



partnership for progress

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: JVLAGRO

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) - Un-audited Financial Results for the quarter and nine months ended 31st December, 2018

The Resolution Professional and Key Managerial Personnel of the Company in their meeting held to-day have adopted and taken on record un-audited standalone financial results of the Company for quarter and nine months ended 31st December, 2018.

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
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41, Shakespeare Sarani,
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Encl: As Above

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To
The Management/Resolution Professional
JVL Agro Industries Limited
Varanasi

LIMITED REVIEW REPORT

1. We were engaged to review the accompanying statement of unaudited financial results of **JVL Agro Industries Limited** (the "Company") for the Quarter and nine months' ended on 31st December, 2018 (the "Statement") being submitted by the Company pursuant to the requirement of Regulation of 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the Listing Regulations).
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34) prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, is the responsibility of the Company's Management under the direction of Resolution Professional and has been approved by the Resolution Professional with Key Managerial Personnel of the Company. Our responsibility is to express a conclusion on the statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. **Basis for Disclaimer of Conclusion**
 - a) The statement has been prepared on going concern basis. However-
 - i. 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.
 - ii. During the nine months' ended 31st December, 2018, the Company has incurred a loss of Rs.283.48 crores and as on 31st December, 2018 the Company has negative retained earnings of Rs.934.64 crores and negative net worth of Rs.664.44 crores. Further the Company's current liabilities exceed its current assets. 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.





iii. The Company has made provision of Rs.128.37 crores for impairment on Trade Receivable (these provisions relate to pre-CIRP period). Further, the Company has made provision of Rs.61.42 crores for doubtful debts on trade advances (these provisions relate to pre-CIRP period). The Company has accumulated losses and has also incurred significant losses during the period under review resulting in substantial erosion of its net worth. Furthermore, defaults in making repayment to the lenders led to downgrading its credit worthiness. Company's current liabilities have substantially exceeded its current assets. As on date, the Company has substantial disputed receivables, which are not readily realizable to service the Company's current liabilities. These conditions indicate the existence of an uncertainty that may cast a doubt on the Company's ability to continue as going concern. The appropriateness of assumption of going concern is dependent upon the Company's efforts to improve productivity and profitability so as to generate positive operating cash flows in future to meet its obligations and to earn profits consistently in future. Currently, there is not enough evidence to support this view.

Above factors might impact the aspect of going concern.

- b) We would like to draw your attention to Cost of Material Consumed at Rs.963.78 cores and Changes in Inventories at Rs.130.13 crores during the nine months' period under review. As per the Company's policy, inventories except scrap should have been valued at lower of cost and net realizable value. During the review, 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 review, it was observed that many 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. Further, in Notes to unaudited financial results, time gap of booking in raw material consumption has been mentioned. We are not able to comment on valuation of inventories and the basis of booking of raw material consumption due to unavailability of proper documents, information, explanations and reconciliations from the management.
- c) We would like to draw your attention to Finance Cost of Rs.38.96 crores and Other Expenses of Rs.263.95 crores during nine months' period under review. 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 (prior period items) would have increased by Rs.14.97 crores. 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.
- d) As the Company is under Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016, further impairment, if any, in the realizable value of the assets of the Company cannot be determined.





5. Disclaimer of Conclusion:

In view of the cumulative impact and significance of the matters described in the Basis for Disclaimer of Conclusion Section of our Report and in absence of sufficient appropriate audit evidence to provide a basis for a conclusion as to whether the accompanying statement of unaudited financial results contains any material misstatement or not. However, these are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 ('the Circular').

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 : 20410473AAAAAY8236



JVL AGRO INDUSTRIES LIMITED
(CIN: L1540UP1989PLC011396)

Regd. Off: Village Tilmapur, Ghazipur Road, Ashapur, Varanasi 221007, (U.P.)
Telephone No.: +91-542-2595930-32, Fax: +91-542-2595941

Standalone Unaudited Financial Results for the Nine Months' ended and the Quarter Ended December 31, 2018

(Rs. In Crore)

| Sr. No. | Particulars | 3 month ended 31/12/2018 (Unaudited) | Preceding 3 month ending 30/09/2018 (Unaudited) | Corresponding 3 month ended 31/12/2017 in the previous year (Unaudited) | 9 month ended 31/12/2018 (Unaudited) | Corresponding 9 month ended 31/12/2017 (Unaudited) | Year to date figure for previous year ended 31/03/2018 (Audited) |
|---------|--|--|--|--|--|---|---|
| I | Revenue from Operations | 34.77 | 328.41 | 772.00 | 1,131.79 | 2,349.83 | 3,190.21 |
| II | Other Income | 0.56 | 3.14 | - | 7.14 | - | 17.05 |
| III | Total Income | 35.33 | 331.55 | 772.00 | 1,138.93 | 2,349.83 | 3,207.26 |
| IV | EXPENSES | | | | | | |
| | (a) Cost of Materials Consumed | 47.97 | 168.38 | 728.46 | 963.78 | 2,115.83 | 3,188.10 |
| | (b) Purchase of Stock-In-Trade | - | - | - | - | 52.86 | 102.77 |
| | (c) Changes in Inventories | 13.67 | 8.05 | -1.13 | 130.13 | 42.05 | 28.79 |
| | (d) Employees Benefit Expenses | 2.27 | 3.84 | 2.88 | 10.33 | 8.99 | 12.25 |
| | (e) Finance Costs | 7.40 | 14.18 | 19.85 | 38.96 | 67.05 | 93.92 |
| | (f) Depreciation and Amortisation Expenses | 5.07 | 5.10 | 4.55 | 15.25 | 14.25 | 19.80 |
| | (g) Other Expenses | 6.31 | 31.48 | 15.00 | 263.95 | 44.29 | 86.71 |
| | Total Expenses | 82.69 | 231.03 | 769.61 | 1,422.41 | 2,345.32 | 3,532.34 |
| V | Profit Before Exceptional Items and Tax (III - IV) | -47.36 | 100.52 | 2.39 | -283.48 | 4.51 | -325.08 |
| VI | Exceptional Items | - | - | 2.41 | - | 11.87 | - |
| VII | Profit Before Tax (V - VI) | -47.36 | 100.52 | 4.80 | -283.48 | 16.38 | -325.08 |
| VIII | Tax Expenses | | | | | | |
| | (a) Current Tax | - | - | 0.25 | - | 0.85 | - |
| | (b) Deferred Tax | - | - | - | - | - | -405.35 |
| | Total Tax Expense | - | - | 0.25 | - | 0.85 | -405.35 |
| IX | Profit / (Loss) for the Year (VII - IX) | -47.36 | 100.52 | 4.55 | -283.48 | 15.53 | 80.27 |
| X | 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 | - | - | 0.06 | - | 0.07 | - |
| | B (i) Items that will be reclassified to statement of profit or loss | - | - | - | - | - | - |
| | (ii) Income Tax relating to items that will be reclassified to statement of profit or loss | - | - | - | - | 0.07 | - |
| | Other Comprehensive Income for the Year | - | - | 0.06 | - | 0.07 | - |
| XI | Total Comprehensive Income / (Loss) for the Year (IX + X) | -47.36 | 100.52 | 4.61 | -283.48 | 15.60 | 80.27 |
| | Paid-up Equity Share Capital (Face Value Re 1 each) | 16.79 | 16.79 | 16.79 | 16.79 | 16.79 | 16.79 |
| | Earnings per Equity Share (Face Value Re 1 each) | | | | | | |
| | Basic (Rs.) | -2.82 | 5.99 | 0.27 | -16.88 | 0.93 | 4.78 |
| | Diluted (Rs.) | -2.82 | 5.99 | 0.27 | -16.88 | 0.93 | 4.78 |

Notes:

- The above results have been reviewed and taken on record at the RP & KMP meeting of the Company held on 18th 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.
- 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.
- 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 CCC, 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.

Date : 10.03.2020
Place : Kolkata



Supriyo Kumar Chaudhuri
Resolution Professional

