

# **JAGATJIT INDUSTRIES LIMITED**

## **Annual Report**

for the year ended 31st March, 2010





**L.P. Jaiswal**  
**(15th February, 1915 - 11th August, 2005)**  
**Founder Chairman**

**His integrity, values and vision will continue to guide us forever**

# Directors' Report



## To the Shareholders

The Directors have pleasure in presenting their Report and Statement of Accounts for the financial year ended 31st March, 2010.

## FINANCIAL RESULTS

	2009-10	(Rs.'000) 2008-09
Profit for the year after charging all expenses excluding financing charges and depreciation	469,134	232,007
Deduct: Financing Charges	229,390	93,066
Cash Profit	239,744	138,941
Deduct : Depreciation	193,399	159,996
Profit/(Loss) for the year before taxation	46,345	(21,055)
Tax Expenses		
Current Tax		
– For the year	8,416	—
– Fringe Benefit Tax	—	15,000
Deferred Tax (Benefit)/Charge	(26,655)	8,975
Profit/(Loss) after tax for the year	64,584	(45,030)
Profit brought forward from previous year	1,226,434	1,271,464
Total profit available for appropriations	1,291,018	1,226,434
<b>APPROPRIATIONS</b>		
Transfer to Capital Redemption Reserve	57,941	—
Premium on share Re-purchase (Buy-back)	581,607	—
Balance Carried to Balance Sheet	651,470	1,226,434
	1,291,018	1,226,434

## SALES & PROFIT

During the year under report, the Gross Turnover (including income from Services & Other Sources) was Rs. 942.97 Crores as compared to Rs. 841.91 Crores during the previous year and the profit before taxation was Rs. 463.45 Lacs as compared to Loss before tax of Rs. 210.55 Lacs during the previous year. During the 1st quarter of the Financial Year 2009-10, the operations of the Company were affected due to reduction in the distillation capacity as detailed in Schedule 21.II.(B)5 of the Annual Accounts of the Company. However, the capacities have since been reinstated to the original level vide order of the Hon'ble Punjab & Haryana High Court dated 9th June, 2009.

## DIVIDEND

The Board of Directors of your Company proposes to retain the profits for use in the business expansion programs. Accordingly, no dividend is recommended for the year under report.

## DIRECTORS

Mrs. Gita Bawa and Mr. Arvind Behl, Directors retire by rotation, are eligible and offer themselves for re-appointment.

## SUBSIDIARIES

The Directors' Report and Audited Accounts of Anjani Estates Limited (Formerly known as Binnies Estates Limited), the Subsidiary Company, for the year ended 31st March, 2010 alongwith the information specified under Section 212 of the Companies Act, 1956, are annexed.

## FIXED DEPOSITS

As on 31st March, 2010, 368 persons whose Fixed Deposits/Loans with the Company amounting to Rs. 81.64 Lacs had become due for payment during the year, did not claim or renew their Deposits/Loans. Out of these, Fixed Deposits/Loans of 154 persons amounting to Rs. 39.68 Lacs have since been renewed/paid.

# Directors' Report

## AUDITORS

Messrs Mittal Chaudhry & Company, Chartered Accountants, Auditors of the Company, retire and being eligible, offer themselves for re-appointment.

## BUY-BACK OF SHARES

In a petition filed against the Company and its Board of Directors under Sections 397 and 398 of the Companies Act, 1956, in the Hon'ble Company Law Board (CLB), the CLB vide its Order dated 12th March, 2009 has given the directions including to buy back the shares of the petitioners and their associates aggregating to 5794112 equity shares in the Company. The Order of the CLB has been complied with and the paid-up capital of the Company stands reduced to Rs. 4614.81 Lacs, comprising of 46148112 equity shares of Rs.10/- each, w.e.f. 9<sup>th</sup> June, 2009.

## DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors hereby state that :

- i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The Directors have prepared the Annual Accounts on a going concern basis.

## CORPORATE GOVERNANCE

A report on Corporate Governance and the Management Discussion and Analysis Report are annexed separately and form part of this report.

## PARTICULARS OF EMPLOYEES

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, forms part of this report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to all shareholders of the Company excluding the statement of particulars of employees. Any shareholder interested in obtaining a copy of the said statement may write to the Secretary at the Registered Office of the Company.

## INFORMATION UNDER THE LISTING AGREEMENTS WITH STOCK EXCHANGES

The shares of your Company are listed at the Ludhiana, Delhi and Mumbai Stock Exchanges. The shares of your Company have been delisted from the Calcutta Stock Exchange Limited under SEBI (Delisting of Securities) Regulations, 2009, vide letter dated 21<sup>st</sup> May, 2010 issued by the Calcutta Stock Exchange Ltd. The Listing fees for the financial year 2010-11 have been paid.

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

As required under Section 217(1)(e) of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed.

## GENERAL

The Notes forming part of the Accounts being self-explanatory, the comments made by the Auditors in their Report, are not being dealt with separately.

The Directors place on record their appreciation for the services rendered by the employees of the Company.

For and on behalf of the Board

Sd/-

Place : New Delhi  
Date : 31st July, 2010

Narender Sapra  
Whole Time Director

## ANNEXURE TO THE DIRECTORS' REPORT 2009-10

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

Information under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2010.

#### A. CONSERVATION OF ENERGY

##### (a) Energy Conservation Measures Taken

The Company lays great emphasis on the conservation of energy and to give impetus to this objective, pollution control devices have been installed with generation of Bio Gas which is used as an alternate source of fuel for energy generation. Steam turbines have been installed for self generation of power thereby saving the cost of energy consumption.

##### (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy.

The Company is continuously investing on the waste heat recovery system and other energy saving devices at appropriate units.

##### (c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods. With implementation of the above measures, energy consumption may reduce to a certain extent resulting in a marginal reduction of cost of production.

##### (d) Total energy consumption as per prescribed Form A together with Comparative Figures for 2008-09 is as under (in respect of Dairy, Food Processing and Glass Units).

#### FORM A

#### CONSERVATION OF ENERGY

##### (A) Power & Fuel Consumption

	2009-10	2008-09
<b>1. Electricity</b>		
(a) Purchases		
Units (KWH)	13,559,193	13,723,561
Total amount (Rs.)	58,228,411	60,001,372
Rate/Unit (Rs.)	4.29	4.37
(b) Own Generation		
(i) Through Diesel generator Units (KWH)	1,472,520	877,335
Units per litre of diesel oil (KWH)	3.09	3.06
Cost/Unit (Rs.)	9.76	10.58
(ii) Through Steam turbine/generator		
Units (KWH)	8,975,909	8,857,010
Units per kg. of steam (KWH)	0.74	0.74
Cost/Unit (Rs.)	0.78	0.83
(iii) Through Gas generator		
Units (KWH)	339,976	435,495
Units per SCM of gas (KWH)	4.41	4.23
Cost/Unit (Rs.)	3.31	2.95
<b>2. Furnace Oil</b>		
Quantity (Tonnes)	—	184
Total Amount (Rs.)	—	3,369,993
Average Rate (Rs.)	—	18,341.60
<b>3. Natural Gas</b>		
Quantity (Cubic Meters)	13,810,930	12,741,094
Total Cost (Rs.)	199,286,443	176,195,590
Rate/Cubic Meter (Rs.)	14.43	13.83
<b>4. LPG Gas</b>		
Quantity (Tonnes)	2	103
Total Cost (Rs.)	66,491	3,259,609
Rate/MT (Rs.)	35,748	31,506
<b>5. Others/Internal Generation</b>		
Husk		
Quantity (Tonnes)	40,306	39,225
Total Cost (Rs.)	123,217,164	130,929,596
Rate/Unit (Rs.)	3,057	3,338

##### (e) The Company operates with a number of factories and produces various products and uses different sources of energy in different combinations for different products. It is, therefore, not feasible to arrive at the energy consumption per unit for each source of energy as prescribed.

#### B. RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION

Continuous R&D effort so as to improve existing products and to develop newer products to meet the challenges of increasing competition is an on-going part of the Company's activities.

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Complete information required under this head is shown in Notes No. 26, 27, 28 and 29 in Schedule 21 II B – Notes to Accounts. Members are requested to please refer to these Notes for the relevant information.

# Directors' Report

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Company is a multi-product company manufacturing Alcoholic Beverages (being Indian Made Foreign Liquor and Country Liquor), Malted Milkfood, Dairy Products and Glass Containers. However, as the Alcoholic Beverages business is the major activity, the Management Discussion and Analysis Report is mainly restricted to the Alcoholic Beverages only.

### A. INDUSTRY OVERVIEW

Alcoholic Beverage industry in India comprises of Indian Made Foreign Liquor (IMFL) and Country Liquor. IMFL consists of Whisky, Rum, Brandy, Gin and Vodka etc. Whisky comprises of large portion of IMFL market and accounts for nearly 60% of the market followed by Rum at around 20% and Brandy at around 15%. White spirits viz. Vodka, Gin and white Rum account for the balance of 5% only. The total IMFL industry in India is presently estimated at around 150 million cases growing @ 12-15% per annum. The increase rate is much higher in the low-priced segment as compared to the upper segment. Country Liquor segment is about 16 million cases per annum in the state of Punjab.

Your Company has a market share of around 8% of IMFL industry with ARISTOCRAT, ARISTOCRAT PREMIUM, AC BLACK, AC SEKC, BONNIE SPECIAL & BINNIES as the leading brands available across the Country. Country liquor is manufactured and sold in the State of Punjab and your Company has market share of around 10% in the state of Punjab.

The Company also manufactures Malted Milkfood and Dairy products for home production and also on the Contract Manufacturing basis for the leading manufacturers in this industry.

The Industry experienced the effect of the recessionary trend during the previous years. However, the things have started improving and also the prices of main raw materials viz. molasses, grains and spirit have started easing which will reduce the cost of production and improve the margins.

Further, the outlook of the Liquor Industry appears to be promising. The effect of slow down and recession is diminishing and the entire industry is likely to grow in the near future. The consumption of liquor in India has been in an uptrend in the past few years and is expected to improve further. The performance in the Glass Container sector is also expected to improve leading to higher demand. Though this division basically caters the internal demand of the Company, it has also contributed its part in the revenue generation. The increased production capacity of the unit has improved the turnover of the Company during the year.

### B. REGULATORY ENVIRONMENT

Alcoholic Beverage industry in India is highly regulated. The State Governments control the production, Excise Duty structure and the distribution. Some State Governments also control the prices. The incidence of duties is very high and there is no unanimity of policies amongst various States. The advertising of alcoholic beverages is not permitted in India.

### C. OPPORTUNITIES AND THREATS

The industry suffers due to heavy taxation and over-regulations which have affected the profitability. Heavy Excise Duty levied on the products increases the selling price thus restricting the sales. Further, the competition from domestic, multinationals and unlicensed manufacturers have also increased which is affecting the margins and restricting the sales. In line with its commitment with WTO, the Government of India has been consistently reducing the import duty on spirits, which is also a cause of concern for the liquor industry. The liquor industry is also suffering due to illicit liquor production, whereby not only the industry is suffering but also the State Governments are losing heavily on account of excise duty and sales tax etc. However, with the changing life style and increase of spending power, the Industry is witnessing a strong growth in the middle and lower price segments, where your Company is a leading player.

### D. OUTLOOK

The sales of Alcoholic Beverages (IMFL) improved during the year under review. The operations of the Company were affected due to restraint on its distillation capacity at its distillery at Hamira, Distt. Kapurthala, Punjab during first quarter of the year under review. The Company complied with all the requirements of the order of Hon'ble Punjab & Haryana High Court and the capacity was reinstated to the original level vide order of Hon'ble Punjab & Haryana High Court dated 9th June, 2009. Since then the Company has been operating at the permissible capacity levels. With the cost of raw materials declining and sales turnover increasing, your company is hopeful of posting better results in the current year and maintain the same in the coming years. The market scenario during the current year also appears to be encouraging and the demand of liquor is improving constantly. To meet its production requirements in IMFL, the Company has also entered into lease and bottling agreements to augment its production capacity. To further improve the market share and the profitability, the Company proposes to enter in the premium segment of Alcoholic Beverages.

The Company is also expecting to increase the turnover in the malted milkfood and dairy products. The Glass division with its enhanced capacity produced better results and is likely to improve further during the current year.

Prices of raw materials remained stable during the year. Effective measures are being taken regularly to reduce the overheads costs coupled with optimum utilization of resources and better product mix. With overall growth of the economy all around, your Company is confident of growth in all the segments.

### E. INTERNAL CONTROL SYSTEMS

The Company has adequate internal control systems supplemented by internal audits by professional firms commensurate with its size and nature of business to ensure to safe guard and protect the interests and assets of the Company. A strong net work of Management Information System has been implemented to ensure the reliability of the reports and documents.

## CORPORATE GOVERNANCE REPORT

### 1. Company's Philosophy on Corporate Governance

The Company believes that compliance of the code of Corporate Governance is always helpful for smooth operations of the Company and to maintain the transparency and accountability in all the transactions of the Company. To excel with due diligence, is the underlying guiding force to further strengthen management and decision making process. The Board of Directors and Management of the Company always keep in mind the confidence of the Shareholders reposed in them.

### 2. Board of Directors

The Board of Directors Comprises of eminent persons who have the expertise and experience to guide and manage the Company. The Board comprises of 6 members, consisting of three executive and three non executive Directors.

The Composition of Board of Directors and other details during the year are as under :

Name of the Director	Category	No. of Board Meetings held during the tenure	No. of Board Meetings attended	No. of other Directorships	No. of memberships/ Chairmanships in other Board Committees	Last Annual General Meeting attended
Mrs. Gita Bawa	Non-Executive Independent	9	9	-	-	No
Mr. Surjit Singh Bawa	Non-Executive Independent	9	9	-	-	No
Mr. Arvind Behl	Executive	9	9	3	-	No
Mr. Narender Sapra	Executive	9	9	7	-	Yes
Mr. Ravi Manchanda	Executive	9	6	2	-	No
Mrs. Kiran Kapur	Non-Executive Independent	9	8	-	-	No

The Company held nine Board Meetings during the period under review i.e on 6th May, 2009, 9th June, 2009, 23rd June, 2009, 31st July, 2009, 31st August, 2009, 31st October, 2009, 30th November, 2009, 30th January, 2010 and 27th February, 2010.

Mrs. Gita Bawa and Mr. Arvind Behl, Directors, retire at the ensuing Annual General Meeting, are eligible and offer themselves for re-appointment.

Mrs. Gita Bawa has vast business and administration experience of around three decades. She is well versed with the intricacies of Business Management, Finance, Accounts and Banking. She is not holding directorship in any other company. She is not holding Chairmanship/membership of any of the Committees in any other public limited Company. She holds 308 shares in the Company.

Mr. Arvind Behl is a post graduate in marketing and has experience of around two decades in the fields of Marketing and Administration. Mr. Arvind Behl is a Director of following other Companies :

Lifetime Constructions Pvt. Ltd.

Varsha Constructions Pvt. Ltd.

Win Win Traders Pvt. Ltd.

Mr. Arvind Behl is not holding Chairmanship/membership of any of the Committees in any other public limited Company. He holds 100 shares in the Company.

### 3. Audit Committee

The Audit Committee comprises of Mr. Surjit Singh Bawa, Mrs. Gita Bawa and Mr. Narender Sapra. Mr. Surjit Singh Bawa is the Chairman of the Audit Committee.

# Directors' Report

The terms of reference of this Committee cover the matters specified for Audit Committee under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956.

During the year under review the Audit Committee held five meetings i.e on 20th April, 2009, 23rd June, 2009, 31st July, 2009, 31st October, 2009 and 30th January, 2010.

## Attendance record of Audit Committee members

Name of Members	No of meetings held during the tenure	Meetings attended
Mr. Surjit Singh Bawa	5	5
Mrs. Gita Bawa	5	5
Mr. Narender Sapra	5	5

## 4. Remuneration Committee

The Remuneration Committee comprises of Mr. Surjit Singh Bawa, Mrs. Gita Bawa and Mrs. Kiran Kapur. Mr. Surjit Singh Bawa is the Chairman of the Committee.

The functions and terms of reference of the Committee are as prescribed under the Listing Agreement with the Stock Exchanges. It determines the Company's policy on all elements of remuneration packages of all the Directors including salary, benefits, bonus, stock options, pension rights and compensation payment etc. It also reviews all aspects of benefits and compensation to employees throughout the Company including policies on the same.

Remuneration policy of the Company is such as to retain the employees on long term basis and is comparable with other industries in the region.

During the period under report Mr. Narender Sapra, Mr. Arvind Behl and Mr. Ravi Manchanda, Directors were paid remuneration as under :

Name of the Director	Salary (Rs.)	Perquisites & others (Rs.)	Total (Rs.)
Mr. Narender Sapra	38,40,000	18,21,646	56,61,646
Mr. Arvind Behl	11,28,000	8,26,592	19,54,592
Mr. Ravi Manchanda	11,28,000	7,45,549	18,73,549

(Perquisites & others include contribution to Funds, Commission and other allowances).

Details of Sitting Fees paid towards attending the Board and Committee Meetings during the Year:

Sl. No.	Name of the Directors	Total Sitting Fees Paid (Rs.)
1.	Mr. Surjit Singh Bawa	1,48,250
2.	Mrs. Gita Bawa	1,48,250
3.	Mrs. Kiran Kapur	1,03,750

During the year under review the Remuneration Committee held two meetings on 9th June, 2009 and 31st October, 2009.

## Attendance record of Remuneration Committee members

Sl. No.	Name of Members	No. of meetings held during the tenure	Meetings attended
1.	Mr. Surjit Singh Bawa	2	2
2.	Mrs. Gita Bawa	2	2
3.	Mrs. Kiran Kapur	2	2

## Details of shareholding of Non-executive Directors

Sl. No.	Name of Director	No. of shares held
1.	Mr. Surjit Singh Bawa	300
2.	Mrs. Gita Bawa	308
3.	Mrs. Kiran Kapur	100

## 5. Investors Grievance Committee

The Investors Grievance Committee comprises of Mr. Surjit Singh Bawa, Mrs. Gita Bawa, Mr. Narender Sapra and Mr. Arvind Behl. Mr. Surjit Singh Bawa is the Chairman of the Committee. Mr. K.K. Kohli, Company Secretary, is the Compliance Officer.

The functioning and terms of reference of the Committee are as prescribed under and in due compliance with the Listing Agreement with the Stock Exchanges with particular reference to the transfers and complaints of the shareholders of any nature.

The Company received one complaint from a shareholder and the said complaint was redressed during the year ended 31st March, 2010.

No transfer was pending on 31st March, 2010 for more than 30 days of its receipt.

During the year under review the Investors Grievance Committee held two meetings i.e on 20th April, 2009 and 31st July, 2009.

#### **Attendance record of Investors Grievance Committee members**

Sl. No.	Name of Members	No. of meetings held during the tenure	Meetings attended
1.	Mr. Surjit Singh Bawa	2	2
2.	Mrs. Gita Bawa	2	2
3.	Mr. Narender Sapra	2	2
4.	Mr. Arvind Behl	2	2

#### **6. General Body Meetings**

The last three Annual General Meetings of the Company were held at the Registered Office of the Company at Jagatjit Nagar-144802, Distt. Kapurthala (Punjab), as per details given below :

Year	Date	Day	Time
2007	10.09.2007	Monday	09.00 A.M.
2008	30.09.2008	Tuesday	11.00 A.M.
2009	25.09.2009	Friday	09.30 A.M.

The Company has passed five Special Resolutions in the last three Annual General Meetings. No Special Resolution was passed by way of Postal Ballot during the year under report.

#### **7. Code of Conduct**

The Code of Conduct for the Directors and senior management of the Company has been laid down by the Board and the same is posted on the website of the Company.

#### **Declaration as required under Clause 49 of the Listing Agreement**

I, Narender Sapra, Whole Time Director, hereby declare that the Code of Conduct adopted by the Company for its Board and Senior Management personnel has been duly complied by all Board Members and Senior Management personnel of the Company.

Place : New Delhi  
Date : 31st July, 2010

Sd/-  
Narender Sapra  
Whole Time Director

#### **8. Disclosures**

There was no transaction of material nature with the Directors or the Management or their relatives during the year, which may have conflict with the interests of the Company at large. There was no instance of non-compliance on any matter related to the capital markets during the last three years.

#### **9. Means of Communication**

The Quarterly and the Annual financial results are submitted to the Stock Exchanges in accordance with the Listing Agreement and are published in newspapers in a widely circulated English daily and a Punjabi daily as required under the Listing Agreement. The same are also forwarded to the shareholders on their request. Management Discussion and Analysis Report is enclosed and forms part of the Annual Report.

#### **10. General Shareholders Information**

a) Annual General Meeting  
Date : 30th September, 2010  
Time : 09.30 A.M.  
Venue : Registered Office

# Directors' Report

## b) Financial Calendar (2010-11)

- (i) First Quarter Results : Mid of August, 2010
- (ii) Second quarter Results : Mid of November, 2010
- (iii) Third Quarter Results : Mid of February, 2011
- (iv) Annual Results : End of June, 2011

## c) Dates of Book Closure

The Register of Members and Share Transfer Books will remain closed from 25th September, 2010 to 30th September, 2010 ( both days inclusive).

## d) Dividend Payment Date

The Board of Directors have not recommended any dividend for the year under review.

## e) Listing on Stock Exchanges

The details regarding Listings and payment of Listing Fee to Stock Exchanges are given below:

Sl. No.	Name of Stock Exchanges Where Listed	Stock Code No.
1.	Ludhiana Stock Exchange Ltd.	JIND
2.	Delhi Stock Exchange Ltd.	10004
3.	Bombay Stock Exchange Ltd.	507155
4.	The Calcutta Stock Exchange Ltd.	20084

On the application under voluntary delisting of securities, the shares of the Company have been delisted from The Calcutta Stock Exchange Ltd. as per the provisions of the SEBI (Delisting of Securities) Regulations, 2009, vide their letter dated 21<sup>st</sup> May, 2010.

The Listing Fees for the year 2010-11 have been paid.

## f) Stock Market Data

The monthly high and low share prices of the Company in Rs. and the Sensex during the last financial year at the Bombay Stock Exchange are as follows :

Month	High	Low	Sensex High	Sensex Low
April, 2009	63.05	48.00	11492.10	9546.29
May, 2009	75.50	45.00	14930.54	11621.30
June, 2009	75.00	55.55	15600.30	14016.95
July, 2009	63.75	48.25	15732.81	13219.99
August, 2009	66.50	46.05	16002.46	14684.45
September, 2009	76.80	62.00	17142.52	15356.72
October, 2009	81.90	60.50	17493.17	15805.20
November, 2009	68.00	59.50	17290.48	15330.56
December, 2009	74.60	62.70	17530.94	16577.78
January, 2010	83.80	65.00	17790.33	15982.08
February, 2010	70.80	61.80	16669.25	15651.99
March, 2010	70.00	61.05	17793.01	16438.45

## g) Registrar and Transfer Agent

In line with the guidelines of the Securities and Exchange Board of India and to provide better services to its shareholders, the Company is doing all the share registry related work In-house.

## h) Share Transfer System

Share Transfer work of physical segment is attended to by the Company within the prescribed time period under law and the Listing Agreement with Stock exchanges.

All share transfers are approved by a committee constituted by the Board of Directors, which meets periodically.

i) Distribution of Shareholding as on 31st March, 2010

Category (in Rs.)	No. of Shareholders	% of Share holders	No. of Shares held	% of Shareholding
Upto - 5000	3633	78.45	549070	1.19
5001 - 10000	444	9.59	331116	0.72
10001 - 20000	236	5.10	356762	0.77
20001 - 30000	97	2.09	245708	0.53
30001 - 40000	57	1.23	195912	0.42
40001 - 50000	31	0.67	145860	0.32
50001 - 100000	74	1.60	503660	1.09
Above - 100000	59	1.27	43820024	94.96
Total	4631	100.00	46148112	100.00

Shareholding pattern as on 31st March, 2010

Sl. No.	Category	No. of Shares held	% of total Shareholding
1.	Promoters' Holding	17357932	37.61
2.	Mutual Funds & UTI	1100	—
3.	Banks, Financial Institutions, Govt. Companies	53236	0.12
4.	Private Corporate Bodies	288007	0.62
5.	NRIs/FIIs (other than Promoters)	207022	0.45
6.	Indian Public	3030815	6.57
7.	Underlying shares to the GDRs	25210000	54.63
	Total	46148112	100.00

j) Dematerialisation of Shares and Liquidity

As on 31st March, 2010, 15120413 equity shares being 32.76 % of the total paid-up Capital have been dematerialised. The shares of the Company are being actively traded at the Bombay Stock Exchange.

The shares of your Company are traded under compulsory dematerialised form. In view of the Guidelines of the Securities and Exchange Board of India, the Company with its aim to provide better services to its Shareholders is doing all the share registry related operations In-house. All the Shareholders and Depository Participants are advised to correspond with Company only for all the works related to share registry.

k) Outstanding GDRs

The Company has issued 1260500 GDRs in overseas market representing 25210000 underlying equity shares. GDRs have not been converted into equity shares. They do not have voting rights unless required by law.

l) Plants Location

The Company has following plants:

Sl. No.	Location
1.	Jagatjit Nagar, Distt. Kapurthala – 144 802 ( Punjab)
2.	Site No. IV, Plot No. 17, Sahibabad Industrial Area, Sahibabad -201 010 (U.P.)
3.	C-35, Sector 57, Phase-III, NOIDA -201 301 (U.P.)
4.	Plot Nos. 4A-1/1 & 1/2, Sikandrabad Industrial Area, Sikandrabad- 203 205 (U.P.)
5.	Plot No. SP 1-3, Sotanala, RIICO Industrial Area, Behror, Distt. Alwar -301 701( Rajasthan)

m) Address for Correspondence

Corporate office : Jagatjit Industries Limited, 4th Floor, Bhandari House, 91, Nehru Place, New Delhi-110 019.

Tel: 011- 26432641-42, Fax: 011-26441850, E.mail: jil@jagatjit.com

Registered Office : Jagatjit Industries Limited, Jagatjit Nagar-144 802, Distt. Kapurthala (Punjab)

Tel: 0181- 2783112-16, Fax: 0181-2783118, E.mail: hamira@jagatjit.com

Investor E. mail address : Investor@jagatjit.com

# Directors' Report

## CERTIFICATE OF COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

### To the Members of Jagatjit Industries Limited

We have examined the compliance of conditions of Corporate Governance by Jagatjit Industries Limited for the year ended on 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the Company entered with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to 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.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no Investor Grievance was pending for a period exceeding one month against the Company as per the records maintained and produced before us by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Sharma Sarin & Associates  
*Company Secretaries*

Place : Chandigarh  
Dated : 31st July, 2010

Sd/-  
P.D. Sharma  
*Partner*

# Financial Highlights



(Rs. in lacs or as indicated)

	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01
<b>ASSETS</b>										
Fixed Assets (Net Block)	<b>37137</b>	37658	33367	33881	32436	32128	33286	33164	33810	34901
Investments	<b>1201</b>	111	106	96	93	93	1559	4594	5590	5590
Current Assets	<b>31969</b>	29540	27403	24103	19082	20051	18513	16390	14608	16587
	<b>70307</b>	67309	60876	58080	51611	52272	53358	54148	54008	57078
<b>LIABILITIES</b>										
Loans, Current Liabilities and Provisions	<b>37958</b>	28670	21325	19716	14328	15025	15260	16363	15849	16765
<b>NET WORTH</b>	<b>32349</b>	38639	39551	38364	37283	37247	38098	37785	38159	40313
<b>REPRESENTED BY</b>										
Equity Share Capital	<b>4615</b>	5194	5194	5194	5194	5194	4944	4944	4944	4944
Reserves and Surplus	<b>27734</b>	33445	34357	33170	32089	32053	33154	32841	33215	35369
<b>TOTAL</b>	<b>32349</b>	38639	39551	38364	37283	37247	38098	37785	38159	40313
<b>OPERATING PERFORMANCE</b>										
Revenue	<b>94297</b>	84191	80042	63970	40775	39996	42941	43139	40053	37368
Gross Profit Earnings	<b>2397</b>	1390	4068	3201	1795	414	1296	1462	1827	2765
Profit before Tax	<b>463</b>	(211)	2402	1996	657	(61)	1579	51	490	1434
Profit after Tax	<b>646</b>	(450)	1762	1637	671	(85)	1103	240	557	1279
Earning per Share (Rs.)	<b>1.48</b>	(0.91)	3.56	3.31	1.36	(0.17)	2.23	0.49	1.13	2.59
Book Value per Equity Share (Rs.)	<b>70.10</b>	74.39	76.15	73.86	71.78	71.71	77.06	76.43	77.18	81.54
<b>GROSS EARNINGS</b>										
As a percentage of Revenue	<b>2.5</b>	1.7	5.1	5.0	4.4	1.0	3.0	3.4	4.6	7.4
As a percentage of Fixed Assets	<b>6.5</b>	3.7	12.2	9.4	5.5	1.3	3.9	4.4	5.4	7.9
As a percentage of Capital Employed	<b>4.8</b>	2.7	8.6	6.9	4.2	1.0	2.9	3.2	4.0	5.8

# Auditors' Report

## TO THE MEMBERS OF JAGATJIT INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of Jagatjit Industries Limited, as at March 31, 2010, and the related Profit and Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto, which we have signed under reference to this report. 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 (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comment in paragraph 3 above, we report that:
  - (a) 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;
  - (b) 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;
  - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the applicable Accounting Standards referred to in sub section (3C) of Section 211 of the Act;
  - (e) On the basis of written representation received from Directors, as on March 31, 2010 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act, and also give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
    - (ii) in the case of the Profit & Loss Account, of the profit for the year ended on that date; and
    - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Place : New Delhi  
Date : 31st July, 2010

Nitin Chaudhry  
*Partner*  
Membership No. F 91463  
For and on behalf of  
Mittal Chaudhry & Co.  
*Chartered Accountants*  
Firm Registration No. 002336N

## ANNEXURE TO AUDITORS' REPORT

(Referred to in paragraph 3 of the Auditors' Report of even date to the members of Jagatjit Industries Limited on the financial statements for the year ended March 31, 2010)

- (i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
- (ii) (a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) (a) The Company has not granted loans, unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, clauses (iii)(b) to (iii)(d) of the paragraph 4 of the Order are not applicable to the Company during the current year.
- (e) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, clauses (iii)(f) to (iii)(g) of the paragraph 4 of the Order are not applicable to the Company during the current year.
- (iv) In our opinion and according to the information and explanations given to us, there is, **in general**, an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are prima facie reasonable, having regard to the prevailing market prices at the relevant time where such prices are available.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no Order has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

# Auditors' Report

## Continued

- (ix) (a) The Company has been **generally** regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth-tax, Service tax, Custom duty, Excise duty, Cess and other material statutory dues with the appropriate authorities.
- (b) According to the information and explanations given to us, there were no undisputed dues in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth-tax, Service tax, Custom duty, Excise duty, Cess and other statutory dues which were outstanding, at the Balance Sheet date, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess as at March 31, 2010 which have not been deposited on account of a dispute, are as follows:-

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
<b>EXCISE DUTY</b>				
Punjab Excise Act	Distillery license renewal fee	12,750,000	1967-2010	Supreme Court
Central Excise Act, 1944	Demand of Excise duty on sale of Spent Grain	3,088,547	September 2001 to June 2005	CESTAT, New Delhi
Central Excise Act, 1944	Penalty in the above matter	2,690,619	September 2001 to June 2005	CESTAT, New Delhi
<b>SERVICE TAX</b>				
The Finance Act, 1994	Wrong availment of Service Tax Cenvat Credit	13,127,235	October 2003 to September 2007	Commissioner (Appeals), Chandigarh
The Finance Act, 1994	Penalty in the above matter	13,127,235	October 2003 to September 2007	Commissioner (Appeals), Chandigarh
<b>SALES-TAX</b>				
Punjab Haryana General Sales Tax Act	Purchase Tax	325,247	1999-2000	Deputy Excise & Taxation Commissioner (Appeals), Patiala
Sales Tax under Bihar Finance Act	Inclusion of excise duty to determine gross turnover	1,896,695	1984-1985	Commercial Tax Tribunal, Ranchi
Central Sales Tax Act	Liquor stock destroyed, reprocessed and resold	133,017	1988-89	Sales Tax Appellate Tribunal, Hyderabad
U.P. Trade Tax Act	Demand in respect of Entry Tax	6,446,192	2005-2006	Allahabad, High Court.
State and Central Sales Tax Acts	Sales tax on Sales of ENA and Spent Grain	7,300,201	2001-02 to 2002-03	Allahabad, High Court.
<b>INCOME TAX ACT*</b>				

\*Departmental Appeals in respect of Income Tax Act, 1961 before the Higher Authorities are not being considered as there is no stay on the Order of Lower Authority favouring the Company and the amount is not ascertainable.

- (x) The Company has no accumulated losses as at March 31, 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (xi) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- (xiii) The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
- (xiv) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- (xv) In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- (xvii) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis, which have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- (xix) The Company has not issued any debentures accordingly, no securities has been created.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

Place : New Delhi  
Date : 31st July, 2010

Nitin Chaudhry  
*Partner*  
Membership No. F 91463  
For and on behalf of  
Mittal Chaudhry & Co.  
*Chartered Accountants*  
Firm Registration No. 002336N

# Balance Sheet

as at March 31, 2010

			As at March 31 2010 Rs. '000	As at March 31 2009 Rs. '000
<b>Sources of Funds</b>	<b>Shareholders' Funds</b>	Schedule		
	Capital	1	461,481	519,422
	Reserves and Surplus	2	2,773,357	3,344,539
	<b>Loan Funds</b>	3		
	Secured Loans		769,166	786,484
	Unsecured Loans		806,507	330,265
	<b>Deferred Tax Liability (Net)</b>	4	180,629	207,284
			<u>4,991,140</u>	<u>5,187,994</u>
<b>Application of Funds</b>	<b>Fixed Assets</b>	5		
	Gross Block		6,193,816	5,741,244
	Less : Depreciation		<u>2,523,107</u>	<u>2,345,015</u>
	Net Block		3,670,709	3,396,229
	Capital Work-in-Progress		<u>42,955</u>	<u>369,602</u>
			<u>3,713,664</u>	<u>3,765,831</u>
	<b>Investments</b>	6	120,057	11,058
	<b>Current Assets, Loans &amp; Advances</b>			
	Inventories	7	1,066,886	1,166,450
	Sundry Debtors	8	1,452,562	1,140,531
	Cash & Bank Balances	9	271,279	243,380
	Other Current Assets	10	11,798	13,413
	Loans & Advances	11	394,366	390,191
			<u>3,196,891</u>	<u>2,953,965</u>
	<b>Less : Current Liabilities &amp; Provisions</b>	12		
	Liabilities		1,880,026	1,395,724
	Provisions		<u>159,446</u>	<u>147,136</u>
	<b>Net Current Assets</b>		<u>1,157,419</u>	<u>1,411,105</u>
			<u>4,991,140</u>	<u>5,187,994</u>
	Significant Accounting Policies and Notes to Accounts	21		

This is the Balance Sheet referred  
to in our report of even date

The Schedules referred to above form  
an integral part of the Balance Sheet

**Nitin Chaudhry**  
Partner  
Membership No. F 91463  
For and on behalf of  
Mittal Chaudhry & Co.  
Chartered Accountants  
Firm Registration No. 002336N

New Delhi  
31st July, 2010

**K.K. Kohli**  
Company Secretary

**Anil Girotra**  
Finance Director

**Gita Bawa**  
**Surjit Singh Bawa**  
**Kiran Kapur**  
**Narender Sapra**  
**Arvind Behl**  
**Ravi Manchanda**  
Directors

# Profit and Loss Account

for the year ended March 31, 2010



			For the year ended March 31 2010 Rs. '000	For the year ended March 31 2009 Rs. '000
	Schedule			
<b>Income</b>				
Gross Sales [Note I 7(a)]	21		8,746,718	7,846,693
Less : Rebate and Commission			26,517	15,635
			<u>8,720,201</u>	<u>7,831,058</u>
Less : Excise duty on sales [Note I 7(a)]	21		2,381,032	2,259,482
Net Sales			<u>6,339,169</u>	<u>5,571,576</u>
Services	13		434,778	335,818
Other Income	14		274,734	252,239
			<u>7,048,681</u>	<u>6,159,633</u>
<b>Expenditure</b>				
Consumption of Materials	15		2,830,845	2,781,277
Purchases for Resale			298,232	160,161
Manufacturing Expenses	16		970,792	939,742
Excise Duty			49,055	80,516
Personnel	17		555,373	463,439
Administration & Selling	18		1,815,667	1,633,087
Interest	19		229,390	93,066
Depreciation (Net) [Note II (B) 2]	21		193,399	159,996
			<u>6,942,753</u>	<u>6,311,284</u>
Decrease/(Increase) in Work-in-Progress and Finished Goods	20		59,583	(130,596)
			<u>7,002,336</u>	<u>6,180,688</u>
<b>Profit/(Loss) before Tax</b>			<b>46,345</b>	<b>(21,055)</b>
<b>Less : Tax Expenses</b>				
Current tax :				
- For the year			8,416	—
- Fringe Benefit Tax			—	15,000
Deferred Tax (benefit)/charge	4		(26,655)	8,975
			<u>(18,239)</u>	<u>23,975</u>
<b>Profit/(Loss) after Tax</b>			<b>64,584</b>	<b>(45,030)</b>
Profit brought forward from previous year			<u>1,226,434</u>	<u>1,271,464</u>
Amount Available for Appropriation			<u>1,291,018</u>	<u>1,226,434</u>
Less : Transfer to Capital Redemption Reserve			57,941	—
Less : Premium on Share Re-Purchase (Buy-Back)			<u>581,607</u>	<u>—</u>
			<u>639,548</u>	<u>—</u>
<b>Balance Carried to Balance Sheet after appropriation</b>			<b>651,470</b>	<b>1,226,434</b>
Basic/Diluted Earning per Share (Rs.)	21		<b>1.48</b>	<b>(0.91)</b>
(Nominal Value of Rs.10 each)				
[Note II (B)16]				
Significant Accounting Policies and Notes to Accounts	21			
This is the Profit & Loss Account referred to in our report of even date			The Schedules referred to above form an integral part of the Profit & Loss Account	

**Nitin Chaudhry**  
Partner  
Membership No. F 91463  
For and on behalf of  
Mittal Chaudhry & Co.  
Chartered Accountants  
Firm Registration No. 002336N

New Delhi  
31st July, 2010

**K.K. Kohli**  
Company Secretary

**Anil Girotra**  
Finance Director

**Gita Bawa**  
**Surjit Singh Bawa**  
**Kiran Kapur**  
**Narender Sapra**  
**Arvind Behl**  
**Ravi Manchanda**  
Directors

# Cash Flow Statement

for the year ended March 31, 2010

	2010 (Rs. '000)	2009 (Rs. '000)
<b>A. Cash Flow from Operating Activities:</b>		
Net Profit/(Loss) before tax	46,345	(21,055)
Adjustments for:		
Depreciation	193,399	159,996
Interest Expense	229,390	93,066
Interest Income	(7,267)	(15,915)
Income from Investment - Dividends	(30)	(99)
(Profit)/Loss on Fixed Assets sold (net)	(23,143)	2,183
Fixed Assets written off	844	453
Debts/Advances/Stock written off	5,245	8,528
Provision for Bad & Doubtful Debts and Advances	3,347	6,886
Liability no longer required written back	(9,790)	(15,692)
Provision for Gratuity & Leave Encashment	11,874	7,758
Provision for Inventory for Obsolete/Damaged Stock	209	1,480
Unrealised Foreign Exchange (gain)/loss (net)	(844)	9,637
Other Provision for Current Liabilities	83	57
<b>Operating Profit before Working Capital Changes</b>	<b>449,662</b>	<b>237,283</b>
Adjustments for changes in Working Capital :		
(Increase)/Decrease in Sundry Debtors	(319,594)	1,478
(Increase)/Decrease in Other Receivables	(6,786)	(13,363)
(Increase)/Decrease in Other Current Assets	(7,227)	(31,467)
(Increase)/Decrease in Inventories	96,006	(282,379)
Increase/(Decrease) in Trade and Other Payables	139,763	160,604
<b>Cash generated from operations</b>	<b>351,824</b>	<b>72,156</b>
Taxes (Paid)/ Received (Net of TDS)	4,463	3,151
<b>Net Cash from/ (used) Operating Activities</b>	<b>356,287</b>	<b>75,307</b>
<b>B. Cash flow from Investing Activities:</b>		
Fixed Assets/Capital Work-in-Progress	(200,147)	(617,490)
Proceeds from Sale of Fixed Assets and advances	365,697	8,117
Proceeds from Sale of Investments	—	50
Purchase of investments	(108,999)	(500)
Interest Received (Revenue)	8,334	12,942
Dividend Received	30	99
Release/(Addition) of Cash (from)/for restrictive use	(383)	600
<b>Net Cash from Investing Activities</b>	<b>64,532</b>	<b>(596,182)</b>
<b>C. Cash Flow from Financing Activities:</b>		
Proceeds from Long Term Borrowings		
Receipts/(Payments)	(17,318)	476,397
Proceeds from Short Term Borrowings		
(Payments)/Receipts	476,242	72,765
Interest Paid	(207,018)	(89,893)
Share Buy Back	(639,548)	—
Interest Paid - Capitalised	(5,646)	(15,384)
Dividend Paid	(5)	(13)
Release/(Addition) of Cash (from)/for restrictive use	(95)	(3,387)
<b>Net cash used in Financing Activities</b>	<b>(393,388)</b>	<b>440,485</b>
Adjustment for Unrealised Foreign Exchange Fluctuation	(10)	16
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>27,421</b>	<b>(80,374)</b>
Cash and Cash Equivalents at the beginning of the year	218,286	298,660
Cash and Cash Equivalents at the end of the year	245,707	218,286
<b>Cash and Cash Equivalents Comprise</b>		
Cash, Cheques & Drafts (in hand) and Remittances in transit	39,795	35,464
Balance with Scheduled Banks	205,912	182,822
	<b>245,707</b>	<b>218,286</b>
<b>Cash and Cash Equivalents Include :</b>		
Cash and Bank Balances	245,707	218,286
<b>Total Cash and Cash Equivalents</b>	<b>245,707</b>	<b>218,286</b>

## Notes :-

- The aforesaid Cash Flow Statement has been prepared under the "Indirect method" and in accordance with Accounting Standard (AS)-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- Cash and Cash Equivalents exclude Rs. 25,572 thousand (Previous year -Rs. 25,094 thousand) which are not available for use by the Company (Refer Schedule 9 in the accounts).
- Figures in brackets indicate cash outgo.
- Previous year's figures have been regrouped and recast wherever necessary to conform to the current year classification.

This is the Cash Flow Statement referred to in our report of even date

Significant Accounting Policies and Notes to Accounts (Schedule 21) form an integral part of Cash Flow Statement

## Nitin Chaudhry

Partner

Membership No. F 91463

For and on behalf of

Mittal Chaudhry & Co.

Chartered Accountants

Firm Registration No. 002336N

New Delhi  
31st July, 2010

K.K. Kohli  
Company Secretary

Anil Girotra  
Finance Director

Gita Bawa  
Surjit Singh Bawa  
Kiran Kapur  
Narender Sapra  
Arvind Behl  
Ravi Manchanda  
Directors

# Schedules

Annexed to the Accounts



		As at March 31 2010 Rs. '000	As at March 31 2009 Rs. '000
<b>1. Share Capital</b>	<b>AUTHORISED CAPITAL</b>		
	75,000,000 (Previous year—75,000,000) Equity Shares of Rs.10 each	750,000	750,000
		<u>750,000</u>	<u>750,000</u>
	<b>ISSUED AND SUBSCRIBED CAPITAL</b>		
	46,148,112 (Previous year—51,942,224) Equity Shares of Rs.10 each fully paid up.	461,481	519,422
		<u>461,481</u>	<u>519,422</u>
	<b>NOTE ON EQUITY SHARES ISSUED:</b>		
		<b>No. of Shares</b>	<b>No. of Shares</b>
	Original issue of Equity Shares	500,000	500,000
	Less : Equity Shares Forfeited due to non payment of calls	170,492	170,492
		<u>329,508</u>	<u>329,508</u>
	Add : Forfeited Equity Shares issued to existing share holders on pro-rata basis at Rs. 2.50 per share	169,737	169,737
		<u>499,245</u>	<u>499,245</u>
	Add : Bonus Equity Shares issued		
	1970	131,803	131,803
	1972	126,209	126,209
	1976	757,257	757,257
	1985	1,514,514	1,514,514
	1988-89	3,029,028	3,029,028
	1992-93	6,058,056	6,058,056
	1994-95	12,116,112	12,116,112
	Total Bonus Equity Shares issued	<u>23,732,979</u>	<u>23,732,979</u>
	Add : GDR issue (Note 1)	25,210,000	25,210,000
	Add : Preferential allotment (Note 2)	2,500,000	2,500,000
	Less : Shares repurchased (Buy-Back) (Note 3)	5,794,112	—
	Total	<u>46,148,112</u>	<u>51,942,224</u>
	Note 1 25,210,000 Equity Shares of Rs.10/- each fully paid up ranking pari-passu with existing shares were issued in the name of the Depository, the Bank of New York, representing the Global Depository Receipt (GDR) issue.		
	Note 2 2,500,000 Equity Shares of Rs. 10 each fully paid up at a premium of Rs 20 per share, as a special series with differential rights to dividend and voting, were issued during the financial year 2004-05. These shares have no right to the dividend and each share carries twenty voting rights per share as compared to one voting right per existing equity share and were under the lock-in-period of three years from the date of allotment.		
	Note 3 5,794,112 Equity Shares of Rs. 10 each fully paid up bought back by the company as directed by the Hon'ble Company Law Board (CLB), vide their order dated 12.03.2009.		
<b>2. Reserves and Surplus</b>	<b>CAPITAL RESERVE</b>		
	Surplus on forfeited shares sold	6	6
	Capital Redemption Reserve	57,941	—
	<b>REVALUATION RESERVE [Schedule 21 II (B) 2]</b>		
	Revaluation Reserve as at the beginning of the year	1,524,219	1,570,364
	Less : Adjusted during the year	13,225	222
	Less : Transferred to Profit & Loss Account	40,934	45,923
		<u>1,470,060</u>	<u>1,524,219</u>
	<b>SECURITIES PREMIUM ACCOUNT</b>	348,348	348,348
	<b>GENERAL RESERVE</b>	245,532	245,532
	<b>PROFIT &amp; LOSS ACCOUNT</b>	651,470	1,226,434
		<u>2,773,357</u>	<u>3,344,539</u>

# Schedules

Continued

		As at March 31 2010 Rs. '000	As at March 31 2009 Rs. '000
<b>3. Loans</b>	SECURED		
[Schedule 21 II (B) 11]	From Banks		
	Term Loan *	538,639	613,069
	Cash Credit/Overdraft	206,282	165,473
	Car Loans**	20,302	7,942
	From others		
	Car Loans***	3,943	—
		<b>769,166</b>	<b>786,484</b>

\* (Repayable within one year Rs. 154,817 thousand; Previous year — Rs. 133,009 thousand)

\*\* (Repayable within one year Rs. 9,386 thousand; Previous year — Rs. 5,417 thousand)

\*\*\* (Repayable within one year Rs. 3,886 thousand; Previous year — Rs. Nil)

UNSECURED			
Fixed Deposits	800,329	319,585	
From others	6,178	10,680	
	<b>806,507</b>	<b>330,265</b>	

		As at April 1 2009 Rs. '000	For the Year Rs. '000	As at March 31 2010 Rs. '000
<b>4. Deferred Tax Liability (Net)</b>	DEFERRED TAX LIABILITY			
[Schedule 21 I 12]	Fixed Assets	278,084	84,263	362,347
	DEFERRED TAX ASSET			
	Statutory Liabilities	(8,362)	(4,609)	(12,971)
	Employee Retirement Benefits (Note 1)	(49,409)	(4,036)	(53,445)
	Provision for Bad Debts	(13,029)	666	(12,363)
	Long Term Capital Loss Brought forward	—	(11,635)	(11,635)
	Business Loss of AY 2010-11	—	(91,304)	(91,304)
	Total	207,284	(26,655)	180,629

## 5. Fixed Assets [Schedule 21 I 2,3,4 & 21 II (B) 2,3,4,11(a) and (d)]

Rs. '000

	GROSS BLOCK - COST OR REVALUED VALUE				DEPRECIATION				NET BLOCK	
	As at April 1, 2009	Additions	Deletion/ Adjustments	As at March 31, 2010	As at April 1, 2009	For the Year	Deletion/ Adjustments	As at March 31, 2010	As at March 31, 2010	As at March 31, 2009
Land										
— Free Hold	555,983	—	14,068	541,915	—	—	—	—	541,915	555,983
— Lease Hold	135,037	—	—	135,037	22,994	1,935	—	24,929	110,108	112,043
Buildings	1,741,167	162,145	—	1,903,312	414,195	35,257	—	449,452	1,453,860	1,326,972
Plant & Machinery										
— In use	3,049,876	322,754	54,063	3,318,567	1,789,396	178,739	53,455	1,914,680	1,403,887	1,260,480
Patents, Trade Marks	—	2,898	—	2,898	—	96	—	96	2,802	—
Furniture & Fixtures	71,317	2,949	128	74,138	34,662	3,590	114	38,138	36,000	36,655
Vehicles										
— Owned	102,588	29,734	927	131,395	37,364	10,268	526	47,106	84,289	65,224
Office Equipments	85,276	4,956	3,678	86,554	46,404	4,448	2,146	48,706	37,848	38,872
	5,741,244	525,436	72,864	6,193,816	2,345,015	234,333	56,241	2,523,107	3,670,709	3,396,229
Previous Year	5,379,686	397,297	35,739	5,741,244	2,163,859	205,919	24,763	2,345,015		
Capital Work-in-progress including Capital Advances									42,955	369,602
									3,713,664	3,765,831

**6. Investments**  
[Schedule 21 I 5 & 21 II  
(B) 12 & 19]

TRADE INVESTMENTS (LONG TERM)

IN EQUITY SHARES

QUOTED

Mohan Meakin Limited

281,961 (Previous year-281,961) shares of

Rs. 5 each fully paid

**8,439**

8,439

UNQUOTED

Hyderabad Distilleries & Wineries Pvt. Limited

1,650 (Previous year-1,650) shares of

Rs.100 each fully paid

**165**

165

Jagatjit Marketing Limited

10 (Previous year-10) shares of Rs.10 each fully paid

**0**

0

Jagatjit Brown-Forman (India) Ltd.

1,528,880 (Previous year-1,528,880) shares of

Rs.10 each fully paid

**1**

1

(Cost Rs.15,289 thousand less provision for permanent diminution in value of Investment Rs.15,288 thousand)

OTHER INVESTMENTS (LONG TERM)

IN EQUITY SHARES

QUOTED

Punjab National Bank Limited

993 (Previous year-993) shares of Rs.10 each fully paid

**387**

387

UNQUOTED

Chic Interiors Private Limited

3,352 (Previous year-3,352) shares of Rs.10 each fully paid

**34**

34

L. P. Jaiswal & Sons Pvt. Ltd.

600 shares of Rs. 10 each fully paid (Purchased during the year 600 Share)

**90,451**

—

IN GOVERNMENT SECURITIES

UNQUOTED

06 year National Saving Certificates  
(lodged with Govt. authorities)

**184**

184

OTHER INVESTMENTS (CURRENT)

IN EQUITY SHARES

SUBSIDIARY COMPANY, UNQUOTED

Anjani Estates Limited (Formerly Known as Binnies Estates Limited)

50,000 (Previous year-50,000) shares of Rs.10 each

fully Paid [Cost Rs.500 thousand (Previous year Rs.500 thousand)

less provision for permanent diminution in value of Investment

Rs.499 thousand]

**1**

1

OTHER, QUOTED

Milkfood Limited

1350 Shares of Rs.10 Each Fully paid

**44**

44

OTHERS, UNQUOTED

L.P. Investments Limited

157,500 (Previous year-157,500) shares of

Rs.10 each fully paid

**1**

1

(Cost Rs.1,575 thousand provision for permanent diminution in value of Investment Rs.1,574 thousand)

# Schedules

Continued

	As at March 31 2010 Rs. '000	As at March 31 2009 Rs. '000
Sea Bird Securities Pvt. Ltd. 4,800 Shares of Rs. 10 each fully paid (Purchased during the year 10,000 Shares and sold during the year 5,200 Shares)	48	—
IN PREFERENCE SHARES		
SUBSIDIARY COMPANY, UNQUOTED		
Anjani Estates Limited (Formerly Known as Binnies Estates Limited) 9 (Previous year-9) 10% Redeemable Cumulative Shares of Rs.100 each fully paid	1	1
OTHERS, UNQUOTED		
L. P. Investments Limited 4,500 (Previous year-4,500) 9.5% Redeemable Cumulative shares of Rs.100 each fully paid (Cost Rs. 450 thousand less provision for permanent diminution in value of Investment Rs.449 thousand)	1	1
Qube Corporation Pvt. Ltd. 1,800,000 Cumulative Redeemable preference shares of Rs. 10 each (Purchased During the year 1,800,000 Shares)	18,000	—
IN MUTUAL FUNDS		
Principal PNB Long Term Equity Fund - 3 year Plan - Series I & II	800	800
Principal PNB Long Term Equity Fund - 3 year Plan - Principal Emerging Bluechip Fund-Growth [Purchased during the year 50,000 (Previous year - 50,000) of Rs.10 each	1,000	500
UTI Infrastructure Advantage Fund Series I	500	500
	<b>120,057</b>	<b>11,058</b>
Aggregate Value of Unquoted Investments	108,887	388
Aggregate Value of Quoted Investments/Mutual Funds	11,170	10,670
Market Value/NAV of Quoted Investments/Mutual Funds	44,987	42,410
<b>7. Inventories</b> [Schedule 21 I 6]		
Raw and Packing Materials	409,440	446,275
Less : Provision for obsolete inventory	3,024	2,816
	<b>406,416</b>	<b>443,459</b>
Stores and Spare Parts	103,888	106,826
Finished Goods		
Subject to Central Excise Duty	90,944	136,297
Others	451,326	468,122
Work-in-Progress	14,312	11,746
	<b>1,066,886</b>	<b>1,166,450</b>
<b>8. Sundry Debtors</b> [Schedule 21 II (B) 30]		
More than six months old		
Unsecured-Considered Good	162,413	100,417
Unsecured-Considered Doubtful	39,077	39,417
	<b>201,490</b>	<b>139,834</b>
Other Debts		
Unsecured-Considered Good	1,290,149	1,040,114
	<b>1,491,639</b>	<b>1,179,948</b>
Less : Provision for Doubtful Debts	39,077	39,417
	<b>1,452,562</b>	<b>1,140,531</b>

		As at March 31 2010 Rs. '000	As at March 31 2009 Rs. '000
<b>9. Cash &amp; Bank Balances</b>	Cash on hand	12,295	18,414
	Cheques on hand	14,000	17,050
	Funds in transit	13,500	—
	Balances with Scheduled Banks —		
	Current Accounts	103,429	103,248
	Dividend Payable Accounts	610	615
	Fixed Deposits (Including Rs. 3,236 thousand; Previous year-Rs. 3,383 thousand pledged as security)	105,719	82,957
	Fixed Deposits - Liquid Assets	20,500	20,400
	Margin Money Accounts	1,226	696
		<u>271,279</u>	<u>243,380</u>
<b>10. Other Current Assets</b>	Interest Receivable	2,799	6,057
	Other Income Receivable	8,999	7,356
		<u>11,798</u>	<u>13,413</u>
<b>11. Loans and Advances</b> [Schedule 21 II B 6,7,12 & 30]	Advances recoverable in cash or in kind or for value to be received		
	Unsecured - Considered Good		
	Balance with Excise authorities on		
	Current Accounts	169,754	159,165
	Advance Income Tax (Net of provisions)	23,140	24,541
	Others	201,472	206,485
	Unsecured - Considered Doubtful		
	Subsidiary Company	8,109	8,109
	Others	<u>131,213</u>	<u>163,864</u>
		533,688	562,164
	Less : Provision for Doubtful Advances	<u>139,322</u>	<u>171,973</u>
		<u>394,366</u>	<u>390,191</u>
<b>12. Current Liabilities &amp; Provisions</b> [Schedule 21 I 13 and 21 II (B) 30]	LIABILITIES		
	Sundry Creditors		
	(i) Total outstanding dues of Micro, Small and Medium Enterprises [Refer Note 21 II (B) 14]	17,467	15,782
	(ii) Others	1,468,468	1,044,067
	Advances from Customers	43,060	46,901
	Unclaimed Dividend	610	615
	Unclaimed Deposits	8,164	7,226
	Interest accrued but not due	38,933	16,561
	Due to Directors	446	176
	Security Deposits	98,995	91,396
	Other Liabilities	203,883	173,000
		<u>1,880,026</u>	<u>1,395,724</u>
	PROVISIONS		
	Fringe Benefit Tax (Net)	692	339
	Gratuity	117,214	109,548
	Leave Encashment	40,026	35,818
	Others	1,514	1,431
		<u>159,446</u>	<u>147,136</u>

# Schedules

Continued

		For the year ended March 31 2010 Rs. '000	For the year ended March 31 2009 Rs. '000
<b>13. Income from Services</b> [Schedule 21 I 7(b)]	Income from job work (tax deducted at source Rs. 1,905 thousand—Previous year Rs. 6,125 thousand)	310,704	272,271
	Income from tie-up operations (net) (tax deducted at source Rs. Nil—Previous year Rs. 1,593 thousand)	124,074	63,547
		<u>434,778</u>	<u>335,818</u>
<b>14. Other Income</b> [Schedule 21 I 7(c)]	Dividends —	—	99
	On Trade Investments (Long Term)	—	—
	On Other Investments	30	—
	Interest on —		
	Fixed Deposits — Gross (Tax deducted at source Rs.1,727 thousand; Previous year Rs. 2,299 thousand)	6,311	12,408
	Others — Gross (Including interest on income tax Refund Rs. 178 thousand; Previous year Rs. 1,972 thousand and Tax deducted at source Rs. 464 thousand; Previous year Rs. Nil)	956	3,507
	Rent (Tax deducted at source Rs. 5,357 thousand; Previous year—Rs. 30,466 thousand)	140,346	120,061
	Profit on Sale of Fixed Assets	24,213	195
	Royalty (Tax Deducted at Source Rs. 1,445 thousand; Previous year—Rs. 505 thousand)	24,757	31,791
	Duty Drawbacks	1,819	698
	Insurance Claims	1,067	15,945
	Liabilities/provisions no longer required written back	9,790	15,692
	Foreign Exchange Fluctuation (Net)	3,532	—
	Miscellaneous Income (Tax deducted at source Rs. 227 thousand; Previous year—Rs. 526 thousand)	61,913	51,843
		<u>274,734</u>	<u>252,239</u>
<b>15. Consumption of Materials</b>	Opening Stocks	446,275	310,089
	Add: Purchases of raw and packing materials	2,794,010	2,917,463
		3,240,285	3,227,552
	Less : Closing Stocks	409,440	446,275
		<u>2,830,845</u>	<u>2,781,277</u>
<b>16. Manufacturing Expenses</b>	Consumption of Stores and Spare parts excluding charged to other revenue heads Rs. 434,518 thousand (Previous year - Rs.468,374 thousand)	37,121	40,816
	Consumption of Moulds (Outside Purchase)	13,986	13,349
	Power and Fuel	616,124	573,745
	Repairs — Buildings	37,605	58,072
	— Plant and Machinery	106,394	101,245
	Other Expenses	159,562	152,515
		<u>970,792</u>	<u>939,742</u>

		For the year ended March 31 2010 Rs. '000	For the year ended March 31 2009 Rs. '000
<b>17. Personnel Expenses</b>	Salaries, Wages, Bonus and Gratuity	<b>461,568</b>	387,326
	Contribution to Provident, Family Pension and Superannuation Funds	<b>53,874</b>	45,474
	Employees' State Insurance	<b>11,077</b>	10,186
	Welfare	<b>28,854</b>	20,453
		<b>555,373</b>	463,439
<b>18. Administration and Selling Expenses</b>	Rent (Net)	<b>20,078</b>	10,804
	Lease Rental	<b>29,320</b>	27,263
	Rates & Taxes	<b>273,382</b>	245,283
	Insurance	<b>19,957</b>	19,889
	Travelling Expenses	<b>86,403</b>	86,279
	Repairs to Buildings	<b>22,802</b>	19,598
	Other Repairs & Maintenance	<b>25,755</b>	21,391
	Bad Debts, Advances and Stock written off	<b>5,245</b>	8,528
	Provision for Doubtful Debts and advances	<b>3,347</b>	6,886
	Provision for Inventory for obsolete stock	<b>209</b>	1,480
	Fixed Assets written off	<b>844</b>	453
	Loss on sale of Fixed Assets	<b>1,070</b>	2,378
	Reimbursement of Expenses to Directors	<b>4,389</b>	9,465
	Directors Fee	<b>400</b>	36
	Forwarding Charges	<b>130,425</b>	119,816
	Selling Expenses	<b>958,772</b>	861,565
	Legal & Professional Expenses	<b>88,674</b>	70,432
	Miscellaneous Expenses	<b>144,595</b>	121,541
		<b>1,815,667</b>	1,633,087
<b>19. Interest</b>	On Fixed Loans	<b>196,059</b>	55,932
	Others	<b>33,331</b>	37,134
		<b>229,390</b>	93,066
<b>20. Decrease/(Increase in Work-In-Progress and Finished Goods</b>	Opening Stocks		
	Work-in-Progress	<b>11,746</b>	15,374
	Finished Goods	<b>604,419</b>	470,195
		<b>616,165</b>	485,569
	Closing Stocks		
	Work-in-Progress	<b>14,312</b>	11,746
	Finished Goods	<b>542,270</b>	604,419
		<b>556,582</b>	616,165
	Decrease/(Increase)	<b>59,583</b>	(130,596)

# Schedules

## Continued

### 21. Significant Accounting Policies and Notes to Accounts

#### I. SIGNIFICANT ACCOUNTING POLICIES:

##### 1. BASIS FOR PREPARATION OF ACCOUNTS

These accounts have been prepared in accordance with historical cost convention on an accrual basis (unless otherwise stated) and applicable accounting standards issued by the Institute of Chartered Accountants of India.

##### 2. FIXED ASSETS

Fixed Assets are stated at their historical cost (net of CENVAT) or at enhanced value inclusive of write up arising out of revaluation, wherever applicable.

##### 3. DEPRECIATION

Principal Straight Line Method (SLM) rates, in the manner prescribed by Schedule XIV of the Companies Act, 1956, have been adopted for the purpose of calculation of depreciation except for the amount added on revaluation of certain assets which are depreciated on the estimate provided by the valuer of the remaining useful life of such assets. Leasehold land is amortised over the period of lease. Depreciation on the assets which have been impaired is provided on the basis stated in note 4 below.

##### 4. IMPAIRMENT OF ASSETS

All assets other than inventories, investments and deferred tax assets, are reviewed for impairment, in accordance with Accounting Standard (AS 28), "Impairment of assets", issued by the Institute of Chartered Accountants of India, wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. Previously recognised impairment loss shall be increased or reversed depending on changes in circumstances. However the carrying amount after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

##### 5. INVESTMENTS

Long Term Investments are stated at cost and provision for diminution is made to recognise a decline, other than temporary, in the value of investments. Current Investments are stated at lower of cost and fair value.

##### 6. INVENTORIES

Inventories are valued at the lower of cost (inclusive of excise duty, as applicable) or net realisable value. Cost is determined on a weighted average basis and it includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

##### 7. INCOME

a) Sale is recognised on dispatches made from respective locations of the Company and is inclusive of excise duty wherever payable by the Company.

b) Revenue from job work is recognised on the completion of a relevant job. The Company's share of income from tie-up operations is recognised on the terms of the relevant agreements.

c) Interest on Income Tax refunds, Insurance claims, Export benefits and Other refunds are accounted for as and when amounts receivable can be reasonably determined as being acceptable to authorities. Royalty income is accounted on an accrual basis in accordance with terms specified in the relevant agreements.

##### 8. EMPLOYEE BENEFITS

(i) Gratuity and leave encashment which are defined benefits, are accrued based on actuarial valuations at the balance sheet date, carried out by an independent actuary.

(ii) Contributions payable to the Government provident fund and approved superannuation fund which are defined contribution schemes, are charged to Profit and Loss account.

(iii) Compensated absences are provided for based on actuarial valuation carried by an actuary as at the end of the year.

(iv) Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

##### 9. FOREIGN CURRENCY TRANSACTIONS

Monetary items are reported using the closing rate and resultant exchange difference is taken to Profit & Loss Account. Non monetary items are reported using exchange rate at the date of transaction.

##### 10. INTEREST ON BORROWINGS

Interest on Working Capital Management is charged against profit for the year in which it is incurred. Interest on borrowings for capital assets is capitalised till the date the asset is ready to be put to use.

##### 11. LEASE ACCOUNTING

Operating Lease payments are recognized as an expense in the Profit and Loss Account on straight-line basis over the lease term [Note 21 II (B) 33 below].

##### 12. TAXATION

Tax expense/ earning is the aggregate of current tax and deferred tax charged/ credited to Profit and Loss Account for the year. Current tax is the amount of tax payable in respect of taxable income for the year and measured by using the applicable tax rates and laws. Deferred tax assets and liabilities are recognized on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized subject to the consideration of prudence. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

##### 13. PROVISIONS AND CONTINGENT LIABILITIES

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation and a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

#### II. NOTES TO ACCOUNTS

##### (A) CONTINGENT LIABILITIES: The following are the details of Contingent liabilities the outflow of which is uncertain at this stage

1. Particulars of various claims against the Company not acknowledged as debts Rs. 44,078 thousand (Previous year—Rs. 51,518 thousand):

i) Claim by Punjab Government in respect of amount paid to Mahalaxmi Sugar Mills pending before the 'The Court of Civil Judge (Senior Division), Kapurthala' Rs. 2,174 thousand (Previous year Rs. 2,174 thousand).

ii) Claim in respect of case filed by ESI Corporation Rs. 615 thousand (Previous year Rs. 615 thousand).

iii) Claim by 'Excise & Taxation Commissioner' in respect of renewal of 'Distillery License' Rs. Nil (Previous year Rs. 9,591 thousand) pending before 'Hon'ble Punjab & Haryana High Court'.

iv) Employee related claims Rs. 15,409 thousand (Previous year Rs. 13,258 thousand).

v) Demand and penalty on Sales Promotion Expenses disallowed by income tax Department in respect of Tie Up Unit Rs. 25,880 thousand (Previous year Rs. 25,880 thousand).

vi) There are certain claims against the Company relating to usage of trade mark etc., which have not been acknowledged as debts. The outcome of such claims is not ascertainable at this stage.

2. a) Particulars of various Excise demands under dispute Rs. 33,107 thousand (Previous year Rs. 19,064 thousand) which have not been deposited on account of dispute:

i) Penalty on excess stock found at the unit Rs. Nil (Previous year Rs. 50 thousand).

ii) Demand in respect of service tax, interest and penalty on utilisation of Service Tax Credit Rs. Nil (Previous year Rs. 406 thousand).

iii) Demand of Service tax on bottling charges amounting to Rs. Nil (Previous year Rs. 53 thousand).

iv) Penalty and Cess on Corrugated cartons manufactured for own consumption Rs. 15 thousand (Previous year Rs. 301 thousand).

vi) Demand of Service Tax and penalty in respect of wrong availment of Service Tax Cenvat Credit Rs. 25,681 thousand (Previous year Rs. 10,764 thousand).

vii) Demand of Excise Duty in respect of reversal of Cenvat Credit on Turbine Rs. 7,411 thousand (Previous year Rs. 7,411 thousand).

viii) Penalty u/s 76 under Service Tax Rs. Nil (Previous year Rs. 79 thousand).

b) Particulars of various Sales tax demands under dispute Rs.14,156 thousand (Previous year Rs. 14,363 thousand).

i) Demand on account of non-submission of sales tax forms Rs. 240 thousand (Previous year Rs. 483 thousand).

ii) Demand of Entry tax under U P Sales Tax Act Rs. 6,446 thousand (Previous year Rs. 6,446 thousand).

iii) Demand of Sales tax under U P Sales Tax Act Rs. 7,301 thousand (Previous year Rs. 7,301 thousand).

iv) Demand of penalty on account of submission of wrong sales tax form Rs. Nil (Previous year Rs. 133 thousand).

v) Demand of Sales Tax under Central Sales Tax Act on account of incomplete submission of sales tax forms Rs. 169 (Previous year Rs. Nil).

c) Certain matters relating to various assessment years of Income Tax are pending at the various levels of tax authorities and High Court. The financial impact, if any, on the outcome of these matters is not determinable at this stage.

3. Bills and cheques discounted but not retired as on March 31, 2010 Rs. Nil (Previous year Rs. 299 thousand).

(B) OTHER NOTES AND ADDITIONAL INFORMATION

1. Computation of net profit under Section 349 and calculation of commission under Section 198 of the Companies Act, 1956:

	2009-10 Rs.'000	2008-09 Rs.'000
Profit/(Loss) before tax as per Profit & Loss Account	46,345	(21,055)
Add: Book Depreciation	193,399	159,996
Directors' Remuneration	9,890	5,928
Fixed Assets written off	844	453
Provision for wealth tax	1,600	1,100
Provision for Doubtful Debts and advances	3,347	6,886
Provision for Inventory for obsolete stock	209	1,480
	<b>255,634</b>	<b>154,788</b>
Less: Depreciation Chargeable as per Section 349	193,399	159,996
Profit on Sale of Fixed Assets as per Section 349(3)(d)	24,213	195
	<b>217,612</b>	<b>160,191</b>
Net Profit/(Loss) for the purpose of calculation of Commission u/s 198 of the Companies Act, 1956	38,022	(5,403)
Commission to Directors		
1% of Profit	380	—
Restricted to	—	—
Managerial Remuneration		
Salary and Allowances	6,096	3,856
Estimated Value of Perquisites	1,813	1,250
Commission	—	—
Contribution to Retirement Funds	1,581	786
Sitting Fee	400	36
	<b>9,890</b>	<b>5,928</b>

The above Managerial Remuneration does not include provision for Gratuity and Leave Encashment, as separate figures applicable to managerial personnel are not available.

2. Land, Building and Plant & Machinery at various locations have been revalued as on 31st March, 1998 by an independent approved valuer on a current replacement cost basis. The excess on revaluation of Rs. 483,217 thousand has been transferred to Revaluation Reserve.

	2009-10 Rs.'000	2008-09 Rs.'000
Depreciation for the year calculated in accordance with accounting policy mentioned in para 3 of I above	234,333	205,919
Less: Adjusted against Revaluation Reserve	40,934	45,923
Net depreciation for the year charged to Profit & Loss Account	<b>193,399</b>	<b>159,996</b>

3. The additions to fixed assets and work-in-progress includes interest on borrowing capitalised amounting to Rs.11,153 thousand (Previous year Rs. 7,054 thousand) and Rs.Nil (Previous year Rs. 8,330 thousand).
4. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) Rs. 17,466 thousand (Previous year— Rs. 10,571 thousand).
5. During the Financial Year 2008-09, the operations of the Company was affected due to temporary reduction in the distillation capacity by 50% at its distillery at Hamira, Distt. Kapurthala, Punjab. The loss of production of Extra Neutral Alcohol (ENA) was compensated by procurement of ENA from other manufacturers. The reduction in the capacity was ordered by Punjab Pollution Control Board, Punjab, pending compliance of certain activities (including installation of Multi Effect Evaporator and Slops Fired Boiler/ Incinerator) relating to effluent treatment. All the activities were required to be completed by 30th June, 2009 and after the completion of all the activities, the capacity was to be reinstated at its original level. The Company has since complied with all the requirements of the order of Hon'ble Punjab & Haryana High Court and the capacity has since been reinstated to the original level vide order of Hon'ble Punjab & Haryana High Court dated 9th June 2009.
6. Amount due from Directors and Company Secretary as at March 31, 2010 is Rs. 3,020 thousand (Previous year Rs. 2,065 thousand). Maximum amount due at any time during the year Rs. 3,954 thousand (Previous year Rs. 3,521 thousand).
7. Maximum amount of advances due from Subsidiary Company, 'Anjani Estates Limited' at any time during the year is Rs. 8,118 thousand (Previous year Rs. 8,110 thousand).

	2009-10 Rs.'000	2008-09 Rs.'000
8. Auditors' Remuneration		
For Audit (including service tax)	1,434	1,213
For Tax Audit (including service tax)	441	386
For Other Services (including service tax)	331	315
Out of Pocket Expenses	55	47
9. Prior Period Expenses/Income		
EXPENSES		
Consumption of Materials (Schedule 15)	60	15
Manufacturing Expenses (Schedule 16)	262	286
Personnel Expenses (Schedule 17)	37	135
Administration and Selling (Schedule 18)	1,686	695
Interest (Schedule 19)	—	113
Total	<b>2,045</b>	<b>1,244</b>

10. Jagatjit Brown Forman (I) Limited (JBFL), a joint venture with Brown Forman Mauritius Limited (BFML), is under advanced stage of liquidation and official liquidator has been appointed by the Hon'ble High Court of Delhi. The Company entered into deed of settlement, release and indemnification with the BFML in the year 2004-05 to wind up JBFL. As per the terms of settlement, the Company received Rs. 9,671 thousand from BFML in earlier years. During the earlier years the Company has netted off Rs. 24,495 thousand (being recoverable from JBFL on account of various supplies/services) against the provisions made by the Company in earlier years, in view of lack of funds with JBFL.
11. (a) (i) Term Loan for Furnace is secured by Land and Building and all tangible and movable machinery and plant with spares, tools and accessories, both present and future at its works at Site IV, Plot No 17, Sahibabad Industrial Area, Sahibabad.
- (ii) Term Loan for D.G. Set is secured by hypothecation of D.G. Set and related equipments/ accessories acquired out of bank loan both present and future at its works at Site IV, Plot No 17, Sahibabad Industrial Area, Sahibabad.
- (iii) Term Loan for Turbine is secured by all the machineries and accessories including Civil work related to Turbine installed at its works at Jagatjit Nagar, Distt Kapurthala.
- (iv) Term Loan for Malt Extract Extension is secured by all the machineries and accessories including Civil work related to Filter and instrumentation installed at its works at Jagatjit Nagar, Distt Kapurthala.
- (v) Term Loan for installation of Water Pollution Control Equipments is secured by all the machineries and accessories including Civil work related to aforementioned equipments installed at its works at Jagatjit Nagar, Distt Kapurthala.
- (vi) Term Loan for Malt Spirit Plant and Malted Milk Food Plant is secured by all the machineries and accessories including Civil work related to Plants installed at its works at Jagatjit Nagar, Distt Kapurthala.
- (vii) Short Term Loan for General Corporate Purpose is secured by hypothecation of property situated at 78, Institutional Area, Sector -18 Gurgaon, property at 12 Rajdoot Marg, New Delhi and property at its Works at Jagatjit Nagar.

# Schedules

## Continued

- (b) Cash Credit/Overdraft and Working Capital Demand Loan from Banks are secured by hypothecation of stocks, stores, spares and book debts.  
(c) A Fixed deposit of Rs. 221,132 thousand (Previous year Rs. 15 thousand) is guaranteed by Directors.  
(d) Car Loans are secured by hypothecation of the related cars.
12. The Company has given unsecured advance to Anjani Estates Limited formerly Binnies Estates Limited (AEL-a wholly owned Subsidiary) amounting to Rs. 8,111 thousand (Previous Year Rs. 8,109 thousand) to be repaid as per the applicable stipulation/restipulation. The Company also has an investment in equity/preference shares capital of AEL amounting to Rs. 501 thousand (Previous year Rs. 501 thousand). The accumulated losses of AEL have exceeded its capital and reserves. Accordingly, as an abundant caution the Company had made provision against unsecured advance of Rs.Nil (Previous year Rs. 1 thousand). Further, in earlier years the company has made provision for diminution in value of investments amounting to Rs. 499 thousand and unsecured advances amounting to Rs. 8,109 thousand.
13. At the year end unclaimed dividend Rs. 610 thousand (Previous Year Rs. 615 thousand) and unclaimed deposits Rs. 8,164 thousand (previous year Rs. 7,226 thousand) disclosed under current liabilities (Schedule 12) need not be transferred to Investor Education and Protection Fund in terms of provisions of Section 205C of the Companies Act, 1956.
14. Details of dues to Micro, Small and Medium Enterprises as per MSMED ACT, 2006  
This information (refer Schedule 12 - Current Liabilities & Provisions) regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

### Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

	2009-10 Rs.'000	2008-09 Rs.'000
I The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year		
Principal Amount Unpaid	17,467	15,782
Interest due	145	61
II The amount of interest paid by the buyer in term of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to suppliers beyond the appointed day during the year		
Payment made beyond the Appointed date	69,328	22,944
Interest paid beyond the Appointed date	—	—
III The amount of interest due and payable for the period of delay in making payment ( which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	1,465	615
IV The amount of interest accrued and remaining unpaid at the end of the year	2,080	615
15. In accordance with ASI 14 on 'Disclosure of Revenue from Sales Transactions' issued by Institute of Chartered Accountants of India, excise duty on turnover amounting to Rs. 2,381,032 thousand (Previous year Rs. 2,259,482 thousand) has been reduced from turnover in profit & loss account and differential excise duty on opening and closing stock of finished goods amounting to Rs. 49,054 thousand (Previous year Rs. 80,516 thousand) has been separately shown in Profit and Loss Account.		
16. Earnings per share (EPS) : Numerators and denominators used to calculate basic and diluted earning per share		

	Year ended 31.03.2010	Year ended 31.03.2009
Net Profit/(Loss) attributable to Shareholders	64,584,036	(45,030,009)
Number of equity shares in issue	43,648,112*	49,442,224*
Basic / Diluted Earnings per share of Rs.10 each (in Rs.)	1.48	(0.91)

### Notes:

The Company does not have any outstanding dilutive potential equity shares. Consequently the basic and diluted earning per share of the Company remain the same.

\* The preferential allotment of 2,500,000 equity shares, having no right to dividend has not been considered in the above computation of EPS (Refer Schedule 1 Note 2).

### 17. Employee benefits

The Company has classified various employee benefits as under:

#### (a) Defined Contribution Plans

During the year, the Company has recognised the following amounts in the Profit and Loss Account:

	For the year ended March 31, 2010 Rs. '000	For the year ended March 31, 2009 Rs. '000
(i) Employers' Contribution to Superannuation Fund	17,269	14,359
(ii) Employers' Contribution to Provident Fund	36,605	31,115
(iii) Employers' Contribution to Employees' State Insurance	11,077	10,186
Included in 'Contribution to Provident, Family Pension and Superannuation Funds' and 'Employees' State Insurance (Refer Schedule 17)		

#### (b) Defined Benefit Plans

Valuation in respect of Gratuity and Leave Encashment have been carried out by independent actuary, as at 31st March, 2010, based on the following assumptions:

	Leave Encashment (Unfunded) Rs. '000	Gratuity (Unfunded) Rs. '000
(I) Assumptions		
(a) Discount Rate	8%	8%
(b) Rate of increase in Compensation Levels	5%	5%
(c) Rate of return of Plan Assets	N.A.	N.A.
(d) Expected Average remaining working lives of employees (in years)	10.54-22.45	10.54-22.45
(II) Change in the Present Value of Obligation		
(a) Present value of obligation as at April 1, 2009	35,817	109,548
(b) Interest cost	1,928	8,402
(c) Current service cost	15,311	8,043
(d) Benefit paid	(1,806)	(9,040)
(e) Actuarial (gain)/loss on obligations	(11,224)	261
(f) Present value of obligation as at March 31, 2010	40,026	117,214
(III) Amount recognised in the Balance Sheet		
(a) Present value of obligation as at March 31, 2010	40,026	117,214
(b) Fair Value of Plan Assets as at the year end	—	—
(c) (Asset) / Liability recognised in the Balance Sheet	40,026	117,214
(IV) Expenses recognised in the Profit and Loss Account		
(a) Current service cost	15,311	8,043
(b) Interest cost	1,928	8,402
(c) Expected Return on Plan Assets	—	—
(d) Settlement Cost/Credit	(1,806)	(9,040)
(e) Actuarial (gain)/loss recognised in period	(11,224)	261
(f) Total Expenses recognised in the Profit and Loss Account	4,209	7,666

Valuation in respect of Gratuity and Leave Encashment was carried out by independent actuary, as on 31st March, 2009, based on the following assumptions:

	Leave Encashment (Unfunded) Rs. '000	Gratuity (Unfunded) Rs. '000			
(I) Assumptions					
(a) Discount Rate	8%	8%			
(b) Rate of increase in Compensation Levels	5%	5%			
(c) Rate of return of Plan Assets	N.A.	N.A.			
(d) Expected Average remaining working lives of employees (in years)	10.54-22.45	10.54-22.45			
(II) Change in the Present Value of Obligation					
(a) Present value of obligation as at April 1, 2008	34,280	103,257			
(b) Interest cost	1,908	7,371			
(c) Current service cost	15,083	7,569			
(d) Benefit paid	(2,194)	(9,619)			
(e) Actuarial (gain)/loss on obligations	(13,260)	970			
(f) Present value of obligation as at March 31, 2009	35,817	109,548			
(III) Amount recognised in the Balance Sheet					
(a) Present value of obligation as at March 31, 2008	35,817	109,548			
(b) Fair Value of Plan Assets as at the year end	—	—			
(c) (Asset) / Liability recognised in the Balance Sheet	35,817	109,548			
(IV) Expenses recognised in the Profit and Loss Account					
(a) Current service cost	15,083	7,569			
(b) Interest cost	1,908	7,371			
(c) Expected Return on Plan Assets	—	—			
(d) Settlement Cost/Credit	(2,194)	(9,619)			
(e) Actuarial (gain)/loss recognised in period	(13,260)	970			
(f) Total Expenses recognised in the Profit and Loss Account	1,537	6,291			
18. Segment Reporting					
i) Primary Segment Reporting (by Business Segments)					
Composition of Business Segments					
Segments have been identified and reported taking into account, the nature of products and services, the differing risks and returns, the organisation structure, and the internal financial reporting systems. The Company's business segments are as under:					
Beverages : Segment includes manufacturing and supply of Bottled Indian Made Foreign Liquor, Country Liquor, Industrial Alcohol and licensing use of its IMFL brands.					
Food : Segment includes manufacturing and supplies of food products and providing services for manufacture of food products.					
Packaging : Segment includes manufacturing and supplies of Glass and Plastic containers to open market and for its captive consumption.					
Others : Segment includes sale of Petroleum products and Khad . It also includes dividend from and profit on sale of investments and income from marketing services.					
ii) As part of Secondary reporting, revenues are attributed to geographical areas based on the location of the customers.					
iii) Inter Segment Pricing - At cost plus margin.					
Information about Business Segment - Primary for the year 2009-10		Rs.'000			
	Beverages	Food	Packaging	Others	Total
REVENUE					
Sales (Net of Excise duty), Services and Other income	5,627,048	686,840	535,841	164,936	7,014,665
Inter Segment Sales	7,341	—	594,461	—	601,802
Unallocated Income	—	—	—	—	2,632
Total Revenue	5,634,389	686,840	1,130,302	164,936	7,619,099
RESULTS					
Segment Results (Refer Note vii below)	422,153	(4,798)	112,302	1,521	531,178
Unallocated expenditure					
Net of unallocated income					286,827
Interest Income					7,267
Extra Ordinary Income					24,117
Interest Expense					(229,390)
Profit/ (Loss) before tax					46,345
Less: Tax expense:					
Current Tax :					
— For the year					8,416
— Fringe Benefit Tax					—
Deferred Tax (benefit)/ charge					(26,655)
Provision for Earlier years Written back					—
Profit/ (Loss) after tax					64,584
OTHER INFORMATION					
Segment Assets (Refer Note viii below)	4,035,180	794,064	869,329	134,407	5,832,980
Inter-segment Assets	10,714	—	155,908	—	166,622
Unallocated Assets					1,197,632
Total Assets					7,197,234
Segment Liabilities	1,244,521	92,919	210,331	583	1,548,354
Inter-segment Liabilities	155,908	—	10,714	—	166,622
Unallocated Liabilities					2,247,420
Total Liabilities					3,962,396
Capital Expenditure	41,881	28,509	18,424	—	88,814
Unallocated Capital Expenditure					109,974
Total Capital Expenditure					198,788
Depreciation	82,501	46,633	49,182	496	178,812
Unallocated Depreciation					14,587
Total					193,399
Non - cash expenditure other than depreciation	7,407	1,179	713	—	9,299
Unallocable Non Cash					346
Total					9,645

# Schedules

## Continued

Information about Secondary Business Segments - Geographical by location of customers					Rs.'000
			Domestic	Overseas	Total
Revenues (Net of Excise Duty)			6,949,168	68,129	7,017,297
Other information:					
Carrying amount of segment assets by location of assets			7,030,612	—	7,030,612
Addition to Fixed Assets/Capital Work- in- Progress (including Capital Advances)			525,436	—	525,436
Information about Business Segment - Primary for the year 2008-09					Rs.'000
	Beverages	Food	Packaging	Others	Total
REVENUE					
Sales (Net of Excise duty), Services and Other income	4,787,509	842,634	343,771	160,035	6,133,949
Inter Segment Sales	7,172	—	596,009	—	603,181
Unallocated Income	—	—	—	—	9,769
Total Revenue	4,794,681	842,634	939,780	160,035	6,746,899
RESULTS					
Segment Results (Refer Note vii below)	163,129	51,084	41,799	1,411	257,423
Unallocated expenditure					
Net of unallocated income					201,327
Interest Income					15,915
Interest Expense					(93,066)
Profit/ (Loss) before tax					(21,055)
Less: Tax expense:					
Current Tax :					
— For the year					—
— Fringe Benefit Tax					15,000
Deferred Tax (benefit)/ charge					8,975
Provision for Earlier years Written back					—
Profit/ (Loss) after tax					(45,030)
OTHER INFORMATION					
Segment Assets (Refer Note viii below)	3,885,863	840,547	876,601	24,639	5,627,650
Inter-segment Assets	10,324	—	145,276	—	155,600
Unallocated Assets					1,103,205
Total Assets					6,886,455
Segment Liabilities	1,064,089	130,700	249,052	513	1,444,354
Inter-segment Liabilities	145,276	—	10,324	—	155,600
Unallocated Liabilities					1,398,565
Total Liabilities					2,998,519
Capital Expenditure	373,003	211,996	6,224	4	591,227
Unallocated Capital Expenditure					54,825
Total Capital Expenditure					646,052
Depreciation	64,221	32,291	50,639	496	147,647
Unallocated Depreciation					12,349
Total					159,996
Non - cash expenditure other than depreciation	15,466	11	1,549	—	17,026
Unallocable Non Cash					321
Total					17,347
Information about Secondary Business Segments - Geographical by location of customers					Rs.'000
			Domestic	Overseas	Total
Revenues (Net of Excise Duty)			6,038,616	105,102	6,143,718
Other information:					
Carrying amount of segment assets by location of assets			6,730,855	—	6,730,855
Addition to Fixed Assets/Capital Work-in-Progress (including Capital Advances)			646,052	—	646,052
NOTES:					
i) The Company is focused on the segment of Beverages (including Liquor) in India. The commercial terms and conditions of Liquor sales being identical in India, there are no differential risks and return on the basis of such business segmentation. The Company's year to date export turnover being less than 1% of its total turnover (Previous year 2%), the commercial risks and returns involved on the basis of geographic segmentation are therefore considered insignificant and immaterial.					
ii) Segment assets include Capital Work- in- Progress & Capital Advances aggregating to Rs. 42,955 thousand (Previous year-Rs. 369,602 thousand). While most assets are directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis.					
iii) Capital expenditure pertains to additions made to Fixed Assets/ Capital Work-in-Progress (including Capital Advances) during the year.					
iv) Unallocated assets includes land, administration building and cash & bank balances etc. at Jagatjit Nagar.					
v) Unallocated liabilities include interest bearing liabilities and tax provisions and deferred tax liability.					
vi) Non cash items includes bad debts, advances and stocks written off, provision for doubtful debts & advances and fixed assets written off.					
vii) Sales and other Income of Beverages segment includes rental income (net) of Rs. 123,376 thousand (Previous year Rs. 104,839 thousand) from the surplus properties of the Company.					
19. Movement of purchase and sale of investment.					
Principal PNB Long Term Equity Fund - 3 year Plan - Principal Emerging Blue chip Fund-Growth [Purchased during the year 50,000 units of Rs. 10 each (Previous year - 50,000)].					
Qube Corporation Pvt. Ltd. 1,800,000 Cumulative redeemable preference Shares Purchased During the year					
L P Jaiswal & Sons Pvt. Ltd. 600 Shares Purchased During the year					
Sea Bird Securities Pvt Ltd. 10,000 Shares purchased during the year and 5,200 sold during the year					
20. Related Party Disclosures					
In accordance with the requirements of "Accounting Standard 18" issued by The Institute of Chartered Accountants of India on the Related Party Disclosures, the transactions and Related Parties with whom transactions have taken place during the year are as follows:					
(a) Related parties and transactions with them as identified by the management and relied upon by the Auditors are given below:					
Subsidiary Company					
Anjani Estates Ltd.					

- (b) Enterprises over which Major shareholders, Key Management Personnel and their relatives have significant influence / control :

Milkfood Ltd.  
Hyderabad Distilleries & Wineries Pvt. Ltd.  
Fast Buck Investment & Trading Pvt. Ltd.  
Jagatjit Industries Limited Employees Superannuation Scheme  
Pashupati Properties & Estates Pvt. Limited  
L.P. Investments Limited.  
Grand Regency Hospitalities Pvt Ltd.  
Qube Corporation Pvt. Ltd.

- (c) Key Management Personnel (Directors) and their relatives :

Mr. Arvind Behl  
Mr. Ravi Manchanda  
Mr. Narender Sapra

- (d) Details of transactions carried out with the related parties in the ordinary course of business:

Rs./'000

	For the Year ended March 31, 2010				For the Year ended March 31, 2009			
	With Persons Mentioned in Note 21 (a)	With Persons Mentioned in Note 21 (b)	With Persons Mentioned in Note 21 (c)	Total	With Persons Mentioned in Note 21 (a)	With Persons Mentioned in Note 21 (b)	With Persons Mentioned in Note 21 (c)	Total
<b>PARTICULARS OF TRANSACTIONS</b>								
Sales of Goods (Refer Note 3 below)	—	6,707	—	6,707	—	2,993	—	2,993
Job Work rendered (Milkfood Limited)	—	29,431	—	29,431	—	27,649	—	27,649
Royalty Received (Hyderabad Distilleries & Wineries Pvt. Ltd.)	—	36	—	36	—	48	—	48
Purchases of goods (Refer Note 4 below)	—	33,836	—	33,836	—	54,224	—	54,224
Purchases of Fixed Assets (Milkfood Limited)	—	965	—	965	—	6,197	—	6,197
Interest accrued (Refer Note 5 below)	—	692	—	692	—	507	—	507
Reimbursement of Payments Made on Behalf of Company (Refer Note 6 below)	—	11,911	—	11,911	—	3,989	—	3,989
Expenses paid by Company on behalf of related parties (Refer Note 7 below)	10	1,586	—	1,596	1	6,517	—	6,518
Provision for Doubtful Advances (Refer Note 8 below)	—	—	—	—	1	—	—	1
Rent received (Milkfood Limited)	—	397	—	397	—	404	—	404
Loans including interest repaid (Refer Note 9 below)	—	5,194	—	5,194	—	172	—	172
Managerial Remuneration (Refer Note 2 below)	—	—	9,490	9,490	—	—	5,705	5,705
Inter Corporate Deposit received (Fast Buck Investments & Trading Pvt. Ltd)	—	—	—	—	—	3,500	—	3,500
Provision for Doubtful Advances reversed	—	—	—	—	—	1,000	—	1,000
Bottling Charges paid (Hyderabad Distilleries & Wineries Pvt. Ltd.)	—	19,040	—	19,040	—	15,782	—	15,782
Lease Rent paid (Refer Note 10 below)	—	14,436	—	14,436	—	14,249	—	14,249
Contribution to Superannuation Fund (Jagatjit Industries Limited Employees Superannuation Scheme)	—	17,268	—	17,268	—	14,359	—	14,359
<b>BALANCES OUTSTANDING AT THE YEAR END</b>								
Unsecured Advances	8,111	126,635	—	134,746	8,109	126,635	—	134,744
Provision for Unsecured Advances	8,109	126,635	—	134,744	8,109	126,635	—	134,744
Receivables (Net of Payable)	—	74,955	—	74,955	—	71,525	—	71,525
Unsecured Loans	—	6,178	—	6,178	—	10,680	—	10,680
Investments	501	20,025	—	20,526	501	2,025	—	2,526
Provision for Permanent Diminution in value of Investments	499	2,023	—	2,522	499	2,023	—	2,522

Notes:

- The above information has been compiled on the basis of disclosures received from all directors of the Company.
- The above payments does not include expenses incurred by / reimbursed to directors during the course of performance of duty.
- Sale of goods includes sales to the following :  
Milkfood Ltd. Rs. 6,406 thousand (Previous year Rs. 2,715 thousand)  
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 301 thousand (Previous year Rs. 278 thousand)
- Purchase of goods includes purchases from the following :  
Milkfood Ltd. Rs. 33,682 thousand (Previous year - Rs. 53,791 thousand)  
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs.154 thousand (Previous year Rs. 433 thousand)
- Interest Accrued is in respect of the following :  
Fast Buck Investments & Trading Pvt. Ltd. Rs. 692 thousand (Previous year Rs. 507 thousand)
- Reimbursement of Payments Made on behalf of the Company is in respect of the following :  
Milkfood Ltd. Rs. 7,980 thousand (Previous year Rs. 2,837 thousand)  
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 3,531 thousand (Previous year Rs. 1,052 thousand)  
Pashupati Properties & Estates Pvt. Limited Rs. Nil (Previous year Rs. 100 thousand)  
Grand Regency Hospitalities Pvt Ltd. Rs 400 thousand (Previous Year Rs. Nil)
- Expenses paid by the Company on behalf of related parties is in respect of the following :  
Milkfood Ltd. Rs. 1,093 thousand (Previous year Rs. 1,029 thousand)  
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 493 thousand (Previous year Rs. 5,488 thousand)  
Anjani Estates Ltd. Rs. 10 thousand (Previous year Rs. 1 thousand )
- Provision for Doubtful Advances  
Anjani Estates Ltd. Rs. Nil (Previous year Rs. 1 thousand)
- Loans including interest repaid is in respect of the following :  
Fast Buck Investments & Trading Pvt. Ltd. Rs. 5,194 thousand (Previous year Rs. 172 thousand)
- Lease Rent paid  
Pashupati Properties & Estates Pvt. Limited Rs. 1,200 thousand (Previous year Rs. 790 thousand)  
Hyderabad Distilleries & Wineries Pvt. Ltd Rs. 13,236 thousand (Previous year Rs. 13,459 thousand)

# Schedules

## Continued

### 21. Capacities and Production

Class of Goods Manufactured	Unit	Capacities				Actual Production	
		Licensed (1)		Installed		2009-10	2008-09
		2009-10	2008-09	2009-10	2008-09		
Glass	Tonne	125,000	125,000	65,000	65,000	30,990(3)	21,298(3)
Plastic Containers	"	840	840	840	840	—(3)	—(3)
Malt (4)	"	Not required	Not required	20,000	20,000	—(3)	—(3)
Malt Extract (4)	"	Not required	Not required	19,670	12,960	10,695(3)	10,665(3)
Milk Products (c)	"	40,500	40,500	36,670(2)	36,670(2)	711(3)	1,803(3)
Nutritional Powder Beverages & Maltodextrins	"	3,750	3,750			—	—
High Protein Food	"	2,500	2,500			—	—
Chocolate and Chocolate Drinks	"	10,625	10,625			—	—
Potato Based Snacks	"	35,750	35,750			—	—
Texturised Soya Proteins	"	9,000	9,000	—	—	—	—
Pasta Products and Expanded Snacks	"	23,125	23,125	—	—	—	—
Fruits & Vegetable Powder, Drinks & Processed Products	"	235,625	235,625	—	—	—	—
Liquor	K.L. (Bulk)	57,059	57,059	54,127(d)	53,074(d)	36,344 (b)	34,708 (b)
Industrial Alcohol	"	25,000	25,000	—	—	—	—
Mineral Water	K.L.	50,750	50,750	—	—	—	—
Carbon dioxide Gas (4)	Tonne	Not required	Not required	3,600	3,600	713	753

- (a) Installed Capacities being technical matter have been certified by the Management and relied upon by the Auditors.  
(b) Liquor Production comprises Alcohol processed and bottled out of ENA spirit and denatured spirit produced. It includes production at Hyderabad Unit, M/s Sree Venktaeshwara Winery & Distillery and in the State of Kerala.  
(c) Comprises of Malted Milk Food, Weaning Foods and Milk Powder including products containing not less than 68% milk solids.  
(d) The Installed Capacity includes production at Hyderabad Unit and M/s Sree Venktaeshwara Winery & Distillery being taken on lease but does not include production in Kerala being bottling arrangement.  
(1) Including 25% permissible production over licensed capacity.  
(2) The products are manufactured in an integrated plant and hence installed capacity cannot be given separately.  
(3) Captive use and job work not included.  
(4) Licensing requirements have been dispensed with effect from July 25, 1991 (refer press note No. 9 issued by Ministry of Industry, Department of Industrial Development).

### 22. Raw and Packing Materials consumed

Description of Goods	Unit	2009-10		2008-09	
		Quantity	Value Rs.'000	Quantity	Value Rs.'000
Grains	Tonne	69,555	754,601	40,789	431,674
Molasses	"	7,050	58,864	38,979	224,799
Soda Ash	"	10,852	158,991	9,620	164,928
Sand	"	32,094	53,895	29,440	45,585
Bottles	No. in	93,794	226,764	133,887	210,602
(Outside Purchase)	Thousand				
Tins & Other Containers	"	9,760	125,458	10,904	129,390
Seals	"	252,019	233,072	255,131	208,731
Milk	Tonne	3,800	85,517	5,953	147,364
Packing Materials	"	*	199,348	*	167,746
Cullet (Outside Purchase)	Tonne	16,319	76,139	16,327	67,470
ENA	BL	15,001,108	547,214	16,969,835	702,487
Others	"	*	310,982	*	280,501
			<u>2,830,845</u>		<u>2,781,277</u>

\* Due to diverse nature and innumerable items quantitative details are not available

### 23. Break-up of Sales

Description of Goods	Unit	2009-10		2008-09	
		Quantity	Value Rs.'000	Quantity	Value Rs.'000
1. Malt and Malt Extract Powder	Tonne	10,610	261,097	10,993	273,774
2. Malted Milk Food	"	617	65,762	2,026	221,483
3. Liquor	Bulk Kilo Litre	36,501	7,422,177	34,552	6,655,727
4. Bottles	No. in Thousand	131,590	570,902	82,628	365,921
5. Containers	Tonne	15	170	—	—
6. Carbon dioxide Gas	"	715	3,704	750	3,654
7. Resale Materials*	"		300,034		159,767
8. Other Sales	**	**	122,872	**	166,367
			<u>8,746,718</u>		<u>7,846,693</u>

\* Refer schedule 21 II (B) 24

\*\* Due to diverse nature and innumerable items quantitative details are not available.

### 24. Analysis of Resale Materials

Particulars	Unit	2009-10		2008-09	
		Quantity	Value Rs.'000	Quantity	Value Rs.'000
PETROLEUM AND ITS PRODUCTS					
Opening Balance	K.L.	70	2,711	37	1,720
Purchases	"	5,201	157,262	4,893	153,024
Turnover	"	5,187	159,728	4,860	155,196
Closing Balance	"	84	3,913	70	2,711
WINE					
Opening Balance	Cases	450	2,377	—	—
Purchases	"	—	—	630	2,973
Turnover	"	150	985	180	408
Closing Balance	"	300	1,514	450	2,377
LIQUOR					
Opening Balance	Cases	—	—	—	—
Purchases	"	113,271	136,206	—	—
Turnover	"	111,565	134,558	—	—
Closing Balance	"	1,706	1,927	—	—
OTHERS					
Opening Balance	*	*	—	*	—
Purchases	"	*	4,764	*	4,164
Turnover	"	*	4,763	*	4,163
Closing Balance	"	*	—	*	—

\* Due to diverse nature and innumerable items quantitative details are not available

**25. Opening and Closing Stocks of Finished Goods (Schedule 21 I 6)**

Particulars	Unit	Closing Stock				Opening Stock			
		2009-10		2008-09		2009-10		2008-09	
		Quantity	Value Rs.'000	Quantity	Value Rs.'000	Quantity	Value Rs.'000	Quantity	Value Rs.'000
Malt	Tonne	1,678	30,329	1,798	32,446	1,798	32,446	1,273	15,532
Malt Extract	"	112	2,601	27	538	27	538	375	5,775
Malted Milk Food	"	119	9,680	25	2,885	25	2,885	250	22,041
Liquor	Bulk Kilo Litre	4,559	368,110	4,554	372,709	4,554	372,709	3,844	298,431
Carbondioxide Gas	Tonne	3	12	6	15	6	15	2	8
Glass	"	7,246	107,937	12,318	179,776	12,318	179,776	10,135	115,255
Containers	"	7	2,600	22	2,854	22	2,854	23	3,498
Others	*	*	7,354	*	5,088	*	5,088	*	1,720
- Resale Material**	*	*	13,647	*	8,108	*	8,108	*	7,935
- Others									
			<b>542,270</b>		<b>604,419</b>		<b>604,419</b>		<b>470,195</b>

\*\* Refer schedule 21 II (B) 24

\* Due to diverse nature and innumerable items quantitative details are not available

**26. Value of Imports on C.I.F. Basis**

Raw Materials	283,216	262,684
Spare Parts including Stores	6,128	6,857
Capital Goods	7,753	46,458

**27. Expenditure in Foreign Currency (On Cash Basis)**

Other Matters - Commission, Traveling etc.	9,213	9,608
--	-------	-------

**28. Earnings in Foreign Exchange**

Export of goods calculated on FOB basis (Including sales to Nepal, Bhutan, Bahrain in Rupee terms, Rs. 5,508 thousand; Previous year—Rs. 7,400 thousand)	67,202	104,116
---	--------	---------

**29. Value of Imported/Indigenous Raw and Packing Materials, Stores and Spare Parts consumed:**

	2009-10		2008-09	
	Value Rs.'000	%	Value Rs.'000	%
i) Raw and Packing Materials				
Imported	264,381	9.34	245,949	8.84
Indigenous	2,566,464	90.66	2,535,328	91.16
	<b>2,830,845</b>	<b>100.00</b>	<b>2,781,277</b>	<b>100.00</b>
ii) Stores and Spare Parts				
Imported	5,734	1.22	49,126	9.65
Indigenous	465,905	98.78	460,064	90.35
	<b>471,639</b>	<b>100.00</b>	<b>509,190</b>	<b>100.00</b>

**30. Sundry Debtors, Sundry Creditors and Loans & Advances are subject to confirmation and are in the process of reconciliation.**

31. In the month of October 2006, the Company acquired licensed capacity of 34 lakhs Proof Litres for the remaining period of financial year on lease from M/s Hyderabad Distilleries & Wineries Pvt. Ltd., Hyderabad (HDWL) for manufacturing of IMFL. Consequent to this change, the Company had started producing IMFL in its own name. In the previous year the Company increased its acquired capacity from 34 lakhs Proof Litres to 68.58 lakhs Proof Litre. In the month of February 2010, the Company acquired licensed capacity of 7.78 lakhs Proof Litres for the remaining period of financial year on lease from M/s Sree Venkateshwara Winery & Distillery Pvt. Ltd., Hyderabad for manufacturing of IMFL. Consequent to this change, the Company had started producing IMFL in its own name.

32. In a petition filed against the Company and its Board of Directors under section 397 and 398 of the Companies Act, 1956, in the Hon'ble Company Law Board (CLB), the CLB vide its order dated 12th March, 2009 has directed the Company to buy back the shares of the petitioners and their associates aggregating to 5,794,112 equity shares in the Company alongwith their holdings of 600 Equity Shares in M/s L.P. Jaiswal & Sons Pvt Ltd at an aggregate value of Rs. 7300 lacs. Accordingly, during the financial year 2009-2010 in order to avoid any further adverse effects on the business operations and to facilitate smooth business operations, the Company paid total sum of Rs. 7300 lacs to the petitioners before the last date of payment, i.e. 11th June, 2009. The company made payment of (i) Rs. 579 lacs towards Face value of the Share Capital bought back and cancelled (ii) Rs. 5816 lacs as Premium paid on buy back of shares of the petitioners in the Company and (iii) Rs. 905 lacs towards 600 Shares of M/s L.P. Jaiswal & Sons Pvt Ltd acquired from the Petitioners and disclosed as Investments.

In view of the management, the premium paid on Buy-back of shares amounting to Rs. 5816 lacs as mentioned above has not been charged to Profit & Loss Account due to insufficiency of the Profits of the Company during the Financial Year 2009-2010. Instead as required under section 77A of the Companies Act, 1956 this amount has been set off against the brought forward balance in Profit & Loss Account, even though the CLB order as mentioned above exempts the company from the same. Further as required under section 77AA of the Companies Act, 1956 a sum equivalent to the nominal value of the shares so cancelled has been transferred to the Capital Redemption Reserve Account.

33. The Company normally acquires vehicles under operational lease with the respective underlying assets as security. Minimum lease payments outstanding as on March 31, 2010 in respect of these assets are as under:

	Total minimum lease payments outstanding as on March 31, 2010 Rs.'000	Total minimum lease payments outstanding as on March 31, 2009 Rs.'000
Due within one year	9,425	16,793
Due later than one year and not later than five years	1,634	11,789
Lease payments of Rs. 16,796 thousand (Previous year Rs. 15,208 thousand) have been recognised as an expense in the profit and loss account for the year ended March 31, 2010.		

34. Previous year's figures have been regrouped/recast wherever necessary to conform to the current year's classification.

**Statement regarding subsidiary company pursuant to Section 212 of the Companies Act, 1956**

1. Name of the subsidiary company	<b>Anjani Estates Limited</b> (Formerly Binnies Estates Limited)
2. The Financial Year of subsidiary company ended	March 31, 2010
3. Holding Company's interest	Holders of entire Subscribed Capital 50,000 Equity Shares of Rs. 10 each fully paid up and 9 10% Redeemable Cumulative Preference Shares of Rs. 100 each.
4. Net aggregate amount of profits less losses of the subsidiary company so far as it concerns members of Jagatjit Industries Limited:	
a) not dealt within the accounts of Jagatjit Industries Limited:	(Rs. lacs)
i) for the subsidiary's financial year ended March 31, 2010	0.15 (net of dividend Rs. Nil paid to Jagatjit Industries Limited for the previous year)
ii) for the previous financial years of the subsidiary since they became subsidiary of Jagatjit Industries Limited	(45.57) (net of dividend Rs. Nil paid to Jagatjit Industries Limited for the previous financial years)
b) dealt within the accounts of Jagatjit Industries Limited:	(Rs. lacs)
i) for the subsidiary's financial year ended March 31, 2010	Nil (dividend paid to Jagatjit Industries Limited)
ii) for the previous financial years of the subsidiary since they became subsidiary of Jagatjit Industries Limited	Nil (dividend paid to Jagatjit Industries Limited)

## Balance Sheet Abstract and Company's General Business Profile

### I. Registration Details

Registration No. 

0	0	1	9	7	0
---	---	---	---	---	---

State Code 

0	1	6
---	---	---

Balance Sheet (Date) 

3	1	-	0	3	-	2	0	1	0
---	---	---	---	---	---	---	---	---	---

### II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue

			N	I	L				
--	--	--	---	---	---	--	--	--	--

Bonus Issue

			N	I	L				
--	--	--	---	---	---	--	--	--	--

GDR Issue

			N	I	L				
--	--	--	---	---	---	--	--	--	--

Rights Issue

			N	I	L				
--	--	--	---	---	---	--	--	--	--

Private Placement

			N	I	L				
--	--	--	---	---	---	--	--	--	--

### III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

		4	9	9	1	1	4	0
--	--	---	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

		4	6	1	4	8	1
--	--	---	---	---	---	---	---

Secured Loans

		7	6	9	1	6	6
--	--	---	---	---	---	---	---

Deferred Tax Liability (Net)

		1	8	0	6	2	9
--	--	---	---	---	---	---	---

Application of Funds

Net Fixed Assets

		3	7	1	3	6	6	4
--	--	---	---	---	---	---	---	---

Net Current Assets

		1	1	5	7	4	1	9
--	--	---	---	---	---	---	---	---

Accumulated Losses

				—				
--	--	--	--	---	--	--	--	--

Total Assets

		4	9	9	1	1	4	0
--	--	---	---	---	---	---	---	---

Reserves and Surplus

		2	7	7	3	3	5	7
--	--	---	---	---	---	---	---	---

Unsecured Loans

		8	0	6	5	0	7
--	--	---	---	---	---	---	---

Investments

		1	2	0	0	5	7
--	--	---	---	---	---	---	---

Miscellaneous Expenditure

				—			
--	--	--	--	---	--	--	--

### IV. Performance of Company (Amount in Rs. Thousands)

Turnover Including Other Income

		7	0	4	8	6	8	1
--	--	---	---	---	---	---	---	---

+	—
✓	

Profit/(Loss) Before Tax

		4	6	3	4	5
--	--	---	---	---	---	---

Earnings per share in Rs.

		1	.	4	8
--	--	---	---	---	---

Total Expenditure

		7	0	0	2	3	3	6
--	--	---	---	---	---	---	---	---

+	—
✓	

Profit/(Loss) After Tax

		6	4	5	8	4
--	--	---	---	---	---	---

Dividend %

		N	I	L		
--	--	---	---	---	--	--

### V. Generic names of three principal products of Company

Item Code No. 

2	2	0	8	1	0	.	0	0
---	---	---	---	---	---	---	---	---

Product Description 

A	L	C	O	H	O	L	I	C		B	E	V	E	R	A	G	E	S
---	---	---	---	---	---	---	---	---	--	---	---	---	---	---	---	---	---	---

Item Code No. 

1	9	0	1	1	0	.	0	1
---	---	---	---	---	---	---	---	---

Product Description 

M	A	L	T	E	D		M	I	L	K		F	O	O	D
---	---	---	---	---	---	--	---	---	---	---	--	---	---	---	---

Item Code No. 

7	0	1	0	9	0	.	0	1
---	---	---	---	---	---	---	---	---

Product Description 

G	L	A	S	S		B	O	T	T	L	E	S		&		J	A	R	S
---	---	---	---	---	--	---	---	---	---	---	---	---	--	---	--	---	---	---	---

**ANJANI ESTATES LIMITED**  
(FORMERLY BINNIES ESTATES LIMITED)

**ANNUAL  
REPORT  
2009-10**

# Directors' Report

## To the Shareholders

The Directors have pleasure in presenting their Report and Statement of Accounts for the financial year ended 31st March, 2010.

## Working Results

During the period under report, the working results show a profit of Rs.14,714/- which together with the deficit of Rs.45,57,052/- for the previous years has been carried over to the Balance Sheet.

## Dividend

In view of inadequacy of profit during the year, your Directors do not recommend any dividend.

## Directors

Mr. Vijay Kapoor, Director, retires by rotation, is eligible and offers himself for re-appointment.

## Deposits

During the period under report, the Company has not accepted any deposits.

## Auditors

Messrs Lalit Kumar & Company, Chartered Accountants, New Delhi, the Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

## Change of Name of The Company

The name of the Company has been changed as Anjani Estates Limited, vide fresh Certificate of Incorporation, dated 6<sup>th</sup> October, 2009, issued by Registrar of Companies, NCT of Delhi & Haryana.

## Information U/S 217(2A) of The Companies Act, 1956

None of the employees of the Company was in receipt of remuneration in excess of the limits specified in Section 217(2A) of the Companies Act, 1956.

## Directors' Responsibility Statement

The Board of Directors hereby confirm :

- i) that in the preparation of the Annual Accounts for the year ended 31<sup>st</sup> March, 2010, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) that the Directors have prepared the Annual Accounts on a going concern basis.

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

As the Company is not engaged in any manufacturing activity, there is no information to be provided under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

There was no foreign exchange earning and outgo during the year under report.

## ACKNOWLEDGEMENT

The Directors take the opportunity to convey their thanks for the continued support and patronage received from the Bankers and the Government Authorities.

For and on behalf of the Board

New Delhi  
1st June, 2010

Sd/-  
Directors

# Auditors' Report

**ANJANI ESTATES LIMITED**

(FORMERLY BINNIES ESTATES LIMITED)

## To the Shareholders

We have audited the attached Balance Sheet of **Anjani Estates Limited** (formerly Binnies Estates Limited) as at 31st March, 2010 and the Profit and Loss Account of the Company for the year ended on that date together with the notes thereon. 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.

- (a) We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. 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.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
- (c) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account.
- (d) Based on representations made by all the Directors of the Company and taken on record by the Board of Directors, we report that none of the directors of the Company prima facie have any disqualification as on 31st March, 2010 as referred to in clause (g) of sub-section (1) to Section 274 of the Companies Act, 1956.
- (e) In our opinion and to the best of our information and according to the explanations given to us the said accounts read with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and comply with accounting standards referred to in Section 211(3C) of the Companies Act, 1956 and give a true and fair view:
  - (i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010, and
  - (ii) in the case of Profit and Loss Account, of the Profit of the Company for the year ended on that date.

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956 so far as it is applicable, we further report that:

1. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
2. All the Fixed assets have been physically verified by management during the year. No material discrepancies were noticed on such verification.
3. During the year the Company has not disposed off a substantial part of its fixed assets.
4. As informed to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
5. 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, for the purchase of fixed assets. During the course of audit, no major weakness has been noticed in these internal controls.
6. Based on the audit procedures applied by us and according to the information and explanations provided by the management, there are no transactions that need to be entered into the register maintained under Section 301 of the Act.
7. The Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory Dues applicable to it. There were no arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.
8. The Company has accumulated losses amounting to Rs.45,42,338/- at the end of the financial year and it has not incurred any cash losses in the current or in the immediately preceding financial year.
9. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
10. The Company has not raised any money through a public issue during the year.
11. Based upon the audit procedures performed and information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.
12. In our opinion, other items specified in the said Order do not apply to this Company.

**For LALIT KUMAR & CO.**

*Chartered Accountants*

LALIT KUMAR

*Proprietor*

M. No. 81071

New Delhi  
1st June, 2010

# Balance Sheet

as at March 31, 2010

		As at March 31 2010 Rs.	As at March 31 2009 Rs.
<b>Liabilities</b>	SHARE CAPITAL		
	AUTHORISED		
	80,000 Equity Shares of Rs. 10 each	800,000	800,000
	2,000 10% Redeemable Cumulative Preference Shares of Rs. 100 each	200,000	200,000
		<b>1,000,000</b>	<b>1,000,000</b>
	ISSUED & SUBSCRIBED :		
	50,000 Equity Shares of Rs. 10 each (Fully Paid-up)	500,000	500,000
	9 10% Redeemable Cumulative Preference Shares of Rs. 100 each (Fully Paid-up)	900	900
	UNSECURED LOANS :		
	From Companies	1,080,000	1,080,000
	Interest Accrued & Due	532,756	532,756
	ADVANCES - Holding Company	8,110,803	8,108,730
	ADVANCE - Rent	425,000	425,000
	Security Receipt	150,000	150,000
	CURRENT LIABILITIES & PROVISIONS		
	Sundry Creditors	7,400	7,400
		<b>10,806,859</b>	<b>10,804,786</b>
<b>Assets</b>	FIXED ASSETS (Schedule-1)		
	Gross Block	7,773,831	7,773,831
	Less : Depreciation	1,974,453	1,847,740
	Net Block	5,799,378	5,926,091
	CURRENT ASSETS, LOANS & ADVANCES :		
	Cash in Hand	5,964	5,144
	Balance with Scheduled Bank	250,529	145,180
	Amount Receivable	88,028	28,133
	Security Deposit - Electricity	100,000	100,000
	Advance Tax (Net of Provision for Taxation)	14,872	37,436
	MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		
	Preliminary Expenses	5,750	5,750
	PROFIT & LOSS ACCOUNT		
	Opening Balance	4,557,052	
	Less : Profit transferred from Profit & Loss Account	14,714	4,557,052
		<b>4,542,338</b>	<b>4,557,052</b>
		<b>10,806,859</b>	<b>10,804,786</b>

As per our report of even date annexed  
For LALIT KUMAR & CO.  
Chartered Accountants

**Lalit Kumar**  
Proprietor  
M. No. 81071

**Vijay Kapoor**  
**Anil Girotra**  
**K.K. Kohli**  
Directors

New Delhi  
1st June, 2010

# Profit and Loss Account

for the year ended March 31, 2010

## ANJANI ESTATES LIMITED

(FORMERLY BINNIES ESTATES LIMITED)

		For the Year Ended 31.3.2010 Rs.	For the Year Ended 31.3.2009 Rs.
<b>Income</b>	Rent	<b>798,600</b>	798,600
		<b>798,600</b>	798,600
<b>Expenditure</b>			
	Accountancy Charges	<b>1,500</b>	1,500
	Filing Fee	<b>3,800</b>	600
	Membership Fees	<b>500</b>	500
	Rates & Taxes	<b>—</b>	56
	Misc. Expenses	<b>1,975</b>	—
	Repair & Maintenance	<b>420,000</b>	420,000
	House Tax	<b>67,446</b>	109,800
	Legal & Professional Charges	<b>2,000</b>	—
	Audit Fee	<b>5,000</b>	5,000
	Electricity Charges	<b>1,978</b>	—
	Bank Charges	<b>—</b>	222
	Depreciation	<b>126,713</b>	126,713
		<b>630,912</b>	664,391
	Profit/(Loss) for the year before Taxation	<b>167,688</b>	134,209
	Provision for Taxation for this year	<b>152,974</b>	146,553
	Profit/(Loss) carried to the Balance Sheet	<b>14,714</b>	(12,344)

### NOTES :

1. Amount paid/payable to Auditors:  
For Audit Fee **5,000** 5,000
2. No Dividend has been recommended by the Directors for 9 10% Cumulative Redeemable Preference Shares of Rs.100/- each, the paid up value of which is Rs.900/-. The arrear of dividend for 10 years thus amounts to Rs. 900/-. Further, dividend on Pref. Shares redeemed during the year 1999 remains in arrears for 13 years amounting to Rs.1,170/-. Therefore, total amount in arrears for dividend and not provided for amounts to Rs.2,070/-.
3. During the year, the name of the Company has been changed from Binnies Estates Limited to Anjani Estates Limited.
4. Previous year's figures have been regrouped/recast wherever necessary to conform to this year's classification.

### SIGNIFICANT ACCOUNTING POLICIES :

1. **System of Accounting :**  
The Company adopts the accrual basis in preparation of the accounts.
2. **Expenses :**  
The Company provides for all expenses on accrual basis.
3. **Fixed Assets :**  
Fixed Assets are capitalised at cost inclusive of all expenses. Principal Straight Line value rates as per Schedule XIV of Companies Act, 1956 have been adopted for the purpose of calculation of depreciation.

As per our report of even date annexed  
For LALIT KUMAR & CO.  
Chartered Accountants

**Lalit Kumar**  
Proprietor  
M. No. 81071

**Vijay Kapoor**  
**Anil Girotra**  
**K.K. Kohli**  
Directors

New Delhi  
1st June, 2010

# Schedule

## ANJANI ESTATES LIMITED

(FORMERLY BINNIES ESTATES LIMITED)

### 1. Fixed Assets

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.09	Additions during the year	Adjust- ments during the year	As on 31.03.10	As on 01.04.09	For the Year	On Adjust- ments	Up to 31.03.10	As on 31.03.10	As on 31.03.09
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Building	7,773,831	—	—	7,773,831	1,847,740	126,713	—	1,974,453	5,799,378	5,926,091
	7,773,831	—	—	7,773,831	1,847,740	126,713	—	1,974,453	5,799,378	5,926,091
Previous Year	7,773,831	—	—	7,773,831	1,721,027	126,713	—	1,847,740	5,926,091	6,052,804

### Balance Sheet Abstract and Company's General Business Profile

#### I. Registration Details

Registration No. : U74899DL1987PLC028349 State Code : 55  
Balance Sheet Date : 31.03.2010

#### II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue : Nil Rights Issue : Nil  
Bonus Shares : Nil Private Placement : Nil

#### III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities : 10807 Total Assets : 10807

##### Sources of Funds

Paid-up Capital : 501 Reserves & Surplus : Nil  
Secured Loans : Nil Unsecured Loans : 10298

##### Application of Funds

Net Fixed Assets : 5799 Investments : Nil  
Net Current Assets : 452 Misc. Expenditure : 6  
Accumulated Losses : 4542

#### IV. Performance of Company (Amount in Rs. Thousands)

Turnover : 799 Total Expenditure : 631  
(+/-) Profit/Loss before Tax : (+) 168  
(+/-) Profit/Loss after Tax : (+) 15  
Earning per Share in Rs. : Nil Dividend Rate % : Nil

#### V. Generic Names of Three Principal Products/Services of Company (As per monetary terms)

Item Code No. (ITC Code) : N.A.  
Product Description : Real Estate



# JAGATJIT INDUSTRIES LIMITED

JAGATJIT NAGAR, DISTT. KAPURTHALA (PUNJAB)

## PROXY FORM

DP ID	
Client ID	

Folio No.	
-----------	--

I/We .....  
of .....  
being a member/members of JAGATJIT INDUSTRIES LIMITED hereby appoint Mr./Ms. ....  
.....  
of .....  
or failing him/her Mr./Ms. ....  
of .....  
as my/our proxy, to attend and vote for me/us on my/our behalf at the 65th Annual General Meeting of the Company to be held at 09.30 A.M. on Thursday, the 30th day of September, 2010 and at any adjournment thereof.

Affix a  
Revenue  
Stamp

Signed this ..... day of .....2010                      Signatures .....

Note: The proxy in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting at which the person named in the proxy proposes to vote.



# JAGATJIT INDUSTRIES LIMITED

JAGATJIT NAGAR, DISTT. KAPURTHALA (PUNJAB)

## ATTENDANCE SLIP

DP ID	
Client ID	

Folio No.	
-----------	--

Particulars to be completed by the Member

Name of the Member

(IN BLOCK LETTERS)

No. of Shares held .....

Name of the Proxy, if attending for Member .....

(IN BLOCK LETTERS)

I hereby record my presence at the 65th ANNUAL GENERAL MEETING held in Jagatjit Nagar, District Kapurthala at 09.30 A. M. on Thursday, the 30th day of September, 2010.

(To be signed and handed over at the Reception)

.....  
(Signature of Member/Proxy)





# JAGATJIT INDUSTRIES LIMITED

## NOTICE

**NOTICE** is hereby given that the Sixty-fifth Annual General Meeting of JAGATJIT INDUSTRIES LIMITED will be held on Thursday the 30th September, 2010 at 09.30 A.M. at the Registered Office of the Company at Jagatjit Nagar, Distt. Kapurthala, Punjab to transact the following business :-

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts and Reports of the Directors and Auditors of the Company for the year ended 31st March, 2010.
2. To appoint a Director in place of Mrs. Gita Bawa, who retires by rotation, is eligible and offers herself for re-appointment.
3. To appoint a Director in place of Mr. Arvind Behl, who retires by rotation, is eligible and offers himself for re-appointment.
4. To appoint Auditors of the Company and to fix their remuneration from the conclusion of this Meeting until the conclusion of the next Annual General Meeting. Messrs Mittal Chaudhry & Company, Chartered Accountants, the retiring Auditors, are eligible and offer themselves for re-appointment.

BY ORDER OF THE BOARD  
for JAGATJIT INDUSTRIES LIMITED

Date : 31st July, 2010  
Registered Office :  
Jagatjit Nagar-144 802  
Distt. Kapurthala (Punjab)

Sd/-  
K. K. Kohli  
Company Secretary

### NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS STEAD AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM IS ENCLOSED.  
  
Proxy form should be lodged with the Company at its Registered Office at least 48 hours before the scheduled time of the meeting.
2. Members are requested to intimate to the Company changes, if any, in their Registered Addresses along with Pin Code Numbers.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 25th September, 2010 to 30th September, 2010 (both inclusive).
4. Members/ Proxies should bring the Attendance Slip duly filled in for attending the Meeting.
5. Members are requested to bring their copy of the Annual Report to the Meeting.
6. The trading of shares of the Company has been put under compulsory dematerialised form. The Company has entered into agreements with M/s. National Securities Depository Ltd. and Central Depository Services (India) Ltd. and is providing all the share registry related services In-house. All members are advised to take steps for dematerialisation of their shares for easy liquidity.
7. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.

8. The Company has already transferred the unclaimed dividend declared upto the financial year 1998-99 to the General Revenue Account / Investor Education and Protection Fund of the Central Government as required under Sections 205A and 205C of the Companies Act, 1956.

Following dividends have been declared by the Company and the amounts remaining unclaimed and unpaid for a period of seven years will be transferred to the Investor Education and Protection Fund as per the provisions of the Companies Act, 1956.

Date of Declaration	For the Year
28.01.2004	1999-2000 (Interim)
29.04.2004	1999-2000 (Final)

Members who have not encashed their dividend warrants pertaining to the aforesaid year may approach the Company Secretary of the Company at Jagatjit Nagar- 144802, Distt. Kapurthala (Punjab) for issue of Cheques/ demand drafts in lieu thereof.

9. Members are requested to intimate to the Company the details, if any, required in relation to this Annual Report at least 10 days before the meeting to enable the management to keep the information ready.



