partnership for progress

MULTI-BRAND. MULTI-PRODUCT. MULTI-REGION. MULTI-NATIONAL THE NEW JVL AGRO.

JVL Agro Industries Limited

Annual report 2011-12

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

EVEN AS YOU ARE READING THIS, A 'JHOOLA' PRODUCT HAS PROBABLY BEEN SOLD SOMEWHERE ACROSS NORTH, CENTRAL AND EAST INDIA.

9.40 KG EVERY SECOND. 296487 TONNES DURING THE FINANCIAL YEAR UNDER REVIEW.

MAKING IT MORE THAN JUST A COOKING MEDIA PRODUCT. AN INTEGRAL PART OF THE LIVES OF MILLIONS.

WHICH EXPLAINS WHY EVEN IN A CHALLENGING AND VOLATILE 2011-12, THE COMPANY REPORTED A 35.65 PER CENT INCREASE IN REVENUES AND A 13.73 PER CENT GROWTH IN PROFIT AFTER TAX OVER THE PREVIOUS YEAR.

JVL Agro's is a story of remarkable transformation.

From a long standing manufacturer of hydrogenated vegetable oil (vanaspati ghee). To one of the fastest growing vegetable oil capacities in India today.

From a single location as recent as 2006 to four locations this year.

From the domestic to the international.

A multi-brand, multi-product, multi-region, multi-country and multi-vertical Company serving the second most populous country in the world.

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 oils 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

Parentage

- Incorporated as a small-scale manufacturer of hydrogenated vegetable oil at 25 tonnes per day in 1989, JVL Agro has grown into the largest single-unit manufacturer of vanaspati in India today (700 TPD)
- The company also possesses a cumulative vegetable oils capacity of 1500 TPD
- The Company is managed by Chairman Mr. D.N. Jhunjhunwala, Mr. S.N. Jhunjhunwala (Managing Director), Mr Adarsh Jhunjhunwala (Wholetime Director) and executives

Products

- Vanaspati (hydrogenated vegetable oil)
- Refined palm oil
- Refined soybean
- Saturated fats
- Mustard oil and blended oil
- Fatty acid
- De–oiled Cake

Presence

- The Company's refined oil and vanaspati manufacturing units are located in Varanasi (Uttar Pradesh) and Dehri-on-Sone (Bihar) and mustard oil manufacturing unit in Alwar (Rajasthan)
- Headquartered in Varanasi (Uttar Pradesh), the Company has offices in Alwar, Kolkata, Mumbai and Delhi as well as a subsidiary in Singapore
- The Company's shares are actively traded on the Bombay Stock Exchange (BSE), the National Stock Exchange (NSE), Delhi Stock Exchange (DSE) and

the UP Stock Exchange (UPSE).

- The Company's products are available in 18 Indian states and two union territories across thousands of retail outlets.

Multi-brand

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

- Vanaspati is marketed under the Jhoola brand
- RBD palmolien under Jhoola and Payal brands
- Refined soybean oil under Jhoola Health brand
- Mustard oil under Jhoola, Joohi and Shankar brands
- Blended oil under the Joohi Active brand

Accreditations

- ISO 9001-2008 certified
- Recognised as the 'Fastest-growing vanaspati brand in 2006'
- Recognised as the 'Emerging company of the year 2007' by Globoil
- Recognition as 'Globoil man of the year 2008' for Mr. S. N. Jhunjhunwala (Managing Director) for his industry contribution.
- Globoil India Legend 2011 award received by the Chairman Sri D. N. Jhunjhunwala.

Milestones

1990
Commenced production with a 25-TPD capacity

1993
Achieved 100-TPD production at Varanasi

1995
Switched vanaspati processing from chemical to state-of-the-art mechanical technology

1999
Installed a 60-TPD refined oil unit at Jaunpur; introduced crude soybean and palmolein oil

2000
Increased vanaspati production capacity to 200-TPD

2005
Introduced a fractionation unit of 200-TPD capacity

2006
- Acquired a Rajasthan-based mustard seed-crushing and refining plant
- Invested in Adamjee Extraction, Sri Lanka, for import of 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 North-eastern states.

2008

- Commissioned an edible oil refinery/ saturated fats unit in Bihar
- Commence 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 1200 MTPD refining capacity and captive power plant.

2011

Company became listed on the National Stock Exchange of India Ltd.

2012

- Capacity of mustard seed crushing increased from 200 to 400 MTPD, solvent extraction plant capacity increased from 250 to 450 MTPD and storage capacity of mustard seed increased (by 6400 MT) at Alwar unit.
- Commencement of production from the biggest unit (1200 MTPD) of the Company at Haldia.
- Introduction of refined oil in the mustard oil market of Eastern India of the Company.

Performance highlights, 2011-12

Financials

- Revenue increased 35.65 % from ₹ 2180.79 cr in 2010-11 to ₹ 2958.23 cr
- EBIDTA increased 20.50 % from ₹ 86.14 cr in 2010-11 to ₹ 103.80 cr
- Post-tax profit surged 13.73 % from ₹ 50.02 cr in 2010-11 to ₹ 56.89 cr
- Cash profit strengthened 13.47% from ₹ 58.63 cr in 2010-11 to ₹ 66.53 cr

Operations

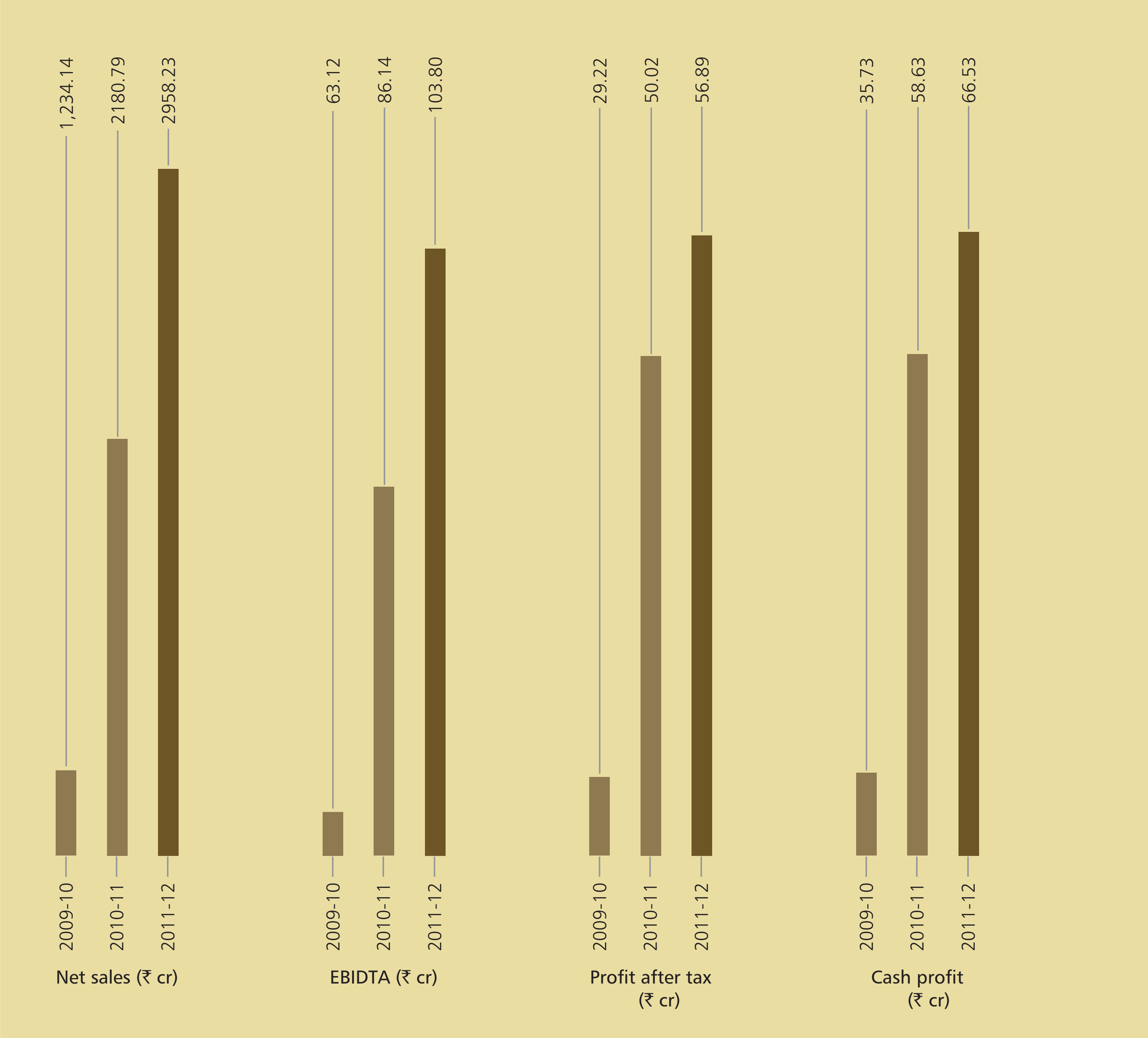
- Saturated fats (vanaspati) production 124570.52 MT in 2010-11 to 94910 MT in 2011-12.*
- Refined oils production increased 23.02 % from 125293.54 MT in 2010-11 to 154136 MT
- Mustard oil production increased 22.26 % from 41483.70 MT in 2010-11 to 50718 MT

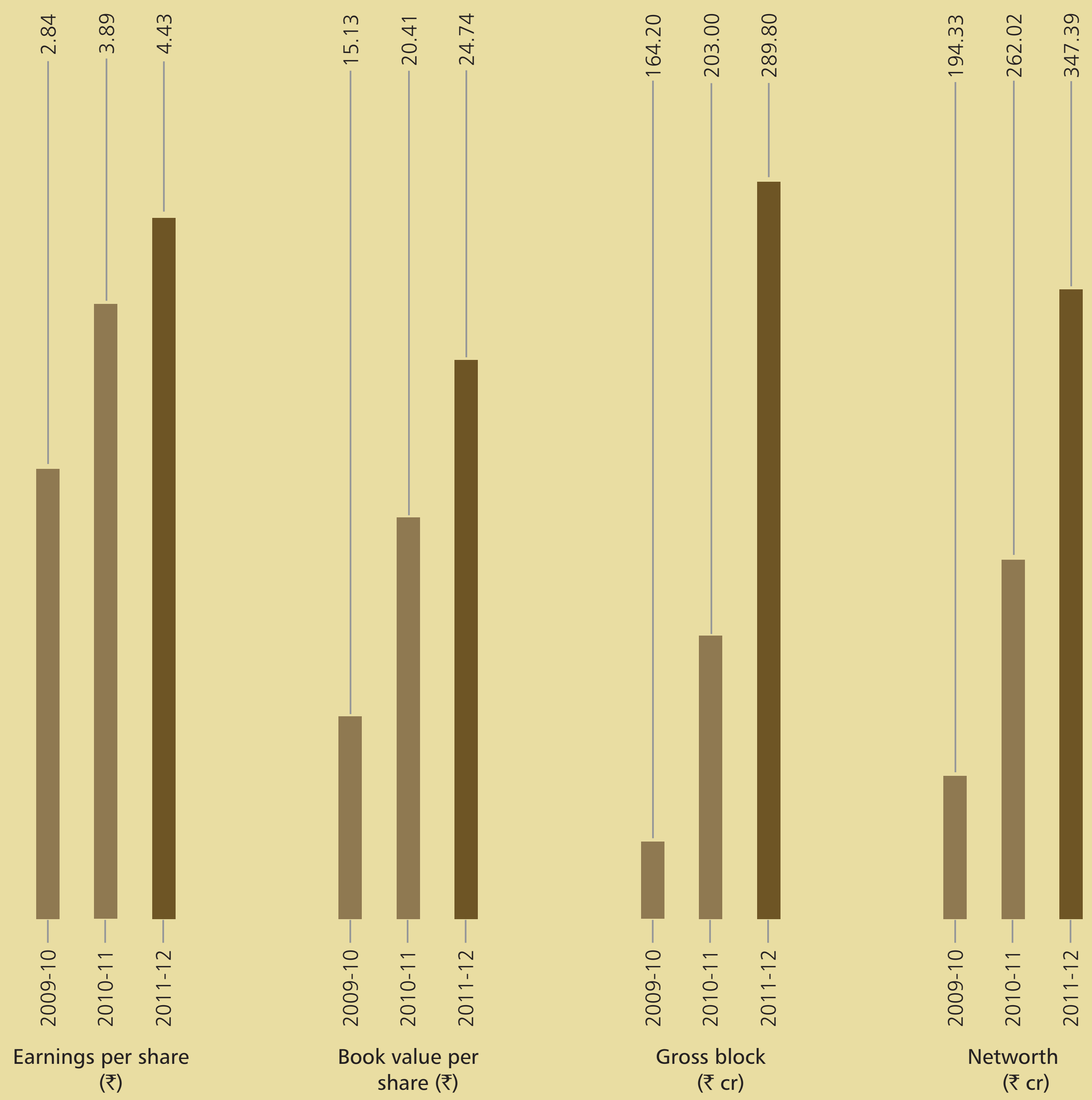
** In view of increasing demand the Company is manufacturing more refined oil than Vanaspati.*

Corporate

- Completed the doubling of Alwar seed crushing capacity to 400 TPD
- Acquired 500 acres in Bihar to commission an agro-based complex
- Set up a subsidiary in Indonesia
- Signed an agreement to acquire 12500 acres land in Ethiopia (with the option to acquire 62,000 acres)

Attractive past. Stable present. Exciting future.




2.84
3.89
4.43
2009-10
2010-11
2011-12
Earnings per share (₹)
15.13
20.41
24.74
2009-10
2010-11
2011-12
Book value per share (₹)
164.20
203.00
289.80
2009-10
2010-11
2011-12
Gross block (₹ cr)
194.33
262.02
347.39
2009-10
2010-11
2011-12
Networth (₹ cr)

From the rural to the global.

FOR YEARS, JVL AGRO HAS BEEN A RESPECTED INDIAN VEGETABLE OILS MANUFACTURING COMPANY CATERING TO THE GROWING NEEDS OF CUSTOMERS IN THE LARGE SWEEP STRETCHING FROM NORTHERN AND CENTRAL INDIA TO EASTERN INDIA.

The big news is that JVL Agro is going international.

As a prudent backward integration, the Company is in the process of setting up its own supply chain – from procurement of palm oil directly from Indonesia, set a refinery there in the second stage and to acquire land for palm plantation in the third stage by acquiring land in Indonesia to raise palm and secure its raw material requirement.

Besides, the Company entered into an agreement to acquire land in Ethiopia for the agriculture. The Company was allocated 12500 acres with the option of raising its acquisition to 62,000 acres.

From vanaspati to multi-product.

UNTIL 1991, JVL WAS A SINGLE PRODUCT COMPANY WITH ITS REVENUES BEING SINGULARLY DERIVED FROM THE MANUFACTURE AND SALES OF VANASPATI.

As a responsible cooking media manufacturer, the Company recognised that with an increase in incomes there was a growing shift in consumption patterns towards other vegetable oils.

Today, JVL is engaged in the manufacture and marketing of a wide choice of vegetable oils refined palm oil, refined soybean oil, saturated fats, mustard oil, blended oil and fatty acids.

From two states to multi-zones.

IN 1991, JVL WAS A SMALL-TIME SUPPLIER OF VANASPATI IN AND AROUND VARANASI, WORKING OUT OF A SINGLE MANUFACTURING UNIT IN JAUNPUR, 30 KMS FROM VARANASI.

Over the years, the Company embarked on various initiatives: it enriched its

product mix, created sub-brands and widened its geographic footprint.

Today the Company's products are delivered across 18 Indian states accounting for around 60% of the country's population. Over the last couple of years, the Company has progressively emerged out of its regional presence to become a multi-zonal entity with a footprint across several Northern, Central and Eastern India states. The Company also exports de-oiled cake to Vietnam, Bangladesh, Thailand, China, Indonesia and South Korea.

JVL's Jhoola brand commands in the Uttar Pradesh and Bihar. Besides, it is growing its market share in the mustard oil market of Bihar, West Bengal, Orissa, and North-eastern states and will further strengthen its foothold share with the help of the production of refined oil from the unit in Haldia.

Looking ahead, JVL plans to emerge as a pan-Indian diversified edible oil player through the commissioning of its Haldia capacity in East India and the possibility of commissioning facilities on the Western and Southern coast of India.

"During the year under report, we focused on consolidation and laying the foundation for attractive growth."

Mr. S.N. Jhunjhunwala, Managing Director, reviews the performance of the Company in 2011-12 and looks ahead

Were you happy with the Company's performance in 2011-12?

I am satisfied that we performed creditably in a challenging 2011-12, marked by a record topline and an attractive increase in our bottomline. As it turned out, we strengthened our earnings per share by 13.88 % to ₹ 4.43 and acquitted ourselves with a respectable EBIDTA at a time when a number of peer companies encountered problems on account of the sharp increase in volatility. This represented a validation of what we have always stated: that we are a fairly de-risked organisation with strict controls on how much we import, at what price we import, at what price we sell and what quantity we sell and how do we hedge ourselves.

What helped the Company grow its financials during the year under review?

During the year under review, we enhanced our overall capacity utilisation from 72 per cent to 74 per cent. This corresponded to an increase in output., which in turn translated into an increase in our revenues. However, I must add that even as our financials appear attractive, much of what we achieved were not reflected in our numbers and the effects of which will only be reflected across the foreseeable future.

In what way will the impact of some of the initiatives be visible only across the future?

At JVL Agro, the year under report may be considered as one of a consolidation of our existing capacities and sweating them to the extent possible. However, it was also a year when we accelerated project implementation across our plants and locations so that we could commission additional capacities during the current financial year and create a foundation for attractive growth over the foreseeable future. Some of these capacity enhancements covered the following:

- We completed the doubling of our Alwar seed crushing capacity to 400 TPD (effective from the first quarter of 2012-13); we accelerated the project for the enhanced solvent extraction capacity from 250 TPD to 450 TPD (effective from the first quarter of 2012-13)
- We accelerated the completion of our Haldia plant with the objective to commission it in the second quarter of 2012-13
- Company has acquired 500 acres of land in Bihar for diversifying the activities of Company. The Company will establish the agro-based complex on this land for doing various agro-related activities.

Apart from the capacity increase, in what way did the management create a stronger company in 2012-13?

At JVL Agro, we recognised that we need to strengthen various building blocks if we are to emerge as a strong and sustainable company over the foreseeable future. During the year under review, we did not just enhance operational capacity; we also acquired tracts in Ethiopia (and embarked on creating the corporate structure to do so in another country) with the objective of being able to grow raw material in a large quantity at a relatively low cost, strengthen our value chain, reduce costs, circumvent resource volatility and emerge as a stronger company. So in this sense, the year under review may be considered as a watershed: we embarked on the process to graduate from the domestic to the international.

Why is this necessary?

At JVL Agro, we recognise that we are beginning to see a churning in the nature of competitive forces in the Indian market-place. There was a time in the past when prominent and popular brands were protected from competitive pressures; however, in an increasingly volatile world, even as the prominent brands continue to sell, the financials of these companies could now be vulnerable to currency and commodity volatility. In view of this, companies need to graduate to the next level: they need to secure their raw material availability, possess efficient multi-locational plants, service consumers across regions and turn their inventory a number of times over on the strength of visible brands. For decades, Indian cooking media producers depended largely on international sources (largely palm oil). There is growing evidence that this simple reliance may work well in a year when the currency or commodity are stable; but in a year when even one of them becomes volatile, companies could be affected adversely and significantly. Therefore, there is a growing recognition that cooking media manufacturers need to integrate that one critical step backwards and secure their raw material availability towards emerging as truly sustainable.

How is JVL Agro addressing this scenario?

The Company embarked on three initiatives during the year under review around a single idea – more land. The Company strengthened its space portfolio with the objective to enhance its flexibility to expand operations on the one hand and grow agricultural inputs on the other and strengthen its value chain. More specifically, the Company engaged in the following:

- Acquired 500 acres in Bihar to commission an agro-based complex, with the establishment of this the operation of the Company will be diversified from oil to agro-related activities, this will lead to wider market penetration and growth opportunities.
- Commenced the exercise to set up a subsidiary in Indonesia with the objective to strengthen our raw material security (palm oil). After establishing the subsidiary in Indonesia the Company will acquire land and involve in the palm plantation. By this company will get raw material frequently on lower cost.
- Signed an agreement to acquire 12,500 acres land in Ethiopia (with the option to acquire an additional 62,000 acres) for agro-related activities.

The year under review was one of the most volatile. How did the Company address this Scenario?

The year under review was marked by two challenging realities: the weakening of the Indian rupee which suddenly increased the cost of the import of raw material; the volatile trend in our raw material which made it challenging when it came to timing our purchases. These realities notwithstanding, we strengthened our EBIDTA by 1766 bps in 2011-12, which is a commentary on the various initiatives to hedge our currency exposure and work with a lean raw material at all times.

What is the strategic blueprint for 2012-13?

We invested ₹ 100 cr in 2011-12, the results of which will show in from the second quarter of 2012-13 onwards. The commissioning of our Haldia plant and the expansion of our Alwar plants will graduate a significant increase in capacity. We expect that this increase can potentially translate into a topline of ₹ 3500 cr and ₹ 4500 cr respectively, which is in line with the projections that we had made a few years ago.

The one question is how this increased production will be marketed.

Presently, we are market leaders in Central India and plan to go progressively national over the foreseeable future. This plan starts with the commissioning of our capacity in Eastern India during the second quarter of 2012-13 where we produce palm and soybean oil and the scaling up of our Alwar capacity where we produce mustard oil. This is a relevant extension: East India enjoys a higher population density and with a geographic range that extends from Bihar, Odisha, Jharkhand and Chhattisgarh to the North-east tip of this country, comprising nearly 40 per cent of the national population.

What is your vision for the Company?

Our goal is to emerge as a major in agricultural products in India – multi-brand, multi-product, multi-location, multi-region and multi-country – without stretching our balance sheet. We expect to climb into a virtuous cycle by investing our accruals and prudent debt into our assets, diversify our risk across agricultural sources, explore the potential of the vast Indian landmass, enhance our asset utilisation, invest in our brand and create a large and growing company that enhances value for all its stakeholders.

Our business model

This is how we have selected to grow our business in a profitable and sustainable way

Corporatised

JVL Agro selected to corporatise with speed in what is still largely an unorganised sector in India. The business is marked by a long-term approach to business, high governance and managing business variables through a process-driven approach. The Company represents a functional balance of promoter-owners and professional managers. This structure is marked by strategic decision-making and hands-on business review by the promoters complemented by day-to-day management by professionals, across functions. The result is virtually no attrition at the senior management level for the last number of years.

Economies of scale

At JVL, we believe that scale plays a critical role in enhancing competitive advantage for an evident reason: as product demand increases, companies with a dearth of capacity progressively lose shelf space and are eventually outpriced by companies with larger capacities (and hence lower costs). The result is that today JVL's manufacturing unit for saturated fats (700 MTPD) is the single-largest in India, resulting in one of the lowest per tonne production costs. Besides, the Company's Haldia capacity of 1200 MTPD compares favourably with the prevailing economies of 1500 MTPD.

Branding

At JVL Agro, we recognise that we are in a business driven by perception. In view of this, we have selected to consciously create a recall around the following attributes – 'healthy', 'range' and 'affordable'. We feel that these drivers represent long-term drivers of offtake and the ability to price products attractively and cover overheads/inflation more effectively.

Manufacturing

At JVL, we realise that success is increasingly derived from the ability to service customers quickest and best. Over the last couple of years, we have extended from one location and zone to 18 locations and four zones, making it possible to service customer needs at the lowest transportation costs (inward of raw material and outward of finished products). We have also invested our manufacturing locations with superior technologies resulting in optimal raw material consumption with the objective to enhance our competitiveness.

Raw material security

In the business of edible oil manufacture, raw material security is critical. JVL enjoys a trusted two-decade relationship with credible plantation owners in Indonesia and Malaysia which translates into a consistent supply of raw material and production consistency

Product mix

At JVL, the extensive product range enhances the Company's flexibility in being able to provide diverse products to suit different economic realities. JVL provides a complete vegetable oil solution comprising a range of refined oils (refined soybean oil and palm oil), vanaspati and mustard oil. JVL services the needs of various Indian consumers through various packaging options – from 200 ml to 5 kg to 15 kg.

Integration

At JVL, we have specifically selected to invest in operational integration. JVL manufactures the packaging for all its products. Its manufacturing capacity comprises nine million HDPE jars per annum and 12 millions tins per annum. It manufactures handles and caps for containers. JVL has also invested in a 3 MW captive power plant in the Varanasi facility that provides for most of unit's power requirement and reduced power costs compared with the prevailing grid tariff.

Financial integrity

JVL recognises that the most credible foundation for a corporate is a robust balance sheet. The Company's net gearing is one of the lowest in the industry. The Company's interest cover is higher than the prevailing industry average and represents adequate fiscal comfort.

Distribution

At JVL, we realise that in a business where the product availability drives the offtake, it is imperative to have a strong supply chain management. As such, JVL's products are found in more than 100,000 retail outlets across India.

This is the value we bring to the table

Rich experience

JVL possesses a rich 20-year experience in comprehending customer, agricultural and resource trends leading to organisational stability and sustainability

Enduring relationships

JVL's enduring relationship with credible plantation owners (Indonesia and Malaysia) has translated into a cost-effective and consistent raw material supply

Logistical advantage

JVL's presence as Northern and Central India's largest edible oil importers and entry into the Eastern market of India translates into a robust bargaining power and logistic competitiveness. As the Haldia unit of the Company is established near the port, the raw material will come through pipeline to the unit, and reduce the transportation cost, time and damages. The Company can also supply the raw material to other units, this will reduce the storage cost incurred at the station and on the rack loading.

Brand

The Company's Jhoola brand is available in 18 Indian states and two union territories, enjoying a market-leading share in Central India's edible oil market

Economies-of-scale

JVL's manufacturing unit for saturated fats (700 TPD) is the single-largest in India, resulting in one of the lowest per tonne production costs. The new plant of 1200 MTPD at Haldia is the largest plant for the Company and will result in further reduction in various costs.

Integration

JVL manufactures packaging for all its products (nine million HDPE jars per annum and 12 million tins per annum as well as container caps)

Product range

JVL provides a range of refined vegetable oils (refined soybean oil and palm oil), vanaspati and mustard oil

Energy

JVL invested in a 3 MW captive power plant at its Varanasi facility that provides 100% of the unit's power requirement and helps reduce energy costs below the prevailing grid tariff

Superior quality

JVL's ISO 9001-2002 certification translates into process consistency in a sector where hygiene and purity considerations are paramount. The Company caters to the growing needs of individual and institutional buyers

Distribution network

JVL enjoys a wide presence in Northern India through a distribution network comprising over 30 depots and over 100,000 retail outlets

Customisation

JVL services the needs of various India consumers through packaging options ranging from 200 ml to 15 ltrs and from 5 kg to 15 kg

Customer-centric

JVL offers customers a superior price-value proposition in terms of product diversity, customisation and service

Management discussion and analysis

Global economy

The developments over the last year in major world economies have not been encouraging. There is an apprehension that the process of global economic recovery that began after the financial crisis of 2008 is beginning to stall and the sovereign debt crisis in the eurozone may persist awhile. The US economy has shown some improvement but economic growth remains sluggish.

The global economy is expected to grow 3.3% in 2012 compared with 3.8% in 2011. Growth in the advanced economies declined 1.6% in 2011 compared with 3.2% in 2010 and is expected to be even lower at 1.2% in 2012. Growth in emerging economies slowed to 6.2% in 2011 compared with 7.3% in 2010 and is projected at 5.4% in 2012. The US economy is projected to maintain its growth rate at 1.8% for 2012 and the eurozone is expected to contract 0.5% in 2012 *(Source: International Monetary Fund January 2012 update of the World Economic Outlook).*

Indian economy

India's annual economic growth in the January-March quarter 2012 declined to a nine-year low of 5.3% as the manufacturing sector contracted and the rupee declined to a record low. GDP growth of 6.5% in 2011-12 was the lowest since 4% in 2002-03 and a sharp slowdown from the previous year's 8.4%. The impact of the eurozone debt crisis, a slowdown in economic reforms and high interest rates staggered India's growth, affecting the agriculture, manufacturing, mining and construction sectors.

Indian edible oil industry

The Indian edible oil sector is the world's fourth-largest after the US, China and Brazil and is the world's fifth largest oil-seed producing nation with a wide range of oil seed crops comprising groundnut, mustard, rapeseed, sesame, safflower, linseed and niger seed, among others. India is also a leading player in edible oils, being the world's largest importer (ahead of the EU and China) and the world's third-largest consumer (after China and the EU). India consumes over 18 million tonnes of edible oil every year. Growing population and increasing consumption and per capita income is accelerating edible oil demand in India. The country currently contributes 6-7% of the global oil seed production. The domestic edible oil market is estimated at USD 15 billion and is set to grow at 5-6% over the next five years.

There are 15,000 oil mills, 711 solvent extraction units, 600 vegetable oil refineries and 250 vanaspati units in India employing more than a million people. While the domestic turnover of the vegetable oil industry is pegged at over ₹ 100,000 cr, import-export turnover is estimated at about ₹ 50,000 cr a year.

Oilseeds in India are grown mainly on marginal and sub-marginal lands under low input usage. Only 25% of crop is irrigated, leaving the sector exposed to weather-related yield risks. Over decades, this phenomenon has been forcing the country to continuously depend on imports. India's yields at 1,000 kg a hectare, is less than the global average.

Domestic demand/ supply dynamics

	2008-09	2009-10	2010-11	2011-12 (F)	2012-13 (F)
Population	1.2	1.2	1.3	1.3	1.4
Total demand (MT)	14.5	15.3	16.3	17.1	18
Domestic supply of edible oils (MT)	5.7	6.2	7.7	8	8.2
Import of edible oils (MT)	8.8	9.1	8.6	9.1	9.8
Import as share of demand (%)	60.6	59.3	52.8	53.4	54.4

(Source: USFDA and Fitch)

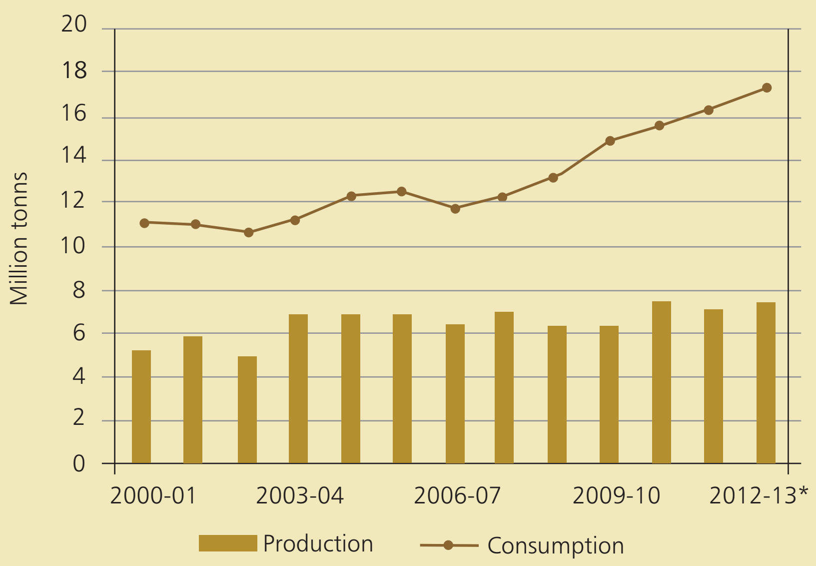
Production

Total edible oil production in 2012-13 is likely to increase to 7.3 million tonnes, 3% above the previous year. Most of the increase is likely to be in rapeseed-mustard oil. Edible oil production for the current year is estimated at 7.1 million tonnes, which includes 2.3 million tonnes of rapeseed oil, 1.7 million tonnes of soybean oil, 1.3 million tonnes of peanut oil, 1.2 million tonnes of cottonseed oil and 600,000 tonnes of coconut, palm and sunflower oils.

Consumption

India's per capita edible oil consumption is increasing (estimated at 14.1 kg for 2011-12). However, this remains below the estimated world average of 21.6 kg. Growing population, rising income levels and improved supply conditions are likely to increase edible oil consumption in 2012-13 to 17.1 million tonnes, up 693,000 tonnes over the previous year. Palm oil will continue to be the largest consumed edible oil. Considering its versatility in blending with other edible oils, relatively lower prices and increased usage across the vanaspati (partially hydrogenated vegetable oil) confectionary and margarine industries, the 2012-13 food use consumption is expected to increase to 7.4 million tonnes. After palm oil, soy, rapeseed and peanut oils are the largest edible oil segments in the Indian market, estimated at 2.8 million tonnes, 2.4 million tonnes and 1.5 million tonnes, respectively.

India: Edible oil production and consumption



Consumption factors

- Per capita consumption of edible oil is low (14 kg) but rising gradually
- The country's top-10% of the population consumes 20 kg per capita and the bottom 30%, less than 5 kg per capita
- Strong regional preference for 'first press' oils with natural flavour – mustard, groundnut, coconut oils
- Inadequate quality control and quality assurance mechanism has lead to adulteration
- Antiquated food laws and poor implementation
- Low depth liquidity in futures market

The gap between demand and production of edible oil in India has been widening in recent years. Since 2000-01, production of oilseeds has grown at the rate of 4.7% per annum. However, consumption has raced ahead at 6.5% per annum. As such, India spends nearly ₹50,000 cr per annum towards edible oil imports.

- Erosion of self-reliance in edible oils and rising dependence on imports, which currently constitute 53% of the aggregate consumption

Imports

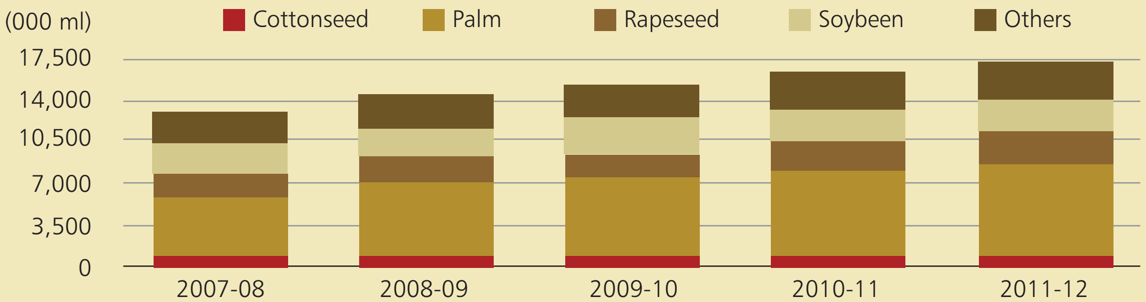
Considering the widening gap between domestic consumption and production, vegetable oil imports are expected to increase 2% to 9.7 million tonnes in 2012-13. The import forecast includes 7.6 million tonnes of palm oil, 1.1 million tonnes of soy oil, 1 million tonnes of sunflower oil and 10,000 tonnes of other edible oils. Total edible oil imports during the first five months of 2011-12 were up 14% at 3.4 million tonnes. With the tariff remaining unchanged since September 2006, strong international prices of edible oils have not reduced demand for imported oils, particularly refined edible oils. While the import duty remains officially at 7.5% *advalorem*, the current zero tariff on crude edible oils is encouraging traders to continue building stocks. Based on current trends, total imports in 2011-12 are likely to grow 15% to 9.5 million tonnes.

Palm oil

Being the cheapest, palm oil constitutes the largest proportion (about 44% of the total edible oil consumption) of the overall oil consumed. However, the growth rate depends on the price difference it enjoys with respect to soybean oil and other substitutes. Historically, whenever, palm oil was 20% or more cheaper than other oils (soybean and rapeseed/ mustard), palm oil demand was higher compared with soybean and rapeseed/ mustard oil. On the other hand, when this discount narrowed during 2010-2011, demand for soybean oil and other oil (rapeseed/ mustard/ sunflower) grew at a much higher rate. Currently, palm oil is over 20% cheaper than other oils suggesting stronger growth rate in its demand in comparison with other edible oils (except sunflower oil, which shows consistently high growth).India is a large importer of palm oil with a major proportion being imported from Indonesia.

Consumption pattern in India

Palm oil contributes a major proportion of overall consumption



(Source: USDA)

Outlook

Rising oilseed production is expected to increase edible oil production to 7.3 million tonnes in 2012-13, up 3% over the previous year. Growing population, rising income levels and improved supply conditions will likely raise edible oil consumption in 2012-13 to 17.1 million tonnes. Given the widening gap between domestic consumption and production of vegetable oils, edible oil imports in 2012-13 is expected to increase to 9.7 million tonnes. While India's per capita edible oil consumption is increasing (estimated at 14.1 kg for 2011-12), it is still far below the estimated world average per capita consumption of 21.6 kg *(Source: GAIN report, USFDA)*. However, demand for edible oils is projected to rise between 22.8-29.4 million tonnes in the near future in tandem with the average per capita income growing at 4-6%.

Domestic demand/ supply dynamics

Year	Population @1.8% growth	Consumption @ 4% growth		Consumption @ 5% growth		Consumption @ 6% growth	
	In billion	Per capita (kg)	Million tonnes	Per capita (kg)	Million tonnes	Per capita (kg)	Million tonnes
2009	1.19	12.37	14.75	12.73	15.18	13.10	15.61
2010	1.21	12.87	15.61	13.37	16.22	13.89	16.85
2011	1.24	13.38	16.53	14.04	17.34	14.72	18.18
2012	1.26	13.92	17.50	14.74	18.53	15.60	19.62
2013	1.28	14.48	18.53	15.48	19.81	16.54	21.17
2014	1.30	15.05	19.62	16.25	21.18	17.53	22.84
2015	1.33	15.66	20.77	17.06	22.63	18.58	24.65

(Source: Solvent Extractors Association of India)

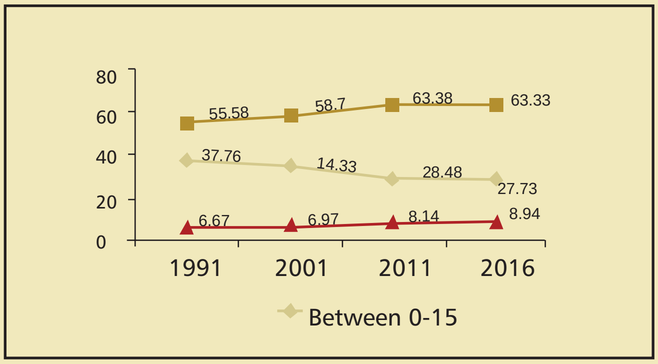
Growth drivers

Favourable demographics: With a population of 1.1 billion, India represents one of the largest consumer markets in the world. Additionally, the country enjoys one of the largest and most balanced demographics in terms of age, as the country has more than 50% of its population below the age of 25 and more than 65% is below the age of 35. Currently, 63.38% of the population is between 15-59 years. The tremendous growth in the population of young individuals is likely to bring about an increase in food demand in India. This provides an impetus for growth of the edible oil industry.

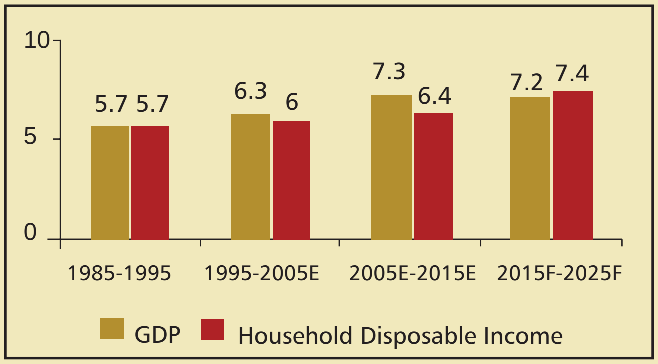
Growing incomes: Growing affluence and higher spending capacity provides a huge opportunity for the food sector. With higher disposable income, consumers do not hesitate to spend more on food consumption. India's per capita income grew 15.6% from ₹ 46,117 to ₹ 53,331 per annum in 2010-11, crossing the half-a-lakh rupees mark for the first time.

Socio-economic changes: Rising economic growth in the country is expected to result in transitions across income classes, with the very rich and middle-class households growing from 14.5 million in 2005 to nearly 64 million by 2015 and 100 million households by 2020. Due to this transition, a growth in household consumption is expected from USD 592 billion in 2008 to USD 1,580 billion by 2020.

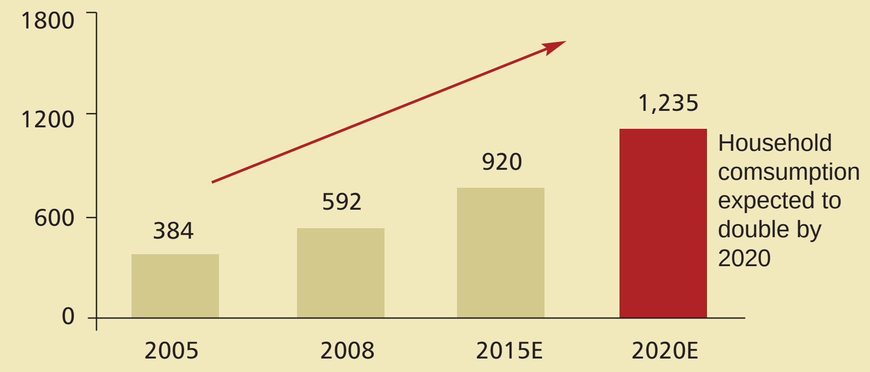
Age composition as percentage of the Total Population



GDP vs household disposable income growth (CAGR, %, 2000)



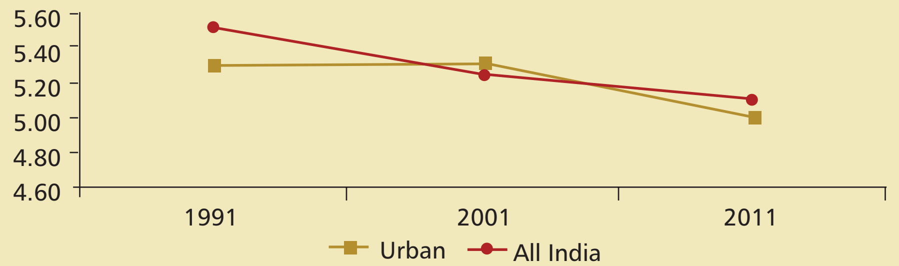
Growth in household consumption (USD billioons)



(Source : Mckinsey Global)

Household size: The falling household sizes, especially in urban households, marks an increase in the number of nuclear families, with increasing household income being spent among fewer family members.

Trend in household size in all india and urban India



(Source : CRISIL Retail Report, 2007)

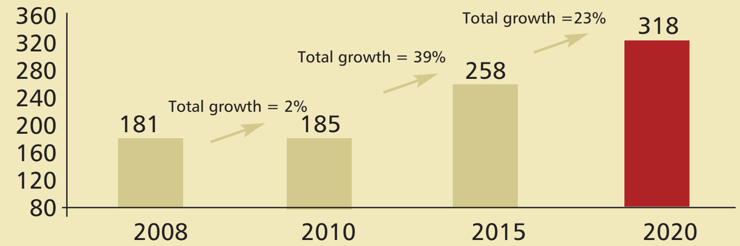
Agrarian base: India has the largest irrigated area under cultivation: 52% of this irrigated area can be cultivated as compared with a world average of 11%; 46 out of 60 soil types are present in India.

Land resources	Area	Global rank
Arable land (million hectares)	161	2
Irrigated land (million hectares)	55	1

Food industry growth: The USD 181 billion spending on food accounts for 31% of the consumer's wallet, approximately twice as high as any other category. In addition to the food spending, an extra 2% is spent on 'eating out', representing USD 12 billion. By 2015, the Indian food industry is expected to reach USD 258 billion from the current level of USD181 billion. This growth is expected to be sustained up to 2020, where the industry size is expected to touch USD 318 billion, growing at a CAGR of 4.8%.

By 2020, India's share of global oil consumption is expected to more than double to 5.8%, from the current 2.7%. Food is the biggest consumption category in India with spending amounting to about 21% of the country's GDP.

Expected growth of food private final consumption expenditure (DFCE) (USD billions)



(Source: EY analysis)

Consumer expenditure: Consumer expenditure in India is set to increase 3.6 times from USD 991 billion in 2010 at an annual rate of 14% *(Source: Boston Consulting Group and Confederation of Indian Industry report)*.

Food parks: The government has set a target to set up 30 mega food parks in the Eleventh Five Year Plan (2007-12), out of which 15 parks have been sanctioned. The government aims to set up 50 new mega food parks across the country in the Twelfth five year Plan (2012-17).

Low per capita consumption: India is the fourth-largest edible oil economy in the world. With annual consumption of 17 MT, the per capita consumption at 14 kg per annum is low compared with the world average of 21 kg. By 2015, Indian per capita consumption is expected to rise to between 17-18 kg per annum. Further, there is a supply mismatch in the edible oil segment with domestic supply being approximately 7.72 million tonnes against demand of 12 million tonnes. The shortfall is made up by imports, the second largest import bill item for India. This highlights the opportunity available for domestic edible oil manufacturers to grow and expand their business.

Growing organised sector: The Indian edible oil sector (especially mustard oil market) is largely fragmented and unorganised (85% market share), which is shifting to the organised (15% market share) sector owing to tax reforms (VAT) and on account of preference for packaged and branded products. Increase in awareness regarding adulteration and health consciousness (mustard oil is one of the healthiest oils as it contains the least amount of saturated fat) has further aided organised sector growth. Also, it is used in various *ayurvedic* applications for skin treatments and building immunity, among others.

Rural India

The 2011 Census estimates that 83.3 cr people, about 69% of the country's total population of 121 cr, live in rural India and contribute around 48% of the approximately ₹ 79 trillion GDP.

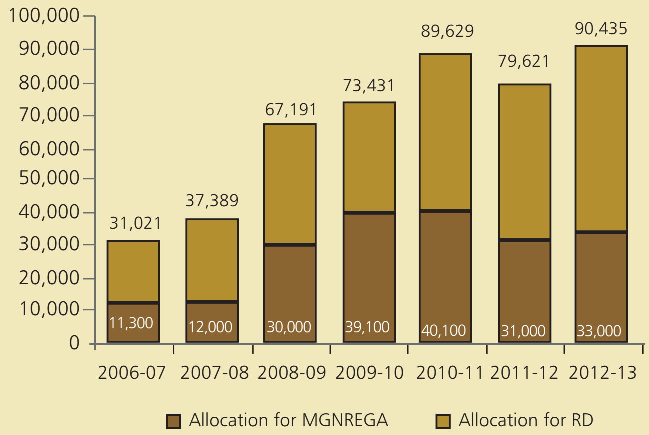
Over the last few years, much emphasis was given on rural empowerment, which has translated into impressive economic growth.

Market size: A mere 1% increase in India's rural income translates into a large buying power of ₹10,000 cr (USD 1.79 billion). Nearly two-thirds of all middle-income households in the country reside in rural India. According to Boston Consulting Group, 50% of the market comprises bottom-of-the-pyramid consumers while another 24% are based out of small town and rural India. A report by NCAER shows that rural segment comprises more than 50% of consumers constituting a prime market for consumer goods. India's rural retail market is expected to expand from USD 1.2 billion in 2011 to USD 12 billion by 2025.

FMCG growth: The consumer market sector in rural and semi-urban India is estimated to cross USD 20 billion by 2018 and USD 100 billion by 2025 *(Source: AC Nielson)*.

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA): Launched in 2006, MGNREGA is the largest programme run by the Government of India, receiving 36% of the total allocation for rural development in 2012-13.Over ₹ 33,000 cr has been allocated to the scheme in FY 2012-13.

Nearly three-fold increase in allocations for rural development in the last six years.



(Source: Union Expenditure Budget, Vol 2. Ministry of rural Development FY 2005-06 and FY 2012-13 Note: Figures in crores of rupees, Till FY 2011-12, figures are revised estimates, Figures for FY 2012-13 are budget estimates.)

Rural attractiveness: There are a number of reasons that make rural India attractive.

- Estimated annual size of India's rural FMCG market is laced at ₹ 65,000 cr
- Over 41 million *kisan* credit cards were issued (against 22 million credit-plus-debit cards in urban India) with a cumulative credit of ₹ 977 billion
- Of 20 million Rediffmail signups, 60% are from small towns. Over 50% transactions from these towns shop on Rediff online
- Over 42 million rural households avail banking services in comparison with 27 million urban households
- Investment in formal savings instruments: 6.6 million households in rural and 6.7 million in urban India
- 53% of FMCG sales happen in rural India
- Rural India has a large consuming class accounting for 41% of India's middle-class and 58% of the total disposable income
- In 20 years, rural India will be larger than the total consumer markets of countries like South Korea or Canada and almost four times the size of today's urban Indian market

Raw material management

In the business of edible oil manufacture, the biggest determinant of profitability is the ability to procure (import) an adequate quantity of raw material at the right price. JVL is attractively placed in this regard.

The Company's principal raw materials include crude palm oil, degummed soybean/ refined oil and mustard seeds. The Company is the largest importer of crude palm oil (CPO) in Central India. The Company imports soybean degum from Brazil and Argentina and palm oil from Malaysia and Indonesia and sources mustard seeds ahead of requirement. Nearly 100% of the Company's CPO requirements are addressed through imports from credible plantation owners in Indonesia and Malaysia. This facilitates consistent and cost-efficient raw material availability.

The Company transports imported raw material (crude palm oil) from Kolkata port (800 km from Varanasi and 700 km from Pahleza) through its rail network, which is cheaper than road transportation. Besides, proximity of the upcoming plant near the Haldia port is expected to reduce freight costs. The Company has a pipeline from the port to its plant reducing the entire freight cost.

Strengths

- JVL is a direct importer of its principal raw material from international plantation owners
- It is among India's largest vanaspati manufacturers and marketers, strengthening its bargaining power with raw material providers
- Its brands are prominent across target markets resulting in an ability to generate a premium during usual markets and the ability to liquidate its inventory in periods of oversupply
- It enjoys logistical advantages due to its proximity to key consumption centers

Highlights, 2011-12

- The Company has enhanced its Central India market share significantly
- Strengthened average realisations from ₹ 43256.00 per MT in 2010-11 to ₹ 55866.00 per MT
- Enhanced crude palm oil and degummed soybean oil trading from ₹ 584.27 cr in 2010-11 to ₹ 1142.46 cr

Business drivers

Operations

In a business as a challenging as edible oil manufacture, there is a premium on the cost-effective conversion of raw material as well as proactive capacity creation.

Production capacity

Products	Installed capacity (MT per annum)
Vanaspati (Jaunpur, UP)	84,000
Refined oil (Jaunpur, UP)	48,000
Red palmolien and esterified oil (Jaunpur, UP)	90,000
Mustard oil (Alwar, Rajasthan)	81,000
Refined oil/vanaspati (Pahleza, Bihar)	1,50,000
Refined oil (Proposed unit at Haldia)	

Strengths

- JVL is among India's largest edible oil producers and a leading market share
- The Company's economies-of-scale have translated into enhanced bargaining power, optimised production costs and superior product availability
- The Company's products are available across the states of Uttar Pradesh, Bihar, Madhya Pradesh, Chhattisgarh, Uttarakhand, Jharkhand, Delhi, Punjab, Mizoram, Assam, Sikkim, Meghalaya, Arunachal Pradesh, West Bengal among others.
- The Company reported an average 74 % capacity utilisation across all its units in 2011-12
- The Company enjoys market leading presence in the states of Uttar Pradesh and Bihar.

Highlights, 2011-12

- Saturated fats (vanaspati) production 124570.52 MT in 2010-11 to 94910 MT in 2011-12.*
- Refined oils production increased 23.02 % from 125293.54 MT in 2010-11 to 154136 MT
- Mustard oil production increased 22.26 % from 41483.70 MT in 2010-11 to 50718 MT

* In view of increasing demand the Company is manufacturing more refined oil than vanaspati.

JVL oil refinery, Haldia

The Company has established a plant near the Haldia port (in West Bengal), which is estimated to commission in the second quarter of 2012-13. The plant will comprise the following:

- Physical refining capacity of 800 MTPD of crude palm oil
- Fractionation plant of 750 MTPD (expandable up to 1000 MTPD)
- Inter-esterification plant of 200 metric tonnes per day
- Soybean oil de-gumming and refining facility of 400 metric tonnes per day
- Captive power plant of 3 MW
- Direct pipeline from the port to the plant for reduction in freight cost.

Business drivers

Marketing

In edible oil marketing, it is imperative to present a wide choice to consumers based around a common brand. The Company's product basket (vanaspati/ hydrogenated vegetable oil, RBD palm oil, RBD palmolien, refined soybean oil, mustard oil and blended oil) is branded under Jhoola, Payal and Joohi, enjoying an attractive recall.

Strengths

- 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 marketing opportunities than a single-product player
- The Company is among India's few large integrated players, better placed over small and mid-sized manufacturers in countering sectoral cyclicality

Highlights, 2011-12

- Emphasis has been given on brand building.
- Strengthening the marketing of the product of the Company by preparing a strong strategy.
- The Company markets products under the Jhoola, Payal and Joohi umbrella brands.
- Vanaspati is marketed under the Jhoola brand
- RBD palmolien under Jhoola and Payal brands
- Refined soybean oil under Jhoola Health brand
- Mustard oil under Jhoola, Joohi and Shankar brands
- Blended oil under the Joohi Active brand

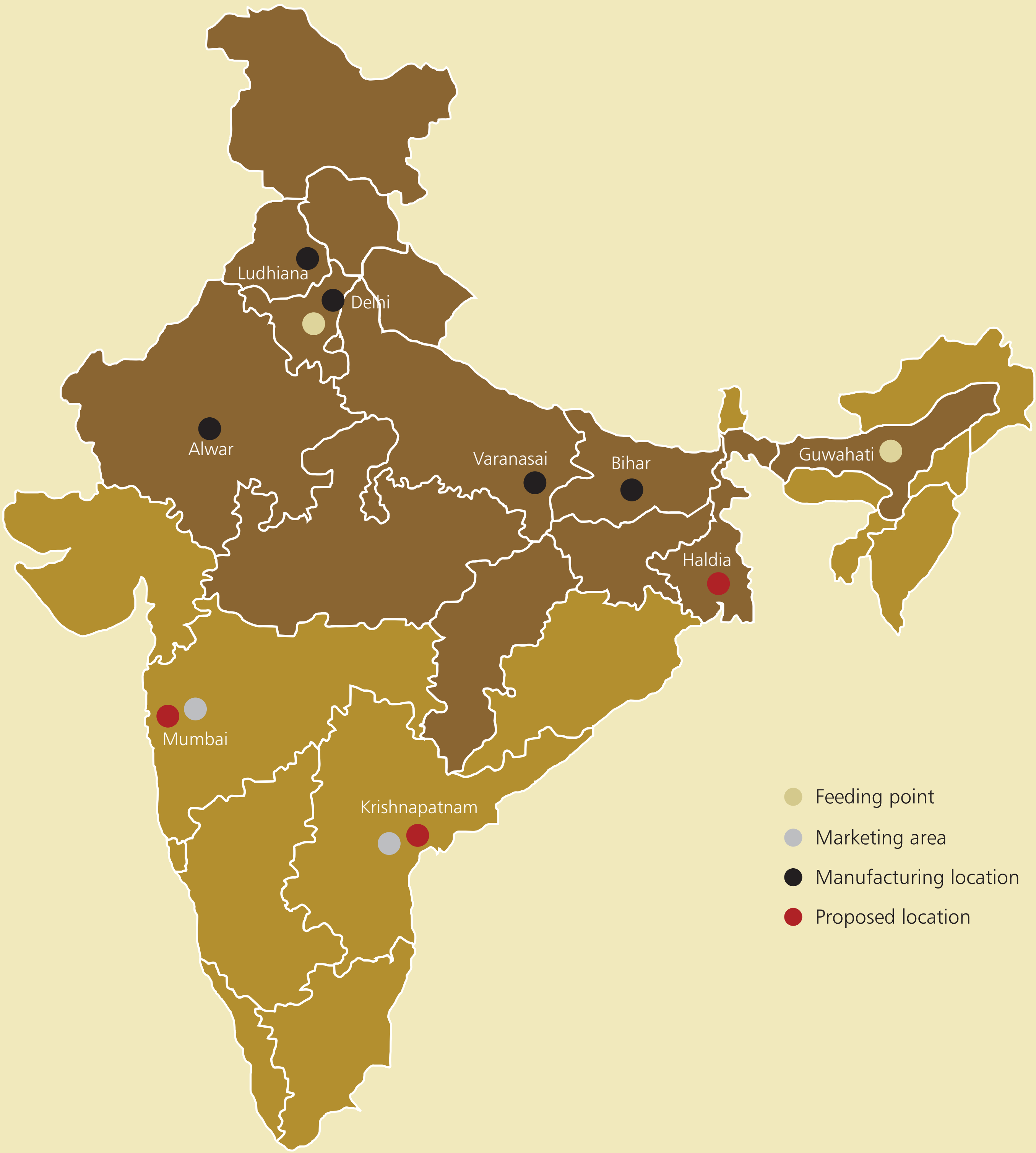
The Company's brands are popular, providing products in diverse packaging options to suit various pockets and needs. It provides vanaspati ghee, refined oil and mustard oil in packages ranging from 200 ml to 1 litre to 15 kg; it supplies refined oil and mustard oil to small customers in 200 ml to 5 litre bottle packs. Besides household consumers, JVL also caters to institutional clients from the hospitality, bakery and confectionery sectors. Its stock keeping units (SKUs) comprise 11 for vanaspati, five each for refined soybean oil and refined palm oil as well as eight for mustard oil.

JVL's biggest consumption centres comprise Uttar Pradesh and Bihar, which contribute a healthy percentage of revenues. The Company enjoys a leading market share across these core markets.

Revenue, 2011-12

Products	Revenue (₹ cr)	Percentage of total revenue
Vanaspati	538.87	18
Refined oil	924.85	31
Mustard oil	265.09	9

JVL's India presence



Business drivers

Distribution

JVL's strong and extensive network of depots, sale points, distributors, dealers and brokers across India have made it possible to transfer products from one region to another in quick time leading to enhanced market share in the states of its presence.

Over the years, the Company has enlisted over 5200 distributors, 30 depots, 12 sales points and a large number of retailers leading to a deeper market presence.

Strengths

- Introduction of refined olien in West Bengal
- Introduction of mustard oil in Bihar, Jharkhand and Orissa.
- Increase the distribution network by opening new depots.

JVL makes prompt deliveries to customer doorsteps based on minimum order size; depot stocks are replenished daily, while at least seven days of stock is maintained at each depot to service sales agents/ C&F, semi-wholesalers and dealers on demand, resulting in easy product availability. The Company's products are delivered across 18 Indian states accounting for around 60 % of the country's population.

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

- 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 palmolien consumers
- Alwar (Rajasthan): Located proximate to raw material sources; Rajasthan is India's largest mustard seed producer
- Haldia (West Bengal): This plant is located near the Haldia port facilitating raw material import

Business drivers

Quality and R&D

JVL's quality policy is enshrined in its ability to consistently meet customer expectations through process and manufacturing improvements. The Company possesses confidence-enhancing certifications like ISO 9001-2010 and AGMARK for newly introduced blended oils. It also enjoys certification from the highest quality standard authorities like PFA (Prevention of Food Adulteration Act) and VOP (Vegetable Oil Product) specifications from the Government of India. Our quality infrastructure comprises centralised laboratories for inspecting quality of incoming raw materials (oils, packaging material and chemicals), intermediate materials and finished products, leading to negligible rejection rates. The Company's factories and most of the depots are registered under the Food Safety and Standards Act, 2006. The registration of rest of the depots is under process.

Business drivers

Information technology

IT is JVL's backbone, networking its offices, manufacturing facilities and depots, resulting in quicker access to real-time information. It currently uses ERP, based on SQL. To accommodate growing scale, it intends to introduce SAP.

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

Human resources

The Company's comprehensive HR policy *inter alia* 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 computerised. 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.

Financial review

Accounting policy

The Company prepared its financial statements in accordance with the Applicable and Generally Accepted Accounting Principles as well as following the requirements of the Companies Act, 1956. The financial statements were prepared under the historical cost convention on an accrual basis.

Performance matrix

(₹ cr)

	2011-12	2010-11	Growth %
Total income	3335.20	2256.51	47.80
EBIDTA	105.01	86.93	20.80
Profit before tax	73.94	60.82	21.24
Profit after tax	58.00	50.74	14.30
Cash profit	67.64	59.35	13.96
Networth	350.75	262.82	33.45
Capital employed	433.46	300.92	44.04
Net fixed assets	245.93	168.77	45.72

Revenue (net sales)

The Company's revenue (net sales) increased by 47.79% from ₹ 2250.38 crores in 2010-11 to ₹ 3325.96 crores in 2011-12 on account of increased volumes and realisations. Non-core income increased by 50.73% to ₹ 9.24 crores in 2011-12 owing to an increase in profits from the sale of investments.

Cost analysis

The total operating expenses (excluding depreciation and financial charges) increased by 36.09% over 2010-11; operating expenses as a percentage of total income also increased by 5,194 basis points.

Raw material consumption: Raw material consumption increased from ₹ 1,507.05 crores in 2010-11 to ₹ 1,652.84 crores in 2011-12. As a proportion of total income, it decreased to 55.70% compared to 68.91% in the previous year on account of increased volumes. Besides, the inflationary environment consequent to the surge in oil prices resulted in an increase in key inputs; increased operations thereby contributing to increased raw material costs.

Manufacturing expenses: The Company's manufacturing components comprised the consumption of packing materials, power, fuel, chemicals and other production expenses.

Power and electricity: Power is an integral component of the manufacturing process. The power costs for the Company increased 3.71% from ₹ 43.84 crores in 2010-11 to ₹ 45.47 crores in 2011-12 due to two important factors:

- Increase in operations in 2011-12
- Increase in the fuel cost consequent to an increase in the global coal and oil prices

While the absolute cost increased, power and fuel costs as percentages of the total turnover decreased from 2% to 1.54% in 2011-12 indicating an efficient utilisation of power – indicated by the units of power consumed – 26,085 units in 2011-12 against 26,917 units in 2010-11. The Company could rationalise power costs due to a number of initiatives taken during the year.

Employee costs: Employee cost increased from ₹ 4.13 crores in 2010-11 to ₹ 6.00 crores in 2011-12. What was heartening is the increased focus on employee skill development and welfare, resulting in higher returns from the JVL team – revenue and profit per employee increased significantly in 2011-12 from 2010-11.

Selling and distribution expenses: These increased from ₹ 7.70 crores in 2010-11 to ₹ 8.10 crores in 2011-12. Logistics costs increased due to an increase in diesel and petrol prices during the year, consequent to an increase in global crude prices.

Increased sales volume also contributed to the growth in the selling and distribution expenses.

Surplus management

The Company is at that stage in its history when every rupee invested in the business will yield far greater returns than any other investment opportunity. As a result, the Company re-invested surpluses into its business with the objective of repaying debt and strengthening its gross block. In view of this, the Company maintained a strict control on its asset-liability position at all times through a study of the periodic cash flow statement.

Sources of funds

Capital employed: The capital employed in the business increased from ₹ 393.33 crores as on March 31, 2011 to ₹ 526.64 crores as on March 31, 2012 to fund growing capacities.

Constituents of capital employed in business

(₹ cr)

Segment	2011-12	2010-11	Growth %
Own funds			
Equity	14.04	12.84	9.35
Reserves and surplus	289.07	211.01	36.99
Borrowed funds			
Long term borrowings	81.15	35.84	126.42
Short term borrowings	94.74	94.67	0.07
Deferred tax	22.33	19.97	11.82

Equity: The Company's share capital comprised 14,04,40,000 equity shares of a face value of ₹ 1/- each. Equity grew from ₹ 12.84 crore as on 31st March 2011 to ₹ 14.04 crore as on 31st March 2012 due to the conversion of 12,00,000 preferential warrants of ₹ 190/- each (Face value of each ₹ 10 and premium ₹ 180/-) into 1,20,00,000 equity shares of ₹ 1 each at a premium of ₹ 18/- each.

Reserves and surplus: Reserves and surplus increased by 36.99% from ₹ 211.01 crores as on March 31, 2011 to ₹ 289.07 crores as on March 31, 2012. The reason for this increase was due to the increase in the security premium and the plough back of operational surplus earnings worth ₹ 58.00 crore. The security premium account increased by 52.74% due to the premium received on the conversion of the warrants into equity shares – highlighting the strength of the corporate brand.

External funds and costs: The size and cost of debt makes the difference between a Company's success and failure. In the short-term it impacts the profitability, over the long-term it dictates the strength with which the Company is able to mobilise funds for its projects. The Company's reliance on external funds increased– the debt portfolio grew from ₹ 130.51 crores as on March 31, 2011 to ₹ 175.89 crores as on March 31, 2012 – a growth of 34.77%. The loan fund was largely used to meet working capital requirement consequent to growth in business operations.

Long Term borrowing: It comprised 46.14 % of the borrowed debt, an increase by 18.68 % during the year under review due to an increase in the working capital requirements. An increased reliance on secured loans is expected to reduce the interest cost for the company over the coming years.

Short Term Borrowing: It is increased to ₹ 94.74 crore as on March 31, 2012 from ₹ 94.67 crore as on March 31, 2011.

Interest: Interest outflow increased from ₹ 17.50 crore in 2010-11 to ₹ 21.63 in 2011-12 on account of an increase in the debt portfolio. The interest cost increased by 23.60 % over previous year.

	2010-11	2011-12
Debt equity ratio	0.50	0.51

Fixed assets

The competitive edge of a company in terms of scalability and technological capability is reflected by the fixed asset owned by the Company. Over the years, the Company invested continuously to create a sizeable fixed asset base. In 2011-12, the Company had a net block of ₹ 245.93crore as on March 31, 2012. The contemporariness of the fixed assets can be judged by a simple statistic – accumulated depreciation as a percentage of gross block stood at only 17.84%.

Depreciation: The provision for depreciation plays a critical role in the profitability of a manufacturing company. A large gross block leads to a sizeable depreciation, an adequate buffer in an aggressively growing business and a sizeable tax shield. Depreciation increased from ₹ 8.61 crorein 2010-11 to ₹ 9.64 crore in 2011-12. The Company followed the straight-line method of depreciation, a consistent treatment for the last number of years.

Investments

The Company's investment portfolio only comprised mutual funds and equity investments. It stood at ₹ 8.90 crore as on March 31, 2012.

Working capital

Working capital is essential to fund day-to-day operations of a growing business. Working capital constituted 50% of the total capital employed; the requirement increased from ₹ 202.58 croreas on 31 March 2011 to ₹ 264.96 crore as on 31 March 2012. Although the absolute value of working capital has increased, the working capital as a proportion of capital employed decreased from by 100 basis points, reflecting the efficiency with which the Company utilised its resources. The liquidity of the Company is also reflected in the strong liquidity derivates – current ratio at 1.32 and quick ratio at 0.79 as on March 31, 2012.

Inventory: Inventory increased from ₹ 311.59 crore as on March 31, 2011 to ₹ 440.67 crore as on March 31, 2012. Of the inventory as on March 31, 2012, raw material inventory the Company followed an efficient inventory management system supported by IT systems.

Debtors: Growth in volumes resulted in an increase in debtors – by 31.56% over the previous year.

Cash and bank: The cash and bank balance comprised primarily fixed deposits with banks (secure and liquid funds) as margin money for availing fund and fee-based working capital limits with banks.

Loans and advances: Loans and advances constituted 10.46% of the total current assets, increasing from ₹ 71.28 crore as on March 31, 2011 to ₹ 109.08 croreas on March 31, 2012. This comprised advances and prepaid expenses.

Creditors: Increased business volumes strengthened the Company's negotiation capability. The Company selectively maintained a prudent mix of cash and credit purchase to improve working capital efficiency.

Taxation

The provision for current tax increased from ₹ 8.25 crore in 2010-11 to ₹ 13.56 crore in 2011-12, following an increase in pre-tax profits.

Risk management

Industry risk	Mitigation
The Company's growth is largely dependent on the edible oil sector, which is linked to increasing consumption expenditure. A downturn could depress performance.	■ The Indian edible oil industry is expected to grow 6% annually and reach 20 million tonnes by 2015 ■ The domestic vegetable oil consumption is forecast to rise by 693,000 tonnes to 17.1 million tonnes in 2012-13 on growing population and increasing income levels ■ The total oilseed production in 2012-13 marketing year is likely to grow 3% to 36.3 million tonnes

Product portfolio risk	Mitigation
Dependence on a single product may impact business in the long-run.	■ JVL provides a complement of vegetable oil products – vanaspati on the one hand and refined oils (palm oil and soybean oil) and mustard oil on the other ■ It diversified its proportion of revenues from the vanaspati business to edible oils (mustard oil, refined palm oil and soya oil) in response to changing consumer needs and preferences ■ The Company is promoting refined soybean oil in UP and Bihar while a big refinery is being established in Haldia which will come on stream by second quarter of 2012-13 ■ It added blended oil (combination of essential oils) to its product basket

Raw material risk	Mitigation
The business of edible oils is critically dependent on imported raw oils; any supply disruptions could lead to a reduction in capacity utilisation.	■ As a backward integrating strategy, the Company is planning to acquire land in Indonesia for palm oil production, ensuring regular and cheap raw material. During 2011-12, it signed an agreement in Ethiopia and was allocated for 12,500 acres of land for agricultural activities. ■ Over the years, it has established trusted relationships with credible palm plantation owners in Indonesia and Malaysia as well as soybean oil providers in Argentina and Brazil, which facilitates consistent raw material supply at superior price-value, giving full security of raw material supply in adverse situations ■ It also established a subsidiary in Singapore to support its trading activities

Quality risk	Mitigation
Quality inconsistency could lead to customer attrition.	■ JVL practices stringent quality control measures. Its quality control commences right from the purchase of raw material to the packaging process, reflected in its ISO certification ■ The Company's healthy relations with its suppliers also results in consistent quality of imported raw material as well as an extended product shelf life ■ Growing R&D investments with the deployment of the latest technology translates into the superior quality products

Brand risk	Mitigation
Increasing competition can impact brand recall.	■ JVL enjoys a leading share of two of India's largest cooking media consuming states – Uttar Pradesh and Bihar – through a consumer pull created by Jhoola, its premium edible oil brand ■ It continued to provide superior consumer convenience, reflected in easy availability, responsible pricing, superior cooking properties and a favourable price value ■ It invested an appropriate amount towards advertisement and promotion in 2011-12 to grow product awareness. The Company has also taken new initiatives and steps to advertise the brand in the market. ■ It plans to leverage its brand, sales and distribution network to introduce synergic products like rice

Distribution risk	Mitigation
The Company might not be able to put its products at the right place at the right time.	■ JVL set up plants amidst pockets of growing demand in Rajasthan (Alwar), Uttar Pradesh (Jaunpur) and Bihar (Dehri-on-Sone) ■ It enjoys a strong networking system across UP, Bihar, Haryana, Jammu & Kashmir, Uttaranchal, Chhattisgarh, Punjab, Himachal Pradesh, West Bengal, seven North-eastern states and the National Capital Region ■ The Company is establishing a plant in Haldia, West Bengal, with a capacity of 1200 MTPD to facilitate raw material import and market the product in proximate states ■ It plans to establish plants in Andhra Pradesh and Maharashtra/ Gujarat

Financial risk	Mitigation
Inability to garner adequate low-cost funds could impact project execution.	■ The Company derived an operational surplus (after dividend payout) of ₹ 56.89 cr in 2011-12 ■ The Company enjoys strong financials, which can be leveraged for garnering competitively-priced external funds. • Reserve and surplus balance of ₹ 325.06 cr as on March 31, 2012 • Cash and bank balance of ₹ 334.57 cr as on March 31, 2012

Cost risk	Mitigation
A non-commensurate rise between costs and prices might impact profit margins.	■ The Company transports imported raw materials through its rail network, which is cheaper than road transportation ■ The location of existing plants near the market helps reduce logistics cost on the one hand and faster rollout of products on the other ■ The upcoming refinery at Haldia will support raw material imports, reducing logistics costs significantly

Forex risk	Mitigation
Adverse currency movements can affect profitability.	■ The Company had hedged its positions through forward/ options contracts, protecting itself from a weaker rupee

Corporate social responsibility

Education

In 2011-12, the Company had acquired a new building, in which it plans to start a school to spread the knowledge of Sanskrit.

Operates two schools for educating the impoverished and social upliftment in and around its area of operations – first, Prahlad Rai Jhunjhunwala Saraswati Shishu Mandir with 400 students close to the Varanasi unit

And the second Hari Vidhya Mandir Higher Secondary School with 300 students proximate to the site of the Company's proposed SEZ (being developed by one of the Group companies).

Both schools are affiliated to the UP Board of Education and funded by the Company. JVL also provides scholarships to deserving students. The Company bought more buses to pick the children from remote places and bring them to study at these two schools, so that it can spread the message of education and help the needy who cannot afford to travel to their schools every day.

Health

It plans to adopt a hospital in the village near the plant to cater to the medical needs of the residents. This initiative is in the process of getting started and the management is currently engaged in formalities to obtain clearance. The Company is trying to provide medical facilities to the village, which will eliminate the need to travel to towns for medical aid and treatment. The Company also provides drinking water to locals and labourers at the upcoming Haldia refinery.

Sponsors health camps for local communities. This also includes providing financial help and free medical facilities to the ill and the challenged (mentally and physically)

Environmental

The Company's regular initiatives also include:

Initiatives to improve the environment, enrich community life and preserve ecological balance through a strong environment conscience.

The Company has undertaken a plantation drive on the occasion of independence day and planted 2000 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.

Spiritual and Religious

Makes donations for the construction of temples, mosques and churches, among other religious structures; provides drinking water in rural areas; executes various plans for land development, plantation and self-help groups

Others

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

CORPORATE INFORMATION

Chairman
Mr. D. N. Jhunjhunwala

Managing Director
Mr. S. N. Jhunjhunwala

Wholetime Director
Mr. Adarsh Jhunjhunwala

Directors
Mr. Harsh Agarwal
Dr. S. K. Dixit
Mr. Mahesh Kedia
Mr. Kanhaiya Lal Goenka

Company Secretary
Mr. Rohit Kumar Jaiswal

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

Statutory Auditors
M/s. Singh Dikshit & Co.
Chartered Accountants
Hathua Market, Chetganj, Varanasi

Bankers
Bank of Baroda
Punjab National Bank
Standard Chartered 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
Sri Venktesh Bhavan
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. Pahleja,
District Rohtas, Bihar-821307

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

DIRECTORS' PROFILE

Mr. D. N. Jhunjhunwala

- Date of birth: February 2, 1936
- Date of appointment: November 17, 1989
- Area of functional expertise: Industrialist
- Mr. D. N. Jhunjhunwala is the Chairman of the Company. He is a Graduate in Industrial Chemistry. He has 51 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
- Area of functional expertise: Industrialist
- Mr. S. N. Jhunjhunwala is the Managing Director and is a Commerce Graduate. He has 29 years of experience in solvent extraction, oil refining and vanaspati manufacturing units.
- Qualification: B.Com

Mr. Adarsh Jhunjhunwala

- Date of birth: July 5, 1983
- Date of appointment: February 27, 2007
- Area of functional expertise: Commerce and financial accounting
- Mr. Adarsh Jhunjhunwala is Wholetime Director of the Company.
- Qualification: Chartered Accountant and MBA (Finance).

Mr. Harsh Agrawal

- Date of birth: March 26, 1987
- Date of appointment: September 30, 2011
- Area of functional expertise: Engineering
- Sri Harsh Agrawal is a Director and has a deep insight and practical experience into the field of electronics and telecommunication.
- Qualification: Engineering Graduate

Dr. 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 an expertise in herbal products and medical science.

Mr. Mahesh Kedia

- Date of birth: June 13, 1963
- Date of appointment: December 29, 2003
- Area of functional expertise: Commerce and financial accounting
- Shri Mahesh Kedia is a Director, Chartered Accountant and a Graduate in Statistics.
- Qualification: B. Sc (Statistics), C.A

Mr. Kanhaiya Lal Goenka

- Date of birth: March 3, 1979
- Date of appointment: February 27, 2007
- Area of functional expertise: Experience in solvent extraction, oil refining and vanaspati manufacturing units.
- Qualification: B.Com

DIRECTOR'S REPORT

Dear members

Your Directors have pleasure in presenting the 23rd Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended on March 31, 2012.

(₹ In Crores)

Financial Performance	Year Ended March 31, 2012	Previous Year March 31, 2011
Sales and other income	2967.47	2186.92
Profit before depreciation	82.17	68.64
Depreciation	9.64	8.61
Profit after depreciation	72.53	60.03
Provision for taxation	13.56	8.25
Add: MAT Credit	0.27	0.00
Profit after tax	59.24	51.78
Less:		
Previous year's income / expenses	–	–
Profit after previous year's adjustment	59.24	51.78
Add: Credit balance		
Profit brought forward from previous year	137.38	108.26
Add:		
Transfer from investment allowance reserve	–	–
	196.62	**160.04**
Provision for dividend	2.57	2.57
Provision for dividend tax	0.42	0.43
Transfer to general reserve	5.00	4.00
Deferred tax	2.35	1.67
Income tax for earlier years	0.00	0.09
Transfer to capital reserve	14.32	13.90
Credit balance carried over to balance sheet	171.96	137.38
	196.62	**160.04**

Appropriations

Dividend

Your Directors are pleased to recommend a dividend of 20 % (previous year dividend 20%), 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 ₹ 2.57 Crore). The tax on distributed profits payable on this dividend is ₹ 0.42 Crore (previous year ₹ 0.43 Crore) making the aggregate distribution to ₹2.99 Crore (previous year ₹ 3 Crore).The proposed dividend will be tax-free in the hands of the shareholders.

Transfer to reserves

The Board recommended a transfer of ₹5.00 Crore to the General Reserve (previous year ₹ 4 Crore).

Performance in the year 2011-12

In the financial year 2011-12, the Company performed unexpectedly. The Company crossed its top line target of ₹2500.00 Crore. The total revenue of the financial year 2011-12 is ₹2958.23 Crore which was 2180.79 Crore in the financial year 2010-11. There is a growth of 35.65%. The revenue of all the four quarters of 2011-12 surpassed the corresponding period of the last financial year 2010-11. 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, 2011 is ₹ 1301.86 Crore which was ₹ 1018.13 Crore in the same period in financial year 2010-11. We can clearly see that the Company performed tremendously in the financial year 2011-12. Profit after tax has also gone up from ₹50.02 Crore to ₹ 56.89 Crore from the year 2010-11 to 2011-12. EBIDTA for the year 2010-11 was ₹ 86.14 Crore and increased to ₹ 103.80 Crore in year 2011-12 i.e. by 20.50 %.

Current Performance

During the three-month period ended June 30, 2012, the Company achieved a turnover of ₹ 1002.04 Crore as compared with ₹ 612.25 Crore during the corresponding period in the previous financial year, in percentage there is a growth of 64%. Accordingly the PAT and EBIDTA increased significantly. This has been a historical performance. The Company is moving aggressively on its sales and marketing efforts and reaching out to a bigger chunk of the population, in line with its plan to become a pan-India company. 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 29, 2012 at 4.00 P.M. at 'Hotel Radisson', The Mall, Cantonment, Varanasi (U.P) to transact the businesses as specified in the notice of the meeting.

Expansion Plans

The Company is commissioning its 1,200 MT Haldia unit. 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 Northern, Eastern, North-eastern and Central region 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 North-eastern market and will be able to leverage that in selling the output of the Haldia unit under its brand.

The capacity of mustard seed crushing increased from 200 MTPD to 400 MTPD. This will also reduce our dependence on others for the feed for solvent extraction plant. The capacity of our solvent extraction plant increased from 250 MTPD to 450 MTPD. The above capacity expansion will reduce cost of production and will help the Company in being more competitive. The expanded production will also help the Company in catering to the large geography. The storage capacity of seed increased by 6400 MT by installing new silos. This increase in capacity will reduce the storage / handling / wastage expenditure of the Company, otherwise incurred on storing seed outside the factory in private warehouse.

There is huge opportunity in the Western market of country and for taking the advantage of this opportunity company is looking for land in the Western coast for setting up a refinery. Further, most of the Western Indian states are near the port, this is an advantage because setting up of an unit at the port will reduce the logistics cost of the Company, and this will make us more competitive in the market. Our Haldia unit is a strong example of it.

For better and cheap procurement of raw material the Company is planning to set up a supply chain network in Indonesia and for this purpose a step down subsidiary of the Company is incorporated in Indonesia. Further the Company has also signed an agreement to acquire 12500 acres land in Ethiopia (with the option to acquire 62,000 acres) for the agro-related activities and this will diversify the business.

The Company has acquired 500 acres of land in Bihar to commission an agro-based complex, as part of its plan to enter into other commodities in which the Company can leverage its existing sales and distribution network.

The Company has continued the policy of perpetual technological upgradation and has placed orders with Alfa Laval for complete modernisation of its plant and machinery of the unit at Naupur to bring in latest technology so that we can also reduce our production cost and come up with improved quality of product for our consumers.

Moreover, the year 2012-13 will be an attractive year for the Company. It will reflect the commencement of production at Haldia unit and expanded production at Alwar Unit. It will reflect our entry into new geographies for sales and marketing. The result is that we expect our revenues to cross ₹ 3500 Crore in 2012-13.

Secretarial Audit

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

Human Resources

The Company's comprehensive HR policy inter alia 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 computerised. 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 conversion of 12,00,000 warrants, having face value of ₹10/- each into 1,20,00,000 equity shares of ₹1/- each. Earlier, the paid-up capital of the Company was ₹12,84,40,000/- divided into 12,84,40,000 equity shares of ₹ 1 /-each. After the conversion of warrants into equity the paid-up share capital of the Company has increased to ₹14,04,40,000/- divided into 14,04,40,000 equity shares of ₹1/- each.

During the year 2011-12, the Company availed credit facilities from 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 loan from banks/financial institution/others as on March 31, 2012 is ₹96.05 Crore (previous year ₹53.89 Crore). The gross fixed assets increased by ₹ 86.80 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 ₹334.57 Crore as on March 31, 2012, as against ₹332.77 Crore as on March 31, 2011. 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 with the Stock Exchanges the cash flow statement duly verified by the Auditors together with their certificate is annexed hereto.

Statutory Auditors

The Company received the resignation letter from M/s Garg & Company, Chartered Accountants, Kolkata, West Bengal showing their unwillingness to continue as Statutory Auditor of the Company.

Further the Company received the letter from M/s Singh Dikshit & Company, Chartered Accountants, Varanasi, U.P. to the effect that there reappointment as the Company's Statutory Auditors for the financial year 2012-13, 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 ₹ 16.00 lacs to Mr. D.N. Jhunjhunwala, Chairman, ₹ 18.00 lacs to Mr. S. N. Jhunjhunwala, Managing Director and ₹ 15.00 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' Reappointment

a) **Mr. S. N. Jhunjhunwala**, Director of the Company, retires by rotation and being eligible offers himself for reappointment, in view of valuable contribution made by **Mr. S. N. Jhunjhunwala** to the Company, the Board of Directors recommend to the shareholders to reappoint **Mr. S. N. Jhunjhunwala** as a Director of the Company, he is a commerce graduate and has 29 years of experience in solvent extraction, oil refining and vanaspati manufacturing units.

b) **Dr. S. K. Dikshit**, Director of the Company retire by rotation and being eligible to offers himself for reappointment, in view of valuable contribution made by **Dr. S. K. Dikshit** to the Company, the Board of Directors recommend to the shareholders to reappoint **Dr. S. K. Dikshit** as a Director of the Company. He has an expertise in herbal products, medical science and in other health-related products.

Listing of Shares

The equity shares of the Company continue to be listed during the year under review at the National Stock Exchange, Bombay

Stock Exchange, Mumbai, Uttar Pradesh Stock Exchange Association Ltd., Kanpur, and Delhi Stock Exchange Limited, New Delhi. 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

Education

In 2011-12, the Company had acquired a new building, in which it plans to start a school to spread the knowledge of Sanskrit.

Operates two schools for educating the impoverished and social upliftment in and around its area of operations – first, Prahlad Rai Jhunjhunwala Saraswati Shishu Mandir with 400 students close to the Varanasi unit

And the second Hari Vidhya Mandir Higher Secondary School with 300 students proximate to the site of the Company's proposed SEZ (being developed by one of the Group companies).

Both schools are affiliated to the UP Board and funded by the Company. JVL also provides scholarships to deserving students. The Company bought more buses to pick the children from remote places and bring them to study at these two schools, so that it can spread education and help the needy who cannot afford to travel to their schools every day.

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It plans to adopt a hospital in the village near the plant to cater to the medical needs of the residents. This initiative is in the process of getting started and the management is currently engaged in resolving formalities to obtain clearance. The Company is trying to provide medical facilities to the village, which will eliminate the need to travel to towns for medical aid and treatment. The Company also provides drinking water to locals and laborers at the upcoming Haldia refinery.

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Environmental

Initiatives to improve the environment enrich community life and preserve ecological balance through a strong environment conscience.

The Company has undertaken a plantation drive on the occasion of Independence Day and planted 2000 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.

Spiritual and Religious

Makes donations for the construction of temples, mosques and churches, among other religious structures; provides drinking water in rural areas; executes various plans for land development, plantation and self-help groups

Others

The Company is making good policies and implementing them for the interest of its employees, stakeholders and 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 3, 2012 Chairman

"Annexure 1"

ANNEXURE TO DIRECTOR'S REPORT

Particulars as required U/S 217 (1) (e) of the Companies Act, 1956 for the year ended March 31, 2012

(₹ In Crores)

	Year Ended March 31, 2012	Previous Year March 31, 2011
(A) Power and fuel consumption		
(1) Electricity		
(a) Purchased		
Unit (000)	15786	15807
Total amount (₹ Crore)	8.87	7.23
Rate/Unit (₹)	5.62	4.57
(b) Own generation		
(i) Through diesel generators		
Unit (000)	777	1402
Total amount (₹ Crores)	0.97	1.65
Rate/Unit (₹)	12.54	11.76
(ii) Through turbine		
Unit (000)	9522	9708
Total amount (₹ Crores)	2.02	2.80
Rate/Unit (₹)	2.12	2.88
(2) Coal/Husk		
Quantity (M.T.)	90512	104755
Total coal/husk (₹ Crores)	32.89	31.12
Average rate (₹)	3634.66	2970.75
(3) Furnace oil	–	–
(4) Other/internal generation	–	–
(B) Consumption per MT of production		
Electricity	75.88	74.05
Furnace oil	–	–
Coal (Kgs.) /Husk (Kgs.)	344.98	288.01
(C) Technology absorption		
Adaptation and innovation	–	–
(D) Foreign exchange earning and outgo	(₹ in Crores)	(₹ In Crores)
Total foreign exchange earned	–	–
Total foreign exchange used	27.99	12.40

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 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 six other Directors i.e. total seven Directors, of which four 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 2011-12 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	21	Yes	2	1
Mr. S. N. Jhunjhunwala	MD/PD/ED/NID	21	Yes	1	1
Mr. Adarsh Jhunjhunwala	WTD/PD/ED/NID	21	Yes	0	3
Mr. Harsh Agarwal	NED/ID	8	No	0	0
Dr. S. K. Dikshit	NED/ID	11	Yes	3	0
Mr. Mahesh Kedia	NED/ID	12	No	3	1
Mr. Kanhaiya Lal Goenka	NED/ID	14	Yes	3	0
Mr. Shyam Poddar*	NED/ID	1	No	0	1
Mr. H. L. Agarwal*	NED/ID	3	No	0	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.

Dr. S. K. Dikshit and Mr. S. N. Jhunjhunwala 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.

* Mr. Shyam Poddar resigned from board on 06.08.2011 and Mr. H. L. Agarwal retired from the Board on 30.09.2011.

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

Number of Board meetings held and their dates

Twenty one Board meetings were held during the period from April 01, 2011 to March 31, 2012 on the following dates:

April 6, 2011, May 7, 2011, June 2, 2011, July 11, 2011, August 6, 2011, August 26 2011, September 3, 2011, September 13, 2011, October 4, 2011, November 14, 2011, December 23, 2011, January 13, 2012, February 6, 2012, February 11, 2012, March 12, 2012, March 13, 2012, March 15, 2012, March 19, 2012, March 23, 2012, March 29, 2012 and March 31, 2012.

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. Rohit Kumar Jaiswal 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 2011-12 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	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 2011-12 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 held on the aforementioned 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 services provided to investors.

The Committee met four times during the year. The composition of the Committee during the year 2011-12 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	Mr. Rohit Kumar Jaiswal	COMPANY SECRETARY	Secretary	4

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 15 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 one time during the year. The composition of the Committee during the year 2011-12 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	Mr. D. N. Jhunjhunwala	EC/PD/ED/NID	Chairman	1
2	Mr. S. N. Jhunjhunwala	MD/PD/ED/NID	Member	1
3	Mr. Kanhaiya Lal Goenka	NED/ID	Member	1

* In the meeting held on 23.12.2011 the Company has allotted 3950000 warrants of ₹190/- each to the persons belonging to promoters and non promoters category.

6) General body meeting:

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

Year	Location	Date	Day	Time
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.
2010-11	Hotel Ramada Plaza JHV, The Mall, Cantonment, Varanasi	September 30, 2011	Friday	3.00 p.m.

* Due to non-connectivity among the data locations at head office at Varanasi, branch office at Dehri-on-Sone, 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 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 –The Economic Times (English national daily) and Dainik Jagran (regional newspaper).

10) General shareholder information

a) **23rd Annual General Meeting:**

Date, day and time	:	September 29, 2012, Saturday, at 4.00 p.m.
Venue	:	At Hotel Radisson, the Mall, Cantonment, Varanasi (U.P.)

b) **Tentative Financial Calender for the year 2012-13**

Financial Year	:	April 1, 2012 to March 31, 2013
Annual General Meeting	:	September 30, 2013 (Approx)
Results for quarter ending June 30, 2012	:	First week of August, 2012.
Results for quarter ending September 30, 2012	:	First week of November, 2012.
Results for quarter ending December 31, 2012	:	First week of February, 2013.
Results for quarter ending March 31, 2013	:	Last week of April, 2013.

c) **Book closure date**	:	September 24, 2013 to September 30, 2013 (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 2012-13 to above stock exchanges.

f) (i) **Stock code:**	**Scrip Code No.**	:	The Bombay Stock Exchange	:	519248
			National Stock Exchange of India		-
	Trading symbol		The Bombay Stock Exchange	:	JVLAGRO
			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, 2011	30.20	16.45
May, 2011	31.25	21.25
June, 2011	24.40	19.40
July, 2011	23.80	18.80
August, 2011	20.80	14.05
September, 2011	16.70	13.40
October, 2011	16.20	14.20
November, 2011	16.50	13.80
December, 2011	15.79	13.50
January, 2012	18.50	14.00
February, 2012	21.00	17.10
March, 2012	20.70	16.05

There was no trading at the U.P. Stock Exchange Association Ltd., Kanpur and at Delhi Stock Exchange Limited, New Delhi, during the year 2011-12.

h) **Distribution of shareholding as on March 31, 2012**

No. of Shares held	No of Shareholders	% of shareholders	No of Shares	% of Shareholding
Up to 500	3618	46.98	849725	0.61
501 to 1000	1648	21.40	1525636	1.09
1001 to 2000	926	12.02	1610742	1.15
2001 to 3000	377	4.90	1026264	0.73
3001 to 4000	152	1.97	562209	0.40
4001 to 5000	284	3.69	1390625	0.99
5001 to 10000	333	4.32	2672250	1.90
10001 to 50000	274	3.56	5661267	4.03
50001 to 100000	39	0.51	2676890	1.90
Above to 100000	50	0.65	122464392	87.20
	7701	**100.00**	**140440000**	**100.00**

i) Registrar and Transfer Agents (Share transfer and communication regarding share certificates, and change of address, among others) : MCS Limited
Mr. Venkatesh Bhavan,
F-65, 1st Floor, Okhla Indl. Area,
Phase 1, New Delhi 110 020

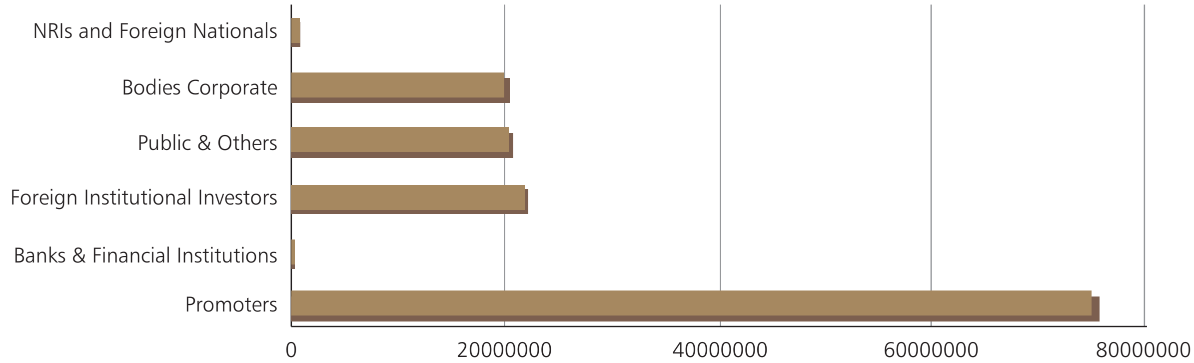
Contact No : 011-41406149 (Extn. 51and 52)

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.

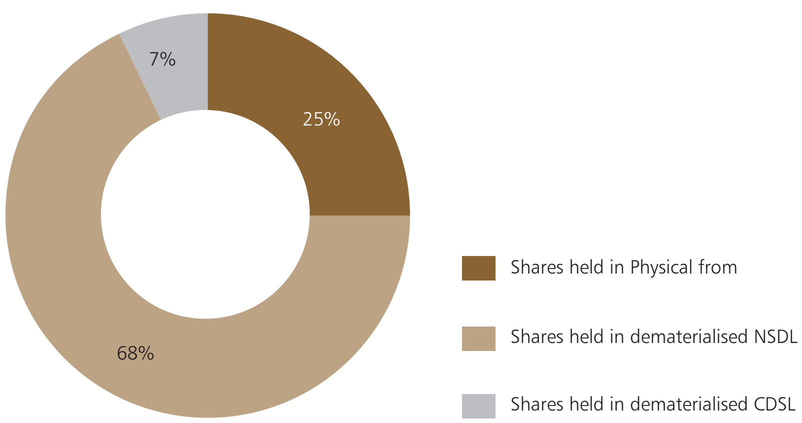
k) **Shareholding pattern as on March 31, 2012**



	Promoters	Banks & Financial Institutions	Foreign Institutional Investors	Public & Others	Bodies Corporate	NRIs and Foreign Nationals
% of total share	53.82%	0.06%	16.02%	14.87%	14.65%	0.58%
No. of Share	75590900	79000	22504680	20872881	20579913	812626

l) **Dematerialisation of shares and liquidity:**

The equity shares of the Company are 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, 2012, form of shares is 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

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

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.-0542-2595930/2595931/2595932 E-mail Id- rohitjaiswal@jvlagro.com

The above report was adopted by Board of Directors at their meeting held on September 3, 2012

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, 2012.

For **JVL Agro Industries Limited**

Sd/-
(D. N. Jhunjhunwala)
Chairman

Place: Varanasi
Date: September 3, 2012

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, 2012, 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 **SINGH DIKSHIT & CO.**
(CHARTERED ACCOUNTANTS)
Firm's ICAI Reg. No.007555C

-SD-
(RANJISH VISHWAKARMA)
PARTNER
M.No. 404363

Place: Varanasi
Dated: 3rd day of September, 2012

Auditor's Report

To
The Members of
JVL AGRO INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of M/s JVL Agro Industries Limited as at 31st March, 2012 and the Statement of Profit & Loss 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 have conducted our audit in accordance with the 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 statements. 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. As required by the Companies (Auditors' Report) Order, 2003 issued by Company Law Board in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to information and explanation given to us during the course of the audit, We enclose the Annexure hereto the statement on the matter specified in paragraphs 4 and 5 of the order.

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

   i. 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;

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

   iii. The Balance Sheet and Statement of Profit and Loss dealt with by this report are in agreement with the books of account;

   iv. In our opinion, the Balance Sheet, Statement of Profit and Loss Account dealt with by this report comply with the accounting standards.

   v. On the basis of written representations received from the directors taken on record by the Board of Directors, we report that none of the directors are disqualified from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

   vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to Note No. 38 regarding different parties balances taken in accounts and read together with other notes, give the information required by the Companies Act, 1956 in the manner so required and give a true & fair view in conformity with the accounting principles generally accepted in India.

      (a) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2012.

      (b) In the case of the Statement of Profit & Loss, of the profit for the year ended on that date.

      (c) In the case of Cash Flow Statements the cash flow statement for the year ended on that date.

FOR SINGH DIKSHIT & CO.
(CHARTERED ACCOUNTANTS)
Firm's ICAI Reg. No.007555C

-SD-
(RANJISH VISHWAKARMA)
PARTNER
M.No. 404363

Place: Varanasi
Dated: 3rd day of September, 2012

Annexure to the Auditor's Report

(Referred to in Paragraph 3 of our report of even date for the year ended 31st March 2012)

1. The company has not yet maintained proper records showing full particulars including quantitative details and situation of fixed assets. As explained to us the assets have been physically verified by the management during the year and according to the management no discrepancy was found during 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 explanation given to us and on the basis of audit procedure performed by us, substantial part of fixed assets have not been disposed off during the year.

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

   (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

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

3. (a) The company has neither taken nor given any loan from/to parties listed under section 301 of the Companies Act, 1956.

   (b) 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 ₹ 5.59 Crore.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed major weaknesses in internal controls.

5. (a) Based on the audit procedure applied by us and according to the information and explanations provided by the management, the transaction that needs to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

   (b) In our opinion and according to the information and explanation given to us, transactions were made in pursuance of contracts or arrangement 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.

6. The company has not accepted any deposit from public during the year.

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

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

   (b) According to the information and explanation given to us, there are no dues of Trade tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute except as mentioned under Note No. 19.

9. In our opinion the company has made and maintained cost records under section 209 (1)(d) of the Companies Act,1956. We have not however made detailed examination of the records with a view of determining whether these

are accurate or complete.

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

11. Based on our audit procedure and according to the information and explanations given to us, we are of opinion that the company has not defaulted in repayment of dues to the financial institution and Banks.

12. In our opinion and according to the information and explanations given to us, section 441 A of Sick Industrial Company not applicable to company.

13. In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor`s Report) Order, 2003 are not applicable to the company.

14. Based on our examination of the record and information and explanation given to us, proper record 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.

15. Based on documents and records produced to us and information and explanation given, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

16. According to information and explanation given to us, the company has given guarantee for the loan taken by others (Agriculturist) from banks, the term and conditions are stated to be not prima facie prejudicial to the interest of the company.

17. The term loans have been utilized for the purpose for which they were taken.

18. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the funds raised on short-term basis have not been used for long-term investment.

19. The company has made allotment of 1,20,00,000 Equity Shares to parties and companies covered under section 301 of the Companies Act, 1956 pursuant to conversion of Preferential Warrant into equity shares, which are not prejudicial to the interest of the company. Please refer to Note No. 5. After the allotment of above shares ₹ 25,31,25,000.00 is remaining as application money in preferential warrant account as on 31st –March-2012

20. According to the information and explanations given to us, during the period covered by our audit report, the company has not issued any debentures during the year.

21. According to the information and explanation given to us, there is no public issue by the company during the year.

22. Based upon the audit procedure performed and the information and explanations 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 SINGH DIKSHIT & CO.
(CHARTERED ACCOUNTANTS)
Firm's ICAI Reg. No.007555C

-SD-
(RANJISH VISHWAKARMA)
PARTNER
M.No. 404363

Firm Registration No. 007555C
Part-5, 1st Floor, South Block
Hathua Market, Chetganj
Varanasi - 221001

Place: Varanasi
Dated: 3rd day of September, 2012

Balance Sheet As at 31 March, 2012

(₹ in Crore)

	Note No.	As at 31 March, 2012	As at 31 March, 2011
I. EQUITY AND LIABILITIES			
Shareholders' Fund			
(a) Share Capital	3	14.04	12.84
(b) Reserves & Surplus	4	285.71	210.21
(c) Money received against Preferential Warrants	5	25.31	19.00
Non-Current Liabilities			
(a) Long-Term Borrowings	6	81.15	35.84
(b) Deferred Tax Liabilities		22.33	19.97
(c) Other Long Term Liabilities	7	1.56	2.26
Current Liabilities			
(a) Short-Term Borrowings	8	94.74	94.67
(b) Trade Payables	9	777.35	603.42
(c) Other Current Liabilities	10	41.22	32.66
(d) Short-Term Provisions	11	3.00	3.00
TOTAL		1,346.41	1,033.87
II ASSETS			
Non-Current Assets			
(a) Fixed Assets	12		
(i) Tangible Assets		151.68	158.38
(iii) Capital Work-in-Progress		94.25	10.39
(b) Non-Current Investments	13	10.95	19.72
(d) Long-Term Loans & Advances	14	46.29	8.94
Current Assets			
(a) Inventories	15	440.67	311.59
(b) Trade Receivables	16	158.92	120.80
(c) Cash & Bank Balances	17	334.57	332.77
(d) Short-Term Loans & Advances	18	109.08	71.28
TOTAL		1,346.41	1,033.87
Summary of Significant Accounting Policies	2		
Contingent Liability & other commitments	19		

The accompaying notes are an integral part of these financial statements

As per our report of even date

For and on behalf of Board of Directors

For Singh Dikshit & Co.
Chartered Accountants
Firm Registration No. 007555C

Ranjish Vishwakarma
[Partner]
M.No. 404363

Adarsh Jhunjhunwala
Whole-time Director

S.N. Jhunjhunwala
Managing Director

Place: Varanasi
Date: 3rd day of September, 2012

Rohit Jaiswal
Company Secretary

Statement of Profit and Loss For the year ended 31 March, 2012

(₹ in Crore)

	Note No.	Year ended 31 March, 2012	Year ended 31 March, 2011
INCOME			
I. Income From Operations	20	2,958.23	2,180.79
III. Other Income	21	9.24	6.13
Total Revenue (I+II)		**2,967.47**	**2,186.92**
EXPENSES			
Cost of Materials Consumed	22	1,652.84	1,507.05
Purchases of Goods Traded	23	1,216.18	578.27
Changes in Inventories	24	(50.83)	(27.50)
Employee Benefits Expense	25	6.00	4.13
Finance Costs	26	21.63	17.50
Depreciation Expense	12	9.64	8.61
Other Expenses	27	60.07	57.39
Total Expenses		**2,915.53**	**2,145.45**
Profit Before Exceptional Items & Tax		**51.94**	**41.47**
Exceptional items	28	20.59	18.56
Profit Before Tax		**72.53**	**60.03**
Tax Expense			
(1) Current tax		(13.56)	(8.25)
(2) MAT Credit		0.27	-
(3) Provision for Tax for Earlier year Written off/provided for		-	(0.09)
(4) Deferred Tax		(2.35)	(1.67)
Profit for the Period		56.89	50.02
Earnings per Equity Share:			
(1) Basic		4.43	3.89
(2) Diluted		4.43	3.89
Summary of Significant Accounting Policies	2		

The accompaying notes are an integral part of these financial statements

As per our report of even date

For and on behalf of Board of Directors

For Singh Dikshit & Co.
Chartered Accountants
Firm Registration No. 007555C

Ranjish Vishwakarma
[Partner]
M.No. 404363

Adarsh Jhunjhunwala
Whole-time Director

S.N. Jhunjhunwala
Managing Director

Place: Varanasi
Date: 3rd day of September, 2012

Rohit Jaiswal
Company Secretary

Notes to the Financial Statements For the reporting period ended 31 March, 2012

Note 01 COMPANY INFORMATION

COMPANY INFORMATION: JVL Agro Industries Limited (the 'Company') is a public limited company and listed on Bombay Stock Exchange (BSE), National Stock Exchange (NSE), Delhi Stock Exchange and Uttar Pradesh Stock Exchange (Kanpur). The company is market leader in edible oil industry. The company has manufacturing facilities in Naupur- Uttar Pradesh, Alwar- Rajasthan, Dehri- Bihar and proposed at Haldia- West Bengal and sell primarily in India.

Note 02 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis for preparation of accounts:

The accounts have been prepared to comply in all material aspects with applicable accounting principles in India. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities. These accounts are prepared on the principles of going concern and consonance with generally accepted accounting principle.

2.2 Revenue Recognition:

Sales are recognized when the substantial risks and rewards of ownership in the goods are transferred to the buyer, upon supply of goods, and are recorded net of trade discounts, rebates, trade taxes & Freight (on goods manufactured and traded).

2.3 Expenditures:

Expenses are accounted for on accrual basis and provision is made for all known losses and liabilities except misc. petty item which are accounted for on cash basis. Cost of Raw material consumed includes duty, port charges, Transportation, Agent Commission, net of interest on finance charges including gain/(loss) on foreign currency fluctuation, loading/unloading expenses, factory expenses & production expenses etc.

2.4 Tangible Fixed Assets:

Fixed assets are stated at cost and adjusted by foreign currency fluctuation against loan repayment less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognized in the profit and loss account. 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 fixed assets.

2.5 Depreciation:

Depreciation on fixed assets is provided on the straight line method at the rates prescribed under Schedule XIV of the Companies Act, 1956.

2.6 Intangible Assets:

The company does not have any intangible assets.

2.7 Investments:

Investments are classified into current and long-term investments and are stated at the cost value. As per management, investment in shares and mutual fund are on long term basis, reductions in market rates are temporary, and hence no provision is required to be made in account.

2.8 Inventories:

Finished goods, traded goods are valued at cost or net market value whichever is lower. Raw Material, Packing Material, Chemicals and Stores are valued at cost. Works in progress are valued at raw material cost. By products are valued at estimated realizable value.

2.9 Current and Deferred Tax Liability:

Deferred tax is recognized on timing differences; being the differences between taxable incomes and accounting income that originate in one reporting period and are capable of reversal in one or more subsequent reporting period.

2.10 Foreign Currency Transaction:

Foreign currency transactions are recorded on the basis of exchange rate prevailing on the date of their occurrence. 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 differences arises there from is recognize to the statement of profit & loss or is adjusted to the cost of fixed assets.

2.11 Segment Reporting:

The company's present operations are related to production of Vanaspati,Refine & Mustard Oil, DOC and trading of goods. The entire income of the company is mainly in India, hence there is no reportable geographical segment. Vanaspati, Refine &

Notes to the Financial Statements For the reporting period ended 31 March, 2012

Note 02 SIGNIFICANT ACCOUNTING POLICIES *(Contd.)*

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

2.12 Earning Per Shares:

Basic earnings per share is calculated by dividing the net profit for the reporting period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.13 Government Grants:

Grant including subsidy/rebates/re-imbursements is credited to statement of profit & loss. Grant relating to fixed assets are credited to Capital Reserve Account or adjusted in cost of such assets as the case may be, as and when the ultimate realisibility of such grants is established.

2.14 Impairment of Fixed Assets:

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

2.15 Borrowing Cost:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

2.16 Employee Benefit:

Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered. Post employment and other long term employee benefits are recognized as an expense in the Profit and Loss\account for the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Profit and Loss account.

2.17 Provisions, Contingent Liability & Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes.

(₹ in Crore)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Note 03 SHARE CAPITAL		
A. Authorised Capital:		
20,00,00,000 (20,00,00,000) Equity Shares of ₹ 1/- each	20.00	20.00
5,000, 10% (5,000) Cumulative Red.Pref. Shares of ₹100/- each	0.05	0.05
2,50,000, (2,50,000) Cumulative Red.Pref. Shares of ₹100/- each	2.50	2.50
	22.55	**22.55**
B. Issued, subscribed & fully paid up capital :		
14,04,40,000 (12,84,40,000) Equity Shares of ₹ 1/- each (₹ 1/- each)	14.04	12.84
Total	**14.04**	**12.84**
C. Reconciliation of number of shares		
Equity Shares :		
Balance as at beginning of the year 12,84,40,000 Equity Shares	128440000	128440000
Add: 1,20,00,000 Preferencial Warrant converted into equity shares of ₹ 1/- each at premium of ₹ 18/- each .	12000000	0
Less: Shares bought back during the year	0	0
Balance as at end of the year	**140440000**	**128440000**

Notes to the Financial Statements For the reporting period ended 31 March, 2012

(₹ in Crore)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Note 03 SHARE CAPITAL *(Contd.)*		
D. Rights, preferences and restrictions attached to the shares **Equity shares:** The company has one class of equity shares having a par value of Re. 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholdings.		
E. Details of equity shares held by shareholders holding more than 5% shares to the aggregate shares in the company	No. of Shares	No. of Shares
a. Nilamber Trexim & Credit Pvt. Ltd. 12.04% (13.17%)	16912900	16912900
b. Jhunjhunwala Oil Mills Ltd. 5.28% (5.78%)	7419000	7419000
c. Jhunjhunwala Gases Pvt. Ltd. 11.45% (12.52%)	16075000	16075000
d. Lotus Global Investments Ltd. 5.92% (6.51%)	8307795	8360000
e. Aryan Multibusiness Pvt. Ltd. 8.54 % (0.00%)	12000000	0

Particulars	As at 31 March, 2012	As at 31 March, 2011
Note 04 RESERVE & SURPLUS		
A. General Reserve :		
Balance as at the beginning of the year	17.16	13.16
Add: Addition during the year	5.00	4.00
Balance as at the end of the year	22.16	17.16
B. Capital Reserve :		
Balance at the beginning of the year	14.72	0.82
Add: Capital Subsidy	21.59	18.56
Less: Withdrawn to Statement of Profit & Loss (Please refer Note No. 28)	(21.59)	(18.56)
Add: Transferred from surplus in Statement of Profit & Loss	14.32	13.90
	29.04	14.72
C. Securities Premium Account :		
Balance as at the beginning of the year	40.95	40.95
Add: Addition during the year	21.60	0.00
(12000000 Preferential Warrant converted into equity shares of ₹ 1/- each at premium of ₹ 18/- each)		
Balance as at the end of the year	62.55	40.95
D. Surplus in Statement of Profit & Loss		
Balance as at the beginning of the year	137.38	108.26
Add: Profit for the year	56.89	50.02
Less: Appropriations		
Transferred to General Reserve	(5.00)	(4.00)
Transferred to Capital Reserve Reserve	(14.32)	(13.90)
Proposed Final Dividend on Equity Shares [per shares ₹ 0.20 (₹ 0.20)]	(2.57)	(2.57)
Dividend Distribution Tax	(0.42)	(0.43)
Balance as at the end of the year	171.96	137.38
Total (A+B+C+D)	285.71	210.21

Particulars	As at 31 March, 2012	As at 31 March, 2011
Note 05 PREFERENTIAL WARRANT		
Money Received against Preferential Warrant		
39,50,000 Preferential Warrant (40,00,000) of ₹ 190/- each (Each warrant is convertible into 10 equity shares of ₹ 1/- each at a premium of ₹ 18/- each. During the year company has converted 12,00,000 nos. of warrants into 1,20,00,000 equity shares of ₹ 1/- each at the premium of ₹ 18/- each and 50,000 nos. of warrant has been cancelled. Out of total Application Money received upto year end, ₹ 19.85 Crore has been received from promoter group.)	25.31	19.00
Total	25.31	19.00

Notes to the Financial Statements For the reporting period ended 31 March, 2012

(₹ in Crore)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Note 06 LONG-TERM BORROWINGS		
A. Secured Term Loans from banks		
a. Bank of Baroda	8.45	12.80
b. Punjab National Bank	3.51	6.67
(For Naupur & Alwar Unit secured by hypothecation of entire stock in trade, trade receivables and movable current assets.Secured by first charge on the fixed assets and personal guarantee by two directors, their relative and a group company.Also secured by mortage of joint property of one director.)		
Schedule of Repayment :		
For Bank of Baroda for 1st A/c remaining 5 installment of ₹ 0.75 Crore each & 1 Installment of ₹ 0.33 Crore having maturity in F.Y. 2013-14 for 2nd A/c remaining 11 installment of ₹ 0.19 Crore each & 1 Installment of ₹ 0.06 Crore having maturity in F.Y. 2014-15 for 3rd A/c remaining 3 installment of ₹ 0.28 Crore each & 1 installment of ₹ 0.03 Crore having maturity in F.Y. 2012-13 for 4th A/c remaining 4 installment of ₹ 0.28 Crore each & 1 installment of ₹ 0.22 Crore having maturity in F.Y. 2013-14		
For Punjab National Bank for 1st A/c remaining 1 installment of ₹ 0.12 Crore, each having maturity in F.Y. 2012-13 for 2nd A/c remaining 5 installment of ₹ 0.13 Crore, each having maturity in F.Y. 2013-14 for 3rd A/c remaining 10 installment of ₹ 0.27 Crore, each having maturity in F.Y. 2014-15)		
c. State Bank of India	12.83	16.56
d. State Bank of Bikaner & Jaipur	8.24	11.14
e. Vijaya Bank	0.00	0.16
f. State Bank of Hyderabad	4.44	5.60
g. State Bank of Travancore	7.70	0.96
(Equitable mortgage of land and plant & machinery at Chakia, Dehri, Bihar, on pari-passu basis with other term lenders.Hypothecation of other fixed assets including plant & machinery on pari passu basis with other term lender and collaterally secured by second charge on current assets of unit at chakia, Dehri,Bihar on pari passu basis with personal guarantee of two directors)		
Schedule of Reypayment :		
For State Bank of India		
for 1st A/c remaining 2 installment of ₹ 0.40 Crore, each having maturity in F. Y. 2012-13 for 2nd A/c remaining 4 installment of ₹ 0.61 Crore, each, 9 installment of ₹ 0.78 Crore, each and 1 installment of ₹ 0.22 Crore each having maturity in F.Y. 2016-17		
For State Bank of Bikaner & Jaipur		
remaining 17 installment of ₹ 0.46 Crore each & 1 installment of ₹ 0.43 Crore having maturity in F.Y. 2016-17		
For State Bank of Hyderabad		
15 installment of ₹ 0.29 Crore, each & 1 installment of ₹ 0.12 Crore, having maturity in F. Y. 2015-16		
For State Bank of Travancore		
remaining 15 installment of ₹ 0.50 Crore, each & 1 installment of ₹ 0.20 Crore having maturity in F.Y. 2015-16		
h. Standard Chartered Bank	50.88	0.00
(Exclusive first charge on all movable and immovable fixed assets of Haldia facility and personal guarantee of two directors and second charge on all current assents of Haldia facility. Repayable in 10 equal installment of USD 1.058 Mio each.		
Total	**96.05**	**53.89**
Less: Current Maturity of Long Term Borrowings	14.90	18.05
Balance of Above	**81.15**	**35.84**

Notes to the Financial Statements For the reporting period ended 31 March, 2012

(₹ in Crore)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Note 07 OTHER LONG TERM LIABILITIES		
Security Deposits	1.56	2.26
Total	**1.56**	**2.26**

Particulars	As at 31 March, 2012	As at 31 March, 2011
Note 08 SHORT TERM BORROWINGS		
Secured Loans :		
A. Cash Credit Limit from Banks		
a. Bank of Baroda	17.00	25.57
b. Punjab National Bank	16.00	15.50
(For Naupur & Alwar Unit secured by hypothecation of entire stock in trade, trade receivables and movable current assets. Secured by first charge on the fixed assets and personal guarantee by two directors, their relative and a group company. Also secured by mortage of joint property of one director.)		
c. State Bank of India	7.72	0.86
d. State Bank of Bikaner & Jaipur	1.92	0.04
e. State Bank of Travancore	1.00	0.05
f. State Bank of Patiala	0.00	0.33
g. State Bank of Hyderabad	0.00	0.00
h. Vijaya Bank	0.00	1.52
(Hypothecation of entire current assets of unit at Chakia, Dehri, Bihar on pari-passu basis with other working capital bankers and personal guarantee of two directors and collaterally secured by second charge on equitable mortgage of the land and factory at Chakia, Dehri,Bihar on pari passu basis with other terms lenders and hypothecation charge on other fixed assets including plant & machinery at Chakia, Dehri, Bihar on pari passu basis with other term lenders.)		
B. IDBI Bank Ltd.	25.00	10.00
(Secured by personal guarantee of one director)		
C. Loan Against Fixed Deposits Receipt From Bank		
(Secured by pledge of Fixed Deposits Receipts)	11.45	12.79
D. From Bank against loan to Agriculturist		
(Secured by pledge of goods and guarantee of company and its directors)		
Axis Bank Ltd.	0.00	10.00
Unsecured Loans		
From Banks		
Axis Bank Ltd.	0.00	3.01
HDFC Bank Ltd.	14.65	15.00
Total	**94.74**	**94.67**

Notes to the Financial Statements For the reporting period ended 31 March, 2012

(₹ in Crore)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Note 09 TRADE PAYABLES		
(i) Total Outstanding dues of Micro, Small & Medium Enterprises (Due for purchases)	1.20	2.22
(ii) Total outstanding dues of creditors other than above		
Sundry Creditors (For Goods, Expenses & Other Finance)	776.15	601.20
Total	777.35	603.42
Note 10 OTHER CURRENT LIABILITIES		
Advance from Customers	21.04	13.48
TDS Payable	0.86	0.62
Dividend Payable	0.22	0.19
Interest Accrued but not Due	4.20	0.24
Book Over Draft	0.00	0.08
Term Loan Installment Repayable	14.90	18.05
	41.22	32.66
Note 11 SHORT-TERM PROVISIONS		
Provision For Wealth Tax	0.01	0.00
Provision For Dividend	2.57	2.57
Dividend Distribution Tax	0.42	0.43
Total	3.00	3.00

Note 12 TANGIBLE FIXED ASSETS (₹ in Crore)

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	Opening as on 01.04.2011	Addition	Sale / Transfer	Closing as on 31.03.2012	Up to 31.03.2011	For the Year	Sale / Adjustment	Total Upto 31.03.2012	As on 31.03.2012	As on 31.03.2011
Land (Free Hold)	2.28	-	-	2.28	-	-	-	-	2.28	2.28
Land (Lease Hold)	3.26	-	-	3.26	-	-	-	-	3.26	3.26
Buildings	21.01	0.51	-	21.52	2.25	0.71	-	2.96	18.56	18.76
Plant & Machinery	148.59	1.40	-	149.99	27.86	7.85	-	35.71	114.28	120.73
Office Equipments	1.12	0.33	-	1.45	0.30	0.12	-	0.42	1.03	0.82
Furniture & Fittings	0.21	0.02	-	0.23	0.08	0.01	-	0.09	0.14	0.13
Vehicles	1.34	0.68	-	2.02	0.68	0.17	-	0.85	1.17	0.66
Turbine (Co Generation System along with Pressure Boiler)	14.80	-	-	14.80	3.06	0.78	-	3.84	10.96	11.74
Total of Tangible Assets	**192.61**	**2.94**	**-**	**195.55**	**34.23**	**9.64**	**-**	**43.87**	**151.68**	**158.38**
Previous Year	**153.81**	**38.97**	**0.17**	**192.61**	**25.72**	**8.61**	**0.10**	**34.23**	**158.38**	**-**
Capital Work In Progress :										
- Naupur, Alwar & Pahleza Unit	-	11.98	-	11.98	-	-	-	-	11.98	-
- Alwar Oil Mills	-	3.15	-	3.15	-	-	-	-	3.15	-
- Haldia Project	10.39	68.73	-	79.12	-	-	-	-	79.12	10.39
Total of Capital Work in Progress	**10.39**	**83.86**	**-**	**94.25**	**-**	**-**	**-**	**-**	**94.25**	**10.39**
Previous Year	**10.39**	**-**	**-**	**10.39**	**-**	**-**	**-**	**-**	**10.39**	**-**
Total of Fixed Assets	**203.00**	**86.80**	**-**	**289.80**	**34.23**	**9.64**	**-**	**43.87**	**245.93**	**168.77**
Previous Year	**164.20**	**38.97**	**0.17**	**203.00**	**25.72**	**8.61**	**0.10**	**34.23**	**168.77**	**-**

Notes to the Financial Statements For the reporting period ended 31 March, 2012

(₹ in Crore)

Particulars	Face Value	Reporting Period ended on 31 March, 2012		Reporting Period ended on 31 March, 2011	
		No. of Shares/Units	Amount	No. of Shares/Units	Amount
Note 13 NON-CURRENT INVESTMENTS					
A. Unquoted					
Investment in Equity					
i. Trade Investments					
Other					
Jhunjhunwala Oil Mills Ltd	10.00	100000.00	0.10	100000.00	0.10
Hari Fertilizers Ltd	10.00	57000.00	0.57	57000.00	0.57
Bay Star Concrete Pvt. Limited	100.00	30360.00	0.38	0.00	0.00
Adamjee Extraction Pvt. Ltd, Sri Lanka	10.00	2231439.00	1.00	2231439.00	1.00
Sealac Agro Ventures Limited	10.00	250000.00	0.25	0.00	0.00
Investments in Subsidiary					
JVL Overseas Pte Ltd, Singapore	1.00	500000.00	2.05	500000.00	2.05
ii. Non Trade Investments					
Other					
Anurodh Infrastructure Pvt. Limited	500.00	9000.00	0.45	0.00	0.00
B. Quoted					
i. Non Trade Investments					
Investment in Equity					
Other					
Ranbaxy Laboratories Ltd	5.00	100.00	0.01	100.00	0.01
Indo Rama Synthetics (India) Ltd *	10.00	500.00	0.01	500.00	0.01
Tata Tele Services **	10.00	1000.00	0.00	1000.00	0.00
Bank of Baroda	10.00	409.00	0.01	409.00	0.01
Dhunseri Petrochem & Tea Ltd.	10.00	261000.00	2.50	261000.00	2.50
Dhunseri Investment Ltd.	10.00	0.00	0.00	130500.00	0.00
BGR Energy Systems Ltd	10.00	2550.00	0.08	400.00	0.02
Reliance Power Ltd	10.00	4614.00	0.07	4614.00	0.10
IDBI Bank Ltd	10.00	2000.00	0.02	14000.00	0.22
IFCI Ltd	10.00	68000.00	0.29	20000.00	0.11
Tata Power	10.00	8000.00	0.23	5300.00	0.48
Tata Steel Ltd	10.00	20000.00	0.91	10000.00	0.57
Uco Bank	10.00	40000.00	0.27	4000.00	0.06
Rander Corrpoation Ltd	10.00	0.00	0.00	300000.00	0.39
Canara Bank	10.00	0.00	0.00	1000.00	0.07
Ispat Limited	10.00	0.00	0.00	40000.00	0.09
Jindal Steel Limited	10.00	500.00	0.03	1000.00	0.06
Oil India Limited	10.00	0.00	0.00	1550.00	0.20
Unisys Software & Holding Industries Ltd.	10.00	108000.00	0.35	200000.00	0.65
Bata India Limited	10.00	1500.00	0.11	0.00	0.00
Dena Bank	10.00	5000.00	0.04	0.00	0.00
Hero Moto Corp	10.00	125.00	0.02	0.00	0.00
JSW Steel Limited	10.00	2000.00	0.15	0.00	0.00
JUBL Foods	10.00	250.00	0.03	0.00	0.00
PFC	10.00	1000.00	0.02	0.00	0.00
State Bank of India	10.00	500.00	0.11	0.00	0.00
Syndicate Bank	10.00	10000.00	0.09	0.00	0.00
Union Bank	10.00	1000.00	0.02	0.00	0.00

Notes to the Financial Statements For the reporting period ended 31 March, 2012

(₹ in Crore)

Particulars	Face Value	Reporting Period ended on 31 March, 2012		Reporting Period ended on 31 March, 2011	
		No. of Shares/Units	Amount	No. of Shares/Units	Amount
Note 13 NON-CURRENT INVESTMENTS *(Contd.)*					
India Bull Securities	500.00	119100.00	0.25	0.00	0.00
Investment in Mutual Fund :					
PNB Mutual Fund	10.00	15197.57	0.02	15197.57	0.02
HDFC AMC PMS - Real Estate Portfolio			0.36	0.00	0.33
Baroda Pioneer Short Term Fund	10.00	102033.98	0.10	102033.98	0.10
Baroda Pioneer Liquid Fund	100.00	0.00	0.00	49709.17	5.00
SBI Magnum Income Fund FR Saving Plus Plan	10.00	0.00	0.00	4577787.33	5.00
Unicon KBC Equity Fund	10.00	500000.00	0.05	0.00	0.00
Total			**10.95**		**19.72**
Disclosure as per Revised Schedule VI					
a Aggregate Amount of Quoted Investments			6.15		16.00
b Aggregate Amount of Un - Quoted Investment			4.80		3.72
c Aggregate Provision for Diminution in Value of Investment			0.00		0.00
d Aggregate Market Value of Quoted Investments			9.66		22.39

*Indo Rama Synthetics (India) Ltd ₹ 46047.00 (₹ 46047.00)
**Tata Tele Services ₹ 34300.00 (₹ 34300.00)

(₹ in Crore)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Note 14 LONG-TERM LOANS & ADVANCES		
Unsecured, Considered Good		
Capital Advances	34.18	0.00
Loans	6.34	6.93
Advance Income Tax & TDS (Net of Provision)	4.35	0.62
Security Deposits	1.41	1.38
Excise Deposits	0.01	0.01
[Loans includes ₹ 5.59 Crore ₹ (6.55) Crore Outstanding to subsidiary considered good]		
Total	**46.29**	**8.94**

Note 15 INVENTORIES (Refer to Note No. 32 & 33)		
(As Taken, Valued & Certified by the Management)		
Raw Materials (Including in Transit)	288.75	206.00
Finished Products	39.92	67.45
Trading Goods	83.36	0.47
Stock in Process	12.71	17.24
Packing Material, Stores & Chemicals	15.93	20.43
Total	**440.67**	**311.59**

Notes to the Financial Statements For the reporting period ended 31 March, 2012

(₹ in Crore)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Note 16 TRADE RECEIVABLES		
A. Above Six Months (from the due dates)		
Un - Secured Considered Good	17.99	18.75
Considered Doubtful	3.11	0.00
Less: Provision for Doubtful Debts	(1.00)	0.00
Total	**20.10**	**18.75**
B. Others		
Un - Secured Considered good	138.82	102.05
Considered Doubtful	0.00	0.00
Less: Provision for Doubtful Debts	0.00	0.00
Total	**138.82**	**102.05**
Total (A+B)	**158.92**	**120.80**

Particulars	As at 31 March, 2012	As at 31 March, 2011
Note 17 CASH AND BANK BALANCES		
i. Cash & Cash Equivalent		
Cash In Hand	0.41	0.25
Balance with Scheduled Bank		
- In Current Accounts	80.47	50.22
Total	**80.88**	**50.47**
ii. Other Bank Balances		
With Scheduled Banks:		
- In Fixed Deposit Accounts	152.37	216.83
- In Dividend Account	0.22	0.19
- Margin Money Account	101.10	65.28
Total	**253.69**	**282.30**
Total (i+ii)	**334.57**	**332.77**
(Please refer to Note No-41)		

Particulars	As at 31 March, 2012	As at 31 March, 2011
Note 18 SHORT-TERM LOANS & ADVANCES		
Unsecured, Considered Good		
Advances	108.50	71.28
Prepaid Expenses	0.58	0.00
Total	**109.08**	**71.28**

Particulars	As at 31 March, 2012	As at 31 March, 2011
Note 19 CONTINGENT LIABILITY & OTHER COMMITMENTS		
Claim against the company not acknowledged as debts:		
Trade Tax Liability under appeal before H'ble High Court, Allahabad	0.36	0.36
Excise Demand at different stage at H'ble High Court, Allahabad	0.03	0.03
Entry Tax demand under appeal before H'ble Supreme Court for different years for which Bank Guarantee given by the company	0.64	0.52
Excise Duty on Fatty Acid not paid for different years under appeal at Appelate Tribunal, Custom, Excise & Service Tax, New Delhi.	1.24	0.00

Notes to the Financial Statements For the reporting period ended 31 March, 2012

(₹ in Crore)

Particulars	Year ended 31 March, 2012	Year ended 31 March, 2011
Note 20 REVENUE FROM OPERATIONS		
Sale of Products (Refer to Note No. 31)	2958.23	2180.79
Total	**2958.23**	**2180.79**

Particulars	Year ended 31 March, 2012	Year ended 31 March, 2011
Note 21 OTHER INCOME		
Interest Received (Net)	3.27	6.07
Interest on Income Tax Refund	0.03	0.00
Dividend Received on Shares & Mutual Funds	0.18	0.15
Profit/Loss on Sale of Investment	5.76	(0.19)
Prior Period Income	0.00	0.10
Total	**9.24**	**6.13**

Particulars	Year ended 31 March, 2012	Year ended 31 March, 2011
Note 22 COST OF MATERIAL CONSUMED		
Raw Material Consumed	1558.14	1419.89
Chemical Consumed	3.00	3.13
Packing Material Consumed	91.70	84.03
Total	**1652.84**	**1507.05**
(Cost of Raw Material Consumed includes direct expenses)		

Particulars	Year ended 31 March, 2012	Year ended 31 March, 2011
Note 23 PURCHASES OF GOODS TRADED		
Imported Oils	1215.09	574.33
Vanaspati	0.00	0.53
Others	1.09	3.41
Total	**1216.18**	**578.27**

Particulars	Year ended 31 March, 2012	Year ended 31 March, 2011
Note 24 CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND GOODS TRADED		
Closing Stock		
Stock in Process	12.71	17.24
Finished Products	39.92	67.45
Goods Traded	83.36	0.47
	135.99	**85.16**
Less: Opening Stock		
Stock in Process	17.24	5.53
Finished Products	67.45	50.61
Goods Traded	0.47	1.52
	85.16	57.66
Total	**(50.83)**	**(27.50)**

Notes to the Financial Statements For the reporting period ended 31 March, 2012

(₹ in Crore)

Particulars	Year ended 31 March, 2012	Year ended 31 March, 2011
Note 25 EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages, Bonus, etc.	5.44	3.56
Contribution to Provident Fund	0.36	0.25
Employee Welfare Expenses	0.20	0.32
Total	**6.00**	**4.13**

Particulars	Year ended 31 March, 2012	Year ended 31 March, 2011
Note 26 FINANCE COSTS		
(a) Interest to Bank	14.52	13.66
(b) Interest to Other	0.17	0.18
(c) Bank Charges	6.93	3.65
(d) Lease Rent	0.01	0.01
Total	**21.63**	**17.50**

Particulars	Year ended 31 March, 2012	Year ended 31 March, 2011
Note 27 OTHER EXPENSES		
Consumption of Stores, Spares	0.78	0.35
Power & Fuel	45.47	43.84
Repairs & Maintenance	0.55	0.61
Legal Expenses	0.05	0.06
Travelling Expenses	1.08	0.87
Conveyance Expenses	0.41	0.31
Insurance	0.51	0.54
Rates & Taxes	0.15	0.14
Auditor Fees	0.07	0.07
Postage, Telegram & Telephone	0.52	0.52
Repairs to Others	0.12	0.16
Printing & Staionery	0.24	0.22
Miscellaneous Expenses	1.27	1.15
Professional & Consultancy Charge	0.58	0.86
Loss on sale of Fixed Assets *	0.00	0.00
Brokerge & Commission (Net)	6.60	6.21
Advertisement & Publicity	0.31	0.25
Selling Expenses	0.65	0.68
Rent	0.54	0.55
Prior Period Expenditure	0.17	0.00
* (Previous Year - Loss on sale of Fixed Assets ₹ 7953.48)		
Total	**60.07**	**57.39**
Other Expenses Includes :-		
Internal Audit Fee, Cost Audit Fee & Expenses on auditors	0.14	0.03
Auditor Fee Includes :-		
Audit Fee	0.07	0.07

Notes to the Financial Statements For the reporting period ended 31 March, 2012

(₹ in Crore)

Particulars	Year ended 31 March, 2012	Year ended 31 March, 2011
Note 28 EXCEPTIONAL ITEM		
Withdrawn from Capital Reserve	21.59	18.56
Provision For Doubtful Debts	(1.00)	0.00
Total	**20.59**	**18.56**
Note 29 PROPOSED DIVIDEND		
The Final Divided proposed for the year on equity shares of ₹ 1/- each		
Amount of Dividend	2.57	2.57
Dividend per Equity Shares (In paise)	0.20	0.20
(No Amount is due for payment to Investor Education & Protection Fund under section 205C of Companies - Act,1956 as at year end.)		
Note 30 EARNING PER SHARES		
Net Profit atributable to equity shareholders	56.89	50.02
weightage Average Nunber of share used as denominators for calculating earning per share	128472877	128440000
Basic & Diluted Earning Per Shares	4.43	3.89
Face Value of Shares	1	1
Note 31 SALES		
Manufacturing		
Vanaspati	538.87	617.09
Refine Oil	924.85	633.60
Mustard Oil	265.09	218.86
DOC	33.39	69.69
Others	49.42	52.16
Trading		
Edible Oil	1144.00	584.27
Vanaspati	0.00	0.55
Others	2.61	4.57
Total	**2958.23**	**2180.79**
Note 32 CLOSING FINISHED GOODS INVENTORY		
Vanaspati	8.11	25.65
Refine Oil	14.27	29.44
Mustard Oil	15.74	11.03
DOC	1.28	0.31
Others	0.52	1.03
Total	**39.92**	**67.46**
Note 33 CLOSING STOCK OF GOODS TRADED		
Imported Oil	82.75	0.00
Others	0.61	0.47
Total	**83.36**	**0.47**

Notes to the Financial Statements For the reporting period ended 31 March, 2012

(₹ in Crore)

Particulars	Year ended 31 March, 2012		Year ended 31 March, 2011	
Note 34 VALUE OF IMPORTED AND INDIGENOUS MATERIAL CONSUMED				
	%		%	
Raw Material - Oils				
Imported	77.10	1189.07	78.19	1099.26
Indigenous	22.90	353.27	21.81	306.59
Total		**1542.34**		**1405.85**
Add : Other Expenses		15.80		14.04
Total		**1558.14**		**1419.89**

Note 35	Year ended 31 March, 2012	Year ended 31 March, 2011
A) **CIF Value of Import During the Year**		
Imported Oils	2553.72	1654.61
B) **Export Of Goods On FOB Basis**	**2.59**	**0.00**

Note 36 EXPENDITURE IN FOREIGN CURRENCY	Year ended 31 March, 2012	Year ended 31 March, 2011
For Travelling	0.09	0.15

Note 37 LIABILITY OF GRATUITY

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 statement of profit & loss. As per management there is no further liability of gratuity as on 31st March '2012.

Note 38 TRADE RECEIVABLE, TRADE PAYABLE AND LOANS & ADVANCES

Trade Receivables, Trade Payable, Loans & Advances are taken as certified by management, which are subject to comfirmation and reconciliation from respective parties.

Note 39 PREVIOUS YEAR FIGURE

The financial statements for the year ended 31st March, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended 31st March, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of consolidated financial statements. All monetary figures are in crore. Figure below ₹ 50000/- are seperately in Rupees.

Note 40 CAPITAL & OTHER COMMITMENTS

1. Estimated amount of expenditures on capital account for next year is ₹ 30.00 Crores.
2. The Company has informed that acquisition of 500 Acre of land in Bihar through Court order have been made as a part of its plan to enter in to other commodity in which company can venture out & leverage its existing sales and distribution network. This will further strenghten the position of the company in the market.

Notes to the Financial Statements For the reporting period ended 31 March, 2012

(₹ in Crore)

Particulars	Year ended 31 March, 2012	Year ended 31 March, 2011
Note 41 FIXED DEPOSTIPLEDEGE WITH BANK		
FDR's In Banks	1824.59	1224.01
Less:- 100% Margin deposited In Banks for availing extended credit from suppliers.	1571.12	941.90
Total	253.47	282.11

(₹ in Crore)

Particulars	Nature of Transaction	Year ended 31 March, 2012	Year ended 31 March, 2011
Note 42 RELATED PARTY DISCLOSURE			
Disclosure of transaction between Company and Related Parties			
i. Key Managerial personnel & their Relative			
D.N. Jhunjhunwala	Director Remuneration	0.16	0.16
	Rent	0.01	0.01
S. N. Jhunjhunwala	Director Remuneration	0.18	0.17
Adarsh Jhunjhunwala	Director Remuneration	0.15	0.13
ii. Relative of Key Managerial Personnel			
Anju Jhunjhunwala	Rent	0.03	0.03
Kishori Devi Jhunjhunwala	Salary	0.03	0.03
Juhi Jhunjhunwala	Salary	0.02	0.02
S. N. Jhunjhunwala HUF	Rent	0.03	0.03
iii. Other Related Companies			
Jhunjhunwala Gases Pvt. Ltd.	Lease Rent	0.01	0.01
	Raw & Packing Material Purchase	1.87	12.23
	Sales		2.77
Jhunjhunwala Oils Mills Ltd.	Raw Material Purchase	1.34	2.28
	Sales	3.77	2.03
Nilamber Trexim & Credit Pvt. Ltd.	Handling & Storage	0.18	0.18
	Brokerage	0.00	0.08
iii. Other			
Jhunjhunwala Sewa Society	Bus Rent	0.01	0.01
iv. Subsidiary Company			
JVL Overseas Pte. Ltd.	Loans Given	5.96	6.55

As per our report of even date

For and on behalf of Board of Directors

For Singh Dikshit & Co.
Chartered Accountants
Firm Registration No. 007555C

Ranjish Vishwakarma
[Partner]
M.No. 404363

Adarsh Jhunjhunwala
Whole-time Director

S.N. Jhunjhunwala
Managing Director

Place: Varanasi
Date: 3rd day of September, 2012

Rohit Jaiswal
Company Secretary

Cash Flow Statement For the year ended 31 March, 2012

(₹ in Crore)

		Year ended 31 March, 2012	Year ended 31 March, 2011
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net Profit before Tax & extraordinary items	72.53	60.03
	Adjustments for:		
	Depreciation	9.64	8.61
	Interest Paid	14.69	13.84
	Interest Received	(3.27)	(6.07)
	Interest Received From IT Refund	(0.03)	-
	Dividend Received	(0.18)	(0.15)
	Profit/(Loss) on Sale of Investment	(5.76)	0.19
	Provision For Doubtful Debts	1.00	-
	Operational Profit before working capital changes	**88.62**	**76.45**
	Trade & Other Receivable	(79.09)	(22.09)
	Inventories	(129.08)	(87.66)
	Trade Payables	184.15	311.36
	Net cash from operating Activities	64.60	278.06
	Interest paid	(14.69)	(13.84)
	Direct Taxes Paid	(13.29)	(8.34)
	Cash Flow before Extra ordinary Items.	36.62	255.88
	Extra Ordinary Items Deferred Tax	(2.35)	(1.67)
	Subsidy received during the year	(21.59)	(18.56)
	Provision For Doubtful Debts	(1.00)	-
	Net Cash Flow from Operating Activities.	**11.67**	**235.65**
B.	CASH FLOW FROM INVESTING ACTIVITIES:		
	Purchase of Fixed Assets (Including CWIP & Capital Advance)	(120.98)	(38.97)
	Sale Of Fixed Assets	-	0.07
	Profit/(Loss) on Sale of Investment	5.76	-
	Purchase of Investments.	(2.79)	(12.39)
	Sale of Investments	11.56	1.57
	Interest Received	3.27	6.07
	Interest Received From IT Refund	0.03	-
	Dividend Received	0.18	0.15
	Subsidy received during the year	21.59	18.56
	Net Cash Flow from Investing Activities	**(81.38)**	**(24.94)**
C.	CASH FLOW FROM FINANCING ACTIVITIES:		
	Proceeds from issues Preferance Warrant / Conversion into Equity Shares	29.11	19.00
	Proceeds from Long Term Borrowings	45.31	12.38
	Proceeds from Short Term Borrowings	0.07	(204.20)
	Dividend Paid including Dividend Tax	(2.99)	(3.00)
	Net cash flow from Financing Activities	**71.50**	**(175.82)**
	Net Increase in cash & Cash Equivalent	**1.80**	**34.89**
	Cash & Cash Equivalents Opening	**332.77**	**297.88**
	Cash & Cash Equivalents Closing	**334.57**	**332.77**

AS PER OUR REPORT OF EVEN DATE ATTACHED

For and on behalf of Board of Directors

For Singh Dikshit & Co.
Chartered Accountants

Ranjish Vishwakarma
[Partner]

Adarsh Jhunjhunwala
Whole-time Director

S.N. Jhunjhunwala
Managing Director

Place: Varanasi
Date: 3rd day of September, 2012

Rohit Jaiswal
Company Secretary

Auditor's Report on Consolidated Financial Statement

To
The Members of
JVL AGRO INDUSTRIES LIMITED

We have audited the attached Consolidated Balance Sheet of JVL Agro Industries Limited (the Company) and its subsidiary (collectively referred to as "the Group") as at 31st March, 2012, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the 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.

We did not audit the financial statements of subsidiary, this financial statements reflect total assets of ₹ 11.55 crore as at 31st December, 2011, total revenue of ₹ 367.73 crore and cash flows amounting to ₹ (0.57) crore for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.

We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, as notified by the Companies (Accounting Standards) Rules, 2006.

Based on our audit as aforesaid, and on consideration of reports of other auditors on the separate financial statements and on the other financial information of the components and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) in the case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at 31stMarch, 2012;

(ii) in the case of the Consolidated Statement of Profit and Loss, of the Profit of the Group for the year ended on that date; and

(iii) in the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

FOR **SINGH DIKSHIT & CO.**
(CHARTERED ACCOUNTANTS)
Firm's ICAI Reg. No.007555C

-SD-
(RANJISH VISHWAKARMA)
PARTNER
M.No. 404363
Firm Registration No. 007555C
Part-5, 1st Floor, South Block
Hathua Market, Chetganj
Varanasi - 221001

Place: Varanasi
Dated: 3rd day of September, 2012

Consolidated Balance Sheet As at 31 March, 2012

(₹ in Crore)

	Note No.	As at 31 March, 2012	As at 31 March, 2011
I. EQUITY AND LIABILITIES			
Shareholders' Fund			
(a) Share Capital	1	14.04	12.84
(b) Reserves & Surplus	2	289.07	211.01
(c) Money received agaist Preferential Warrants	3	25.31	19.00
Non-Current Liabilities			
(a) Long-Term Borrowings	4	81.15	35.84
(b) Deferred Tax Liabilities		22.33	19.97
(c) Other Long Term Liabilities	5	1.56	2.26
Current Liabilities			
(a) Short-Term Borrowings	6	94.74	94.67
(b) Trade Payables	7	777.35	603.42
(c) Other Current Liabilities	8	41.27	32.68
(d) Short-Term Provisions	9	3.00	3.00
TOTAL		1,349.82	1,034.69
II . ASSETS			
Non-Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		151.68	158.38
(ii) Capital Work-in-Progress		94.25	10.39
(b) Non-Current Investments	11	8.90	17.67
(c) Long-Term Loans & Advances	12	40.20	2.33
Current Assets			
(a) Inventories	13	440.67	311.59
(b) Trade Receivables	14	169.89	129.13
(c) Cash & Bank Balances	15	335.15	333.92
(d) Short-Term Loans & Advances	16	109.08	71.28
TOTAL		1,349.82	1,034.69
Contingent Liability & other commitments	17		

The accompaying notes are an integral part of these financial statements

As per our report of even date

For and on behalf of Board of Directors

For Singh Dikshit & Co.
Chartered Accountants
Firm Registration No. 007555C

Ranjish Vishwakarma
[Partner]
M.No. 404363

Adarsh Jhunjhunwala
Whole-time Director

S.N. Jhunjhunwala
Managing Director

Place: Varanasi
Date: 3rd day of September, 2012

Rohit Jaiswal
Company Secretary

Consolidated Statement of Profit and Loss For the year ended 31 March, 2012

(₹ in Crore)

	Note No.	Year ended 31 March, 2012	Year ended 31 March, 2011
INCOME			
I. Income From Operations	18	3,325.96	2,250.38
II. Other Income		9.24	6.13
Total Revenue (I+II)		**3,335.20**	**2,256.51**
EXPENSES			
Cost of Materials Consumed	19	1,652.84	1,507.05
Purchases of Goods Traded	20	1,581.98	646.79
Changes in Inventories	21	(50.83)	(27.50)
Employee Benefits Expense	22	6.00	4.13
Finance Costs	23	21.63	17.50
Depreciation Expense	10	9.64	8.61
Other Expenses	24	60.79	57.67
Total Expenses		**3,282.05**	**2,214.25**
Profit Before Exceptional Items & Tax		**53.15**	**42.26**
Exceptional items	25	20.59	18.56
Profit Before Tax		**73.74**	**60.82**
Tax Expense			
(1) Current tax		(13.67)	(8.32)
(2) MAT Credit		0.27	-
(3) Provision for Tax for Earlier year Written off/provided for		0.01	(0.09)
(4) Deferred Tax		(2.35)	(1.67)
Profit for the Period		**58.00**	**50.74**
Earnings per Equity Share:			
(1) Basic		4.51	3.95
(2) Diluted		4.51	3.95

The accompaying notes are an integral part of these financial statements

As per our report of even date

For and on behalf of Board of Directors

For Singh Dikshit & Co.
Chartered Accountants
Firm Registration No. 007555C

Ranjish Vishwakarma
[Partner]
M.No. 404363

Adarsh Jhunjhunwala
Whole-time Director

S.N. Jhunjhunwala
Managing Director

Place: Varanasi
Date: 3rd day of September, 2012

Rohit Jaiswal
Company Secretary

Significant Accounting Policies on Consolidated Financial Statements

For the reporting period ended 31 March, 2012

1. **Principles of consolidation**

   The consolidated financial statements relate to JVL Agro Industries Limited ('the Company') and its subsidiary Company. The consolidated financial statements have been prepared on the following basis:

   The financial statements of the Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 -"Consolidated Financial Statements"

   The subsidiary is foreign subsidiary, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the exchange fluctuation reserve. The average rate of one US $ for the year is taken ₹ 47.86 ₹ (46.68) and closing rate of one US $ is taken ₹ 50.87 ₹ (44.52) for conversion purpose.

   As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

2. **Other significant accounting policies**

   These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

For Singh Dikshit & Co.
Chartered Accountants
Firm's ICAI Reg. No. 007555C

For and on behalf of Board of Directors

Ranjish Vishwakarma	Adarsh Jhunjhunwala	S.N. Jhunjhunwala
[Partner]	*Whole-time Director*	*Managing Director*
Membership No. 404363		
Firm Registration No. 007555C		
Place: Varanasi		Rohit Jaiswal
Date: 3rd day of September, 2012		*Company Secretary*

Notes to the Consolidated Financial Statements For the reporting period ended 31 March, 2012

(₹ in Crore)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Note 01 SHARE CAPITAL		
A. Authorised Capital:		
20,00,00,000 (20,00,00,000) Equity Shares of ₹ 1/- each	20.00	20.00
5,000, 10% (5,000) Cumulative Red.Pref. Shares of ₹ 100/- each	0.05	0.05
2,50,000, (2,50,000) Cumulative Red.Pref. Shares of ₹ 100/- each	2.50	2.50
	22.55	22.55
B. Issued, subscribed & fully paid up capital :		
14,04,40,000 (12,84,40,000) Equity Shares of ₹ 1/- each (₹ 1/- each)	14.04	12.84
Total	14.04	12.84
C. Reconciliation of number of shares		
Equity Shares :		
Balance as at beginning of the year 12,84,40,000 Equity Shares	128440000	128440000
Add: 1,20,00,000 Preferencial Warrant converted into equity shares of ₹ 1/- each at premium of ₹ 18/- each .	12000000	0
Less: Shares bought back during the year	0	0
Balance as at end of the year	140440000	128440000
D. Rights, preferences and restrictions attached to the shares Equity shares: The company has one class of equity shares having a par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholdings.		
E. Details of equity shares held by shareholders holding more than 5% shares to the aggregate shares in the company	No. of Shares	No. of Shares
a. Nilamber Trexim & Credit Pvt. Ltd. 12.04% (13.17%)	16912900	16912900
b. Jhunjhunwala Oil Mills Ltd. 5.28% (5.78%)	7419000	7419000
c. Jhunjhunwala Gases Pvt. Ltd. 11.45% (12.52%)	16075000	16075000
d. Lotus Global Investments Ltd. 5.92% (6.51%)	8307795	8360000
e. Aryan Multibusiness Pvt. Ltd. 8.54 % (0.00%)	12000000	0

Particulars	As at 31 March, 2012	As at 31 March, 2011
Note 02 RESERVE & SURPLUS		
A. General Reserve :		
Balance as at the beginning of the year	17.16	13.16
Add: Addition during the year	5.00	4.00
Balance as at the end of the year	22.16	17.16
B. Capital Reserve :		
Balance at the beginning of the year	14.72	0.82
Add: Capital Subsidy	21.59	18.56
Less: Withdrawn to Statement of Profit & Loss	(21.59)	(18.56)
Add: Transferred from surplus in Statement of Profit & Loss	14.32	13.90
	29.04	14.72
C. Securities Premium Account :		
Balance as at the beginning of the year	40.95	40.95
Add: Addition during the year	21.60	0.00
(12000000 Preferential Warrant converted into equity shares of ₹ 1/- each at premium of ₹ 18/- each)		
Balance as at the end of the year	62.55	40.95

Notes to the Consolidated Financial Statements For the reporting period ended 31 March, 2012

(₹ in Crore)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Note 02 RESERVE & SURPLUS *(Contd.)*		
D. Foreign Currency Transalation Reserve	0.82	(0.63)
E. Surplus in Statement of Profit & Loss		
Balance as at the beginning of the year	138.81	108.97
Add: Profit for the year	58.00	50.74
Less: Appropriations		
Transferred to General Reserve	(5.00)	(4.00)
Transferred to Capital Reserve Reserve	(14.32)	(13.90)
Proposed Final Dividend on Equity Shares	(2.57)	(2.57)
[per shares ₹ 0.20 (₹ 0.20)]		
Dividend Distribution Tax	(0.42)	(0.43)
Balance as at the end of the year	174.50	138.81
Total (A+B+C+D+E)	289.07	211.01

Note 03 PREFERENTIAL WARRANT		
Money Received against Preferential Warrant		
39,50,000 Preferential Warrant (40,00,000) of ₹ 190/- each (Each warrant is convertible into 10 equity shares of ₹ 1/- each at a premium of ₹ 18/- each. During the year company has converted 12,00,000 nos. of warrants into 1,20,00,000 equity shares of ₹ 1/- each at the premium of ₹ 18/- each and 50,000 nos. of warrant has been cancelled. Out of total Application Money received upto year end, ₹ 19.85 Crore has been received from promoter group.)	25.31	19.00
Total	25.31	19.00

Note 04 LONG-TERM BORROWINGS		
Secured Term Loans from banks	96.05	53.89
Less: Current Maturity of Long Term Borrowings	14.90	18.05
Balance of Above	81.15	35.84

Note 05 OTHER LONG TERM LIABILITIES		
Security Deposits	1.56	2.26
Total	1.56	2.26

Note 06 SHORT TERM BORROWINGS		
Secured Loans :		
A. Cash Credit Limit From Banks	43.64	43.87
B. IDBI Bank Ltd.	25.00	10.00
C. Loan Against Fixed Deposits Receipt From Bank	11.45	12.79
D. From Bank against loan to Agriculturist	0.00	10.00
Unsecured Loans		
From Banks	14.65	18.01
Total	94.74	94.67

Notes to the Consolidated Financial Statements For the reporting period ended 31 March, 2012

(₹ in Crore)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Note 07 TRADE PAYABLES		
(i) Total Outstanding dues of Micro, Small & Medium Enterprises	1.20	2.22
(Due for purchases)		
(ii) Total outstanding dues of creditors other than above		
Sundry Creditors	776.15	601.20
(For Goods, Expenses & Other Finance)		
Total	**777.35**	**603.42**
Note 08 OTHER CURRENT LIABILITIES		
Advance from Customers	21.04	13.48
TDS Payable	0.86	0.62
Dividend Payable	0.22	0.19
Other Current Liabilities	19.15	18.39
Total	**41.27**	**32.68**
Note 09 SHORT-TERM PROVISIONS		
Provision For Wealth Tax	0.01	0.00
Provision For Dividend	2.57	2.57
Dividend Distribution Tax	0.42	0.43
Total	**3.00**	**3.00**

Note 10 TANGIBLE FIXED ASSETS

(₹ in Crore)

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	Opening as on 01.04.2011	Addition	Sale / Transfer	Closing as on 31.03.2012	Up to 31.03.2011	For the Year	Sale / Adjustment	Total Upto 31.03.2012	As on 31.03.2012	As on 31.03.2011
Land (Free Hold)	2.28	-	-	2.28	-	-	-	-	2.28	2.28
Land (Lease Hold)	3.26	-	-	3.26	-	-	-	-	3.26	3.26
Buildings	21.01	0.51	-	21.52	2.25	0.71	-	2.96	18.56	18.76
Plant & Machinery	148.59	1.40	-	149.99	27.86	7.85	-	35.71	114.28	120.73
Office Equipments	1.12	0.33	-	1.45	0.30	0.12	-	0.42	1.03	0.82
Furniture & Fittings	0.21	0.02	-	0.23	0.08	0.01	-	0.09	0.14	0.13
Vehicles	1.34	0.68	-	2.02	0.68	0.17	-	0.85	1.17	0.66
Turbine	14.80	-	-	14.80	3.06	0.78	-	3.84	10.96	11.74
(Co Generation System along with Pressure Boiler)										
Total of Tangible Assets	192.61	2.94	-	195.55	34.23	9.64	-	43.87	151.68	158.38
Previous Year	153.81	38.97	0.17	192.61	25.72	8.61	0.10	34.23	158.38	-
Capital Work In Progress :										
- Naupur, Alwar & Pahleza Unit	-	11.98	-	11.98	-	-	-	-	11.98	-
- Alwar Oil Mills	-	3.15	-	3.15	-	-	-	-	3.15	-
- Haldia Project	10.39	68.73	-	79.12	-	-	-	-	79.12	10.39
Total of Capital Work in Progress	10.39	83.86	-	94.25	-	-	-	-	94.25	10.39
Previous Year	10.39	-	-	10.39	-	-	-	-	10.39	-
Total of Fixed Assets	203.00	86.80	-	289.80	34.23	9.64	-	43.87	245.93	168.77
Previous Year	164.20	38.97	0.17	203.00	25.72	8.61	0.10	34.23	168.77	-

Notes to the Consolidated Financial Statements For the reporting period ended 31 March, 2012

(₹ in Crore)

Particulars	Reporting Period ended on 31 March, 2012		Reporting Period ended on 31 March, 2011	
	No. of Shares/Units	Amount	No. of Shares/Units	Amount
Note 11 NON-CURRENT INVESTMENTS				
A. Unquoted				
Investment in Equity				
i. Trade Investments				
Other	2668799.00	2.30	2388439.00	1.67
ii. Non Trade Investments				
Other	9000.00	0.45	0.00	0.00
B. Quoted				
i. Non Trade Investments				
Investment in Equity	657148.00	5.62	995373.00	5.55
Investment in Mutual Fund :	617231.55	0.53	4744728.05	10.45
Total		**8.90**		**17.67**
Disclosure as per Revised Schedule VI				
a. Aggregate Amount of Quoted Investments		6.15		16.00
b. Aggregate Amount of un - Quoted Investment		2.75		1.67
c. Aggregate Provision for Diminution in Value of Investment		0.00		0.00
d. Aggregate Market Value of Quoted Investments		9.66		22.39

*Indo Rama Synthetics (India) Ltd ₹ 46047.00 (₹ 46047.00)
**Tata Tele Services ₹ 34300.00 (₹ 34300.00)

(₹ in Crore)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Note 12 LONG-TERM LOANS & ADVANCES		
Unsecured, Considered Good		
Capital Advances	34.18	0.00
Loans	0.38	0.38
Advance Income Tax & TDS (Net of Provision)	4.22	0.56
Security Deposits	1.42	1.39
Total	**40.20**	**2.33**

Note 13 INVENTORIES		
(As Taken, Valued & Certified by the Management)		
Raw Materials (Including in Transit)	288.75	206.00
Finished Products	39.92	67.45
Trading Goods	83.36	0.47
Stock in Process	12.71	17.24
Packing Material, Stores & Chemicals	15.93	20.43
Total	**440.67**	**311.59**

Notes to the Consolidated Financial Statements For the reporting period ended 31 March, 2012

(₹ in Crore)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Note 14 TRADE RECEIVABLES		
A. Above Six Months (from the due dates)		
Un - Secured Considered Good	17.99	18.75
Considered Doubtful	3.11	0.00
Less: Provision for Doubtful Debts	(1.00)	0.00
Total	20.10	18.75
B. Others		
Un - Secured Considered Good	149.79	110.38
Considered Doubtful	0.00	0.00
Less: Provision for Doubtful Debts	0.00	0.00
Total	149.79	110.38
Total (A+B)	169.89	129.13

Particulars	As at 31 March, 2012	As at 31 March, 2011
Note 15 CASH AND BANK BALANCES		
i. Cash & Cash Equivalent		
Cash In Hand	0.44	0.27
Balance with Scheduled Bank		
- In Current Accounts	81.02	51.35
Total	81.46	51.62
ii. Other Bank Balances		
With Scheduled Banks:		
- In Fixed Deposit Accounts	152.37	216.83
- In Dividend Account	0.22	0.19
- Margin Money Account	101.10	65.28
Total	253.69	282.30
Total (i+ii)	335.15	333.92

Particulars	As at 31 March, 2012	As at 31 March, 2011
Note 16 SHORT-TERM LOANS & ADVANCES		
Unsecured, Considered Good		
Advances	108.50	71.28
Prepaid Expenses	0.58	0.00
Total	109.08	71.28

Particulars	As at 31 March, 2012	As at 31 March, 2011
Note 17 CONTINGENT LIABILITY & OTHER COMMITMENTS		
Claim against the company not acknowledged as debts:		
Trade Tax Liability under appeal before H'ble High Court, Allahabad	0.36	0.36
Excise Demand at different stage at H'ble High Court, Allahabad	0.03	0.03
Entry Tax demand under appeal before H'ble Supreme Court for different years for which Bank Guarantee given by the company	0.64	0.52
Excise Duty on Fatty Acid not paid for different years under appeal at Appelate Tribunal, Custom, Excise & Service Tax, New Delhi.	1.24	0.00

Notes to the Consolidated Financial Statements For the reporting period ended 31 March, 2012

(₹ *in Crore)*

Particulars	Year ended 31 March, 2012	Year ended 31 March, 2011
Note 18 REVENUE FROM OPERATIONS		
Sale of Products	3325.96	2250.38
Total	**3325.96**	**2250.38**

Particulars	Year ended 31 March, 2012	Year ended 31 March, 2011
Note 19 COST OF MATERIAL CONSUMED		
Raw Material Consumed	1558.14	1419.89
Chemical Consumed	3.00	3.13
Packing Material Consumed	91.70	84.03
Total	**1652.84**	**1507.05**
(Cost of Raw Material Consumed includes direct expenses)		

Particulars	Year ended 31 March, 2012	Year ended 31 March, 2011
Note 20 PURCHASES OF GOODS TRADED		
Imported Oils	1580.89	642.85
Vanaspati	0.00	0.53
Others	1.09	3.41
Total	**1581.98**	**646.79**

Particulars	Year ended 31 March, 2012	Year ended 31 March, 2011
Note 21 CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND GOODS TRADED		
Closing Stock		
Stock in Process	12.71	17.24
Finished Products	39.92	67.45
Goods Traded	83.36	0.47
Total (A)	**135.99**	**85.16**
Less: Opening Stock		
Stock in Process	17.24	5.53
Finished Products	67.45	50.61
Goods Traded	0.47	1.52
Total (B)	**85.16**	**57.66**
Total (B – A)	**(50.83)**	**(27.50)**

Particulars	Year ended 31 March, 2012	Year ended 31 March, 2011
Note 22 EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages, Bonus, etc.	5.44	3.56
Contribution to Provident Fund	0.36	0.25
Employee Welfare Expenses	0.20	0.32
Total	**6.00**	**4.13**

Notes to the Consolidated Financial Statements For the reporting period ended 31 March, 2012

(₹ in Crore)

Particulars	Year ended 31 March, 2012	Year ended 31 March, 2011
Note 23 FINANCE COSTS		
(a) Interest to Bank	14.52	13.66
(b) Interest to Other	0.17	0.18
(c) Bank Charges	6.93	3.65
(d) Lease Rent	0.01	0.01
Total	**21.63**	**17.50**

Particulars	Year ended 31 March, 2012	Year ended 31 March, 2011
Note 24 OTHER EXPENSES		
Consumption of Stores, Spares	0.78	0.35
Power & Fuel	45.47	43.84
Repairs & Maintenance	0.55	0.61
Legal Expenses	0.05	0.06
Travelling Expenses	1.08	0.87
Conveyance Expenses	0.41	0.31
Insurance	0.51	0.54
Rates & Taxes	0.15	0.14
Auditor Fees	0.07	0.07
Postage, Telegram & Telephone	0.52	0.52
Repairs to Others	0.12	0.16
Printing & Staionery	0.24	0.22
Miscellaneous Expenses	1.27	1.15
Other Operating Expenses	0.72	0.28
Professional & Consultancy Charge	0.58	0.86
Loss on sale of Fixed Assets *	0.00	0.00
Brokerge & Commission (Net)	6.60	6.21
Advertisement & Publicity	0.31	0.25
Selling Expenses	0.65	0.68
Rent	0.54	0.55
Prior Period Expenditure	0.17	0.00
* (Previous Year - Loss On Sale Of Fixed Assets ₹ 7953.48)		
Total	**60.79**	**57.67**

Particulars	Year ended 31 March, 2012	Year ended 31 March, 2011
Note 25 EXCEPTIONAL ITEM		
Withdrawn from Capital Reserve	21.59	18.56
Provision For Doubtful Debts	(1.00)	0.00
Total	**20.59**	**18.56**

Notes to the Consolidated Financial Statements For the reporting period ended 31 March, 2012

(₹ in Crore)

Particulars	Year ended 31 March, 2012	Year ended 31 March, 2011
Note 26 EARNING PER SHARES		
Net Profit atributable to equity shareholders	58.00	50.74
weightage Average Number of share used as denominators for calculating earning per share	128472877	128440000
Basic & Diluted Earning Per Shares	4.51	3.95
Face Value of Shares	1	1

Note 27 THE SUBSIDIARY COMPANY CONSIDERED IN CONSOLIDATED FINANCIAL STATEMENTS IS:

Name of Subsidiary	Contry of Incorporation	Extent of Holding
1. JVL Overseas Pte. Ltd.	Singapore	100%

Note 28 FINANCIAL INFORMATION OF SUBSIDIARY COMPANY

Name of Subsidiary Company	JVL Overseas Pte. Ltd.
Reporting Currency	US Dollor
Financial Year Ending	31.12.2011
Total Assets	11.55
Total Liabilities	11.55
Capital	2.05
Reserves	2.54
Turnover	367.73
Profit Before Tax	1.21
Provision for Tax	0.10
Profit After Tax	1.11
Proposed Dividend	-
	(Amounts are in INR crore)

Notes to the Consolidated Financial Statements For the reporting period ended 31 March, 2012

(₹ in Crore)

Particulars	Nature of Transaction	Year ended 31 March, 2012	Year ended 31 March, 2011
Note 42 RELATED PARTY DISCLOSURE			
Disclosure of transaction between Company and Related Parties			
i. Key Managerial personnel & their Relative			
D.N. Jhunjhunwala	Director Remuneration	0.16	0.16
	Rent	0.01	0.01
S. N. Jhunjhunwala	Director Remuneration	0.18	0.17
Adarsh Jhunjhunwala	Director Remuneration	0.15	0.13
ii. Relative of Key Managerial Personnel			
Anju Jhunjhunwala	Rent	0.03	0.03
Kishori Devi Jhunjhunwala	Salary	0.03	0.03
Juhi Jhunjhunwala	Salary	0.02	0.02
S. N. Jhunjhunwala HUF	Rent	0.03	0.03
iii. Other Related Companies			
Jhunjhunwala Gases Pvt. Ltd.	Lease Rent	0.01	0.01
	Raw & Packing Material Purchase	1.87	12.23
	Sales		2.77
Jhunjhunwala Oils Mills Ltd.	Raw Material Purchase	1.34	2.28
	Sales	3.77	2.03
Nilamber Trexim & Credit Pvt. Ltd.	Handling & Storage	0.18	0.18
	Brokerage	0.00	0.08
iii. Other			
Jhunjhunwala Sewa Society	Bus Rent	0.01	0.01

As per our report of even date

For and on behalf of Board of Directors

For Singh Dikshit & Co.
Chartered Accountants
Firm Registration No. 007555C

Ranjish Vishwakarma
[Partner]
M.No. 404363

Adarsh Jhunjhunwala
Whole-time Director

S.N. Jhunjhunwala
Managing Director

Place: Varanasi
Date: 3rd day of September, 2012

Rohit Jaiswal
Company Secretary

Consolidated Cash Flow Statement For the year ended 31 March, 2012

(₹ in Crore)

		Year ended 31 March, 2012	Year ended 31 March, 2011
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net Profit before Tax & extraordinary items	73.74	60.82
	Adjustments for:		
	Depreciation	9.64	8.61
	Interest Paid	14.69	13.84
	Interest Received	(3.27)	(6.07)
	Interest Received From IT Refund	(0.03)	-
	Dividend Received	(0.18)	(0.15)
	Profit/(Loss) on Sale of Investment	(5.76)	0.19
	Provision For Doubtful Debts	1.00	-
	Operational Profit before working capital changes	**89.83**	**77.24**
	Trade & Other Receivable	(82.25)	(20.68)
	Inventories	(129.08)	(87.66)
	Trade Payables	184.18	310.43
	Surplus (Deficit)on foreign currency transalation on consolidation of subsidiary	1.45	(0.10)
	Net cash from Operating Activities	**64.13**	**279.23**
	Interest paid	(14.69)	(13.84)
	Direct Taxes Paid	(13.39)	(8.41)
	Cash Flow before Extra ordinary Items.	36.05	256.98
	Extra Ordinary Iterms Deferred Tax	(2.36)	(1.67)
	Subsidy received during the year	(21.59)	(18.56)
	Provision For Doubtful Debts	(1.00)	-
	Net Cash Flow from Operating Activities.	**11.10**	**236.75**
B.	CASH FLOW FROM INVESTING ACTIVITIES:		
	Purchase of Fixed Assets (Including CWIP & Capital Advance)	(120.97)	(38.97)
	Sale Of Fixed Assets		0.07
	Profit/(Loss) on Sale of Investment	5.76	-
	Purchase of Investments.	(2.79)	(12.39)
	Sale of Investments	11.56	1.57
	Interest Received	3.27	6.07
	Interest Received From IT Refund	0.03	-
	Dividend Received	0.18	0.15
	Subsidy received during the year	21.59	18.56
	Net Cash Flow from Investing Activities	**(81.37)**	**(24.94)**
C.	CASH FLOW FROM FINANCING ACTIVITIES:		
	Proceeds from issues Preferance Warrant / Conversion into Equity Shares	29.11	19.00
	Proceeds from Long Term Borrowings	45.31	12.38
	Proceeds from Short Term Borrowings	0.07	(204.20)
	Dividend Paid including Dividend Tax	(2.99)	(3.00)
	Net cash flow from Financing Activities	**71.50**	**(175.82)**
	Net Increase in cash & Cash Equivalent	**1.23**	**35.99**
	Cash & Cash Equivalents Opening	**333.92**	**297.93**
	Cash & Cash Equivalents Closing	**335.15**	**333.92**

AS PER OUR REPORT OF EVEN DATE ATTACHED

For and on behalf of Board of Directors

For Singh Dikshit & Co.
Chartered Accountants

Ranjish Vishwakarma
[Partner]

Adarsh Jhunjhunwala
Whole-time Director

S.N. Jhunjhunwala
Managing Director

Place: Varanasi
Date: 3rd day of September, 2012

Rohit Jaiswal
Company Secretary

Notes

Notes

JVL AGRO INDUSTRIES LIMITED

Regd Off: Jhunjhunwala Bhawan, Nati Imli

Varanasi - 221 001

NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the members of JVL Agro Industries Limited will be held on Saturday, September 29, 2012 at 4.00 P.M. at Hotel Radisson, 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, 2012 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, 2012.
3. To reappoint Mr. S. N. Jhunjhunwala, Director who retires by rotation and being eligible offers himself for reappointment.
4. To reappoint Dr. S. K. Dikshit, Director who retires by rotation and being eligible offer himself by re-appointment.
5. Resolved that M/s Singh Dikshit & Company, Chartered Accountant be and is hereby appointed as Statutory Auditor 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 Audit Committee, exclusive of travelling and other out-of-pocket expenses.

Special Business:

6. **Modification in the terms of remuneration payable to Mr. S. N. Jhunjhunwala, Managing Director**

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

   "RESOLVED THAT in partial modification to the Resolution No.8 passed at the 21st Annual General Meeting of the Company held on September 30, 2010, pursuant to the recommendation of the Remuneration Committee and in accordance with the provisions of Sections 198, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactments thereof, for the time being in force) and subject to the limits specified in Schedule XIII to the said Act, the consent of the Company be and is hereby accorded to the payment of enhanced remuneration to Mr. S. N. Jhunjhunwala, the Managing Director of the Company with effect from October 1, 2012 for the remaining of the tenure of his office .i.e. the period of five years term up to September 30, 2013, with the liberty to the Board of Directors (in case of inadequacy profit / loss) to alter and vary the terms and conditions including the remuneration so as not to exceed the limits specified in the Schedule XIII of the Companies Act,1956, as set out in the explanatory statement to the notice convening this meeting, a copy of which had been duly initiated by the Chairman for identification is placed before the meeting.

   "RESOLVED FURTHER THAT the aggregate amount of remuneration payable to Mr. S. N. Jhunjhunwala in a particular financial year will be subject to the overall ceiling laid down in Sections 198 and 309 read with Schedule XIII of the Companies Act, 1956."

   "RESOLVED FURTHER THAT in case the Company has inadequate profit or loss, the remuneration would be restricted to maximum remuneration provided under Schedule XIII of the Companies Act, 1956."

7. **Modification in the Terms of Remuneration Payable to Mr. Adarsh Jhunjhunwala, Wholetime Director**

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

   "RESOLVED THAT in partial modification to the Resolution No.9 passed at the 21st Annual General Meeting of the Company held on September 30, 2010, pursuant to the recommendation of the Remuneration Committee and in accordance with the provisions of Sections 198,309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactments thereof, for the time being in force) and subject to the limits specified in Schedule XIII to the said Act, the consent of the Company be and is hereby accorded to the payment of enhanced remuneration to Mr. Adarsh Jhunjhunwala, the Wholetime Director of the Company with effect from October 1, 2012 for the remaining of the tenure of his office.i.e. the period of five years up to September 30, 2013, with the liberty to the Board of Directors (in case of inadequacy profit / loss) to alter and vary the terms and conditions including the remuneration so as not to exceed the limits specified in the Schedule XIII of the Companies Act,1956, as set out in the explanatory statement to the notice convening this meeting, a copy of which had been duly initiated by the Chairman for identification is placed before the meeting.

"RESOLVED FURTHER THAT the aggregate amount of remuneration payable to Mr. Adarsh Jhunjhunwala in a particular financial year will be subject to the overall ceiling laid down in Sections 198 and 309 read with Schedule XIII of the Companies Act, 1956."

"RESOLVED FURTHER THAT in case the Company has inadequate profit or loss, the remuneration would be restricted to maximum remuneration provided under Schedule XIII of the Companies Act, 1956."

8. Modification in the terms of remuneration payable to Mr. D. N Jhunjhunwala, Executive Chairman

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

"RESOLVED THAT in partial modification to the Resolution No.9 passed at the 19th Annual General Meeting of the Company held on September 30, 2008, pursuant to the recommendation of the Remuneration Committee and in accordance with the provisions of Sections 198, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactments thereof, for the time being in force) and subject to the limits specified in Schedule XIII to the said Act, the consent of the Company be and is hereby accorded to the payment of enhanced remuneration to Mr. D. N. Jhunjhunwala, the Executive Chairman of the Company with effect from April 1, 2012 for the remaining of the tenure of his office i.e. the period of five years up to September 30, 2013, with the liberty to the Board of Directors (in case of inadequacy profit / loss) to alter and vary the terms and conditions including the remuneration so as not to exceed the limits specified in the Schedule XIII of the Companies Act,1956, as set out in the explanatory statement to the notice convening this meeting, a copy of which had been duly initiated by the Chairman for identification is placed before the meeting.

"RESOLVED FURTHER THAT the aggregate amount of remuneration payable to Mr. D. N. Jhunjhunwala in a particular financial year will be subject to the overall ceiling laid down in Sections 198 and 309 read with Schedule XIII of the Companies Act, 1956."

"RESOLVED FURTHER THAT in case the company has inadequate profit or loss, the remuneration would be restricted to maximum remuneration provided under Schedule XIII of the Companies Act, 1956."

By order of the Board of Directors

Sd/-

Place: Varanasi
Date: September 3, 2012

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 Unclaimed/ Unencashed dividends for the financial year (2004-05) shall be transferred by the company, to Investor Education and Protection Fund (IEPF) constituted by the Central Government under applicable provisions of the companies Act, 1956.

   Please note that under the amended provisions of Sections 205B of the Companies Act, 1956 no claim shall lay for the unclaimed dividend from IEPF by the shareholders.

   Shareholders who have not encashed the dividend warrant(s) for the above year are therefore, requested to approach the company for issue of duplicate in lieu thereof by surrendering the original warrant(s).

3. The register of members and the share transfer books of the Company will remain closed from 24/09/2012 to 29/09/2012 (both days inclusive)

4. Additional information in terms of clause 49 of the listing agreement in respect of Directors being reappointed is as under:

A) MR. S.N. JHUNJHUNWALA -.

- Date of birth: April 24, 1957
- Date of appointment: November 17, 1989
- Area of functional expertise: Industrialist
- Mr. S.N. Jhunjhunwala is Director of the Company and is Commerce Graduate and he has 29 years of experience in solvent extraction, oil refining and vanaspati manufacturing units. He looks after all the affairs of the Company.
- Qualification: B.Com
- Directorship held in other companies:
  (1) Hari Fertilizers Limited
  (2) JVL Overseas Pte. Ltd., Singapore
- Committee membership: (1) Warrant Allotment Committee
- Shareholding in the Company: 4465780 equity shares of Rs. 1/- each.

B) DR. S.K. DIKSHIT

- Date of birth: July 01, 1946
- Date of appointment: July 10, 2001
- Dr. S.K. Dikshit is a Director of the company. By profession he is a doctor.
- He has an expertise in herbal products, medical science and in other health-related products.
- Directorship held in other companies: None
- Committee Membership:
  (1) Audit Committee,
  (2) Remuneration Committee
  (3) Shareholders / Investors Grievance Committee
- Shareholdings in the Company: None

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

ITEM NO. 6

At the 21st Annual General Meeting of the Company held on September 30, 2010 the shareholders had approved the appointment of and terms of remuneration payable to Mr. S. N. Jhunjhunwala as Managing Director of the Company for a period of five years with effect from October 1, 2008. During the tenure of Mr. S.N. Jhunjhunwala, the Company has made considerable progress in all the spheres and has since acquired a good reputation in its business. The services rendered by the person with such rich experience of the corporate world will benefit the Company and with such increase in responsibilities shouldered, it is deemed appropriate to increase their remuneration as set out in the Resolution. Thus pursuant to the recommendation of the Remuneration Committee and subject to approval of the shareholders, the Board of Directors have decided to modify the terms of remuneration payable to Mr. S. N. Jhunjhunwala, Managing Director, as set out hereunder:

Subject to the performance of the duties and obligations as that part of the Managing Director, the Company shall during his tenure, pay him by way of his remuneration for the services as follows:

(A) Salary Rs. 2,00,000/- per month only.

(B) Free medical hospital treatment for him and his entire family subject to direct payment of actual bills.

(C) Travelling expenses for air-conditioned railway travel or via flight for a holiday anywhere in India, once a year for himself and his family.

(D) Reimbursement of club bills including membership subscription in respect of clubs.

(E) Personal accident and health insurance policy of an amount, the annual premium for which not to exceed to Rs.30, 000/- p.a. including family.

(F) Leave on full pay and allowance at the rate as allowable to other senior employees of the Company in term of companies leave rules not exceeding one month leave for every 11 months of service.

(G) Free use of a car operated and maintained by the Company with driver, the monetary value of which may be evaluated as per Income Tax Rules, in force for the time being.

(H) Free telephone and mobile facility at residence. Provision of car for use on companies business and telephone and mobile at residence will not be considered as perquisites.

(I) The total remuneration as mentioned in (A) to (H) above shall not exceed from the limits as applicable to the Company, under Schedule XIII of the Companies Act, 1956 from time to time.

(J) Contribution to provident fund, super annuation fund, annuity fund to the extent either singly or put together are not taxable under Income Tax Act, 1961.

(K) Gratuity payable at the rate not exceeding half a month salary for each completed years of service.

(L) Encashment of leave at the end of his tenure.

It is further added here that in no circumstances the remuneration shall exceed the minimum remuneration as prescribed in Schedule XIII of the Companies Act, 1956.

The shareholders of the Company are requested to accord their approval for the modification in the terms of remuneration payable to Mr. S. N. Jhunjhunwala, Managing Director, by passing the same as Ordinary Resolution

None of the Directors, except Mr. D. N. Jhunjhunwala, Mr. S. N. Jhunjhunwala, and Mr. Adarsh Jhunjhunwala is interested in the said resolution.

This may be treated an abstract of variation in terms and conditions under section 301 of Companies Act, 1956.

ITEM NO. 7

At the 21st Annual General Meeting of the Company held on September 30, 2010 the shareholders had approved the appointment of and terms of remuneration payable to Mr. Adarsh Jhunjhunwala as Wholetime Director of the Company for a period of five years with effect from October 1, 2008. During the tenure of Mr. Adarsh Jhunjhunwala, the Company has made considerable progress in all the spheres and has since acquired good reputation in its business. The services rendered by the person with such rich experience of the corporate world will benefit the Company and with such increase in responsibilities shouldered, it is deemed appropriate to increase their remuneration as set out in the Resolution Thus pursuant to the recommendation of the Remuneration Committee and subject to approval of the shareholders, the Board of Directors have decided to modify the terms of remuneration payable to Mr. Adarsh Jhunjhunwala, Wholetime Director, as set out hereunder:

Subject to the performance of the duties and obligations as that part of the Wholetime Director, the Company shall during his tenure, pay him by way of his remuneration for the services as follows: -

(A) Salary Rs. 1, 50,000/- per month only.

(B) Free medical hospital treatment for him and his entire family subject to direct payment of actual bills.

(C) Travelling expenses for air-conditioned railway travel or via flight for a holiday anywhere in India, once a year for himself and his family.

(D) Reimbursement of club bills including membership subscription in respect of clubs.

(E) Personal accident and health insurance policy of an amount, the annual premium for which not to exceed to Rs.20, 000/- p.a.

(F) Leave on full pay and allowance at the rate as allowable to other senior employees of the Company in term of companies leave rules not exceeding one month leave for every 11 months of service.

(G) Free use of car operated and maintained by the Company with driver, the monetary value of which may be evaluated as per Income Tax Rules, in force for the time being.

(H) Free telephone and mobile facility at residence. Provision of car for use on companies business and telephone and mobile at residence will not be considered as perquisites.

(I) The total remuneration as mentioned in (A) to (H) above shall not exceed from the limits as applicable to the Company, under Schedule XIII of the Companies Act, 1956 from time to time.

(J) Contribution to provident fund, super annuation fund, annuity fund to the extent either singly or put together are not taxable under Income Tax Act, 1961.

(K) Gratuity payable at the rate not exceeding half a month salary for each completed years of service.

(L) Encashment of leave at the end of his tenure.

It is further added here that in no circumstances the remuneration shall exceed the minimum remuneration as prescribed in Schedule XIII of the Companies Act, 1956.

The shareholders of the Company are requested to accord their approval for the modification in the terms of remuneration payable to Mr. Adarsh Jhunjhunwala, Whole-time Director, by passing the same as Ordinary Resolution.

This may be treated an abstract of variation in terms and conditions under section 301 of Companies Act, 1956.

None of the Directors, except Mr. D. N. Jhunjhunwala, Mr. S. N. Jhunjhunwala, & Mr. Adarsh Jhunjhunwala is interested in the said resolution.

ITEM NO. 8

At the 19th Annual General Meeting of the company held on September 30, 2008, the Shareholders had approved the appointment of and terms of remuneration payable to Mr. D. N. Jhunjhunwala as Executive Chairman of the Company for a period of five years with effect from October 1, 2008. During the tenure of Mr. D. N. Jhunjhunwala, the Company has made considerable progress in all the spheres and has since acquired good reputation in its business. The services rendered by the person with such rich experience of the corporate world will benefit the Company and with such increase in responsibilities shouldered, it is deemed appropriate to increase their remuneration as set out in the Resolution Thus pursuant to the recommendation of the Remuneration Committee and subject to approval of the shareholders, the Board of Directors have decided to modify the terms of remuneration payable to Mr. D. N. Jhunjhunwala, Executive Chairman, as set out hereunder:

Subject to the performance of the duties & obligations as that part of the Executive Chairman, the company shall during his tenure, pay him by way of his remuneration for the services as follows: -

(A) Salary Rs. 1,55,000/- per month only.

(B) Free medical hospital treatment for him and his entire family subject to direct payment of actual bills.

(C) Travelling expenses for air-conditioned railway travel or via flight for a holiday anywhere in India, once a year for himself and his family.

(D) Reimbursement of club bills including membership subscription in respect of clubs.

(E) Personal accident and health insurance policy of an amount, the annual premium for which not to exceed to Rs.30,000/- p.a. including family.

(F) Leave on full pay and allowance at the rate as allowable to other senior employees of the Company in term of companies leave rules not exceeding one month leave for every 11 months of service.

(G) Free use of car operated and maintained by the Company with driver, the monetary value of which may be evaluated as per Income Tax Rules, in force for the time being.

(H) Free telephone and mobile facility at residence. Provision of car for use on companies business and telephone and mobile at residence will not be considered as perquisites.

(I) The total remuneration as mentioned in (A) to (H) above shall not exceed from the limits as applicable to the company, under Schedule XIII of the Companies Act, 1956 from time to time.

(J) Contribution to provident fund, super annuation fund, annuity fund to the extent either singly or put together are not taxable under Income Tax Act, 1961.

(K) Gratuity payable at the rate not exceeding half a month salary for each completed years of service.

(L) Encashment of leave at the end of his tenure.

It is further added here that in no circumstances the remuneration shall exceed the minimum remuneration as prescribed in Schedule XIII of the Companies Act, 1956.

The shareholders of the company are requested to accord their approval for the modification in the terms of remuneration payable to Mr. D. N. Jhunjhunwala, Executive Chairman, by passing the same as Special Resolution.

This may be treated an abstract of variation in terms and conditions under Section 301 of Companies Act, 1956.

None of the Directors, except Mr. D. N. Jhunjhunwala, Mr. S. N. Jhunjhunwala, and Mr. Adarsh Jhunjhunwala is interested in the said resolution.

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

By order of the Board of Directors

Registered Office:
Nati Imli, Varanasi - 221 001

Sd/-

Place: Varanasi
Date: September 3, 2012

Rohit Kumar Jaiswal
Company Secretary

JVL AGRO INDUSTRIES LIMITED

Regd Off: 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 23rd Annual General Meeting of the Company held on September 29, 2012.

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

Signature of the shareholders

Signature of Proxy

Date – September 29, 2012
Time – 4.00 PM
Venue – Hotel Radisson, 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 23rd Annual General Meeting of the Company to be held on September 29, 2012 and at any adjournment thereof

As witness my/our hand(s) this.. day of 2012

Signed by the said ....

Affix Revenue Stamp

Note :
The Proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.

A TRISYS PRODUCT
info@trisyscom.com

JVL Agro Industries Limited

Registered Office

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Varanasi 221001 (U.P.), India

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