



JVL Agro Industries Ltd

(CIN L15140UP1989PLC011396)
(Under Corporate Insolvency Resolution Process)

16th March, 2020

National Stock Exchange of India Ltd
'Exchange Plaza', C-1, Block – G
Bandra – Kurla Complex
Bandra (E), Mumbai 400 051
CODE: JVL AGRO

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001
CODE: 519248

Dear Sirs,

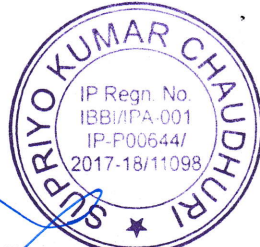
Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (LODR) - Audited Financial Results for Financial Year ended 31st March, 2019

The Resolution Professional and Key Managerial Personnel of the Company in their meeting held to-day have adopted and taken on record audited standalone and consolidated financial results of the Company, for year ended 31st March, 2019 duly audited by its Statutory Auditors, M/s. A K Agrawal & Co.

We request you to kindly take the enclosures on record.

Thanking you,

Yours sincerely,



SUPRIYO KUMAR CHAUDHURI

Resolution Professional for JVL Agro Industries Limited
IP Registration No. IBBI/PA-001 IP/-P00644/2017-18/11098
BDO Restructuring Advisory LLP
C/O BDO India LLP
Floor 4, Duckback House,
41, Shakespeare Sarani,
Kolkata - 700017
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Encl: As Above

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Auditor's Report
on Quarterly Financial Results and Year to Date Results of the Company Pursuant to
the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements)
Regulations, 2015

To

The Management/Resolution Professional
JVL Agro Industries Limited
Varanasi

1. We were engaged to audit the quarterly standalone financial results of **JVL Agro Industries Limited ("the Company")** for the quarter ended **31st March, 2019** and the year to date/yearly results for the period **1st April, 2018 to 31st March, 2019** attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation'). The quarterly financial result for the quarter ended **31st March, 2019** are the derived figures between the audited figures in respect of the year ended **31st March, 2019** and the published year-to-date figures up to **31st December, 2018** being the date of the end of the third quarter of the current financial year, which were subject to limited review. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the Company's management under the direction of Resolution Professional and have been approved by the Resolution Professional with Key Managerial Personnel of the Company. Our responsibility is to express an opinion on these financial results based on our review of the financial results for the nine-month period ended **31st December, 2018** which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting" specified u/s. 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual financial statements as at and for the year ended **31st March, 2019**; and the relevant requirements of Regulation.
2. 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 results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by the management.

We believe that the audit evidence obtained by us are not conclusively sufficient and appropriate and hence we have expressed Disclaimer of Opinion on these Financial Statements.

Basis for Disclaimer of Opinion

1. Material uncertainty relating to Going Concern
 - a) We would like to draw your attention on the fact that application filed by the financial creditor against the Company for initiation of Corporate Insolvency Resolution Process as per the Insolvency & Bankruptcy Code, 2016 was admitted by National Company Law Tribunal (NCLT), Allahabad Bench with effect from 25.7.2018 and Interim Resolution Professional and thereafter, Resolution Professional was appointed and affairs of the Company are being managed by Resolution Professional now. Resolution Professional has filed liquidation application before NCLT.





- b) During the financial year 2018-19, the Company has incurred post tax loss of Rs.921.46 crores (out of which Rs.253.99 crores relates to Pre-CIRP period) and as on 31st March, 2019, the Company has negative retained earnings of Rs.1572.62 crores and negative net worth of Rs.1302.42 crores. Further the company's current liabilities exceed its current assets by Rs.1739.03 crores. On account of its operational and financial position, the Company has delayed payments to various parties and dues to statutory authorities and interest on such delays is not determined.
- c) Out of total Trade Receivables of Rs.132.74 crores, provision for impairment has been made for 128.37 crores and only 4.37 crores has been considered as good (these provisions relate to pre-CIRP period). Further, out of total trade advances of Rs.108.10 crores, provision for doubtful debts has been made for Rs.61.42 crores and only 46.68 crores has been considered as good (these provisions relate to pre-CIRP period).
- d) As informed to us, production at plants has been stopped since more than a year. Above factors might impact the aspect of going concern.
2. We would like to draw your attention to total cost of material consumed booked amounting to Rs.1202.37 crores. Out of this, during our audit of purchases on test basis we found that, purchases of Rs.27.09 crores of RBD Palmolein Oil was not verifiable due to non-availability of any document with the Company in this respect and no entry found in Gate Register maintained in respective plants. All of these purchases were booked from 3 suppliers before CIRP period and no other indigenous purchase of RBD Palmolein Oil were booked from any other suppliers during the whole financial year.
3. We would like to draw your attention to Other Expenses of Rs.278.79 crores which include prior period expenses of Rs.9.29 crores. Out of this, Rs.8.77 crores is related to loss on commodity trading (relates to pre-CIRP period) and Rs.0.26 crores is related to cash balances write off due to physical cash differences with books (relates to pre-CIRP period) and Rs.0.25 crore is related to inventories write off (booked in post-CIRP period). We are not able to comment on these prior period items due to unavailability of proper documents, information and explanations from the management.
4. Records of Alwar Plant of the Company were not made available as it is understood from the management of the Company that the same is under the custody of CBI. Further, sales records of Naupur Plant were also not made available to us due to labour unrest as explained by the management. Thus, we are unable to comment on sales, purchases, other income and expenses booked with respect to Alwar plant and sales booked for Naupur Plant due to unavailability of proper documents and information. Most of the transactions are related to pre-CIRP period in respect of these plants.
5. We would like to draw your attention to Property, Plant & Equipment shown in Standalone Statement of Assets & Liabilities—
- a) Addition of land has been shown at Rs.14.09 cores (relates to pre-CIRP period). This addition of land has been booked on the basis of Patna High Court Order dated 13.10.2011. The said order was made for land of Rs.18.25 cores. However, no registry document has been shown to substantiate the sale and purchase of the said land from the date of order till date. We are not able to comment on this addition relating to financial year 2010-11 and booked in financial year 2018-19 with partial amount due to unavailability of proper documents, information and explanations from the management.





- b) Addition to Plant & Machinery has been shown at Rs.1.75 crores (relates to pre-CIRP period). We are not able to comment on this addition due to unavailability of proper documents, information and explanations from the management in respect of this pre-CIRP period transaction.
- c) Sale of vehicle costing Rs.1.74 crores (relates to pre-CIRP period) has been claimed to be made at Rs.0.45 crore in the books of account and loss on sale of vehicle after depreciation has been booked at Rs.0.31 crores before CIRP period (included in other expenses). No document was made available to us to substantiate the sale of such vehicles. We are not able to comment on these pre-CIRP sale of vehicles due to unavailability of proper documents, information and explanations from the management.
6. We would like to draw your attention to assets and liabilities relating to different taxes applicable on Company. Assets relating to taxes etc. has been shown at Rs.83.66 crores under the group Other Non-Current Assets and liability at Rs.0.34 crores under the group Other Current Liabilities. Apart from this, Custom Duty Liability of Rs.50.94 crores has been grouped in Trade Payable. GST assets and liabilities are not in agreement with the returns filed. Liabilities and assets with respect to other taxes were not fully verifiable. We are not able to comment on these statutory liabilities and assets balances and its impact, if any, on the Standalone Financial Statements due to unavailability of proper documents, information, explanations and reconciliations from the management.
7. We would like to draw your attention to Inventories balance shown at Rs.94.41 crores. As per the company's policy, inventories except scrap should have been valued at lower of cost and net realizable value. During the audit, it has been observed that in many cases, raw material has been valued on the basis of FIFO method instead of Weighted Average Method. During physical verification of stock, it was observed that most of the finished goods has expired. However, finished goods has been valued at market price. Item wise working of net realizable value in any case was not made available to us. We are not able to comment on valuation of inventories due to unavailability of proper documents, information, explanations and reconciliations from the management.
8. On migration of previous software into SAP in earlier years, it resulted into migration difference of Rs.129.08 crores (not related to CIRP period, however, differences are still there in books). End to end reconciliation of these migration differences are not made available to us and these have been adjusted against Working Capital Borrowings, Trade Payables, Trade Receivables and Balance with Bank in current account in Standalone Financial Statements. Due to unavailability of proper reconciliation, we are not able to comment on its impact, if any, on the Standalone Financial Statements.
9. We would like to draw your attention to the balance of Deferred Tax Liability. The Company was supposed to recognize deferred tax liability for the timing differences in depreciation for the financial year 2018-19. We are not able to comment on Deferred Tax Liability shown in Balance Sheet due to unavailability of proper documents, information, explanations and reconciliations from the management.
10. The Company has claimed interest to bank at Rs.53.33 crores (included in Finance Cost). However, the Company has not booked interest charged by Standard Chartered Bank. Had it been booked, finance cost would have increased by Rs.1.86 crores, other expenses for prior period items would have increased by Rs.14.97 crores, Current Maturity of Long term debt would have increased by Rs.6.47 crores (included in Current Financial Liabilities-Other Financial Liabilities) and Working Capital Borrowings would have increased by Rs.10.36 crores (included in Current Financial Borrowings). However, these interest amount are related to pre-CIRP period only. Unlike Standard Chartered Bank, post CIRP period interest has been





also recorded by one way or another. Complete detail of post-CIRP period interest of Standard Chartered Bank is not made available to us by the management, therefore, we are not able to comment on the same.

11. The Company has shown interest to bank at Rs.53.33 crores (included in Finance Cost). The Company has shown Other Advances (Deposits with Government Authorities & Recoverable from Banks etc) at Rs.14.73 crores under the group of Other Non-current assets. This Rs.14.73 crores includes interest/charges charged by bank of Rs.14.32 crores during the year (out of which Rs.7.08 crores relates to post-CIRP period and Rs.7.24 crores relates to pre-CIRP period) and booked in pre-CIRP period. Instead of claiming this interest amount as expenditure, Company has shown it as an asset contending that this is excessive interest charged by bank and should be reversed. Due to unavailability of proper explanation on the same from the management, we are not able to comment on its impact, if any, on the Standalone Financial Statements
12. We would like to draw your attention to Current Financial Liabilities-Borrowings to Statement of Assets & Liabilities shown at Rs.1973.72 crores. As per the reconciliations and closing bank statement/certificate produced to us, banks have credited Rs.354.95 crores in different loan statements, however, the nature of such credit is not properly explained by the management and no accounting treatment has been made in respect of such credits. These amounts are still lying in Bank Reconciliation Statement of different Banks. We are not able to comment on these credits in bank statements and balances of borrowings as per books and its impact, if any on Standalone Financial Statement due to unavailability of proper documents, information and explanations from the management
13. Due to unavailability of reconciliation and confirmation of Trade Receivable, Trade Payable, Trade Advances, we are not able to comment on its impact, if any, on the Standalone Financial Statements. Most of the balances of Trade Receivables and Trade Payable relate to pre-CIRP period transactions. All the Trade Advances are related to pre-CIRP period.
14. Due to unavailability of proper documents, information, explanations and reconciliations from the management, we are not able to comment on the balances shown and its impact, if any, on the Standalone Financial Statements with respect to investment shown in equity of subsidiary and associates, investment in BGR Energy System Ltd., investment in HDFC AMC PMS Mutual Fund (included in Non-current financial asset), Government Grant Receivable (included in Current other financial asset) and Other Advances (included in other non-current asset). All these relate to the pre-CIRP period.

Disclaimer of Opinion

We do not express an opinion on the accompanying Standalone Financial Statements of the Company. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph of this report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion as to whether the accompanying standalone quarterly financial results as well as the year to date results:

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (ii) give a true and fair view of the net **loss** and other financial information of the Company for the quarter ended **31st March, 2019** as well as the year to date results for the period from **1st April, 2018 to 31st March, 2019**.





Emphasis of Matter

We would like to draw your attention to Rs.167.70 crores included in Other Current Assets. As explained to us, it is related to fixed deposit liquidated and appropriated by banks against their letters of credit and demand loan. Resolution Professional of the Company preferred appeal before NCLT against appropriation by banks of Rs.164.25 crores and NCLT has ordered in favor of the Company. As explained to us, rest of Rs.3.45 crores carries the same nature therefore, similar accounting treatment has been made for the rest of Rs.3.45 crores. Thus, this 167.70 crores has been considered as recoverable from Banks and shown here and corresponding loan is included in current financial liabilities-borrowings to Standalone Statement of Assets and Liabilities.

Our opinion is not modified in respect of this matter

For A K Agrawal & Co.
Chartered Accountants
ICAI Firm's Regn. No.018282C

AADESH KUMAR AGRAWAL
Partner
Membership. No. 410473
Kolkata – March 16, 2020
UDIN : 20410473AAAAZ6363

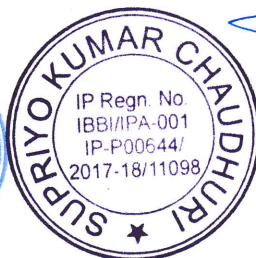


JVL AGRO INDUSTRIES LIMITED
(CIN: L15140UP1989PLC011396)
Regd. Off: Village Tilmapur, Ghazipur Road, Ashapur, Varanasi 221007, (U.P.)
Telephone No.: +91-542-2595930-32, Fax: +91-542-2595941
Standalone Audited Financial Results for the Quarter and Year Ended March 31, 2019

(Rs. in Crore)						
Sr. No.	Particulars	3 month ended 31/03/2019	Preceding 3 month ending 31/12/2018	Corresponding 3 month ended 31/03/2018 in the previous year	Year to date figure for current year ended 31/03/2019 (Unaudited)	Year to date figure for previous year ended 31/03/2018 (Audited)
I	Revenue from Operations	55.77	34.77	840.90	1,187.56	3,190.21
II	Other Income	0.66	0.56	4.66	7.80	17.05
III	Total Income	56.43	35.33	845.56	1,195.36	3,207.26
IV	EXPENSES					
	(a) Cost of Materials Consumed	238.58	47.97	1,072.27	1,202.37	3,188.10
	(b) Purchase of Stock-in-Trade	-	-	49.91	-	102.77
	(c) Changes in Inventories	-19.60	13.67	-13.26	110.53	28.79
	(d) Employees Benefit Expenses	7.15	2.27	3.26	17.48	12.25
	(e) Finance Costs	20.82	7.40	26.87	59.78	93.92
	(f) Depreciation and Amortisation Expenses	5.48	5.07	5.55	20.73	19.80
	(g) Other Expenses	14.83	6.31	42.42	278.79	86.71
	Total Expenses	267.26	82.69	1,187.02	1,689.67	3,532.34
V	Profit Before Tax (III - IV)	-210.83	-47.36	-341.46	-494.31	-325.08
VI	Tax Expenses					
	(a) Current Tax	-	-	-0.85	-	-
	(b) Deferred Tax	427.15	-	-405.35	427.15	-405.35
	Total Tax Expense	427.15	-	-406.20	427.15	-405.35
VII	Profit / (Loss) for the Year (V - VI)	-637.98	-47.36	64.74	-921.46	80.27
VIII	Other Comprehensive Income					
	A (i) Items that will not be reclassified to statement of profit or loss	-	-	-	-	-
	(ii) Income Tax relating to items that will not be reclassified to statement of profit or loss	-	-	-	-	-
	B (i) Items that will be reclassified to statement of profit or loss	-	-	-0.07	-	-
	(ii) Income Tax relating to items that will be reclassified to statement of profit or loss	-	-	-	-	-
	Other Comprehensive Income for the Year	-	-	-0.07	-	-
IX	Total Comprehensive Income / (Loss) for the Year (VII + VIII)	-637.98	-47.36	64.67	-921.46	80.27
	Paid-up Equity Share Capital (Face Value Re 1 each)	16.79	16.79	16.79	16.79	16.79
	Earnings per Equity Share (Face Value Re 1 each)					
	Basic (Rs.)	-37.99	-2.82	3.85	-54.87	4.78
	Diluted (Rs.)	-37.99	-2.82	3.85	-54.87	4.78

There is a time gap between accounting for raw material consumption and recognition of corresponding revenue which has taken place after production of finished goods. Thus on a quarter to quarter basis the revenue and cost of materials have not matched fully in the unaudited financial statement. However the same have been duly reflected and matched in the year end financial statement.

Date : 16.03.2020
Place : Kolkata



[Signature]

Supriyo Kumar Chaudhuri
Resolution Professional

For JVL Agro Industries Limited
(Company Under CIRP)

[Signature]
Ramesh Chandra Garg
Chief Financial Officer



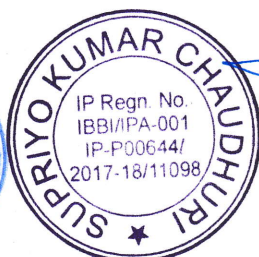
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Standalone Audited Financial Results for the Quarter and Year Ended March 31, 2019
Statement of Assets and Liabilities (Standalone)

		(Rs. in Crore)	
		Audited as at March 31, 2019	Audited as at March 31, 2018
I	ASSETS		
	Non-Current Assets		
	(a) Property, Plant and Equipment	387.96	392.99
	(b) Capital Work-in-Progress	-	0.45
	(c) Other Intangible Assets	0.84	1.40
	(d) Financial Assets		
	(i) Investments	3.78	3.75
	(ii) Loan	-	0.38
	(iii) Other Financial Assets	-	0.34
	(e) Deferred Tax Asset (Net)	-	364.76
	(f) Other Non-Current Assets	110.82	27.31
	Total Non-Current Assets	503.40	791.38
II	Current Assets		
	(a) Inventories	94.41	377.78
	(b) Financial Assets		
	(i) Investments	6.55	6.22
	(ii) Trade Receivables	4.37	168.79
	(iii) Cash and Cash Equivalents	16.47	60.56
	(iv) Bank Balances other than Cash and Cash Equivalents	10.71	81.90
	(vi) Other Financial Assets	110.66	110.74
	(c) Current Tax Assets (Net)	9.64	9.00
	(d) Other Current Assets	214.64	22.50
	Total Current Assets	467.45	837.49
	TOTAL ASSETS	970.85	1,628.87
III	EQUITY AND LIABILITIES		
	Equity		
	(a) Equity Share Capital	16.79	16.79
	(b) Other Equity	-1,319.21	-397.75
	Total Equity	-1,302.42	-380.96
IV	Non-Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	-	7.47
	(ii) Other Financial Liabilities	4.40	5.14
	(b) Deferred Tax Liabilities (Net)	62.40	-
	Total Non-Current Liabilities	66.80	12.61
V	Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	1,973.72	986.12
	(ii) Trade Payables	144.71	961.53
	(iii) Other Financial Liabilities	54.79	47.16
	(b) Other Current Liabilities	33.26	2.41
	Total Current Liabilities	2,206.48	1,997.22
	TOTAL EQUITY AND LIABILITIES	970.85	1,628.87

Notes:

- The above results have been reviewed and taken on record at the RP & KMP meeting of the Company held on 16th March, 2020. The Statutory Auditors of the Company have carried out a Limited Review of the aforesaid results.
- This statement has been prepared in accordance with the Companies Act (Indian Accounting Standard) Rules 2015 (IndAS) prescribed under section 133 of the Companies Act.
- The Company is currently in the Corporate Insolvency Resolution Process vide the order of the Hon'ble NCLT, Allahabad dated 25.7.2018. After the approval of the COC, the NCLT has appointed Mr. Supriyo Kumar Chaudhuri as the Resolution Professional w.e.f. 10.9.2018 in place of IRP Mr. Avishek Gupta
- The previous period figures have not been regrouped / rearranged and are stated as reported in earlier periods.

Date : 16.03.2020
Place : Kolkata



Supriyo Kumar Chaudhuri
Resolution Professional

For JVL Agro Industries Limited
(Company Under CIRP)

Ramesh Chandra Garg
Chief Financial Officer

