were taken.

   xvi) Based on our examination of the records and information and explanations given to us, the Funds raised on Short Term basis have not been used for long term investment and vice-versa.

   xvii) The Company has not made preferential allotment of Equity Shares during the year. However application money received for 2,80,00,000 preferential warrants convertible into equity shares from the parties listed u/s 301 of The Companies Act, 1956, which are not prejudicial to the interest of the company. Please refer note no.10 of schedule 16.

   xviii) The Company has not issued any debentures during the year.

   xiv) The Company has not raised any money by public issue during the year.

   xx) Based upon the audit procedures performed and the information and explanation given by the management we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **Garg & Company**
Chartered Accountants
(Firm Reg. No.-305104E)

G.C. Agarwal
Partner
Membership No. 52463
27A, Waterloo Street
Kolkata - 700 069

For **Singh Dikshit & Co.**
Chartered Accountants
(Firm Reg. No.-007555C)

Ranjish Vishwakarma
Partner
Membership No. 404363
Part-5, First Floor,
Hathua Market,Chetganj
Varanasi - 221001

Dated : The 3rd day of September, 2011

Balance Sheet As at March 31, 2011

(₹ in crore)

	Schedule	March 31, 2011	March 31, 2010
SOURCES OF FUNDS			
Shareholders' Fund			
Share Capital	1	12.84	12.84
Preferential Warrant	1A	19.00	0.00
Reserves & Surplus	2	210.21	163.19
Loan Funds			
Secured Loans	3	130.55	295.38
Unsecured Loans	4	18.01	45.00
Deferred Tax Liabilities		19.97	18.30
		410.58	**534.71**
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	203.00	164.20
Less: Depreciation		34.23	25.72
Net Block		**168.77**	**138.48**
Investments	6	19.72	9.09
Current Assets, Loans & Advances	7		
Inventories		311.59	223.93
Sundry Debtors		120.80	99.40
Cash & Bank Balances		332.77	297.88
Loans & Advances		96.66	95.97
		861.82	717.18
Less: Current Liabilities & Provisions	8		
Liabilities		620.29	311.06
Provisions		19.44	18.98
		639.73	330.04
Net Current Assets		222.09	387.14
		410.58	**534.71**
Notes on Accounts & Accounting Policies	16		

As per our report of even date attached

For **Garg & Company**
Chartered Accountants

For **Singh Dikshit & Co.**
Chartered Accountants

G. C. Agarwal
Partner

Ranjish Vishwakarma
Partner

S. N. Jhunjhunwala
Managing Director

Adarsh Jhunjhunwala
Whole-time Director

Rohit Kumar Jaiswal
Company Secretary

Camp : Varanasi
Dated : The 3rd day of September, 2011

Profit and Loss Account For the year ended March 31, 2011

(₹ in crore)

	Schedule	March 31, 2011	March 31, 2010
A) INCOME			
Sales		2180.79	1234.14
Other Receipts	9	6.13	10.49
Increase / (Decrease) in Stocks	10	27.50	9.05
		2214.42	**1253.68**
B) EXPENDITURE			
Cost of Material	11	1984.12	1077.27
Manufacturing Expenses	12	150.13	104.95
Administrative & Other Expenses	13	4.89	3.62
Selling & Distribution Expenses	14	7.70	4.72
Finance Charges	15	17.50	18.17
Depreciation		8.61	6.51
		2172.95	**1215.24**
Profit (A - B)		**41.47**	**38.44**
Add: Withdrawn from Capital reserve, Subsidy during the year		18.56	0.00
Profit before taxation		**60.03**	**38.44**
Provision for Taxation		8.25	5.83
Deferred Tax Liabilities		1.67	3.39
Income Tax for earlier years		0.09	0.00
Profit after Taxation		**50.02**	**29.22**
Add: Surplus Brought Forward		108.26	83.33
Available For Appropriation		**158.28**	**112.55**
APPROPRIATIONS			
Transfer to General Reserve		4.00	2.50
Transfer to Capital Reserve		13.90	0.00
Provision for Final Dividend		2.57	1.53
Provision for Dividend Tax		0.43	0.26
Balance Carried to Balance Sheet		137.38	108.26
		158.28	**112.55**
Notes on Accounts & Accounting Policies	16		

As per our report of even date attached

For **Garg & Company**
Chartered Accountants

For **Singh Dikshit & Co.**
Chartered Accountants

G. C. Agarwal
Partner

Ranjish Vishwakarma
Partner

S. N. Jhunjhunwala
Managing Director

Adarsh Jhunjhunwala
Whole-time Director

Rohit Kumar Jaiswal
Company Secretary

Camp : Varanasi
Dated : The 3rd day of September, 2011

Schedules to Balance Sheet and Profit and Loss Account

(₹ in crore)

	March 31, 2011		March 31, 2010	
1 SHARE CAPITAL				
Authorised Capital				
20,00,00,000 (2,00,00,000) Equity Shares of ₹1/- each (₹10/-each)		20.00		20.00
5,000, 10% Cumulative Red. Pref. Shares of ₹100/- each		0.05		0.05
2,50,000,Cumulative Red. Pref. Shares of ₹100/- each		2.50		2.50
		22.55		22.55
Issued, Subscribed & Paid Up Capital				
12,84,40,000 (128,44,000) Equity Shares of ₹1/- each (₹10/- each)		12.84		12.84
		12.84		12.84
1A PREFERENTIAL WARRANTS				
Preferential Warrant Application Money				
4,00,00,000 warrants (Refer to note no. 10 of schedule-16)		19.00		0.00
		19.00		0.00
2 RESERVES AND SURPLUS				
General Reserve (As per last Balance Sheet)	13.16		10.66	
Add: Transfer during the year	4.00	17.16	2.50	13.16
Capital Reserve (As per last Balance Sheet)	0.82		0.82	
Add:- Subsidy during the year	18.56		0.00	
	19.38		0.82	
Less:- Withdrawn to Profit & Loss A/c	18.56		0.00	
	0.82		0.82	
Add:-Transfer from P/L Appropriation Account	13.90	14.72	0.00	0.82
Share Premium Account		40.95		40.95
Profit & Loss account (Balance as per account annexed)		137.38		108.26
		210.21		163.19
3 SECURED LOANS (Securities As Per Note No. 8 of Schedule-16)				
Cash Credit				
From Bank of Baroda	25.57		36.86	
From Punjab National Bank	15.50		36.35	
From State Bank of India	0.86		6.26	
From State Bank of Hyderabad	0.00		0.05	
From State Bank of Bikaner Jaipur	0.04		1.03	
From Vijaya Bank	1.52		3.08	
From State Bank of Patiala	0.33		0.00	
From State Bank of Travancore	0.05	43.87	0.00	83.63
Term Loan				
From Bank of Baroda	12.80		12.27	
From Punjab National Bank	6.67		9.82	
From State Bank of India	16.56		21.75	
From State Bank of Hyderabad	5.60		6.56	
From State Bank of Bikaner Jaipur	11.14		0.15	
From State Bank of Travancore	0.96		0.65	
From State Bank of Patiala	0.00		0.15	
From Vijaya Bank	0.16		0.15	
From IDBI Bank Ltd	10.00	63.89	0.00	51.50
Loan Against Fixed Deposit Receipts From Banks				
(Secured by pledge of Fixed Deposits Receipts)		12.79		140.24
From Banks Against Loan to Agriculturists (Secured by Pledge of goods and guarantee of company and its Directors)				
AXIS Bank Ltd	10.00		0.00	
IDBI Bank Ltd	0.00	10.00	20.00	20.00
Car Loans (Secured by Hypothecation of Vehicles)				
HDFC Bank Ltd	0.00	0.00	0.01	0.01
		130.55		295.38

Schedules to Balance Sheet and Profit and Loss Account

(₹ in crore)

	March 31, 2011		March 31, 2010	
4 UNSECURED LOANS				
From Banks		18.01		45.00
		18.01		45.00

5 FIXED ASSETS

Particulars	GROSS BLOCK (At Cost) Opening as on 01.04.2010	Additions	Sale/ Transfer	Closing as on 31.03.2011	DEPRECIATION Upto 31.03.2010	For the year	Sale/ Adjustments	Total Upto 31.03.2011	NET BLOCK As on 31.03.2011	As on 31.03.2010
Land (Free Hold)	2.28	0.00	0.00	2.28	0.00	0.00	0.00	0.00	2.28	2.28
Land (Lease Hold)	3.26	0.00	0.00	3.26	0.00	0.00	0.00	0.00	3.26	3.26
Buildings	19.32	1.69	0.00	21.01	1.59	0.66	0.00	2.25	18.76	17.73
Plant & Machinery	120.58	28.01	0.00	148.59	20.92	6.94	0.00	27.86	120.73	99.66
Office Equipments	0.96	0.16	0.00	1.12	0.21	0.09	0.00	0.30	0.82	0.75
Furniture & Fittings	0.19	0.02	0.00	0.21	0.07	0.01	0.00	0.08	0.13	0.12
Vehicles	1.27	0.24	0.17	1.34	0.65	0.13	0.10	0.68	0.66	0.62
Turbine	14.80	0.00	0.00	14.80	2.28	0.78	0.00	3.06	11.74	12.52
(Co Generation System along with Pressure Boiler)										
Capital Work in Progress	1.54	8.85	0.00	10.39	0.00	0.00	0.00	0.00	10.39	1.54
(Haldia Project)										
Total	**164.20**	**38.97**	**0.17**	**203.00**	**25.72**	**8.61**	**0.10**	**34.23**	**168.77**	**138.48**
Previous Year	130.01	34.19	0.00	164.20	19.21	6.51	0.00	25.72	138.48	0.00

	Type	Face Value	March 31, 2011 No. of Shares/ Units	Amount	March 31, 2010 No. of Shares/ Units	Amount
6 INVESTMENTS (AT COST)						
A) Quoted (Non Trade)						
Ranbaxy Laboratories Ltd	Equity	5.00	100	0.01	100	0.01
Indo Rama Synthetics (India) Ltd*	Equity	10.00	500	0.01	500	0.00
Tata Tele Services **	Equity	10.00	1,000	0.00	1,000	0.00
Bank of Baroda	Equity	10.00	409	0.01	409	0.01
Dhunseri Petrochem & Tea Ltd.	Equity	10.00	261,000	2.50	261,000	2.50
Dhunseri Investment Ltd.	Equity	10.00	130,500	0.00	0	0.00
BGR Energy Systems Ltd	Equity	10.00	400	0.02	400	0.02
Reliance Power Ltd	Equity	10.00	4,614	0.10	1,634	0.07
Unisys Software & Holding Industries Ltd	Equity	10.00	200,000	0.65	200,000	0.65
Rander Corporation Ltd	Equity	10.00	300,000	0.39	0	0.00
Canara Bank	Equity	10.00	1,000	0.07	0	0.00
IDBI Bank Ltd	Equity	10.00	14,000	0.22	0	0.00
IFCI Ltd.	Equity	10.00	20,000	0.11	0	0.00
ISPAT Ltd.	Equity	1.00	40,000	0.09	0	0.00
Jindal Steel Ltd	Equity	10.00	1,000	0.06	0	0.00
Tata Power	Equity	10.00	5,300	0.48	0	0.00
Tata Steel Ltd.	Equity	10.00	10,000	0.57	0	0.00
Uco Bank	Equity	10.00	4,000	0.06	0	0.00
OIL India Ltd.	Equity	10.00	1,550	0.20	0	0.00
				5.55		3.26

Schedules to Balance Sheet and Profit and Loss Account

(₹ in crore)

	Type	Face Value	March 31, 2011 No. of Shares/ Units	March 31, 2011 Amount	March 31, 2010 No. of Shares/ Units	March 31, 2010 Amount
6 INVESTMENTS (Contd...)						
B) Unquoted(Trade)						
Jhunjhunwala Oil Mills Ltd	Equity	10.00	100,000	0.10	100,000	0.10
Hari Fertilizers Ltd	Equity	10.00	57,000	0.57	57,000	0.57
Adamjee Extraction Pvt.Ltd, Sri Lanka	Equity	10.00	(LKR) 2231439	1.00	2,231,439	1.00
Subsidiary Company						
JVL Overseas Pte Ltd, Singapore	Equity	1.00	US $ 500001	2.05	500,001	2.05
				3.72		**3.72**
C) Mutual Funds	**Mutual Funds**					
PNB Mutual Fund		10.00	15,197.57	0.02	15,197.57	0.02
Can-Robeco Infrastructure Fund	"	10.00	0.00	0.00	138,541.36	0.21
J M Basic Fund	"	10.00	0.00	0.00	69,832.16	0.20
J M Emerging Leaders Fund	"	10.00	0.00	0.00	142,013.18	0.20
Principle Resurgent India Equity Fund	"	10.00	0.00	0.00	56,721.50	0.10
Tata Indoglobal Infrastructure	"	10.00	0.00	0.00	250,000.00	0.25
UTI Infrastructure Fund (D)	"	10.00	0.00	0.00	49,901.98	0.11
Reliance Diversified Power Sector	"	10.00	0.00	0.00	56,367.09	0.20
Reliance Diversified Power Sector	"	10.00	0.00	0.00	2,004.80	0.01
Reliance Diversified Power Sector	"	10.00	0.00	0.00	4,598.96	0.01
Reliance Diversified Power Sector	"	10.00	0.00	0.00	3,367.54	0.02
UTI Energy Fund	"	10.00	0.00	0.00	168,236.88	0.25
ICICI Prudential Infrastructure Fund Growth	"	10.00	0.00	0.00	10,881.39	0.04
J M Emerging Leaders Fund Growth	"	10.00	0.00	0.00	18,892.70	0.04
Reliance Diversified Power Sector	"	10.00	0.00	0.00	4,749.26	0.04
Sundaram BNP Paribas Capex Opportunity Fund Growth	"	10.00	0.00	0.00	11,661.71	0.04
Tempelton India Equity Income Fund Growth	"	10.00	0.00	0.00	20,995.83	0.04
HDFC AMC PMS - Real Estate Portfolio	"			0.33		0.33
Baroda Pioneer Short Term Fund	"	10.00	101,033.98	0.10	0.00	0.00
Baroda Pioneer Liquid Fund	"	100.00	49,709.17	5.00	0.00	0.00
SBI Magnum Income Fund - FR Saving Plus Plan	"	10.00	4,577,787.33	5.00	0.00	0.00
				10.45		**2.11**
Total (A+B+C)				**19.72**		**9.09**
Aggregate Cost of quoted shares and Mutual Fund				16.00		5.37
Aggregate market value of quoted shares and Mutual Fund				22.39		6.86

*Indo Rama Synthetics (India) Ltd ₹46047.00 (₹46047.00)

**Tata Tele Services ₹34300.00 (₹34300.00)

JVL AGRO INDUSTRIES LIMITED

Schedules to Balance Sheet and Profit and Loss Account

(₹ in crore)

	March 31, 2011		March 31, 2010	
7 CURRENT ASSETS LOANS & ADVANCES				
A) CURRENT ASSETS				
Closing Stocks				
(As taken, valued and certified by Management)				
Finished Goods	67.45		50.61	
Raw Materials	206.00		147.02	
Trading Goods	0.47		1.52	
Work in Progress	17.24		5.53	
Chemical, Packing Material and stores	20.43	311.59	19.25	223.93
SUNDRY DEBTORS				
(Unsecured, Considered good)				
Outstanding for a period exceeding six months	18.75		15.72	
Other Debts	102.05	120.80	83.68	99.40
Cash & Bank Balances				
Cash in hand	0.25		0.11	
(As per books and certified by management)				
Balance with Schedule Bank				
- in Current Account	50.22		30.40	
- In Dividend Account	0.19		0.17	
Fixed Deposit (Net)	282.11	332.77	267.20	297.88
(Pledged with Banks)				
[Notes On Accounts No.14 of Schedule-16]				
B) LOANS & ADVANCES				
Loans	6.93		6.93	
Advances	71.10		69.65	
(Recoverable in cash or in kind or for value to be received)				
Security Deposit	1.38		1.15	
Excise Deposit	0.01		0.01	
Trade Tax Deposit	0.18		0.32	
Income Tax Advance & TDS	17.06	96.66	17.91	95.97
		861.82		**717.18**

8 CURRENT LIABILITIES & PROVISIONS				
CURRENT LIABILITIES				
Sundry Creditors (Net)	603.42		293.72	
(For Goods Expenses & other Finance)				
(Notes on Accounts no.14 of Schedule 16)				
Advance from Customers	13.48		10.73	
Security Deposit Received	2.26		2.22	
TDS Payable	0.62		0.63	
Dividend Payable	0.19		0.17	
Book Over Draft	0.08		0.00	
Warrant Application money refundable	0.00		3.34	
Interest accrued but not due	0.24	620.29	0.25	311.06
PROVISIONS				
For Income Tax	16.44		17.19	
For Dividend	2.57		1.53	
For Dividend Tax	0.43	19.44	0.26	18.98
		639.73		**330.04**

Schedules to Balance Sheet and Profit and Loss Account

(₹ in crore)

		March 31, 2011		March 31, 2010
9 OTHER RECEIPTS				
Interest Received (Net)		6.07		5.66
Dividend Received		0.15		0.15
Claim Received		0.00		1.13
Profit/Loss on Sale of Investments		(0.19)		3.55
Prior Period Income/(Expenses) (Net)		0.10		0.00
		6.13		**10.49**
10 INCREASE / (DECREASE) IN STOCKS				
Closing Stock		85.16		57.66
Less : Opening Stock		57.66		48.61
		27.50		**9.05**
11 COST OF MATERIALS				
Purchases		578.27		224.10
Raw Material Consumed		1,405.85		853.17
		1,984.12		**1,077.27**
12 MANUFACTURING EXPENSES				
Power & Fuel		43.84		21.92
Chemical Consumed		3.13		4.36
Packing Material Consumed		84.03		63.57
Stores Consumed		0.35		0.13
Loading/Unloading (Net)		0.95		1.01
Salary & Wages		3.56		3.04
Staff Welfare		0.32		0.30
Repairs to Plant & Machinery (Net)		0.61		0.35
Laboratory Expenses		0.12		0.07
Factory Expenses		0.01		0.06
Production Expenses		12.96		9.81
Contribution to PF & other Fund		0.25		0.33
		150.13		**104.95**
13 ADMINISTRATIVE & OTHERS EXPENSES				
Legal Expenses		0.06		0.06
Travelling Expenses		0.87		0.70
Conveyance Expenses		0.31		0.27
Insurance		0.54		0.39
Rates & Taxes		0.14		0.16
Audit Fees		0.07		0.07
Postage,Telegram & Telephone		0.52		0.45
Repairs to Others		0.16		0.07
Printing & Stationery		0.22		0.14
Miscellaneous Expenses		1.15		0.77
Professional & Consultancy Charge		0.85		0.54
Loss On Sale Of Fixed Assets *		0.00		0.00
		4.89		**3.62**

** Loss on Sale of Fixed Assets ₹7953.48*

Schedules to Balance Sheet and Profit and Loss Account

(₹ in crore)

		March 31, 2011		March 31, 2010
14 SELLING & DISTRIBUTION EXPENSES				
Brokerage & Commission (Net)		6.21		3.66
Advertisement & Publicity		0.26		0.18
Selling Expenses		0.68		0.27
Rent		0.55		0.61
		7.70		**4.72**
15 FINANCE CHARGES				
Interest to Banks		13.66		13.87
Interest to Others		0.18		0.14
Bank Charges		3.65		4.15
Lease Rent		0.01		0.01
		17.50		**18.17**

16 NOTES ON ACCOUNTS AND ACCOUNTING POLICIES

1. Previous Year figures have been regrouped and rearranged wherever necessary. Figures in the brackets are for previous year and all monetary figures are in Crores. Figures below ₹50000/- are given separately in Rupees.

2. Depreciation during the year has been provided on straight line method at the rates prescribed under Schedule XIV of the Companies Act, 1956.

3. The liability of gratuity of employees is provided by taking LIC's group gratuity insurance scheme. During the year premium & gratuity paid and debited to profit and loss account. As per management there is no further liability of the gratuity as on 31.03.2011.

4. Sundry Debtors,Creditors,Loans and advances are taken as certified by the management which are subject to confirmation and reconciliation from respective parties.

5. a. Salary & wages includes payments of Remuneration to
   I) Chairman ₹0.17 (₹0.16).
   ii) Managing Director ₹0.17 (₹0.16).
   iii) Whole Time Director ₹0.13 (₹0.12).

   b. Expenses under different heads include Cost Audit Fee, Internal audit Fee and auditors travelling ₹0.03 (₹0.02).

6 **Contingent liabilities not provided for in respect of :-**
   i) Trade Tax liability ₹0.36 (₹0.36) under appeal before High Court, Allahabad.
   ii) Sale tax demand under appeal ₹0.22 (₹0.17) before Commissioner of Sales Tax (Appeal).
   iii) Excise demand under appeal at different stages.
   a. ₹0.03 (₹0.03) high court, Allahabad.
   b. ₹0.03 (₹0.03) Commissioner (appeal), Allahabad
   iv) Entry Tax demand under appeal before H'ble High Court for different years for which Bank Guarantee given by Company of ₹0.52 (₹0.35).

7 **Deferred Tax Assets/Liabilities**
   Deferred tax is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

8 **Details of Securities as Certified By Management for Secured Loans are as follows:-**
   i) Bank of Baroda
   Cash Credit - For Naupur and Alwar unit-Secured by Hypothecation of entire stocks in Trade, debtors and movable current assets. Secured by first charge on the fixed assets and personally guaranteed by two directors, their relative and a group company. Also secured by mortgage of joint property of one Director.

Schedules to Balance Sheet and Profit and Loss Account

16 NOTES ON ACCOUNTS AND ACCOUNTING POLICIES (Contd...)

Term Loan - For Naupur and Alwar unit-Secured by Hypothecation of entire stocks in Trade, debtors and movable current assets. Secured by first charge on the fixed assets and personally guaranteed by two directors, their relative and a group company. Also secured by mortgage of joint property of one Director.

ii) **Punjab National Bank**

Cash Credit - For Naupur and Alwar unit-Secured by Hypothecation of entire stocks in Trade, debtors and movable current assets. Secured by first charge on the fixed assets and personally guaranteed by two directors, their relative and a group company. Also secured by mortgage of joint property of one Director.

Term Loan - For Naupur and Alwar unit-Secured by Hypothecation of entire stocks in Trade, debtors and movable current assets. Secured by first charge on the fixed assets and personally guaranteed by two directors, their relative and a group company. Also secured by mortgage of joint property of one Director.

iii) **Cash Credit from other Banks -** Hypothecation of entire current assets of unit at Chakia, Dehari, Bihar and Haldia, West Bengal 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, Dehari, Bihar and Haldia, West Bengal on pari-passu basis with other term lenders and hypothecation charge on other fixed assets including plant & machinery at Chakia, Dehari, Bihar and Haldia, West Bengal on pari-passu basis with other term lenders.

Term Loan from other Banks - Equitable mortgage of land and factory at Chakia, Dehari, Bihar and Haldia, West Bengal on pari-passu basis with other term lenders.

Hypothecation of other fixed assets including plant & machinery at Chakia, Dehari, Bihar and Haldia, West Bengal on pari-passu basis with other term lenders and Collaterally secured by second charge on current assets of unit at Chakia, Dehari, Bihar and Haldia, West Bengal on pari-passu basis with personal guarantee of two directors.

The Other Banks includes State Bank Of India, State Bank Of Hyderabad, State Bank of Travancore, State Bank Of Patiala, State Bank Of Bikaner & Jaipur and Vijaya Bank.

9. Sundry Creditors includes ₹2.22 (₹1.00) Due to Micro and Small Scale Industrial undertakings to the extent such parties have been identified from the available documents/informations with the company and as certified by the management. The names of such units to whom the company owe a sum exceeding ₹0.01 which is outstanding for more than 30 days are as follows:-

a) Jhunjhunwala Oils Mill Ltd. (b) M.V.Foils & Packaging (c) Vandana Packaging Pvt. Ltd. (d) Spack Laminators Pvt. Ltd.

10 Preferential Warrant -

The Company Has issued 40,00,000 Preferential Warrants @ ₹190/- each against which received application money of ₹19.00 Crores. Warrant is convertible into equity share of ₹10/-each at a premium of ₹180/- each with in a period of 18 months from the date of allotment. The allotment of preferential warrants will be made on receipts of necessary approvals from the stock exchange. However the equity shares has been splitted into ₹1/- each and accordingly 40,000,000 Preferential warrants will be issued @ 19/- each.

11. Term Loan Payable within one year is ₹18.05 Crores (₹14.20 Crores)

12. Additional information (As certified by the management and relied upon by auditors).

A. **Licenced and installed capacity:-**

	Item	Licenced Capacity		Installed Capacity	
i)	Vanaspati	N A	(NA)	84000	(84000) MT per annum
ii)	Tins	N A	(NA)	42 lacs	(42 lacs) pcs per annum
iii)	Deacidified Oil	N A	(NA)	132000	(132000) MT per annum
iv)	HDPE JARS	N A	(NA)	18 Lacs	(18 Lacs) Pcs per annum
v)	Fatty Distillation	N A	(NA)	60000	(60000) MT per annum
vi)	Gasification	N A	(NA)	5328000	(5328000) NM3 per annum
vii)	Red Palmolien & Enter Esterified	N A	(NA)	90000	(90000) MT per annum
viii)	Edible Oil (Alwar, Rajasthan)	N A	(NA)	81000	(81000) MT per annum
ix)	Refined Oils / Vanaspati (Pahleza, Bihar)	N A	(NA)	150000	(150000) MT per annum

JVL AGRO INDUSTRIES LIMITED

Schedules to Balance Sheet and Profit and Loss Account

16 NOTES ON ACCOUNTS AND ACCOUNTING POLICIES (Contd...)

B. **Production, purchases, sales and stock details** (₹ in crore)

i) **Manufacturing activity**

Particulars	Unit	Opening Stock		Purchase		Production	Sales		Closing Stock	
		Qty	Value ₹	Qty	Value ₹	Qty	Qty	Value ₹	Qty	Value ₹
Vanaspati	MT	4431.36 (3338.62)	18.71 (13.31)	0.00 (146.30)	0.00 (0.58)	124570.52 (114525.75)	124576.13 (113576.27)	617.09 (440.53)	4423.05 (4431.36)	25.65 (18.71)
Fatty Acid Oil	MT	74.29 (153.40)	0.28 (0.25)	0.00 (0.00)	0.00 (0.00)	12823.15 (6825.49)	12665.67 (6904.60)	52.16 (19.46)	231.77 (74.29)	1.03 (0.28)
Refined Oil	MT	4682.87 (2343.64)	20.83 (10.72)	0.00 (0.00)	0.00 (0.00)	125293.54 (84395.11)	125720.54 (80581.85)	633.60 (337.99)	5052.68 (4682.87)	29.44 (20.83)
Mustard Oil	MT	1833.14 (1442.24)	8.95 (9.15)	0.00 (0.00)	0.00 (0.00)	41483.70 (26485.89)	37254.00 (25294.94)	218.86 (128.92)	5314.13 (1833.14)	11.03 (8.95)
DOC	MT	1706.33 (4235.32)	1.84 (3.89)	0.00 (0.00)	0.00 (0.00)	72321.70 (69638.03)	73711.06 (72167.02)	69.69 (76.65)	316.97 (1706.33)	0.30 (1.84)
Total			**50.61** **(37.32)**		**0.00** **(0.58)**			**1591.40** **(1003.55)**		**67.45** **(50.61)**

Note:

1) Shortage, Damages & Discarded of Vanaspati during the year 2.750 MT (3.036 MT) and Refined Oil 1.500 MT (2.530 MT) & Mustard Oil 1.100 MT (1.225 MT)

2) Quantity including internal transfer of Ref Oil 798.309 MT (1471.50 MT) & Mustard 747.610 MT (798.831 MT)

ii) **Trading activity**

Particulars	Unit	Opening Stock		Purchase		Sales		Closing Stock	
		Qty	Value ₹	Qty	Value ₹	Qty	Value ₹	Qty	Value ₹
Vanaspati	MT	316.71 (316.71)	1.52 (1.52)	94.584 (0.00)	0.53 (0.00)	94.584 (0.00)	0.55 (0.00)	0.000 (316.71)	0.00 (1.52)
Oil	MT	0.00 (1546.60)	0.00 (5.65)	128715.872 (63166.690)	572.76 (216.14)	128715.872 (64700.390)	584.27 (223.00)	0.000 (0.000)	0.00 (0.00)
D O C	MT	0.00 (0.00)	0.00 (0.00)	0.000 (2997.280)	0.00 (3.40)	0.000 (2997.280)	0.00 (3.60)	0.000 (0.000)	0.00 (0.00)
Mustard Seed	MT	0.00 (0.00)	0.00 (0.00)	953.250 (1511.390)	2.47 (3.98)	953.250 (1511.390)	2.47 (3.99)	0.000 (0.000)	0.00 (0.00)
Bazra	MT	0.00 (0.00)	0.00 (0.00)	603.540 (0.000)	0.47 (0.00)	0.000 (0.000)	0.00 (0.00)	603.54 (0.000)	0.47 (0.00)
Tin Plate	MT	0.00 (0.00)	0.00 (0.00)	180.406 (0.000)	0.47 (0.00)	180.406 (0.000)	0.53 (0.00)	0.000 (0.000)	0.00 (0.00)
Refined Oil	MT	0.00 (0.000)	0.00 (0.00)	287.948 (0.000)	1.57 (0.00)	287.948 (0.000)	1.57 (0.00)	0.000 (0.000)	0.00 (0.00)
Total			**1.52** **(7.17)**		**578.27** **(223.52)**		**589.39** **(230.59)**		**0.47** **(1.52)**

Note:

1) Oil (Sunflower) NIL (12.905 MT) Transfer to Manufacturing Activity

2) Shortage, Damages & Discarded of Vanaspati during the year 316.710 MT (NIL)

C. **Raw material consumed**

Items	Unit	Indigenous		Imported		Total	
		Qty	Amount	Qty	Amount	Qty	Amount
Edible Oils	MT	124990.940 (117084.460)	306.59 (262.87)	258666.383 (183574.420)	1099.26 (590.30)	383657.323 (300658.880)	1405.85 (853.17)
Total			**306.59** **(262.87)**		**1099.26** **(590.30)**		**1405.85** **(853.17)**

Schedules to Balance Sheet and Profit and Loss Account

16 NOTES ON ACCOUNTS AND ACCOUNTING POLICIES (Contd...)

D. Stores & Spare Parts Consumed (All indigenous)	₹ 0.35	₹ (0.13)
E. Earning in Foreign Exchange		
I) Export of goods on FOB basis	₹ NIL	₹ (3.48)
F. CIF value of Import during the year:		
a) Raw Material	₹ 1654.61	₹ (852.77)
b) Vanaspati	₹ NIL	₹ (NIL)
G. Expenditure in foreign currency:-		
I) For Travelling.	₹ 0.15	₹ (0.03)
ii) Finance Charges	₹ 12.25	₹ (14.57)

13. Accounting Policies:

i) Fixed Assets & Depreciation :

a) Fixed Assets: Fixed assets are Valued at Cost,and adjusted by foreign currency fluctuation against Loan Repayment, less depreciation

b) Depreciation on account of fluctuation of Foreign currency Loans availed in respect of Fixed Assets is provided as aforesaid over the residual life of the respective Assets.

ii) Inventories:

a) Finished goods,Trading goods are valued at cost or market value which ever is lower.

b) Raw Material, Packing Materials, Chemicals and Stores are valued at cost.

c) Work in Progress are valued at Raw Material cost.

d) By products are valued at estimated realisable value

iii) Sales: Sales are inclusive of Excise Duty and net of Rebate, Freight,Discount.

iv) Raw Material consumption includes duty, port charges, transportation,agent commission, net of interest and finance charges,etc.

v) Revenue-Recognition:Expenses and income considered payable and receivable respectively have been accounted for on accrual basis except gratuity and misc. petty items which are accounted for on cash basis. Where the ability to assess the ultimate collection with reasonable certainty is lacking at the time of raising any claim, revenue recognition is postponed to the extent of uncertainty involved.

vi) Government Grants- Grant including subsidy/rebates/re-imbursement are credited to Profit & Loss Account. Grants relating to fixed assets are credited to Capital Reserve Account or adjusted in the cost of such assets as the case may be, as and when the ultimate realisability of such grants are established.

vii) General:

a) These accounts are prepared on the historical cost basis and on the accounting principles of a going concern.

b) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

viii) Foreign Currency Transactions:

a) Foreign currency transactions are recorded on the basis of exchange rate prevailing on the date of their occurance.

b) Foreign currency liabilities as on Balance Sheet date are revalued in the accounts on the basis of exchange rates prevailing at the close of the year exchange difference arising there from is adjusted to the cost of Plant & Machineries of units for which loans were taken

ix) Investment are valued at cost. As per management investment in Shares are on long term basis and reduction in market rates are temporary and hence no provision is required to be made in accounts.

14 Fixed Deposit (Pledged with Banks)

	March 31, 2011	March 31, 2010
FDR in Banks (₹)	1224.01	749.71
(Less) 100% Margin Deposited in Banks for availing extended credit from suppliers (₹)	941.90	482.51
	282.11	**267.20**

Schedules to Balance Sheet and Profit and Loss Account

16 NOTES ON ACCOUNTS AND ACCOUNTING POLICIES (Contd...)

15. Related party disclosure :-

The company has entered in to transactions during the year with the following parties :-

Name	Nature of Transaction	Amount	Relation
Sri D.N. Jhunjhunwala	Remuneration	0.16	Chairman
Sri S.N. Jhunjhunwala	Remuneration	0.17	Managing Director
Sri Adarsh Jhunjhunwala	Remuneration	0.13	Whole Time Director
Jhunjhunwala Gases (P) Ltd.	Lease Rent	0.01	Related Party
Jhunjhunwala Oil Mills Ltd.	Raw material Purchase	2.28	Related Party
Jhunjhunwala Oil Mills Ltd.	Sales	2.03	Related Party
Jhunjhunwala Gases (P) Ltd.	Raw Material & Packing Material Purchase	12.23	Related Party
Jhunjhunwala Gases (P) Ltd.	Sales	2.77	Related Party
Smt Anju Jhunjhunwala	Rent	0.03	Related Party
Smt Kishori Devi Jhunjhunwala	Salary	0.03	Related Party
Sri S.N. Jhunjhunwala (HUF)	Rent	0.02	Related Party
Juhi Jhunjhunwala	Salary	0.02	Related Party
Sri D.N. Jhunjhunwala	Rent	0.01	Related Party
Nilambar Trexim & credit Pvt. Ltd	Handling & storage	0.18	Related Party
Jhunjhunwala Sewa Society	Bus Rent	0.01	Related Party
JVL Overseas Pte. Ltd.	Loan Given	6.55	Related Party
(Max at any time during the year ₹6.55)			
Nilambar Trexim & credit Pvt. Ltd	Brokerage	0.08	Related Party

16. Segment reporting

The company's present operations are related to production of Vanaspati & Refined oil, Mustard oil, DOC and Trading of goods.

The entire income of the company are mainly in India, hence there is no reportable geographical segments.

Vanaspati & Refined oil, Edible Oils are the primary segment of the company and there is no secondary segment.

Schedules to Balance Sheet and Profit and Loss Account

16 NOTES ON ACCOUNTS AND ACCOUNTING POLICIES (Contd...)

17. Balance Sheet Abstract and Company's General Business Profile (₹ in crore)

i. Registration Details

Registration No.	20-11396	State Code	20
Balance Sheet Date	31 03 2011		

ii. Capital raised during the year

Preferential Warrants Convertible into Equity Shares, Application Money Received

19.00 (NIL)

iii. Details of Mobilisation and Deployment of Funds

Total Liabilities	1050.31	Total Assets	1050.31

Sources of Funds

Paid-up Capital	12.84	Reserves and Surplus	210.21
Preferential Warrants	19.00	Unsecured Loans	18.01
Secured Loans	130.55	Deferred Tax Liability	19.97

Application of Funds

Net Fixed Assets	168.77	Investments	19.72
Net Current Assets	222.09	Misc. Expenditure	NIL

iv. Performance of the Company

Turnover / Receipts	2186.92	Total Expenditure	2145.45
Profit before Tax (Including Subsidy)	60.03	Profit after Tax	50.02
Earnings Per Share - Basic	3.89	Dividend Rate (%)	20%
Earnings Per Share - Diluted	3.89		

v. Generic Names of Principal products/services of Company

Hydrogenated Vegetable Oils	151620.09
Refined Oil	1516200.00
Deacidified Oil	2110.00
Tin Plate Containers	731021.01
Plastic Containers	3923.90
Fatty Distillation	2110.00
Enter Esterified	3009.00
Gasification	4100.00

As per our report of even date attached

For **Garg & Company**
Chartered Accountants

For **Singh Dikshit & Co.**
Chartered Accountants

G. C. Agarwal
Partner

Ranjish Vishwakarma
Partner

S. N. Jhunjhunwala
Managing Director

Adarsh Jhunjhunwala
Whole-time Director

Rohit Kumar Jaiswal
Company Secretary

Camp : Varanasi
Dated : The 3rd day of September, 2011

Cash Flow Statement For the year ended March 31, 2011

(₹ in crore)

	March 31, 2011	March 31, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & extraordinary items	**60.03**	**38.44**
Adjustments for:		
Depreciation	8.61	6.51
Interest Paid	13.84	14.01
Interest Received	(6.07)	(5.66)
Dividend Received	(0.15)	(0.15)
Loss on Sale of Investment	0.19	(3.55)
Loss on Sale of Fixed Assets	-	-
Operation Profit before working capital changes	**76.45**	**49.60**
Trade & other Receivable	(22.09)	(63.70)
Inventories	(87.66)	(88.90)
Trade Payables	311.36	62.83
Net cash from operating Activities	**278.06**	**(40.17)**
Interest paid	(13.84)	(14.01)
Direct Taxes Paid	(8.34)	(5.83)
Cash Flow before Extra ordinary Items.	255.88	(60.01)
Extra Ordinary Items Deferred Tax	(1.67)	(3.39)
Subsidy received during the year	(18.56)	–
Net Cash Flow from operating Activities.	**235.65**	**(63.40)**
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(38.97)	(34.19)
Sale of Fixed Assets	0.07	-
Purchase of Investments.	(12.39)	(0.96)
Sale of Investments	1.57	3.62
Interest Received	6.07	5.66
Dividend Received	0.15	0.15
Subsidy received during the year	18.56	–
Net Cash Flow from Investing Activities	**(24.94)**	**(25.72)**
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issues Preference Warrant	19.00	25.14
Proceeds from Long Term Borrowings	12.38	31.63
Proceeds from Short Term Borrowings	(204.20)	77.24
Dividend Paid including Dividend Tax	(3.00)	(1.79)
Net cash flow from Financing Activities	**(175.82)**	**132.22**
Net Increase in cash & Cash Equivalent	**34.89**	**43.10**
Cash & Cash Equivalents Opening	**297.88**	**254.78**
Cash & Cash Equivalents Closing	**332.77**	**297.88**

As per our report of even date attached

For **Garg & Company**
Chartered Accountants

For **Singh Dikshit & Co.**
Chartered Accountants

G. C. Agarwal
Partner

Ranjish Vishwakarma
Partner

S. N. Jhunjhunwala
Managing Director

Adarsh Jhunjhunwala
Whole-time Director

Rohit Kumar Jaiswal
Company Secretary

Camp : Varanasi
Dated : The 3rd day of September, 2011

JVL AGRO INDUSTRIES LIMITED

Regd Off: Jhunjhunwala Bhawan, Nati Imli

Varanasi - 221 001

NOTICE

Notice is hereby given that the 22nd Annual General Meeting of the members of JVL Agro Industries Limited will be held on Friday, September 30, 2011 at 3.00 P.M. at Hotel Ramada Plaza JHV, The Mall, Cantonment, Varanasi – 221002, U.P, India to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on March 31, 2011 and Profit and Loss Account for the year ended on that date and the reports of Directors and Auditors thereon.
2. To declare a dividend on equity shares for the financial year ended on March 31, 2011.
3. To reappoint Mr. D. N. Jhunjhunwala, Director who retires by rotation and being eligible offers himself for reappointment.
4. To reappoint Mr. H. L. Agarwal, Director who retires by rotation.
5. Resolved that M/s Garg & Company, Chartered Accountant and M/s Singh Dikshit & Company, Chartered Accountants be and are hereby appointed as joint statutory Auditors of the Company from the conclusion of this Annual General Meeting of the Company until the conclusion of next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors in consultation with the Audit Committee, exclusive of travelling and other out-of-pocket expenses.

SPECIAL BUSINESS:

Item No. 6:

To consider and, if thought fit, to pass with or without modification(s) following resolution as an ordinary resolution:

"RESOLVED THAT Mr. Harsh Agarwal in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member, in writing, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

By order of the Board of Directors

Sd/-

Place: Varanasi

Date: September 03, 2011

Rohit Kumar Jaiswal

Company Secretary

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. The proxy in order to be effective must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
2. The register of members and the share transfer books of the Company will remain closed from September 24, 2011 to September 30, 2011 (both days inclusive)
3. Additional information in terms of Clause 49 of the Listing Agreement in respect of Directors being reappointed is as under:

A) Shri D. N. Jhunjhunwala
   a) Date of Birth: February 02, 1936
   b) Date of Appointment: November 17, 1989
   c) Expertise in functional area: Industrialist
   d) Qualifications: Graduate in Industrial Chemistry
   e) Committee membership: Two
   f) Shareholding in the Company: 62,25,200 equity shares
   g) Directorship held in other companies: Two

B) Shri H. L. Agarwal
   a) Date of Birth: August 01, 1927
   b) Date of Appointment: June 01, 1992
   c) Expertise in functional area: Legal
   d Qualifications: BA, LLB
   e) Committee membership: NIL
   f) Shareholding in the Company: NIL
   g) Directorship held in other companies: NIL

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 6:

A notice under Section 257 has been received by the Company proposing candidature of Mr. Harsh Agarwal, to act as the Director of the Company. The proposal has deposited ₹500 as a nomination fee for the said purpose. Mr. Harsh Agarwal is an engineering graduate, possesses immense knowledge in the field of electronics and telecommunication. His presence in the Company will surely prove fruitful for the Company in attaining heights and will make the Company reach the pinnacle of success. Having a deep insight in electronics and telecommunication and practical experience in the field, he will be in a better position to guide and advocate on various relevant issues concerning the Company. The Board thereby looks forward to his presence in order to fulfill the goals of the Company.

Therefore your Directors recommend the resolution for approval as ordinary resolution as set out under items no 6 of the notice of the meeting.

None of the Directors of the Company is, any way concerned or interested in this resolution.

By order of the Board of Director

Registered Office:

Sd/-

Place: Varanasi
Date: September 03, 2011

Rohit Kumar Jaiswal
Company Secretary

JVL AGRO INDUSTRIES LIMITED

Registered Office: Jhunjhunwala Bhawan, Nati Imli,
Varanasi - 221 001

Please complete the attendance slip and hand it over at the entrance of the Meeting Hall. Please also bring your copy of the annual report.

ATTENDANCE SLIP

I hereby record my presence at the 22th Annual General Meeting of the Company to be held on September 30, 2011

Regd. Folio No.		**No. of Shares**
	Name of the Share Holder (IN BLOCK LETTERS)	

Signature of the shareholders

Signature of Proxy

Date – September 30, 2011
Time – 3.00 PM
Venue – Hotel Ramada Plaza JHV, The Mall, Cantonment, Varanasi – 221002, U.P, India

Regd. Folio No.		**No. of Shares**

I/We .... of.. in the district of ....being a member(s) of JVL AGRO INDUSTRIES LIMITED, hereby appoint.. of failing him...
.... of .... or failing him.. of.. as my/our proxy to vote for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company to be held on September 30, 2011 and at any adjournment thereof.

As witness my/our hand(s) this... day of 2011

Affix Revenue Stamp

Signed by the said ....

Note :
The proxy form (duly filled up and signed) must be deposited at the Registered Office of the Company, not less than 48 hours before the time for holding of the aforesaid meeting.