

JAGATJIT INDUSTRIES LIMITED

Annual Report

for the year ended 31st March, 2012





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, 2012.

FINANCIAL RESULTS

		(Rs. In lacs)
	2011-12	2010-11
Profit for the year after charging all expenses excluding financing charges and depreciation	7,520	8,553
Deduct: Financing Charges	2,210	2,171
Cash Profit	5,310	6,382
Deduct : Depreciation/ Amortisation	2,463	2,875
Profit/(Loss) for the year before taxation	2,847	3,507
Tax Expenses		
Current Tax		
- For the year	577	708
- Mat credit Entitlement	(627)	(88)
- Deferred Tax (Benefit)/Charge	(606)	361
- (Excess) Tax provision for the earlier years	(7)	—
Profit/(Loss) after tax for the year	3,510	2,526
Profit brought forward from previous year	9,041	6,515
Total profit available for appropriations	12,551	9,041
APPROPRIATIONS		
Balance Carried to Balance Sheet	12,551	9,041
	12,551	9,041

SALES & PROFIT

During the year under report, the Gross Turnover (including income from Services & Other Sources) was Rs.1604.84 Crores as compared to Rs.1413.70 Crores during the previous year. However, the profit before taxation was Rs.2847 Lacs as compared to Rs.3507 Lacs during the previous year.

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

Mr. Narender Sapra was re-appointed as Whole Time Director of the Company for a period of three years w.e.f. 28th November, 2011. He has been designated as Managing Director on 26th March, 2012 with other terms and conditions regarding appointment remaining the same.

Mr. Surjit Singh Bawa, Director retires by rotation, is eligible and offers himself for re-appointment.

Mr. Arvind Behl ceased to be Director of the Company w.e.f. 7th July, 2012. The Board places on record, their appreciations for the services rendered by Mr. Arvind Behl during his tenure as Director.

SUBSIDIARIES

M/s. Anjani Estates Limited ceased to be subsidiary of the Company during the year under report.

In terms of the General Circular No.2/2011, dated 8th February, 2011, issued by the Ministry of Corporate Affairs, the documents as prescribed under Section 212(1) of the Companies Act, 1956, in respect to the subsidiaries companies viz. M/s. Sea Bird Securities Private Limited, M/s. S. R. K. Investments Private Limited and M/s. JIL Trading Private Limited are not being attached with the balance sheet of the Company. However, the consolidated financial statements of the Company and all its subsidiary companies duly audited by the Statutory Auditors are being presented in the Annual Report of the Company. We undertake that annual accounts of the subsidiary companies and the detailed information shall be made available to shareholders of the holding and subsidiary companies seeking such information at any point of time.

Directors' Report

FIXED DEPOSITS

As on 31st March, 2012, 357 persons whose Fixed Deposits/Loans with the Company amounting to Rs. 101.20 Lacs had become due for payment during the year, did not claim or renew their Deposits/Loans. Out of these, Fixed Deposits/Loans of 139 persons amounting to Rs.48.38 Lacs have since been renewed/paid.

AUDITORS

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

COST AUDITORS

M/s. R. J. Goel & Co., Cost Accountants, Delhi have been reappointed as Cost Auditors to carry out the audit of the Company's cost records in respect of Industrial Alcohol, Milkfood and Glass Division for the Financial year ending 31st March, 2013. The reports of M/s. R. J. Goel & Co., Cost Accountants, in respect of audit of the cost accounts relating to Industrial Alcohol, Milk Food and Glass Division for the year ended on 31st March, 2012, will be submitted to the Central Government in due course.

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 Listing fees for the financial year 2012-13 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, banks and government officials.

For and on behalf of the Board

Sd/-

Place : New Delhi
Date : 31st July, 2012

Narender Sapra
Managing Director

ANNEXURE TO THE DIRECTORS' REPORT 2011-12

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, 2012.

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 2010-11 is as under (in respect of Dairy, Food Processing and Glass Units).

FORM A

CONSERVATION OF ENERGY

(A) Power & Fuel Consumption

	2011-12	2010-11
1. Electricity		
(a) Purchases		
Units (KWH)	16,165,300	13,922,099
Total amount (Rs.)	73,734,016	54,496,170
Rate/Unit (Rs.)	4.56	3.91
(b) Own Generation		
(i) Through Diesel generator Units (KWH)	816,190	622,655
Units per litre of diesel oil (KWH)	3.14	2.80
Cost/Unit (Rs.)	12.10	12.17
(ii) Through Steam turbine/generator		
Units (KWH)	8,668,656	10,213,619
Units per kg. of steam (KWH)	0.74	0.74
Cost/Unit (Rs.)	1.11	0.98
(iii) Through Gas generator		
Units (KWH)	—	2,118,495
Units per SCM of gas (KWH)	—	3.78
Cost/Unit (Rs.)	—	3.95
2. Furnace Oil		
Quantity (Tonnes)	—	62
Total Amount (Rs.)	—	1,413,974
Average Rate (Rs.)	—	22,813
3. Natural Gas		
Quantity (Cubic Meters)	14,330,863	14,102,037
Total Cost (Rs.)	289,606,097	223,150,270
Rate/Cubic Meter (Rs.)	20.21	15.82
4. LPG Gas		
Quantity (Tonnes)	—	14
Total Cost (Rs.)	—	513,695
Rate/MT (Rs.)	—	35,748
5. Others/Internal Generation		
Husk		
Quantity (Tonnes)	39,216	46,019
Total Cost (Rs.)	158,035,995	166,751,557
Rate/Unit (Rs.)	4,030	3,624

(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 efforts 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. 29.3, 29.4, 29.5 and 45 of Financial Statements. 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 200 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 17 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, BONNIE SPECIAL, BINNIES and AC SEKC 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 stabilized. The increase of production of contributory brands will increase the margins leading to higher profitability.

Further, the outlook of the Liquor Industry appears to be promising. Vodka is the fastest growing IMFL segment in India. The industry is growing @ 12-15% per annum and the growth is likely to continue in 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.

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 effecting 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. With the cost of raw materials remaining favourable and increasing sales turnover, 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. Recently the Company has launched IICE Vodka in the premium Vodka segment and has been well accepted by the public.

The Company is also expecting increase in the volumes of the malted milkfood products. This will increase the profitability of the Company. The results of Glass division were satisfactory during the year. The increased input cost and substantial increase in fuel cost may affect adversely the profit in the current financial year.

Prices of raw materials remained higher 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 comprised of 6 members, consisting of three executive and three non executive Directors during the period under review.

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	7	7	-	-	Yes
Mr. Surjit Singh Bawa	Non-Executive Independent	7	-	-	-	Yes
Mr. Arvind Behl*	Executive	7	6	6	-	No
Mr. Narender Sapra	Executive	7	5	6	-	No
Mr. Ravi Manchanda	Executive	7	7	7	-	No
Mrs. Kiran Kapur	Non-Executive Independent	7	7	2	-	No

*Mr. Arvind Behl ceased to be Director of the Company w.e.f. 7th July, 2012.

The Company held seven Board Meetings during the period under review i.e on 12th April, 2011, 14th May, 2011, 20th July, 2011, 13th August, 2011, 14th November, 2011, 14th February, 2012 and 26th March, 2012.

Mr. Surjit Singh Bawa, Director, retires at the ensuing Annual General Meeting, is eligible and offers himself for re-appointment.

Mr. Surjit Singh Bawa is a graduate and has vast business and administration experience of around three decades. He is well versed with the intricacies of Business Management, Finance, Accounts and Banking. He is not holding directorship in any other company. He is not holding Chairmanship/membership of any of the Committees in any other public limited Company. He holds 300 shares in the Company. Mr. Surjit Singh Bawa is related to Mrs. Gita Bawa, Director.

3. Audit Committee

The Audit Committee comprises of Mrs. Gita Bawa, Mrs. Kiran Kapur and Mr. Narender Sapra. Mrs. Gita Bawa is the Chairperson of the Audit Committee. Mr. Surjit Singh Bawa ceased to be member of the Committee w.e.f 12th April, 2011. Mrs. Kiran Kapur was appointed as the member of the Committee w.e.f 12th April, 2011.

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 14th May, 2011, 20th July, 2011, 13th August, 2011, 14th November, 2011 and 14th February, 2012.

Directors' Report

Attendance record of Audit Committee members

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

4. Remuneration Committee

The Remuneration Committee comprises of Mrs. Gita Bawa, Mrs. Kiran Kapur and Mr. Ravi Manchanda. Mrs. Gita Bawa is the Chairperson of the Committee. Mr. Surjit Singh Bawa ceased to be member of the Committee w.e.f 26th March, 2012. Mr. Arvind Behl was appointed as member of the Committee w.e.f. 26th March, 2012 and ceased to be member w.e.f 7th July, 2012. Mr. Ravi Manchanda has been appointed as the member of the Committee w.e.f 31st July, 2012.

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	18,74,995	57,14,995
Mr. Arvind Behl	13,80,000	8,57,041	22,37,041
Mr. Ravi Manchanda	13,80,000	10,03,445	23,83,445

(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.	Mrs. Gita Bawa	3,00,000
2.	Mrs. Kiran Kapur	2,60,000

During the year under review the Remuneration Committee held one meeting on 14th November, 2011.

Attendance record of Remuneration Committee members

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

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 Mrs. Gita Bawa, Mr. Narender Sapra and Mr. Ravi Manchanda. Mrs. Gita Bawa is the Chairperson 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 two complaints from shareholders and the said complaints were redressed during the year ended 31st March, 2012.

No transfer was pending on 31st March, 2012 for more than 30 days of its receipt.

During the year under review the Investors Grievance Committee held two meetings.

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
2009	25.09.2009	Friday	09.30 A.M.
2010	30.09.2010	Thursday	09.30 A. M
2011	29.09.2011	Thursday	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 www.jagatjit.com.

Declaration as required under Clause 49 of the Listing Agreement

I, Narender Sapra, Managing 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, 2012

Sd/-

Narender Sapra

Managing 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 results are displayed on the website of the Company www.jagatjit.com under the heading investors. 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 : 28th September, 2012

Time : 09.30 A.M.

Venue : Registered Office

b) Financial Calendar (2012-13)

(i) First Quarter Results : Mid of August, 2012

(ii) Second quarter Results : Mid of November, 2012

(iii) Third Quarter Results : Mid of February, 2013

(iv) Annual Results : End of June, 2013

c) Dates of Book Closure

The Register of Members and Share Transfer Books will remain closed from 24th September, 2012 to 28th September, 2012 (both days inclusive).

Directors' Report

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

The Listing Fees for the year 2012-13 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, 2011	83.30	71.00	19811.14	18976.19
May, 2011	73.50	64.85	19253.87	17786.13
June, 2011	71.50	62.00	18873.39	17314.38
July, 2011	74.50	63.05	19131.70	18131.86
August, 2011	70.10	57.05	18440.07	15765.53
September, 2011	67.00	55.40	17211.80	15801.01
October, 2011	64.00	51.85	17908.13	15745.43
November, 2011	67.00	49.60	17702.26	15478.69
December, 2011	62.50	53.50	17003.71	15135.86
January, 2012	69.00	51.00	17258.97	15358.02
February, 2012	79.00	57.85	18523.78	17061.55
March, 2012	68.00	53.00	18040.69	16920.61

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, 2012

Category (in Rs.)	No. of Shareholders	% of Share holders	No. of Shares held	% of Shareholding
Upto - 5000	3373	78.46	477986	01.04
5001 - 10000	394	09.16	292715	00.63
10001 - 20000	229	05.33	341965	00.74
20001 - 30000	91	02.12	230181	00.50
30001 - 40000	49	01.14	168401	00.36
40001 - 50000	29	00.67	136607	00.30
50001 - 100000	76	01.77	535492	01.16
Above - 100000	58	01.35	43964765	95.27
Total	4299	100.00	46148112	100.00

Shareholding pattern as on 31st March, 2012

Sl. No.	Category	No. of Shares held	% of total Shareholding	% of Voting Rights
1.	Promoters' Holding	17434208	37.78	94.88
2.	Mutual Funds & UTI	1100	00.00	00.00
3.	Banks, Financial Institutions, Govt. Companies	1772	00.00	00.00
4.	Private Corporate Bodies	321470	00.70	00.47
5.	NRIs/FIIs (other than Promoters)	204079	00.44	00.30
6.	Indian Public	2975483	06.45	04.35
	Total	20938112	45.37	100.00
7.	GDRs (Underlying Shares)	25210000	54.63	-
	Grand Total	46148112	100.00	100.00

j) Dematerialisation of Shares and Liquidity

As on 31st March, 2012, 16504910 equity shares being 35.77 % 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. GDRs do not carry voting rights.

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, 2012, 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
Date : 31st July, 2012

Sd/-
P.D. Sharma
Partner

Financial Highlights



(Rs. in lacs or as indicated)

	2011-12*	2010-11*	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
ASSETS										
Fixed Assets	32348	34450	37137	37658	33367	33881	32436	32128	33286	33164
(Net Block)										
Investments (Current & Non Current)	298	1203	1201	111	106	96	93	93	1559	4594
Current and Non Current Assets	48733	40453	31969	29540	27403	24103	19082	20051	18513	16390
	81379	76106	70307	67309	60876	58080	51611	52272	53358	54148
LIABILITIES										
Loans, Liabilities and Provisions										
(Current & Non Current)	44894	41955	37958	28670	21325	19716	14328	15025	15260	16363
NET WORTH	36485	34151	32349	38639	39551	38364	37283	37247	38098	37785
REPRESENTED BY										
Equity Share Capital	4615	4615	4615	5194	5194	5194	5194	5194	4944	4944
Reserves and Surplus	31870	29536	27734	33445	34357	33170	32089	32053	33154	32841
TOTAL	36485	34151	32349	38639	39551	38364	37283	37247	38098	37785
OPERATING PERFORMANCE										
Revenue	160484	141370	94297	84191	80042	63970	40775	39996	42941	43139
Gross Profit Earnings	5310	6382	2397	1390	4068	3201	1795	414	1296	1462
Profit before Tax	2847	3507	463	(211)	2402	1996	657	(61)	1579	51
Profit after Tax	3510	2526	646	(450)	1762	1637	671	(85)	1103	240
Earning per Share (Rs.)	8.04	5.79	1.48	(0.91)	3.56	3.31	1.36	(0.17)	2.23	0.49
DIVIDEND										
Amount per Share (Rs.)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rate (%)	0	0	0	0	0	0	0	0	0	0
Book Value per Equity Share (Rs.)	79.06	74.00	70.10	74.39	76.15	73.86	71.78	71.71	77.06	76.43
GROSS EARNINGS										
As a percentage of Revenue	3.3	4.5	2.5	1.7	5.1	5.0	4.4	1.0	3.0	3.4
As a percentage of Fixed Assets	16.4	18.5	6.5	3.7	12.2	9.4	5.5	1.3	3.9	4.4
As a percentage of Capital Employed	9.2	11.3	4.8	2.7	8.6	6.9	4.2	1.0	2.9	3.2

*Based on Revised Schedule VI of the Company Act, 1956.

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, 2012, and the related Statement of Profit and Loss 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit & Loss 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, 2012 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2012 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, 2012;
 - (ii) in the case of the Statement of Profit & Loss, 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, 2012

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

ANNEXURE TO THE 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, 2012)

- (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.

Auditors' Report

Continued

(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.

- (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, 2012 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
EXCISE DUTY				
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
SERVICE TAX				
The Finance Act, 1994	Wrong availment of Service Tax Cenvat Credit	13,127,235	October 2003 to September 2007	CESTAT, New Delhi
The Finance Act, 1994	Penalty in the above matter	13,127,235	October 2003 to September 2007	CESTAT, New Delhi
The Finance Act, 1994	Wrong availment of Service Tax Cenvat Credit	6,970,632	October 2007 to September 2008	CESTAT, New Delhi
The Finance Act, 1994	Penalty in the above matter	6,970,632	October 2007 to September 2008	CESTAT, New Delhi
The Finance Act, 1994	Demand of Service Tax on Tie-up Operations and Royalty	3,122,000	July 2003 to March 2004	CESTAT, New Delhi
The Finance Act, 1994	Penalty in the above matter	3,123,000	July 2003 to March 2004	CESTAT, New Delhi
The Finance Act, 1994	Demand of Service Tax on Tie-up Operations and Royalty	9,186,110	2007-2008	CESTAT, New Delhi
The Finance Act, 1994	Penalty in the above matter	18,373,220	2007-2008	CESTAT, New Delhi

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
SALES-TAX				
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
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.
INCOME TAX ACT*				

*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, 2012 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, 2012

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, 2012

			As at March 31 2012 Rs. in lacs	As at March 31 2011 Rs. in lacs
Equity and Liabilities	Shareholders' Funds	Note		
	Share Capital	2	4,615	4,615
	Reserves and Surplus	3	31,870	29,536
	Non-Current Liabilities			
	Long Term Borrowings	4	6,084	7,725
	Deferred Tax Liability (Net)	5	1,562	2,167
	Long Term Provisions	6	2,320	2,147
	Other Long Term Liabilities	7	879	57
	Current Liabilities			
	Short Term Borrowings	8	8,750	3,449
	Trade Payables	9	13,968	12,081
	Other Current Liabilities	10	10,386	13,541
	Short Term Provisions	11	945	788
			81,379	76,106
Assets	Non-Current Assets			
	Fixed Assets			
	Tangible Assets	12	31,784	34,354
	Intangible Assets	12	22	25
	Capital Work-in-Progress		542	71
	Non-current investments	13	275	1,180
	Long-term loans and advances	14	4,348	3,676
	Other non-current assets	15	914	178
	Current Assets			
	Current investments	16	23	23
	Inventories	17	14,415	11,759
	Trade receivables	18	19,904	16,987
	Cash and Bank Balances	19	5,516	3,856
	Short-term loans and advances	20	3,450	3,790
	Other current assets	21	186	207
			81,379	76,106
	Significant Accounting Policies	1		

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

The Notes 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, 2012

K.K. Kohli
Company Secretary

Anil Girotra
Finance Director

Gita Bawa
Kiran Kapur
Narender Sapra
Ravi Manchanda
Directors

Statement of Profit and Loss

for the year ended March 31, 2012



	Note	For the year ended March 31 2012 Rs. in lacs	For the year ended March 31 2011 Rs. in lacs
Income			
Revenue from Operations (Gross)	22	151,937	137,793
Less: Excise Duty		44,270	37,990
		<u>107,667</u>	<u>99,803</u>
Other Income	23	8,547	3,577
		<u>116,214</u>	<u>103,380</u>
Expenses			
Cost of Materials Consumed	24	45,890	42,303
Purchases of Stock-in-Trade	25	6,988	5,053
Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	26	(1,534)	(504)
Employee Benefits Expense	27	7,961	7,386
Finance Costs	28	2,210	2,171
Depreciation and Amortisation Expense	32	2,463	2,875
Other Expenses	29	48,565	40,589
		<u>112,543</u>	<u>99,873</u>
Profit before exceptional items and tax		3,671	3,507
Less :- Exceptional items	30	824	—
Profit before Tax		<u>2,847</u>	<u>3,507</u>
Less: Tax Expenses			
Current tax :			
- For the year		577	708
- MAT Credit Entitlement		(627)	(88)
Deferred Tax (benefit)/charge	5	(606)	361
(Excess) tax provision for earlier years		(7)	—
		<u>(663)</u>	<u>981</u>
Profit/(Loss) after Tax		<u>3,510</u>	<u>2,526</u>
Basic and Diluted Earnings per share (Rs.) (Face Value of Rs. 10 each)	41	8.04	5.79
Significant Accounting Policies	1		

This is the Statement of Profit & Loss referred to in our report of even date

The Notes referred to above form an integral part of the Statement of Profit & Loss

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, 2012

K.K. Kohli
Company Secretary

Anil Girotra
Finance Director

Gita Bawa
Kiran Kapur
Narender Sapra
Ravi Manchanda
Directors

Cash Flow Statement

for the year ended March 31, 2012

	2012 (Rs. in lacs)	2011 (Rs. in lacs)
A. Cash Flow from Operating Activities:		
Net Profit/(Loss) before tax	2,847	3,506
Adjustments for:		
Depreciation	2,463	2,875
Interest Expense	2,210	2,171
Interest Income	(411)	(211)
Income from Investment - Dividends	—	(6)
(Profit)/Loss on Fixed Assets sold (net)	(7,863)	(3,026)
Fixed Assets written off	53	8
Provisions for investment Written Back	(5)	—
Provisions for Advance to subsidiary Written Back	(81)	—
Debts/Advances/Stock written off	1,595	190
Provision for Bad & Doubtful Debts and Advances	35	52
Liability no longer required written back	(64)	(177)
Provision for Gratuity & Leave Encashment	312	521
Unrealised Foreign Exchange (gain)/loss (net)	5	(7)
Operating Profit before Working Capital Changes	1,096	5,896
Adjustments for changes in Working Capital :		
(Increase)/Decrease in Trade Receivables	(4,211)	(2,603)
(Increase)/Decrease in Short Term Loans & Advances	332	(666)
(Increase)/Decrease in Long Term Loans & Advances	(670)	62
(Increase)/Decrease in Other Current Assets	(137)	(139)
(Increase)/Decrease in Inventories	(2,880)	(1,267)
Increase/(Decrease) in Trade Payables	1,922	(721)
Increase/(Decrease) in other current liabilities	1,782	2,187
Increase/(Decrease) in Other Long Term Liabilities	822	(804)
Increase/(Decrease) in Long Term Provisions	(5)	205
Increase/(Decrease) in Short Term Provisions	(3)	(18)
Cash generated from operations	(1,952)	2,132
Taxes (Paid)/ Received (Net of TDS)	(185)	56
Exceptional items		
(Loss)/Profit on sales of investment	(824)	—
Net Cash from/(used) Operating Activities before	(1,313)	2,188
B. Cash flow from Investing Activities:		
Purchase of Fixed Assets including Capital Work- in -Progress and Capital advances	(2,384)	(1,817)
Proceeds from Sale of Fixed Assets	8,141	3,635
Advances to Subsidiaries	122	(3,016)
Sales/(Purchase) of investments	86	(3)
Interest Received (Revenue)	339	181
Dividend Received	—	6
Release/(Addition) of Cash (from)/for restrictive use	(30)	(84)
Net Cash from Investing Activities	6,274	(1,098)
C. Cash Flow from Financing Activities:		
Proceeds from Equity Share Premium	214	—
Proceeds from short term Borrowings (Net)	5,300	(1,218)
Proceeds from long term Borrowings (Net)	(6,675)	3,347
Interest Paid	(2,111)	(2,067)
Interest Paid - Capitalised	(27)	(3)
Dividend Paid	(2)	(4)
Net cash used in Financing Activities	(3,301)	55
Net Increase/(Decrease) in Cash & Bank Balances	1,660	1,145
Cash and Cash equivalents at the beginning of the year	3,838	2,660
Other Bank Balance at the beginning of the year	18	51
Cash and Cash equivalents at the end of the year	5,503	3,838
Unclaimed Dividend Account	—	2
Fixed Deposits with Banks	1	4
Margin Money Account	12	12
Cash and Bank Balances at the end of the year	5,516	3,856
Cash and Bank Balances Comprise		
Cash, Cheques & Drafts (in hand) and Remittances in transit	301	413
Balance with Scheduled Banks	5,215	3,443
	5,516	3,856
Cash and Cash Bank Balances Include :		
Cash and Bank Balances	5,516	3,856
Total Cash and Cash Equivalents	5,516	3,856

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.
- Fixed Deposits with banks having maturity period of more than one year (including those pledged with statutory authorities) have been disclosed in other non current assets (Note 15) and do not form part of cash and bank balance.
- 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 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, 2012

K.K. Kohli
Company Secretary

Anil Girotra
Finance Director

Gita Bawa
Kiran Kapur
Narender Sapra
Ravi Manchanda
Directors

Notes

on Financial Statements for the Year ended March 31, 2012

1. SIGNIFICANT ACCOUNTING POLICIES:

1.1. BASIS FOR PREPARATION OF ACCOUNTS

The financial statements are prepared under the historical cost convention, except for certain fixed assets which are revalued, on accrual basis of accounting in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

1.2. USE OF ESTIMATES

The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of assets and liabilities on date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

1.3. FIXED ASSETS

Fixed Assets are stated at cost of acquisition / revalued amounts less accumulated depreciation. Cost of acquisition includes taxes, duties, freight and other costs that are directly attributable to bringing assets to their working condition for their intended use. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised.

Spares that can be used only with particular items of plant and machinery and such usage is expected to be irregular are capitalised.

1.4. 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 1.5 below.

1.5. 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 [Note 35.1 and 35.2].

1.6. 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.

1.7. 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.

1.8. INCOME

- Sale is recognised on dispatches made from respective locations of the Company and is inclusive of excise duty on sales wherever payable by the Company. Sales include goods sold by contract manufacturers on behalf of the Company, since risk and reward belongs to the company in accordance with the terms of the relevant contract manufacturing agreements.
- Revenue from job work is recognised on the completion of a relevant job.
- 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.

1.9. EMPLOYEE BENEFITS

- 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.
- Contributions payable to the Government provident fund and approved superannuation fund which are defined contribution schemes, are charged to Profit and Loss account.
- Compensated absences are provided for based on actuarial valuation carried by an actuary as at the end of the year.
- Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

1.10. 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.

1.11. 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.

1.12. 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 47].

1.13. 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.

1.14. 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.

Notes

Continued

2. Share Capital

	As at March 31 2012 (Rs. in lacs)	As at March 31 2011 (Rs. in lacs)
2.1 Authorised Capital 75,000,000 (Previous year—75,000,000) Equity Shares of Rs.10 each	7,500	7,500
2.2 Issued, Subscribed and Paid-up Capital 46,148,112 (Previous year-46,148,112) Equity Shares of Rs.10 each fully paid up.	4,615	4,615
2.3 Detail of Equity Shares issued	No. of Shares	No. of Shares
Original issue of Equity Shares	500,000	500,000
Less : Equity Shares Forfeited due to non payment of calls	170,492	170,492
	329,508	329,508
Add : Forfeited Equity Shares issued to existing share holders on pro-rata basis at Rs.2.50 per share	169,737	169,737
	499,245	499,245
Add: Total Bonus Equity Shares issued from 1970 to 1994-95	23,732,979	23,732,979
Add : GDR issue (Note 2.7b)	25,210,000	25,210,000
Add : Preferential allotment (Note 2.7c)	2,500,000	2,500,000
Less : Shares repurchased (Buy- Back) (note 2.4)	5,794,112	5,794,112
	46,148,112	46,148,112

2.4 Changes in Share Capital during last five years
5,794,112 Equity Shares of Rs. 10 each fully paid up were bought back by the company in FY-2009-10 as directed by the Hon'ble Company Law Board (CLB), vide their order dated 12.03.2009.

2.5 Reconciliation of Number of Shares

	31.03.2012		31.03.2011	
Equity Shares	No. of Shares	Rs. in lacs	No. of Shares	Rs. in lacs
At the beginning of the year	46,148,112	4,615	46,148,112	4,615
Add : Issued during the year	—	—	—	—
Less : Bought Back during the year	—	—	—	—
Outstanding at the end of the year	46,148,112	4,615	46,148,112	4,615

2.6 Detail of Shareholders Holding more than 5% Equity Shares of the Company

Name of the Shareholders	31.03.2012		31.03.2011	
	No. of Shares	Percentage holding	No. of Shares	Percentage holding
Equity Shares of Rs. 10/- each				
a) The Bank of New York (the Depository) (Note 2.7b)	25,210,000	54.63	25,210,000	54.63
b) LPJ Holdings Pvt. Ltd	7,418,648	16.08	7,418,648	16.08
c) LPJ Holdings Pvt. Ltd (Note 2.7c)	2,500,000	5.42	2,500,000	5.42
d) DAFSPL JIL Open Offer Securities Escrow Account	—	—	3,150,000	6.83

As per the records of the Company, including its register of members.

2.7 Terms/Rights attached to Equity Shares

- 18,438,112 shares referred to as equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share and dividend.
- 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. GDR's do not carry any voting rights untill they are converted into underlying equity shares.
- 2,500,000 Equity Shares of Rs. 10/- each held by LPJ Holdings Pvt. Ltd, 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.
- The holders of all the above equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in event of liquidation of the Company.

	As at March 31 2012 (Rs. in lacs)	As at March 31 2011 (Rs. in lacs)
3. Reserves and Surplus		
Capital Reserve		
Surplus on forfeited shares sold	0	0
Capital Redemption Reserve		
As per last Balance Sheet	580	580
Revaluation Reserve		
Revaluation Reserve as at the beginning of the year	13,977	14,701
Less : Adjusted during the year	907	271
Less : Transferred to Statement of Profit & Loss [Includes Impairment of Fixed Assets Rs. 123 lacs (Previous year Rs. 61 lacs) (Refer Note 32, 35.1 & 35.2)]	483	453
	<u>12,587</u>	<u>13,977</u>
Securities Premium Account		
As per last Balance Sheet	3,483	3,483
Add: Securities Premium Received during the year	214	—
	<u>3,697</u>	<u>3,483</u>
General Reserve		
As per last Balance Sheet	2,455	2,455
Surplus as per Statement of Profit & Loss		
As per last Balance Sheet	9,041	6,515
Add: Profit for the year	3,510	2,526
	<u>12,551</u>	<u>9,041</u>
	<u>31,870</u>	<u>29,536</u>

3.1 Addition of Rs. 214 lacs in the Securities Premium Account during the year represents the amount received from M/s LPJ Holdings Pvt. Ltd. (Formerly known as M/s L.P. Jaiswal & Sons Pvt. Ltd.) against the compliance of Order/Letter No. CFD/DCR/SKM/TO/11587/2011 dated 6th April, 2011 of Securities and Exchange Board of India towards differential sum of Share Premium amounting to Rs. 8.56 per share on 25,00,000 equity shares of the Company issued and allotted during the Financial Year 2004-05.

4. Long Term Borrowings		
Secured		
From Banks		
-Term Loan	2,960	2,446
-Car Loans	171	252
From others		
-Car Loans	298	317
	<u>3,429</u>	<u>3,015</u>
Unsecured		
Fixed Deposits	2,096	3,375
Fixed Deposits guaranteed by Directors	500	1,276
Loans and advances from related parties	59	59
	<u>2,655</u>	<u>4,710</u>
	<u>6,084</u>	<u>7,725</u>

4.1 Nature of Security and terms of repayment for Long Term Secured Borrowings:

Nature of Security

- i. Term Loan amounting to Rs. 21 lacs (Previous year Rs. 119 lacs) 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.
- ii. Term Loan amounting to Rs. 308 lacs (Previous year Rs. 467 lacs) 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.
- iii. Term Loan amounting to Rs.1,588 lacs (Previous year Rs. 1,961 lacs) 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.

Terms of Repayment

Repayable in 20 equal quarterly installments commencing from July, 2007. Last installment due in April, 2012. Rate of interest 14.75% : Previous year 14.00% p.a. as at year end.

Repayable in 20 equal quarterly installments commencing from June, 2009. Last installment due in March, 2014. Rate of Interest 13.75%: Previous year 12.50% p.a. as at year end.

Repayable in 28 equal quarterly installments commencing from September, 2009. Last installment due in June, 2016. Rate of Interest 14.65% : Previous year 13.50% p.a. as at year end.

- | | |
|---|---|
| <p>iv. Term Loan amounting to Rs.447 lacs (Previous year Rs. 670 lacs) 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.</p> | <p>Repayable in 20 equal quarterly installments commencing from April, 2009. Last installment due on January 2014. Rate of interest 14.75%: Previous year 14% p.a. as at year end.</p> |
| <p>v. Short Term Loan amounting to Rs Nil (Previous year Rs. 5,000 lacs) for General Corporate Purpose is secured by hypothecation of property situated at 78, Institutional Area, Sector -18 Gurgaon and property at its works at Jagatjit Nagar, Distt Kapurthala.</p> | <p>Repayable in 12 months from date of first disbursement date June 08, 2010 . Rate of interest Nil : Previous Year 13.50% p.a.</p> |
| <p>vi. Term Loan amounting to Rs. 582 lacs (Previous year Nil) for machinery (IS machine) is secured by all the machineries and accessories including civil work related to the aforementioned machineries installed at its works at Site IV , Plot No.17 Sahibabad Industrial Area Sahibabad</p> | <p>Repayable in 20 equal quarterly installments commencing from September, 2011. Last installment due on July, 2016. Rate of interest 14.65% p.a (Previous year NIL) as at year end.</p> |
| <p>vii Term Loan amounting to Rs. 89 lacs (Previous year Rs. Nil) 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.</p> | <p>Repayable in 60 equal monthly installments commencing from April, 2013. Last installment due on March, 2018. Rate of interest 14.65% p.a (Previous year NIL) as at year end.</p> |
| <p>viii Term Loan amounting to Rs. 342 lacs (Previous year Rs. Nil) for plant & machinery is secured by all the machineries and accessories including civil work related to aforementioned machinery installed at its works at Jagatjit Nagar, Distt Kapurthala.</p> | <p>Repayable in 20 equal quarterly installments commencing from April, 2012. Last installment due on January 2017. Rate of interest 15.25% p.a (Previous year Nil) as at year end.</p> |
| <p>ix Term Loan amounting to Rs. 664 lacs (Previous year Rs. Nil) for Boiler is secured by all the machineries and accessories including civil work related to the aforementioned machineries installed at its works at Jagatjit Nagar, Distt Kapurthala.</p> | <p>Repayable in 20 equal quarterly installments commencing from April, 2013. Last installment due on April, 2018. Rate of interest 13.75% p.a (Previous year Nil) as at year end.</p> |
| <p>x Term Loan amounting to Rs. 50 lacs (Previous year Rs. 250 lacs) for Furnace is secured by land and building and all tangible and movable machineries and plant with spares, tools and accessories, both present & future, installed at its works at Site IV, Plot No.17 Sahibabad Industrial Area, Sahibabad (UP).</p> | <p>Repayable in 20 equal quarterly installments commencing from July, 2007. Last installment due on April, 2012. Rate of interest 13.75% (Previous year 12.50% p.a.) as at year end.</p> |
| <p>xi Term Loan amounting to Rs. Nil (Previous year Rs. 200 lacs) for Furnace is secured by land and building and all tangible and movable machineries and plant with spares, tools and accessories, both present & future, installed at its works at Site IV, Plot No.17 Sahibabad Industrial Area, Sahibabad (UP).</p> | <p>Repayable in 20 equal quarterly installments commencing from June, 2007. Last installment due on March 2012. Rate of interest Nil (Previous year 13.50% p.a.) as at year end.</p> |
| <p>xii Term Loan amounting to Rs. NIL (Previous year Rs. 37 lacs) for DG Set is secured by hypothecation of DG 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 (UP).</p> | <p>Repayable in 20 equal quarterly installments commencing from June, 2008. Last installment due on July, 2011. Rate of interest Nil (Previous year 13.50% p.a.) as at year end.</p> |
| <p>xiii. Car Loans are secured by hypothecation of the related cars.</p> | <p>Repayable in 36-60 equal monthly installments. Rate of interest 8.25% to 11.25% p.a.</p> |
- 4.2 Terms of repayment for Long Term Unsecured Borrowings:**
- | | |
|---|---|
| <p>i. Unsecured Inter Corporate deposit Rs. 59 lacs (Previous year Rs. 59 lacs) from related party (Fast Buck Investment and Trading Pvt. Ltd).</p> | <p>Rate of Interest 8% on Rs. 24 lacs and 12% on Rs. 35 lacs; Previous year 8% on Rs. 24 lacs and 12% on Rs. 35 lacs.</p> |
|---|---|

Note: Installments falling due in respect of all the above loans up to 31.3.2013 have been grouped under "Current maturity of long-term debt" (Refer Note 10).

		As at March 31 2012 (Rs. in lacs)	As at March 31 2011 (Rs. in lacs)
5. Deferred Tax Liability(Net)	Deferred Tax Liability		
	Depreciation on Fixed Assets	2,654	3,078
	Total Deferred Tax Liabilities (A)	2,654	3,078
	Statutory Liabilities	208	81
	Employee Retirement Benefits	781	695
	Provision for Bad Debts	103	135
	Total Deferred Tax Assets (B)	1,092	911
	Net Deferred Tax liabilities (A-B)	1,562	2,167
	Deferred Tax benefit/(expense) for the year	606	(361)
	Note: Deferred tax asset created on depreciation on Fixed Asset as on 31st March, 2012 consists of Rs 20 lacs (Previous year Rs. 297 lacs) on account of impairment of Fixed Asset at Hamira unit (Dairy) and Sikandrabad unit (Refer Note 35.1 & 35.2).		
6. Long Term Provisions	Provision for employee benefits		
	-Gratuity	1,245	1,123
	-Leave Encashment	360	323
	Provisions for Litigations		
	-Service Tax	402	409
	-Sales Tax	24	24
	-Excise Duty	78	78
	Provisions for Tax (Net of advance Tax)	209	183
	Provision for wealth Tax	2	—
	Provision for Fringe Benefit Tax	—	7
		2,320	2,147
7. Other Long Term Liabilities	Security Deposits	879	57
		879	57
8. Short Term Borrowings	Secured		
	-Working Capital Loans from Banks	4,730	2,256
	Unsecured		
	-Fixed Deposits	2,753	877
	-Fixed Deposits guaranteed by Directors	1,267	316
		8,750	3,449
9. Trade Payables	Micro, Small and Medium Enterprises	200	194
	Others	13,768	11,887
		13,968	12,081

9.1 This information 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.

Notes

Continued

As at
March 31
2012
(Rs. in lacs)

As at
March 31
2011
(Rs. in lacs)

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

I	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year		
	-Principal Amount Unpaid	200	194
	-Interest due	3	1
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	1,088	623
	-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.	38	18
IV	The amount of interest accrued and remaining unpaid at the end of the year	77	39

10. Other Current Liabilities

Current maturities of long-term debt	1,502	6,536
Advances from Customers	1,211	594
Unclaimed Dividends (Refer Note 39)	—	2
Unclaimed matured deposits (Refer Note 39)	101	93
Interest accrued but not due	598	503
Interest accrued and due	24	20
Due to Directors	1	4
Security Deposits	406	1,068
Employee Benefits	1,683	775
Statutory Liabilities	3,758	3,051
Other Liabilities	1,102	895
	10,386	13,541

11. Short Term Provisions

Provision for employee benefits		
-Gratuity	586	479
-Leave Encashment	215	169
Wealth Tax	23	26
Income Tax (Net of advance Tax)	121	114
	945	788

12. Fixed Assets

(Rs. in lacs)

	GROSS BLOCK - COST OR REVALUED VALUE					DEPRECIATION					NET BLOCK	
	As at April 1, 2011	Added on Revaluation	Additions	Deletion/ Adjustments	As at March 31, 2012	As at April 1, 2011	For the Year	Impairment of Assets (Refer Note below)*	Deletion/ Adjustments	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011
(i) Tangible Assets												
Land												
– Free Hold	5,167	—	—	891	4,276	—	—	—	—	—	4,276	5,167
– Lease Hold	1,350	—	—	—	1,350	269	19	—	—	288	1,062	1,081
Buildings	18,817	—	108	91	18,834	5,213	774	—	61	5,926	12,908	13,604
Plant & Machinery	33,339	—	976	609	33,706	21,223	1,673	186	429	22,653	11,053	12,116
Furniture & Fixtures	847	—	27	47	827	421	40	—	21	440	387	426
Vehicles—Owned	2,060	—	422	171	2,311	492	210	—	90	612	1,699	1,568
Office Equipments	923	—	78	57	944	531	41	—	27	545	399	392
Total Tangible Assets	62,503	—	1,611	1,866	62,248	28,149	2,757 **	186 **	628	30,464	31,784	34,354
Previous Year	61,909	—	1,888	1,294	62,503	25,230	2,370 **	955 **	406	28,149		
(ii) Intangible Assets												
Patents, Trade Marks	29	—	—	—	29	4	3	—	—	7	22	25
Total Intangible Assets	29	—	—	—	29	4	3 **	—	—	7	22	25
Previous Year	29	—	—	—	29	1	3 **	—	—	4		

* The Assets of the Company have been assessed for Impairment in accordance with Accounting Standard 28 "Impairment of Assets". Consequently, Impairment to the extent of Rs. 63 lacs (Previous Year Rs. 894 lacs) has been charged in the accounts during the year for dairy plant situated at Jagatjit Nagar, kapurthala and Rs. 123 lacs (Previous year Rs.61 lacs) has been adjusted against revaluation reserve. (Refer Note 35.1 and 35.2).

** Please refer Note 32.

As at	As at
March 31	March 31
2012	2011
(Rs. in lacs)	(Rs. in lacs)

13. Non Current Investments

TRADE INVESTMENTS		
IN EQUITY SHARES		
UNQUOTED		
IN ASSOCIATES		
Hyderabad Distilleries & Wineries Pvt. Ltd.		
1,650 (Previous year-1,650) shares of Rs.100 each fully paid	2	2
OTHER INVESTMENTS		
IN EQUITY SHARES		
QUOTED		
Mohan Meakin Limited		
281,961(Previous year-281,961) shares of Rs. 5 each fully paid.	84	84
Milkfood Limited		
1,350 Shares of Rs .10 Each Fully paid	0	0
Punjab National Bank Limited		
993 (Previous year -993) shares of Rs.10 each fully paid	4	4
UNQUOTED		
Jagatjit Marketing Limited		
Nil (Previous year-10) shares of Rs.10 each fully paid	0	0
Jagatjit Brown-Forman (India) Ltd.		
Nil (Previous year - 1,528,880) shares of Rs.10 each fully paid	0	0
(Previous year Cost Rs.153 lacs less provision for permanent diminution in value of Investment Rs.153 lacs)		
Chic Interiors Private Limited		
3,352 (Previous year-3,352) shares of Rs.10 each fully paid	0	0
L. P. J. Holdings Pvt Ltd.		
Nil (Previous year 600) shares of Rs. 10 each fully paid	0	905
IN ASSOCIATES		
L.P. Investments Limited		
157,500 (Previous year-157,500) shares of Rs.10 each fully paid	0	0
(Cost Rs.16 lacs, provision for permanent diminution in value of Investment Rs.16 lacs)		
UNQUOTED IN SUBSIDIARIES		
Anjani Estates Limited (Formerly Known as Binnies Estates Limited)	0	0
Nil (Previous year-50,000) shares of Rs.10 each fully Paid [Cost Rs. Nil (Previous year Rs.5 lacs) less provision for permanent diminution in value of Investment Rs. 5 lacs]		
S.R.K. Investments Pvt. Ltd.		
10,000 (Previous year 10,000) Shares of Rs. 10 each fully paid	1	1
Sea Bird Securities Pvt. Ltd.		
8,000 (Previous Year 10,000) Shares of Rs. 10 each fully paid	1	1
JIL Trading Pvt. Ltd.		
10,000 (Previous year 10,000) Shares of Rs. 10 each fully paid	1	1
IN PREFERENCE SHARES		
UNQUOTED		
Qube Corporation Pvt. Ltd.	180	180
1,800,000 (Previous year 1,800,000 Cumulative Redeemable preference shares of Rs. 10 each)		
IN ASSOCIATES		
L.P.Investments Limited		
4,500 (Previous year-4,500) 9.5% Redeemable Cumulative shares of Rs.100 each fully paid	0	0
(Cost Rs. 4 lacs less provision for permanent diminution in value of Investment Rs. 4 lacs)		

Notes

Continued

		As at March 31 2012 (Rs. in lacs)	As at March 31 2011 (Rs. in lacs)
	UNQUOTED IN SUBSIDIARIES		
	Anjani Estates Limited (Formerly Known as Binnies Estates Limited)	0	0
	Nil (Previous year-9) 10% Redeemable Cumulative Shares of Rs.100 each fully paid		
	IN GOVERNMENT SECURITIES		
	UNQUOTED		
	06 year National Saving Certificates (lodged with Govt. authorities)	2	2
		<u>275</u>	<u>1,180</u>
	Aggregate Value of Unquoted Investments	187	1,092
	Aggregate Value of Quoted Investments	88	88
	Market Value/NAV of Quoted Investments	414	418
14. Long Term Loans And Advances	Capital Advances		
	Unsecured, considered good	586	234
		<u>586</u>	<u>234</u>
	Security Deposits		
	Unsecured, considered good	405	381
	Unsecured, considered doubtful	1	1
	Less: Provision for doubtful deposits	1	1
		<u>405</u>	<u>381</u>
	Loans and advances to related parties		
	Unsecured, considered good	2,975	3,017
	Unsecured, considered doubtful	1,266	1,347
		<u>4,241</u>	<u>4,364</u>
	Less: Provision for doubtful loans and advances	1,266	1,347
		<u>2,975</u>	<u>3,017</u>
	Other loans and advances		
	Unsecured, considered good		
	Advance/claim recoverable in cash or in kind	379	42
	Unsecured, considered doubtful	58	39
	Less: Provision for doubtful loans and advances	58	39
	Balances with Statutory Authorities	3	2
		<u>382</u>	<u>44</u>
		<u>4,348</u>	<u>3,676</u>
15. Other Non- Current Assets	MAT Credit Receivable	715	88
	Fixed Deposits With Bank (Pledged as security)	119	89
	Fixed Deposits With Banks having maturity period of more than one year	80	—
	Advance FBT (Net of Provision)	—	1
		<u>914</u>	<u>178</u>
16. Current Investments	In Mutual Fund		
	Principal PNB Long Term Equity Fund - 3 year Plan - Series I & II	8	8
	Principal PNB Long Term Equity Fund - 3 year Plan - Principal Emerging Bluechip Fund-Growth	10	10
	Principal Mutual Fund		
	UTI Infrastructure Advantage Fund Series I	5	5
		<u>23</u>	<u>23</u>
	Aggregate Value of Quoted Investments/Mutual Funds	23	23
	Market Value/NAV of Quoted Investments/Mutual Funds	30	32

		As at March 31 2012 (Rs. in lacs)	As at March 31 2011 (Rs. in lacs)
17. Inventories	Raw Materials and Packing Materials	4,484	3,532
	-In Transit	1,171	894
	Less : Provision for obsolete Inventory	36	15
		5,619	4,411
	Work-in-Progress	189	103
	Finished Goods	7,426	6,154
	Stock-in-Trade	227	51
	Store and Spares	845	978
	-In Transit	109	62
		14,415	11,759
17.1	Details of Raw and Packaging Materials		
	Grains	1,420	742
	Molasses	227	310
	Spirit	628	570
	Chemicals	65	40
	Colour & Essence	55	78
	Bottles	462	334
	Tins & Other Containers	172	135
	Labels	324	225
	Seals	572	489
	Others	559	609
		4,484	3,532
17.2	Details of Work in Progress		
	Malt	25	2
	Glass	20	7
	Malt Extract	4	62
	Liquor	114	18
	Malted Milk Food	26	14
		189	103
17.3	Details of Finished Goods		
	Malt	530	249
	Malt Extract	3	—
	Liquor	4,914	4,828
	Malted Milk Food	8	167
	Carbondioxide Gas	0	0
	Glass	1,876	818
	Containers	20	25
	Others	75	67
		7,426	6,154
17.4	Details of Stock -in-trade		
	Petroleum and its Products	41	49
	Wine	135	0
	Liquor	51	2
		227	51
18. Trade Receivables	(a) Unsecured overdue for more than six months		
	Considered Good	1,550	1,891
	Considered Doubtful	315	473
	Less: Provision for doubtful receivables	315	473
	(b) Others		
	Considered Good	18,354	15,096
		19,904	16,987

Notes

Continued

		As at March 31 2012 (Rs. in lacs)	As at March 31 2011 (Rs. in lacs)
19. Cash and Bank Balances	(i) Cash & Cash Equivalents		
	Cash on hand	225	231
	Cheques on hand	64	157
	Funds in transit	12	25
	Balances with Banks		
	-Current Accounts	652	1,585
	-Fixed Deposits (With Original maturity period of up to 3 months)	4,550	1,840
	(ii) Other Bank Balances		
	Unclaimed Dividend Accounts	0	2
	Fixed Deposits with Bank	1	4
	Margin Money Accounts	12	12
		<u>5,516</u>	<u>3,856</u>
20. Short Term Loans and Advances	Unsecured—Considered Good		
	Others Loan and Advance		
	-Balance with Revenue authorities	1,577	1,874
	Balance with other revenue Authorities		
	-Advances to Suppliers	513	557
	-Security Deposits	43	26
	-Others	1,317	1,333
	Unsecured—Considered Doubtful		
	-Others	13	5
	-Less: Provision for Doubtful Advances	13	5
		<u>3,450</u>	<u>3,790</u>
21. Other Current Assets	Interest Receivable	99	63
	Other Income Receivable	43	80
	Duty Drawback receivable	23	64
	Fixed Assets held for sale	21	—
		<u>186</u>	<u>207</u>

		For the Year ended March 31 2012 (Rs. in lacs)	For the Year ended March 31 2011 (Rs. in lacs)
22. Revenue from Operations (Gross)	Sale of Products		
	Manufactured Goods	138,102	126,590
	Traded Goods	6,886	5,099
	Less:-Other Discount & Allowances	308	433
		144,680	131,256
	Income from Services		
	Job Work [tax deducted at source Rs. 77 lacs-(Previous Year Rs. 57 lacs)]	3,402	3,452
		3,402	3,452
	Other Operating Revenues		
	Rent (Tax deducted at source Rs.187 lacs Previous year - Rs.136 lacs)	1,740	1,284
	Royalty (Tax Deducted at Source Rs. Nil; Previous year - Rs. 1.18 lacs)	821	511
	Duty Drawbacks	17	67
	Scrap Sales	373	261
	Miscellaneous Income	904	962
	(Tax deducted at source Rs. 7 lacs; Previous year Rs. 5 lacs)	3,855	3,085
		151,937	137,793
	22.1 Details of Sale of Products (Net of discount)		
	(a) Manufactured Goods		
	Malt & Malt Extract	2,699	2,491
	Malted Milk Food	325	2,994
	Liquor	128,310	113,414
	Glass Bottles	5,011	5,979
	Carbondioxide Gas	45	87
	Others	1,404	1,192
		137,794	126,157
	(b) Traded Goods		
	Petroleum and its Products	1,949	1,774
	Wine	—	11
	Liquor	4,896	3,271
	others	41	43
		6,886	5,099
	Total (a)+(b)	144,680	131,256
23. Other Income	Dividends		
	On Other Investments	0	7
	Interest		
	-Fixed Deposits — Gross (Tax deducted at source Rs.18 lacs; Previous year Rs 12 lacs)	225	136
	-Others - Gross (Including interest on income tax Refund Rs Nil; Previous year Rs.57.68 lacs)	186	75
	(Tax deducted at source Rs.18 lacs; Previous year Rs.5 lacs)		
	Profit on Sale of Fixed Assets (Refer Note 49)	7,968	3,151
	Insurance Claims	18	12
	Liabilities/provisions no longer required written back	150	177
	Foreign Exchange Fluctuation (Net)	—	19
		8,547	3,577

Notes

Continued

		For the Year ended March 31 2012 (Rs. in lacs)	For the Year ended March 31 2011 (Rs. in lacs)
24. Cost of Materials Consumed	Opening Stocks	4,426	4,094
	Add: Purchases of raw and packing materials	47,119	42,636
		<u>51,545</u>	<u>46,730</u>
	Less: Closing Stocks	5,655	4,427
		<u>45,890</u>	<u>42,303</u>
	24.1 Details of Raw and Packaging Materials Consumed		
	Grains	6,668	5,759
	Molasses	4,290	2,830
	Soda Ash	1,818	1,723
	Sand	682	614
	ENA	7,410	8,879
	Bottles	7,585	6,496
	Tins & Other Containers	2,509	2,341
	Seals	3,986	3,652
	Cullet Outside Purchase	1,254	737
	Milk	1,170	1,680
	Packing Materials	3,859	3,549
	Others	4,659	4,043
		<u>45,890</u>	<u>42,303</u>
25. Purchases of Stock-in-Trade	Petroleum and its Products	1,897	1,756
	Liquor	5,048	3,253
	Others	43	44
		<u>6,988</u>	<u>5,053</u>
26. Changes in Inventories of Finished Goods, Work in Progress & Stock-in-Trade	Opening Stocks		
	Work-in-Progress	103	143
	Finished Goods	6,154	5,587
	Stock-in-Trade	51	74
		<u>6,308</u>	<u>5,804</u>
	Closing Stocks		
	Work-in-Progress	189	103
	Finished Goods	7,426	6,154
	Stock-in-Trade	227	51
		<u>7,842</u>	<u>6,308</u>
	Decrease/(Increase)	<u>(1,534)</u>	<u>(504)</u>
27. Employee Benefits Expenses	Salaries, Wages, Bonus and Gratuity	6,801	6,314
	Contribution to Provident, Family Pension and Superannuation Funds	733	644
	Employees' State Insurance	151	141
	Staff Welfare Expenses	276	287
		<u>7,961</u>	<u>7,386</u>
28. Finance Cost	On Fixed Loans	1,591	1,894
	Others	619	277
		<u>2,210</u>	<u>2,171</u>

		For the Year ended March 31 2012 (Rs. in lacs)	For the Year ended March 31 2011 (Rs. in lacs)
29. Other Expenses	Manufacturing Expenses		
	Consumption of Stores and Spare parts excluding charged to other revenue heads Rs. 5,300 lacs (Previous year - Rs. 5,597 lacs)	499	434
	Consumption of Moulds (Outside Purchase)	114	100
	Power and Fuel	8,251	7,096
	Repairs — Buildings	501	440
	Plant and Machinery	1,698	1,305
	Excise Duty*	1,629	1,293
	Other Expenses	2,933	3,030
		<u>15,625</u>	<u>13,698</u>
	*Excise Duty shown under expenditure represents the aggregate of excise duty borne by the Company and difference between excise duty on opening and closing stock of finished goods.		
	Administration and Selling Expenses		
	Rent (Net)	245	218
	Lease Rental	292	324
	Rates & Taxes	4,219	3,838
	Insurance	258	186
	Travelling Expenses	1,040	1,071
	Repairs to Buildings	290	236
	Other Repairs & Maintenance	321	331
	Bad Debts, Advances and Stock written off	1,595	190
	Provision for Doubtful Debts and advances	35	52
	Provision for Inventory for obsolete stock	12	—
	Investment Written off	0	—
	Fixed Assets written off	53	8
	Loss on sale of Fixed Assets	105	125
	Reimbursement of Expenses to Directors	40	71
	Directors Fee	6	9
	Forwarding Charges	2,250	1,985
	Advertisement, Publicity and Sales Promotion	19,224	15,533
	Legal & Professional Expenses	1,014	1,148
	Miscellaneous Expenses	1,941	1,566
		<u>32,940</u>	<u>26,891</u>
		<u>48,565</u>	<u>40,589</u>
	29.1 Details of Payments to Auditors		
	For Audit (including service tax)	15	14
	For Tax Audit (including service tax)	4	4
	For Other Services (including service tax)	7	3
	Out of Pocket Expenses	1	1
		<u>27</u>	<u>22</u>
	29.2 Prior Period Expenses/Income		
	Other Expenses	8	7
	29.3 Value of Imports on C.I.F. Basis		
	Raw Materials	4,447	3,324
	Spare Parts including Stores	75	177
	Capital Goods	848	480
	29.4 Expenditure in Foreign Currency (On Cash Basis)		
	Other Matters - Commission, Traveling etc.	51	67
	29.5 Earnings in Foreign Exchange		
	Export of goods calculated on FOB basis (Including sales to Nepal in rupee terms, Rs. 152 lacs; Previous year-Rs. 176 lacs)	380	781
30. Exceptional Items	Loss on sale of Investment	<u>824</u>	<u>—</u>
		<u>824</u>	<u>—</u>

Notes

Continued

31. CONTINGENT LIABILITIES

The following are the details of Contingent liabilities the outflow of which is uncertain at this stage:

- 31.1 Particulars of various claims against the Company not acknowledged as debts Rs. 173 lacs (Previous year Rs. 167 lacs):
- 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. 22 lacs (Previous year Rs. 22 lacs).
 - Claim in respect of case filed by ESI Corporation Rs. 6 lacs (Previous year 6 lacs).
 - Employees related claims Rs. 145 lacs (Previous year 139 lacs).
 - 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.
- 31.2 Particulars of various Excise & Service Tax demands under dispute Rs. 890 lacs (Previous year Rs. 828 lacs) which have not been deposited on account of dispute:
- Demand of Service Tax and penalty in respect of wrong availment of Service Tax Cenvat Credit Rs. 247 lacs (Previous year Rs. 247 lacs).
 - Demand of Excise Duty in respect of reversal of Cenvat Credit on Turbine Rs. 74 lacs (Previous year Rs. 74 lacs).
 - Demand in respect of service tax, interest and penalty on income from Tie-up operations and royalty Rs. 569 lacs (Previous year Rs. 507 lacs).
- 31.3 Particulars of various Sales tax demands under dispute Rs. 78 lacs (Previous year Rs. 143 lacs).
- Demand of Sales Tax under Central Sales Tax Act on account of incomplete submission of sales tax forms Rs. 3 lacs (Previous year Rs. 3 lacs).
 - Demand of Entry Tax under UP Sales Tax Rs. Nil (Previous year Rs. 65 lacs).
 - Demand of Sales Tax under UP Sales Tax Act Rs. 73 lacs (Previous year Rs. 73 lacs).
 - Demand on account of non-submission of sales tax forms Rs. 2 lacs (Previous year Rs. 2 lacs).
- 31.4 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.
32. 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. 4,832 lacs has been transferred to Revaluation Reserve.

	2011-12 (Rs. in lacs)	2010-11 (Rs. in lacs)
Depreciation for the year calculated in accordance with accounting policy mentioned (Refer Note 1.4 and 12)	2,946	3,328
Less: Adjusted against Revaluation Reserve	483	453
Net depreciation for the year charged to Profit & Loss Account	2,463	2,875

33. The additions to fixed assets and work-in-progress includes interest on borrowing which has been capitalised amounting to Rs. 3 lacs (Previous year Rs. 3 lacs) and Rs. 24 lacs (Previous year Rs. Nil) respectively.
34. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) Rs. 1,142 lacs (Previous year Rs. 622 lacs).
35. 35.1. Company reviewed the future earning of all its cash generating units in accordance with the accounting policy on impairment of assets [Notes 1.5]. Consequent to such review and due to change in market demand, during the FY 2010-11 the Company impaired the carrying value of Building and Plant & Machinery of plant located at Sikandrabad being Rs. 1,104 lacs (Gross block Rs. 2,598 lacs and accumulated depreciation thereon, Rs. 1,495 lacs) to its estimated recoverable amount Rs. 149 lacs (being the estimated net selling price, determined on the basis of an independent valuation). Out of impairment loss of Rs. 955 lacs arising thereon, Rs. 61 lacs was adjusted against Revaluation Reserve.
- 35.2. Company has reviewed the future earning of all its cash generating units in accordance with the accounting policy on impairment of assets [Notes 1.5]. Consequent to such review and due to change in market demand, during the year, the Company has impaired the carrying value of Dairy plant located at Jagatjit Nagar, Kapurthala being Rs. 228 lacs (Gross block Rs. 1,521 lacs and accumulated depreciation thereon, Rs. 1,293 lacs) to its estimated recoverable amount Rs. 42 lacs (being the estimated net value in use, determined on the basis of an independent valuation and estimated future cash inflow as per AS-28). Out of impairment loss of Rs.186 lacs arising thereon, Rs. 123 lacs has been adjusted against Revaluation Reserve.
36. Maximum amount of advances due from Subsidiary Company, 'Anjani Estates Limited' and S.R.K Investment Limited at any time during the year is Rs. 3,111 lacs (Previous year Rs. 3,123 lacs). However, it is clarified that as on 31st March, 2012, Anjani Estates Limited ceased to be subsidiary of the Company.
37. Jagatjit Brown Forman (I) Limited (JBFL), a joint venture of the Company with Brown Forman Mauritius Limited (BFML) has been ordered to be wound up by the Hon'ble High Court of Delhi vide their order dated 30th September, 2011. The Official Liquidator was directed to make payment/create provisions towards the Government Fee, Audit Fee and liquidation expenses from the account of the company in liquidation and transfer the balance funds available, if any, to the Common Pool Fund maintained in the Office of the Official Liquidator, Delhi. As the Company stands wound up, the investment of 1,528,880 equity shares of Rs. 153 lacs against which provision of Rs. 153 lacs had been made in earlier years, has been written off during the year and no amount was received by the company against these shares from the Official Liquidator.
38. As at the last balance sheet date, the company had given unsecured advances amounting to Rs. 122 lacs which was unrecoverable from its wholly owned subsidiary Anjani Estates Ltd. (formerly known as Binnies Estate Ltd.). Out of the aforesaid amount, a provision of Rs. 81 lacs had been made against the unsecured advance. During the financial year, the company has been able to recover the entire unsecured advance of Rs. 122 lacs from Anjani Estates Ltd. (AEL) therefore, necessitating write-back of earlier provision amount of Rs. 81 Lacs. There was also an investment amounting to Rs. 5 lacs (against which provision for diminution was made in earlier years) that the company had made in Anjani Estates Ltd. (AEL) which was sold during the financial year. Consequently, Anjani Estates Ltd (AEL) ceased to be a wholly owned subsidiary of the company as at this balance sheet date.
39. At the year end unclaimed dividend Rs.Nil (Previous Year Rs. 2 lacs) and unclaimed deposits Rs. 101 lacs (previous year Rs. 93 lacs) disclosed under current liabilities need not be transferred to Investor Education and Protection Fund in terms of provisions of Section 205C of the Companies Act, 1956 (Refer Note 10).
40. 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. 44,270 lacs (Previous year Rs. 37,990 lacs) has been reduced from turnover in Statement of Profit & Loss. Differential excise duty on opening and closing stock of finished goods amounting to Rs. 1,629 lacs (Previous year Rs. 1,293 lacs) has been separately shown in Manufacturing Expenses under 'Other Expenses Schedule' (Refer Note 29).
41. Earnings per share (EPS) : Numerators and denominators used to calculate basic and diluted earning per share

	Year ended 31.03.2012	(Rs. in lacs) Year ended 31.03.2011
Net Profit/(Loss) attributable to Shareholders	351,054,758	252,615,375
Number of equity shares in issue	43,648,112*	43,648,112*
Basic / Diluted Earnings per share of Rs.10 each (Rs.)	8.04	5.79

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 Note 2.7c).

42. EMPLOYEE BENEFITS

The Company has classified various employee benefits as under:

42.1 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, 2012	(Rs. in lacs) For the year ended March 31, 2011
(i) Employers' Contribution to Superannuation Fund	239	205
(ii) Employers' Contribution to Provident Fund	492	439
(iii) Employers' Contribution to Employees' State Insurance	153	141

Included in 'Contribution to Provident, Family Pension and Superannuation Funds' and 'Employees' State Insurance (Refer Note 27)

42.2 Defined Benefit Plans

Valuation in respect of Gratuity and Leave Encashment have been carried out by independent actuary, as at 31st March, 2012, based on the following assumptions:

	Leave Encashment (Unfunded) (Rs. in lacs)	Gratuity (Unfunded) (Rs. in lacs)
(I) Assumptions		
(a) Discount Rate	8.65%	8.65%
(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)	13-31	13-31
(II) Change in the Present Value of Obligation		
(a) Present value of obligation as at April 1, 2011	492	1,601
(b) Interest cost	27	131
(c) Current service cost	212	109
(d) Benefit paid	(27)	(174)
(e) Actuarial (gain)/loss on obligations	(129)	164
(f) Present value of obligation as at March 31, 2012	575	1,831
(III) Amount recognised in the Balance Sheet		
(a) Present value of obligation as at March 31, 2012	575	1,831
(b) Fair Value of Plan Assets as at the year end	—	—
(c) (Asset)/Liability recognised in the Balance Sheet	575	1,831
(IV) Expenses recognised in the Profit and Loss Account		
(a) Current service cost	212	109
(b) Interest cost	27	131
(c) Expected Return on Plan Assets	—	—
(d) Settlement Cost/Credit	(27)	(174)
(e) Actuarial (gain)/loss recognised in period	(129)	164
(f) Total Expenses recognised in the Profit and Loss Account	83	230

Valuation in respect of Gratuity and Leave Encashment was carried out by independent actuary, as on 31st March, 2011, based on the following assumptions:

	Leave Encashment (Unfunded) (Rs. in lacs)	Gratuity (Unfunded) (Rs. in lacs)
(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)	9.78-20.04	10.54-22.45
(II) Change in the Present Value of Obligation		
(a) Present value of obligation as at April 1, 2010	400	1,172
(b) Interest cost	21	90
(c) Current service cost	187	96
(d) Benefit paid	(19)	(103)
(e) Actuarial (gain)/loss on obligations	(97)	347
(f) Present value of obligation as at March 31, 2011	492	1,602
(III) Amount recognised in the Balance Sheet		
(a) Present value of obligation as at March 31, 2011	492	1,602
(b) Fair Value of Plan Assets as at the year end	—	—
(c) (Asset)/Liability recognised in the Balance Sheet	492	1,602
(IV) Expenses recognised in the Profit and Loss Account		
(a) Current service cost	187	96
(b) Interest cost	21	90
(c) Expected Return on Plan Assets	—	—
(d) Settlement Cost/Credit	(19)	(103)
(e) Actuarial (gain)/loss recognised in period	(97)	347
(f) Total Expenses recognised in the Profit and Loss Account	92	430

43. 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 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.

Notes

Continued

- 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 2011-12

(Rs. in lacs)

	Beverages	Food	Packaging	Others	Total
REVENUE					
Sales (Net of Excise duty), Services and Other income	93,812	7,365	4,599	1,999	107,775
Inter Segment Sales	91	—	8,094	—	8,185
Unallocated Income	—	—	—	—	8,028
Total Revenue	93,903	7,365	12,693	1,999	123,988
RESULTS					
Segment Results (Refer Note vii below)	1,772	(708)	704	14	1,782
Unallocated expenditure					
Net of unallocated income					3,688
Interest Income					411
Interest Expense					(2,210)
Profit before exceptional items					3,671
Exceptional items					824
Profit/(Loss) before tax					2,847
Less: Tax expense:					
Current Tax :					
- For the year					577
- MAT Credit Entitlement					(627)
Deferred Tax (benefit)/charge					(606)
Provision for earlier year written back					(7)
Profit/(Loss) after tax					3,510
OTHER INFORMATION					
Segment Assets (Refer Note ii below)	47,733	6,187	8,388	422	62,730
Unallocated Assets					18,649
Total Assets					81,379
Segment Liabilities	19,867	1,236	2,711	10	23,824
Unallocated Liabilities					21,070
Total Liabilities					44,894
Capital Expenditure	740	340	792	—	1,872
Unallocated Capital Expenditure					564
Total Capital Expenditure					2,436
Depreciation	1218	483	529	5	2,235
Unallocated Depreciation					228
Total					2,463
Non - cash expenditure other than depreciation	1,204	7	201	—	1,412
Unallocable Non Cash					283
Total					1,695

Information about Secondary Business Segments - Geographical by location of customers

	Domestic	Overseas	Total
Revenues (Net of Excise Duty)	115,419	384	115,803
Other information:			
Carrying amount of segment assets by location of assets	81,379	—	81,379
Addition to Fixed Assets/Capital Work- in- Progress (including Capital Advances)	2,436	—	2,436

Information about Business Segment - Primary for the year 2010-11

(Rs. in lacs)

	Beverages	Food	Packaging	Others	Total
REVENUE					
Sales (Net of Excise duty), Services and Other income	83,160	9,485	5,534	1,824	100,003
Inter Segment Sales	69	—	6,301	—	6,370
Unallocated Income	—	—	—	—	3,107
Total Revenue	83,229	9,485	11,835	1,824	109,480
RESULTS					
Segment Results (Refer Note vii below)	5,462	239	967	2	6,670
Unallocated expenditure					
Net of unallocated income					1,204
Interest Income					211
Interest Expense					(2,170)
Profit/(Loss) before tax					3,507
Less: Tax expense:					
Current Tax :					
- For the year					708
- MAT Credit Entitlement					(88)
Deferred Tax (benefit)/charge					361
Profit/(Loss) after tax					2,526
OTHER INFORMATION					
Segment Assets (Refer Note iv below)	43,626	7,005	7,987	1,339	59,957
Unallocated Assets					16,148
Total Assets					76,105
Segment Liabilities	16,653	985	2,062	7	19,707
Unallocated Liabilities					22,250
Total Liabilities					41,957
Capital Expenditure	155	16	355	—	526
Unallocated Capital Expenditure					1,237
Total Capital Expenditure					1,763
Depreciation	1,692	459	500	5	2,656
Unallocated Depreciation					219
Total					2,875
Non - cash expenditure other than depreciation	228	17	—	—	245
Unallocable Non Cash					5
Total					250

Information about Secondary Business Segments - Geographical by location of customers

(Rs. in lacs)

	Domestic	Overseas	Total
Revenues (Net of Excise Duty)	102,317	793	103,110
Other information:			
Carrying amount of segment assets by location of assets	76,105	—	76,105
Addition to Fixed Assets/Capital Work- in- Progress (including Capital Advances)	1,763	—	1,763

NOTES:

- 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 1%), the commercial risks and returns involved on the basis of geographic segmentation are therefore considered insignificant and immaterial.
- Segment assets include Capital Work- in- Progress & Capital Advances aggregating to Rs.1,128 lacs (Previous year-Rs. 305 lacs). 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.
- Capital expenditure pertains to additions made to Fixed Assets/ Capital Work-in-Progress (including Capital Advances) during the year.
- Unallocated assets includes land, administration building and cash & bank balances etc. at Jagatjit Nagar.
- Unallocated liabilities include interest bearing liabilities and tax provisions and deferred tax liability.
- Non cash items includes bad debts, advances and stocks written off, provision for doubtful debts & advances and fixed assets written off.
- Sales Services and other Income of Beverages segment includes rental income (net) of Rs. 1,508 lacs (Previous year Rs. 927 lacs) from the surplus properties of the Company.

44. 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:

44.1 Related parties and transactions with them as identified by the management and relied upon by the Auditors are given below:

Subsidiary Companies

JIL Trading Pvt. Ltd.

S.R.K. Investments Pvt. Ltd.

Sea Bird Securities Pvt. Ltd.

Anjani Estates Limited (Ceased to be subsidiary during the year)

44.2 Enterprises over which Major shareholders, Key Management Personnel and their relatives have significant influence/control :

Milkfood Ltd.

Hyderabad Distilleries & Wineries Pvt. Ltd. (Associate)

Fast Buck Investments & Trading Pvt. Ltd.

Jagatjit Industries Limited Employees Superannuation Scheme

Pashupati Properties & Estates Pvt. Limited

L.P. Investments Limited. (Associate)

Grand Regency Hospitalities Pvt. Ltd.

Qube Corporation Pvt. Ltd.

44.3 Key Management Personnel (Directors) and their relatives :

Mr. Narender Sapra

Mr. Arvind Behl

Mr. Ravi Manchanda

43.4 Details of transactions carried out with the related parties in the ordinary course of business:

Rs.in lacs

	For the Year ended March 31, 2012				For the Year ended March 31, 2011			
	With Persons Mentioned in Note	With Persons Mentioned in Note	With Persons Mentioned in Note	Total	With Persons Mentioned in Note	With Persons Mentioned in Note	With Persons Mentioned in Note	Total
	44.1	44.2	44.3		44.1	44.2	44.3	
PARTICULARS OF TRANSACTIONS								
Sales of Goods (Refer Note 3 below)	—	2	—	2	—	88	—	88
Sales of Fixed Assets (Milkfood Limited)	—	1	—	1	—	—	—	—
Job Work rendered (Milkfood Limited)	—	—	—	—	—	7	—	7
Royalty Received (Hyderabad Distilleries & Wineries Pvt. Ltd.)	—	1	—	1	—	9	—	9
Purchases of goods (Refer Note 4 below)	—	8	—	8	—	415	—	415
Purchases of Fixed Assets (Milkfood Limited)	—	—	—	—	—	706	—	706
Interest accrued (Refer Note 5 below)	—	6	—	6	—	6	—	6
Interest Received (Milkfood Limited)	—	17	—	17	—	—	—	—
Reimbursement of Payments Made on Behalf of Company (Refer Note 6 below)	—	152	—	152	—	98	—	98
Expenses paid by Company on Behalf of related party (Refer Note 7 below)	1	15	—	16	1	13	—	14
Rent received (Milkfood Limited)	—	4	—	4	—	4	—	4
Loans including interest repaid (Refer Note 8 below)	—	5	—	5	—	3	—	3
Managerial Remuneration (Refer Note 2 below)	—	—	103	103	—	—	101	101
Purchase of Shares	—	—	—	—	3	—	—	3
Sale of shares (Sea Bird Securities Pvt. Ltd.)	81	—	—	81	—	—	—	—
Advance Given (Refer Note 10 below)	14	20	—	34	3,000	—	—	3,000
Refund of Advance Given (Refer Note 11 Below)	14	20	—	34	25	—	—	25
Bottling Charges paid (Hyderabad Distilleries & Wineries Pvt. Ltd.)	—	232	—	232	—	245	—	245
Lease Rent paid (Refer Note 9 below)	—	144	—	144	—	158	—	158
Provision for Permanent Diminution in value of Investments written Back (Anjani Estate Ltd.)	5	—	—	5	—	—	—	—
Receivable Written off (Refer Note 12 below)	—	558	—	558	—	—	—	—
Contribution to Superannuation Fund (Jagatjit Industries Limited Employees Superannuation Scheme)	—	240	—	240	—	205	—	205
BALANCES OUTSTANDING AT THE YEAR END								
Unsecured Advances (Note 13)	2,975	1,266	—	4,241	3,098	1,266	—	4,364
Provision for Unsecured Advances (13)	—	1,266	—	1,266	81	1,266	—	1,347
Receivables (Net of Payable)	—	(151)	—	(151)	—	203	—	203
Unsecured Loans	—	67	—	67	—	65	—	65
Investments	3	—	—	3	8	202	—	210
Provision for Permanent Diminution in value of Investments	—	20	—	20	5	20	—	25

Notes

Continued

Notes:

- 1) The above information has been compiled on the basis of disclosures received from all directors of the Company.
- 2) The above payments does not include expenses incurred by/reimbursed to directors during the course of performance of duty.
- 3) Sale of goods includes sales to the following :
Milkfood Ltd. Rs. Nil (Previous year Rs. 72 lacs)
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 2 lacs (Previous year Rs. 16 lacs)
- 4) Purchase of goods includes purchases from the following :
Milkfood Ltd. Rs. 8 lacs (Previous year - Rs. 414 lacs)
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs.Nil (Previous year Rs. 1 lacs)
- 5) Interest Accrued is in respect of the following :
Fast Buck Investments & Trading Pvt. Ltd. Rs. 6 lacs (Previous year Rs. 6 lacs)
- 6) Reimbursement of Payments made on behalf of the Company is in respect of the following :
Milkfood Ltd. Rs. 85 lacs (Previous year Rs. 93 lacs)
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 67 lacs (Previous year Rs. 4 lacs)
Fast Buck Investments & Trading Pvt. Ltd. Rs. Nil (Previous year Rs. 0 lacs)
Grand Regency Hospitalities Pvt Ltd. Rs Nil (Previous Year Rs. 0 lacs)
JIL Trading Pvt. Ltd. Rs. Nil (Previous year Rs. 0 lacs)
Anjani Estates Ltd. Rs. Nil (Previous year Rs. 0 lacs)
- 7) Expenses paid by the Company on behalf of related parties is in respect of the following :
Milkfood Ltd. Rs. 11 lacs (Previous year Rs. 9 lacs)
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 3 lacs (Previous year Rs. 4 lacs)
Anjani Estates Ltd. Rs. 1 lacs (Previous year Rs. 1 lacs)
Grand Regency Hospitalities Pvt Ltd. Rs. 0 lacs (Previous Year Rs. 1 lacs)
SRK Investment Pvt. Ltd Rs.Nil (Previous Year Rs. 0 lacs)
Fast Buck Investments & Trading Pvt. Ltd. Rs. 0 lacs (Previous year Rs. Nil)
Jagatjit Spirit & Wines Pvt. Ltd. Rs. 0 lacs (Previous year Rs. Nil)
- 8) Loans including interest repaid is in respect of the following :
Fast Buck Investments & Trading Pvt. Ltd. Rs. 5 lacs (Previous year Rs. 3 lacs)
- 9) Lease Rent paid
Pashupati Properties & Estates Pvt. Limited Rs. 12 lacs (Previous year Rs. 12 lacs)
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 132 lacs (Previous year Rs. 146 lacs)
- 10) Advances Given
Anjani Estates Ltd. Rs. 14 lacs (Previous year Rs. Nil)
Milkfood Ltd. Rs. 20 lacs (Previous year Rs. Nil)
SRK Investment Pvt. Ltd. Rs.Nil (Previous Year Rs. 3,000 lacs)
- 11) Refund of Avdnce
Anjani Estates Ltd. Rs. 14 lacs (Previous year Rs. Nil)
Milkfood Ltd. Rs. 20 lacs (Previous year Rs. Nil)
SRK Investment Pvt. Ltd. Rs. Nil (Previous year Rs. 25 lacs)
- 12) Receivable written off
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 557 lacs (Previous year Rs. Nil)
Jagatjit Marketing Ltd. Rs. 0 lacs (Previous year Rs. Nil)
- 13) During the year, Anjani Estates Pvt. Ltd. (AEL) repaid Rs. 123 lacs on account of unsecured advances. Consequently the provision of Rs. 81 lacs for unsecured advances amounting to Rs. 81 lacs got reversed.

45. Value of Imported/Indigenous Raw and Packing Materials, Stores and Spare Parts Consumed:

	2011-12		2010-11	
	Value (Rs. in lacs)	%	Value Value	%
Raw and Packing Materials				
Imported	3,927	8.56	3,550	8.39
Indigenous	41,963	91.44	38,753	91.61
	45,890	100.00	42,303	100.00
Stores and Spare Parts				
Imported	79	1.36	101	1.68
Indigenous	5,720	98.64	5,930	98.32
	5,799	100.00	6,031	100.00

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

47. The Company normally acquires vehicles under operational lease with the respective underlying assets as security. Minimum lease payments outstanding as on March 31, 2012 in respect of these assets are as under:

	Total minimum lease payments outstanding as on March 31, 2012 (Rs. in lacs)	Total minimum lease payments outstanding as on March 31, 2011 (Rs. in lacs)
Due within one year	53	73
Due later than one year and not later than five years	9	56

Lease payments of Rs. 86 lacs (Previous year Rs. 122 lacs) have been recognised as an expense in the profit and loss account for the year ended March 31, 2012.

48. During the last financial year the Company has recognised revenue from goods sold by contract manufacturers on behalf of company as per the accounting policy in respect of income recognition. In this connection total revenue of the Company, for this financial year includes the revenue amounting to Rs. 24,549 lacs (Previous year Rs. 22,882 lacs) from its contract manufacturing units. All expenditure, assets and liabilities related to operations with contract manufacturing units are consolidated in the respective accounting heads. (Note 1.8a).

49. During the year, net profit amounting to Rs 7,942 lacs and previous year Rs 2,939 lacs has been earned by the Company from sale of its idle residential property situated at B-69, G.K-1, New Delhi and 12, Rajdoot Marg, New Delhi respectively.

50. During the year ended 31st March, 2012, the revised format of accounts was notified by modifying Schedule VI under the Companies Act, 1956. The new format has been followed for preparation and presentation of the financial statements. The adoption of revised Schedule VI, as aforesaid does not impact recognition and measurement principles followed for preparation of the financial statements. The Company has reclassified the previous year's figure in accordance with the requirements applicable in the current year. The figures have been rounded off to the nearest lac.

Consolidated Financial Statements

Auditors' Report

TO THE BOARD OF DIRECTORS OF JAGATJIT INDUSTRIES LIMITED

1. We have audited the attached Consolidated Balance Sheet of Jagatjit Industries Limited ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group") as at 31st March, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include investments in associates accounted on the equity method in accordance with Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006. These consolidated financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial 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. We did not audit the financial statements of any of the three subsidiaries included in the consolidated financial statements, which constitute total assets of Rs. 3,056 lacs as at March 31, 2012, total revenue of Rs. Nil, net loss of Rs. 2 lacs and net cash outflow amounting to Rs. 1lac for the year then ended and an associate company whose financial statements reflect the Group's share of profit upto March, 2012 amounting to Rs.131 lacs and the Group's share of profit of Rs. 3 lacs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to extent they have been derived from such financial statements is based solely on the report of such other auditors.
4. We report that the consolidated financial statement have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements and Accounting Standard (AS) 23 - Accounting for Investments in Associates in Consolidated Financial Statements as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to above, and to best of our information and according to the explanations given to us, in our opinion, the attached consolidated financial statements give a true and fair view in conformity with accounting principles generally accepted in India:
 - a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31,2012;
 - b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
 - c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Place: New Delhi
Date: 31st July, 2012

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

Consolidated Balance Sheet

as at March 31, 2012

			As at March 31 2012 Rs. in lacs	As at March 31 2011 Rs. in lacs
Equity and Liabilities	Shareholders' Funds			
	Share Capital	2	4,615	4,615
	Reserves and Surplus	3	31,996	29,488
	Minority Interest			
	Non-Current Liabilities			
	Long Term Borrowings	4	6,167	7,738
	Deferred Tax Liability (Net)	5	1,562	2,167
	Long Term Provisions	6	2,320	2,147
	Other Long Term Liabilities	7	879	59
	Current liabilities			
	Short Term Borrowings	8	8,750	3,449
	Trade Payables	9	13,968	12,083
	Other Current Liabilities	10	10,385	13,636
	Short Term Provisions	11	945	788
			81,587	76,170
Assets	Non-Current Assets			
	Fixed Assets			
	Tangible Assets	12	31,784	34,456
	Intangible Assets	12	22	25
	Capital Work-in-Progress		542	71
	Non-current investments	13	484	1,177
	Long-term loans and advances	14	4,343	3,630
	Other non-current assets	15	914	178
	Current Assets			
	Current investments	16	23	23
	Inventories	17	14,415	11,759
	Trade receivables	18	19,904	16,987
	Cash and Bank Balances	19	5,520	3,864
	Short-term loans and advances	20	3,450	3,790
	Other current assets	21	186	210
			81,587	76,170

Significant Accounting Policies 1

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

The Notes 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, 2012

K.K. Kohli
Company Secretary

Anil Girotra
Finance Director

Gita Bawa
Kiran Kapur
Narender Sapra
Ravi Manchanda
Directors

Consolidated Profit and Loss Account

for the year ended March 31, 2012



			For the year ended March 31 2012 Rs. in lacs	For the year ended March 31 2011 Rs. in lacs
Income	Revenue from Operations (Gross)	22	151,937	137,801
	Less: Excise Duty		44,270	37,990
			<u>107,667</u>	<u>99,811</u>
	Other Income	23	8,547	3,577
	Total Revenue		<u>116,214</u>	<u>103,388</u>
Expenses	Cost of Materials Consumed	24	45,890	42,303
	Purchases of Stock-in-Trade	25	6,988	5,053
	Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	26	(1,534)	(504)
	Employee Benefits Expense	27	7,961	7,386
	Finance Costs	28	2,210	2,171
	Depreciation and Amortisation Expense	33	2,463	2,876
	Other Expenses	29	48,567	40,597
	Total Expenses		<u>112,545</u>	<u>99,882</u>
	Profit before exceptional items and tax		3,669	3,506
	Less :- Exceptional items	30	824	—
Profit before Tax			2,845	3,506
Less: Tax Expenses	Current tax :			
	- For the year		577	709
	- MAT Credit Entitlement		(627)	(88)
	Deferred Tax (benefit)/charge	5	(606)	361
	(Excess) tax provision for earlier years		(7)	—
			<u>(663)</u>	<u>982</u>
	Profit/(Loss) after Tax before share of results of associates and minority interest		3,508	2,524
	Less : Minority interests		0	—
	Add : Share of Net profit/loss of Associates		3	—
Profit/(Loss) after Tax and after share of results of associates and minority interest			<u>3,511</u>	<u>2,524</u>
	Basic and Diluted Earnings per share (Rs.)			
	(Face Value of Rs. 10 each)	40	8.04	5.78
	Significant Accounting Policies	1		

This is the Statement of Profit & Loss referred
to in our report of even date

The Notes referred to above form an
integral part of the Statement of Profit & Loss

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, 2012

K.K. Kohli
Company Secretary

Anil Girotra
Finance Director

Gita Bawa
Kiran Kapur
Narender Sapra
Ravi Manchanda
Directors

Consolidated Cash Flow Statement

for the year ended March 31, 2012

	2012 (Rs. in lacs)	2011 (Rs. in lacs)
A. Cash Flow from Operating Activities:		
Net Profit/(Loss) before tax	2,845	3,506
Adjustments for:		
Depreciation	2,463	2,876
Interest Expense	2,210	2,171
Interest Income	(411)	(211)
Income from Investment — Dividends	—	(6)
(Profit)/Loss on Fixed Assets sold (net)	(7,863)	(3,026)
Fixed Assets written off	53	8
Provisions for investment Written Back	(5)	—
Provisions for Advance to subsidiary Written Back	(81)	—
Debts / Advances/Stock written off	1,595	190
Provision for Bad & Doubtful Debts and Advances	35	52
Liability no longer required written back	(64)	(177)
Provision for Gratuity & Leave Encashment	312	521
Unrealised Foreign Exchange (gain)/loss (net)	5	(7)
Operating Profit before Working Capital Changes	1,094	5,898
Adjustments for changes in Working Capital :		
(Increase)/ Decrease in Trade Receivables	(4,211)	(2,603)
(Increase)/ Decrease in Short Term Loans & Advances	332	(666)
(Increase)/ Decrease in Long Term Loans & Advances	(670)	62
(Increase)/ Decrease in Other Current Assets	(135)	(136)
(Increase)/ Decrease in Inventories	(2,880)	(1,267)
Increase/ (Decrease) in Trade Payables	1,922	(721)
Increase/(Decrease) in other current liabilities	1,782	2,186
Increase/(Decrease) in Other Long Term Liabilities	822	(804)
Increase/(Decrease) in Long Term Provisions	(5)	205
Increase/(Decrease) in Short Term Provisions	(3)	(18)
Cash generated from operations	(1,952)	2,136
Taxes (Paid)/ Received (Net of TDS)	(185)	55
Exceptional items	—	—
(Loss) / Profit on sales of investment	(824)	—
Net Cash from/ (used) Operating Activities before	(1,313)	2,191
B. Cash flow from Investing Activities:		
Purchase of Fixed Assets including Capital Work— in —Progress and Capital advances	(2,384)	(4,833)
Proceeds from Sale of Fixed Assets	8,141	3,635
Advances to erstwhile Subsidiaries	122	0
Sales/(Purchase) of investments	5	(3)
Interest Received (Revenue)	339	181
Dividend Received	—	6
Release/(Addition) of Cash (from)/for restrictive use	(30)	(84)
Net Cash from Investing Activities	6,193	(1,097)
C. Cash Flow from Financing Activities:		
Proceeds from Equity Share Premium	214	1
Proceeds from short term Borrowings (Net)	5,300	(1,218)
Proceeds from long term Borrowings (Net)	(6,594)	3,347
Interest Paid	(2,111)	(2,067)
Interest Paid — Capitalised	(27)	(3)
Dividend Paid	(2)	(4)
Net cash used in Financing Activities	(3,220)	56
Adjustment for unrealised gain on foreign currency	—	—
Adjustment for Unrealised Foreign Exchange Fluctuation	—	—
Net Increase/ (Decrease) in Cash & Bank Balances	1,659	1,149
Cash and Cash equivalents at the beginning of the year	3,843	2,664
Other Bank Balance at the beginning of the year	18	51
Cash and Cash equivalents at the end of the year	5,507	3,864
Unclaimed Dividend Account	—	2
Fixed Deposits with Banks	1	4
Margin Money Account	12	12
Cash and Bank Balances at the end of the year	5,520	3,864
Cash and Bank Balances Comprise		
Cash, Cheques & Drafts (in hand) and Remittances in transit	301	413
Balance with Scheduled Banks	5,219	3,451
	5,520	3,864
Cash and Cash Bank Balances Include :		
Cash and Bank Balances	5,520	3,864
Unrealised gain on foreign currency	—	—
Total Cash and Cash Equivalents	5,520	3,864

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.
- Fixed Deposits with banks having maturity period of more than one year (including those pledged with statutory authorities) have been disclosed in other non current assets (Note 15) and do not form part of cash and bank balance.
- 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 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, 2012

K.K. Kohli
Company Secretary

Anil Girotra
Finance Director

Gita Bawa
Kiran Kapur
Narender Sapra
Ravi Manchanda
Directors

Notes on Consolidated

Financial Statements for the Year ended March 31, 2012

1: SIGNIFICANT ACCOUNTING POLICIES:

- 1.1. A) BASIS FOR PREPARATION OF ACCOUNTS
The financial statements are prepared under the historical cost convention, except for certain fixed assets which are revalued, on accrual basis of accounting in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.
- B) BASIS OF CONSOLIDATION
The Financial Statements of the subsidiaries and associates used in the consolidation are drawn up to the same reporting date as that of the parent company i.e. year ended March 31, 2012.
- C) PRINCIPLES OF CONSOLIDATION
 - i) The financial statement of the parent company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenditure after eliminating intra group balances and intra group transactions.
 - ii) The financial statements of the parent company, its subsidiaries and associates have been consolidated using uniform accounting policies for like transactions and other events.
 - iii) The investment in associates have been accounted for using the equity method whereby the investment is initially recorded at cost and adjusted thereafter for the post acquisition changes in the Group's share of net assets.
- 1.2. USE OF ESTIMATES
The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of assets and liabilities on date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.
- 1.3. FIXED ASSETS
Fixed Assets are stated at cost of acquisition / revalued amounts less accumulated depreciation. Cost of acquisition includes taxes, duties, freight and other costs that are directly attributable to bringing assets to their working condition for their intended use. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised.
Spares that can be used only with particular items of plant and machinery and such usage is expected to be irregular are capitalised.
- 1.4. 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 1.5 below.
- 1.5. 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 [Note 36.1 and 36.2].
- 1.6. 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.
- 1.7. 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.
- 1.8. INCOME
 - a) Sale is recognised on dispatches made from respective locations of the Company and is inclusive of excise duty on sales wherever payable by the Company. Sales include goods sold by contract manufacturers on behalf of the Company, since risk and reward belongs to the company in accordance with the terms of the relevant contract manufacturing agreements.
 - b) Revenue from job work is recognised on the completion of a relevant job.
 - 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.
- 1.9. 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.
- 1.10. 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.
- 1.11. 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.
- 1.12. 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 45].
- 1.13. 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.
- 1.14. 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.

Notes on Consolidated

Continued

		As at March 31 2012 (Rs. in lacs)	As at March 31 2011 (Rs. in lacs)
2. Share Capital			
2.1	Authorised Capital 75,000,000 (Previous year—75,000,000) Equity Shares of Rs.10 each	7,500	7,500
2.2	Issued, Subscribed and Paid-up Capital 46,148,112 (Previous year-46,148,112) Equity Shares of Rs.10 each fully paid up.	4,615	4,615
2.3	Detail of Equity Shares Issued	No. of Shares	No. of Shares
	Original issue of Equity Shares	500,000	500,000
	Less : Equity Shares Forfeited due to non payment of calls	170,492	170,492
		329,508	329,508
	Add : Forfeited Equity Shares issued to existing share holders on pro-rata basis at Rs.2.50 per share	169,737	169,737
		499,245	499,245
	Add: Total Bonus Equity Shares issued from 1970 to 1994-95	23,732,979	23,732,979
	Add : GDR issue (Note 2.7 b)	25,210,000	25,210,000
	Add : Preferential allotment (Note 2.7 c)	2,500,000	2,500,000
	Less : Shares repurchased (Buy- Back) (note 2.4)	5,794,112	5,794,112
	Total	46,148,112	46,148,112
2.4	Changes in Share Capital during last five years 5,794,112 Equity Shares of Rs. 10 each fully paid up were bought back by the company in FY-2009-10 as directed by the Hon'ble Company Law Board (CLB), vide their order dated 12.03.2009.		
2.5	Reconciliation of Number of Shares		
	Equity Shares	31.03.2012	31.03.2011
		No. of Shares Rs. in lacs	No. of Shares Rs. in lacs
	At the beginning of the year	46,148,112 4,615	46,148,112 4,615
	Add : Issued during the year	— —	— —
	Less : Bought Back during the year	— —	— —
	Outstanding at the end of the year	46,148,112 4,615	46,148,112 4,615
2.6	Detail of Shareholders Holding more than 5% Equity Shares of the Company #		
	Name of the Shareholders	31.03.2012	31.03.2011
		No. of Shares Percentage holding	No. of Shares Percentage holding
	Equity Shares of Rs. 10/- each		
	a) The Bank of New York (the Depository) (Note 2.7 b)	25,210,000 54.63	25,210,000 54.63
	b) LPJ Holdings Pvt. Ltd	7,418,648 16.08	7,418,648 16.08
	c) LPJ Holdings Pvt. Ltd (Note 2.7 c)	2,500,000 5.42	2,500,000 5.42
	D) DAFSPL JIL Open Offer Securities Escrow Account	— —	3,150,000 6.83
	# As per the records of the Company, including its register of members.		
2.7	Terms/Rights attached to Equity Shares		
	a) 18,438,112 shares referred to as equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share and dividend.		
	b) 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. GDR's do not carry any voting rights untill they are converted into underlying equity shares.		
	c) 2,500,000 Equity Shares of Rs 10/- each held by LPJ Holdings Pvt. Ltd, 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.		
	d) The holders of all the above equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in event of liquidation of the Company.		

3. Reserves and Surplus

	As at March 31 2012 (Rs. in lacs)	As at March 31 2011 (Rs. in lacs)
Capital Reserve		
Surplus on Forfeited Shares sold	—	—
Capital Redemption Reserve		
As per last Balance Sheet	580	580
Revaluation Reserve		
Revaluation Reserve as at the beginning of the year	13,977	14,701
Less : Adjusted during the year	907	271
Less : Transferred to Statement of Profit & Loss [Includes Impairment of Fixed Assets Rs. 123 lacs (Previous year Rs. 61 lacs) (Refer Note 33, 36.1 & 36.2)]	483	453
	12,587	13,977
Securities Premium Account		
As per last Balance Sheet	3,483	3,483
Add: Securities Premium Received during the year	214	—
	3,697	3,483
General Reserve		
As per Last Balance Sheet	2,455	2,455
Add: Opening share of General Reserve from the Associates	75	—
As per last Balance Sheet	2,530	2,455
Surplus as per Statement of Profit & Loss		
As per last Balance Sheet	9,038	6,469
Add: Opening share of Profit from the Associates	53	—
Add: Profit for the year	3,511	2,524
	12,602	8,993
	31,996	29,488

3.1 Addition of Rs. 214 lacs in the Securities Premium Account during the year represents the amount received from M/s LPJ Holdings Pvt. Ltd. (Formerly known as M/s L.P. Jaiswal & Sons Pvt. Ltd.) against the compliance of Order/Letter No. CFD/DCR/SKM/TO/11587/2011 dated 6th April, 2011 of Securities and Exchange Board of India towards differential sum of Share Premium amounting to Rs. 8.56 per share on 25,00,000 equity shares of the Company issued and allotted during the Financial Year 2004-05.

4. Long Term Borrowings

Secured		
From Banks		
- Term Loan	2,960	2,446
- Car Loans	171	252
From others		
- Car Loans	298	317
	3,429	3,015
Unsecured		
Fixed Deposits	2,096	3,375
Fixed Deposits guaranteed by Directors	500	1,276
Loans and advances from related parties	142	72
	2,738	4,723
	6,167	7,738

4.1 Nature of Security and terms of repayment for Long Term Secured Borrowings:

Nature of Security

- Term Loan amounting to Rs. 21 lacs (Previous year Rs. 119 lacs) 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.
- Term Loan amounting to Rs. 308 lacs (Previous year Rs. 467 lacs) 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.
- Term Loan amounting to Rs.1,588 lacs (Previous year Rs. 1,961 lacs 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.

Terms of Repayment

Repayable in 20 equal quarterly installments commencing from July, 2007. Last installment due in April, 2012. Rate of interest 14.75% : Previous year 14.00% p.a. as at year end.

Repayable in 20 equal quarterly installments commencing from June, 2009. Last installment due in March, 2014. Rate of Interest 13.75%: Previous year 12.50% p.a. as at year end.

Repayable in 28 equal quarterly installments commencing from September, 2009. Last installment due in June, 2016. Rate of Interest 14.65% : Previous year 13.50% p.a. as at year end.

Notes on Consolidated

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iv.	Term Loan amounting to Rs.447 lacs (Previous year Rs. 670 lacs) 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.	Repayable in 20 equal quarterly installments commencing from April, 2009. Last installment due on January 2014. Rate of interest 14.75%: Previous year 14% p.a. as at year end.
v.	Short Term Loan amounting to Rs Nil (Previous year Rs. 5,000 lacs) for General Corporate Purpose is secured by hypothecation of property situated at 78, Institutional Area, Sector -18 Gurgaon and property at its works at Jagatjit Nagar, Distt Kapurthala.	Repayable in 12 months from date of first disbursement date June 08, 2010. Rate of interest Nil : Previous Year 13.50% p.a.
vi.	Term Loan amounting to Rs. 582 lacs (Previous year Nil) for machinery (IS machine) is secured by all the machineries and accessories including civil work related to the aforementioned machineries installed at its works at Site IV , Plot No.17 Sahibabad Industrial Area Sahibabad	Repayable in 20 equal quarterly installments commencing from September, 2011. Last installment due on July, 2016. Rate of interest 14.65% p.a (Previous year NIL) as at year end.
vii	Term Loan amounting to Rs. 89 lacs (Previous year Rs. Nil) 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.	Repayable in 60 equal monthly installments commencing from April, 2013. Last installment due on March, 2018. Rate of interest 14.65% p.a (Previous year NIL) as at year end.
viii	Term Loan amounting to Rs. 342 lacs (Previous year Rs. Nil) for plant & machinery is secured by all the machineries and accessories including civil work related to aforementioned machinery installed at its works at Jagatjit Nagar, Distt Kapurthala.	Repayable in 20 equal quarterly installments commencing from April, 2012. Last installment due on January 2017. Rate of interest 15.25% p.a (Previous year Nil) as at year end.
ix	Term Loan amounting to Rs. 664 lacs (Previous year Rs. Nil) for Boiler is secured by all the machineries and accessories including civil work related to the aforementioned machineries installed at its works at Jagatjit Nagar, Distt Kapurthala.	Repayable in 20 equal quarterly installments commencing from April, 2013. Last installment due on January, 2018. Rate of interest 13.75% p.a (Previous year Nil) as at year end.
x	Term Loan amounting to Rs. 50 lacs (Previous year Rs. 250 lacs) for furnace is secured by land and building and all tangible and movable machineries and plant with spares, tools and accessories, both present & future, installed at its works at Site IV, Plot No.17 Sahibabad Industrial Area Sahibabad (UP).	Repayable in 20 equal quarterly installments commencing from July, 2007. Last installment due on April, 2012. Rate of interest 13.75% (Previous year 12.50% p.a.) as at year end.
xi	Term Loan amounting to Rs. Nil (Previous year Rs. 200 lacs) for furnace is secured by land and building and all tangible and movable machineries and plant with spares, tools and accessories, both present & future, installed at its works at Site IV , Plot No.17 Sahibabad Industrial Area, Sahibabad (UP).	Repayable in 20 equal quarterly installments commencing from June,2007. Last installment due on March 2012. Rate of interest Nil (Previous year 13.50% p.a.) as at year end.
xii	Term Loan amounting to Rs. NIL (Previous year Rs. 37 lacs) for DG Set is secured by hypothecation of DG 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 (UP)	Repayable in 20 equal quarterly installments commencing from June, 2008. Last installment due on July, 2011. Rate of interest Nil (Previous year 13.50% p.a.) as at year end.
xiii.	Car Loans are secured by hypothecation of the related cars.	Repayable in 36-60 equal monthly installments. Rate of interest 8.25% to 11.25% p.a.
4.2 Terms of repayment for Long Term Unsecured Borrowings:		
i.	Unsecured Inter Corporate deposit Rs. 59 lacs (Previous year Rs. 59 lacs) from related party (Fast Buck Investment and Trading Pvt. Ltd) .	Rate of Interest 8% on Rs. 24 lacs and 12% on Rs. 35 lacs; Previous year 8% on Rs. 24 lacs and 12% on Rs. 35 lacs.
ii.	Unsecured Inter Corporate deposit Rs. 83 lacs "(Previous year Rs. 2 lacs) from related parties (Hybrid Holdings Pvt Ltd. and Hyderabad Distilleries & Wineries Pvt Ltd.)."	Rate of Interest Nil (Previous year Nil)
iii.	Unsecured Inter Corporate deposit Rs. Nil (Previous year Rs. 11 lacs) from related parties (Double Durable Investments Ltd, Quick Return Investmenst Co. Ltd. and Snowwhite Holdings Pvt. Ltd.) .	Rate of Interest Nil (Previous year Nil)
iv.	Unsecured laon of Rs. 0 lacs (Previous year Rs. 0 lacs) from director.	Rate of Interest Nil (Previous year Nil)

Note: Installments falling due in respect of all the above loans up to 31.3.2013 have been grouped under "Current maturity of long-term debt" (Refer Note 10)

		As at March 31 2012 (Rs. in lacs)	As at March, 31 2011 (Rs. in lacs)
5. Deferred Tax Liability(Net)	Deferred Tax Liability		
	Depreciation on Fixed Assets	2,654	3,078
	Total Deferred Tax Liabilities (A)	2,654	3,078
	Statutory Liabilities	208	81
	Employee Retirement Benefits	781	695
	Provision for Bad Debts	103	135
	Total Deferred Tax Assets (B)	1,092	911
	Net Deferred Tax liabilities (A-B)	1,562	2,167
	Deferred Tax benefit/(expense) for the year	606	(361)
Note: Deferred tax asset created on depreciation on Fixed Asset as on 31st March, 2012 consists of Rs 20 lacs (Previous year Rs. 297 lacs) on account of impairment of Fixed Asset at Hamira unit (Dairy) and Sikandrabad unit (Refer Note 36.1 & 36.2).			
6. Long Term Provisions	Provision for employee benefits		
	-Gratuity	1,245	1,123
	-Leave Encashment	360	323
	Provisions for Litigations		
	-Service Tax	402	409
	-Sales Tax	24	24
	-Excise Duty	78	78
	Provisions for Tax (Net of advance Tax)	209	183
	Provision for wealth Tax	2	—
	Provision for Fringe Benefit Tax	—	7
		2,320	2,147
7. Other Long Term Liabilities	Security Deposits	879	59
		879	59
8. Short Term Borrowings	Secured		
	Working Capital Loans from Banks	4,730	2,256
	Unsecured		
	Fixed Deposits	2,753	877
	Fixed Deposits guaranteed by Directors	1,267	316
		8,750	3,449
9. Trade Payables	Micro, Small and Medium Enterprises	200	194
	Others	13,768	11,889
		13,968	12,083
9.1 This information 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			
I	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year		
	-Principal Amount Unpaid	200	194
	-Interest due	3	1
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	1,088	623
	-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.	38	18
IV	The amount of interest accrued and remaining unpaid at the end of the year	77	39
10. Other Current Liabilities	Current maturities of long-term debt	1,502	6,536
	Advances from Customers	1,211	594
	Unclaimed Dividends (Refer Note 38)	—	2
	Unclaimed matured deposits (Refer Note 38)	101	93
	Interest accrued but not due	598	503
	Interest accrued and due	24	25
	Due to Directors	1	4
	Security Deposits	406	1,068
	Employee Benefits	1,683	775
	Statutory Liabilities	3,758	3,051
	Other Liabilities	1,101	985
		10,385	13,636

Notes on Consolidated

Continued

		As at March 31 2012 (Rs. in lacs)	As at March, 31 2011 (Rs. in lacs)
11. Short Term Provisions	Provision for employee benefits		
	-Gratuity	586	479
	-Leave Encashment	215	169
	Wealth Tax	23	26
	Income Tax (Net of advance Tax)	121	114
		945	788

12. Fixed Assets

27. FIXED ASSETS

(Rs. in lacs)

	GROSS BLOCK - COST OR REVALUED VALUE					DEPRECIATION					NET BLOCK	
	As at April 1, 2011	Added on Revaluation	Additions	Deletion/ Adjustments	As at March 31, 2012	As at April 1, 2011	For the Year	Impairment of Assets (Refer Note below)*	Deletion/ Adjustments	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011
(i) Tangible Assets												
Land												
– Free Hold	5,167	—	—	891	4,276	—	—	—	—	—	4,276	5,167
– Lease Hold	1,350	—	—	—	1,350	269	19	—	—	288	1,062	1,081
Buildings	18,940	—	108	214	18,834	5,235	774	—	83	5,926	12,908	13,705
Plant & Machinery	33,339	—	976	609	33,706	21,223	1,673	186	429	22,653	11,053	12,116
Furniture & Fixtures	847	—	27	47	827	421	40	—	21	440	387	426
Vehicles—Owned	2,060	—	422	171	2,311	492	210	—	90	612	1,699	1,568
Office Equipments	923	—	78	57	944	531	41	—	27	545	399	392
Total Tangible Assets	62,626	—	1,611	1,989	62,248	28,171	2,757 **	186 **	650	30,464	31,784	34,456
Previous Year	61,987	—	1,933	1,294	62,627	25,250	2,372 **	955 **	406	28,171		
(ii) Intangible Assets												
Goodwill	0	—	—	—	0	—	—	—	—	—	—	0
Patents, Trade Marks	29	—	—	—	29	4	3	—	—	7	22	25
Total Intangible Assets	29	—	—	—	29	4	3 **	—	—	7	22	25
Previous Year	29	—	—	—	29	1	3 **	—	—	4		

*The Assets of the Company have been assessed for Impairment in accordance with Accounting Standard 28 "Impairment of Assets". Consequently, Impairment to the extent of Rs. 63 lacs (Previous Year Rs. 894 lacs) has been charged in the accounts during the year for dairy plant situated at Jagatjit Nagar, kapurthala and Rs. 123 lacs (Previous year Rs.61 lacs) has been adjusted against revaluation reserve. (Refer Note 36.1 and 36.2)

**Please refer Note 33

13 Non Current Investments

TRADE INVESTMENTS IN EQUITY SHARES

UNQUOTED IN ASSOCIATES

Hyderabad Distilleries & Wineries Pvt. Limited
1,650 (Previous year—1,650) shares of Rs 100 each fully paid
Cost of acquisition
Add : Group Share of Profits/(Losses) upto 31.03.2012

2
131
133

2

OTHER—INVESTMENTS IN EQUITY SHARES

QUOTED

Mohan Meakin Limited
281,961(Previous year—281,961) shares of Rs.5 each fully paid.
Milkfood Limited
1,350 Shares of Rs .10 Each Fully paid
Punjab National Bank Limited
993 (Previous year —993) shares of Rs.10 each fully paid

84
0
4

84

0

4

UNQUOTED

Jagatjit Marketing Limited
Nil (Previous year—10) shares of Rs.10 each fully paid
Jagatjit Brown—Forman (India) Ltd.
Nil (Previous year — 1,528,880) shares of Rs.10 each fully paid
(Previous year Cost Rs.153 lacs less provision for
permanent diminution in value of Investment Rs.153 lacs)
Chic Interiors Private Limited
3,352 (Previous year—3,352) shares of Rs.10 each fully paid
LPJ Holdings Pvt Ltd.
600 (Previous year 600) shares of Rs. 10 each fully paid

0
0
0
81

0

0

0

905

		As at March 31 2012 (Rs. in lacs)	As at March, 31 2011 (Rs. in lacs)
13 Non Current Investments (Contd.)	IN ASSOCIATES		
	L.P. Investments Limited		
	157,500 (Previous year—157,500) shares of Rs.10 each fully paid (Cost Rs.16 lacs, provision for permanent diminution in value of Investment Rs.16 lacs)	0	0
	IN PREFERENCE SHARES		
	UNQUOTED		
	Qube Corporation Pvt. Ltd	180	180
	1,800,000 (Previous year 1,800,000 Cumulative Redeemable preference shares of Rs. 10 each)		
	IN ASSOCIATES		
	L.P.Investments Limited		
	4,500 (Previous year—4,500) 9.5% Redeemable Cumulative shares of Rs.100 each fully paid (Cost Rs.4 lacs less provision for permanent diminution in value of Investment Rs.4 lacs)	0	—
	IN GOVERNMENT SECURITIES		
	UNQUOTED		
	06 year National Saving Certificates (lodged with Govt. authorities)	2	2
		484	1,177
	Aggregate Value of Unquoted Investments	396	1,089
	Aggregate Value of Quoted Investments	88	88
	Market Value/NAV of Quoted Investments	414	418
14. Long Term Loan and Advances	Capital Advances		
	Unsecured, considered good	3,556	3,204
		3,556	3,204
	Security Deposits		
	Unsecured, considered good	405	382
	Unsecured, considered doubtful	1	1
	Less: Provision for doubtful deposits	1	1
		405	382
	Loans and advances to related parties		
	Unsecured, considered doubtful	1,266	1,266
	Less: Provision for doubtful loans and advances	1,266	1,266
		—	—
	Other loans and advances		
	Unsecured, considered good		
	Advance/claim recoverable in cash or in kind	379	42
	Unsecured, considered doubtful	58	39
	Less: Provision for doubtful loans and advances	58	39
	Balances with Statutory Authorities	3	2
		382	44
		4,343	3,630
15. Other Non — Current Assets	MAT Credit Receivable	715	88
	Fixed Deposits With Bank (Pledged as security)	119	89
	Fixed Deposits With Banks having maturity period of more than one year	80	—
	Advance FBT (Net of Provision)	—	1
		914	178
16. Current Investments	In Mutual Fund		
	Principal PNB Long Term Equity Fund — 3 year Plan — Series I & II	8	8
	Principal PNB Long Term Equity Fund — 3 year Plan — Principal Emerging Bluechip Fund—Growth	10	10
	Principal Mutual Fund		
	UTI Infrastructure Advantage Fund Series I	5	5
		23	23
	Aggregate Value of Quoted Investments/Mutual Funds	23	23
	Market Value/NAV of Quoted Investments/Mutual Funds	30	32

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Continued

		As at March 31 2012 (Rs. in lacs)	As at March, 31 2011 (Rs. in lacs)
17. Inventories	Raw Materials and Packing Materials	4,484	3,532
	-In Transit	1,171	894
	Less: Provision for obsolete Inventory	36	15
		5,619	4,411
	Work-in-Progress	189	103
	Finished Goods	7,426	6,154
	Stock-in-Trade	227	51
	Store and Spares	845	978
	-In Transit	109	62
		14,415	11,759
17.1	Details of Raw and Packaging Materials		
	Grains	1,420	742
	Molasses	227	310
	Spirit	628	570
	Chemicals	65	40
	Colour & Essence	55	78
	Bottles	462	334
	Tins & Other Containers	172	135
	Labels	324	225
	Seals	572	489
	Others	559	609
		4,484	3,532
17.2	Details of Work in Progress		
	Malt	25	2
	Glass	20	7
	Malt Extract	4	62
	Liquor	114	18
	Malted Milk Food	26	14
		189	103
17.3	Details of Finished Goods		
	Malt	530	249
	Malt Extract	3	—
	Liquor	4,914	4,828
	Malted Milk Food	8	167
	Carbondioxide Gas	0	0
	Glass	1,876	818
	Containers	20	25
	Others	75	67
		7,426	6,154
17.4	Details of Stock-in-trade		
	Petroleum and its Products	41	49
	Wine	135	0
	Liquor	51	2
		227	51
18. Trade Receivables	(a) Unsecured overdue for more than six months		
	Considered Good	1,550	1,891
	Considered Doubtful	315	473
	Less: Provision for doubtful receivables	315	473
	(b) Others		
	Considered Good	18,354	15,096
		19,904	16,987
19. Cash and Bank Balances	(i) Cash & Cash Equivalents		
	Cash on hand	225	231
	Cheques on hand	64	157
	Funds in transit	12	25
	Balances with Banks		
	Current Accounts	656	1,593
	Fixed Deposits (With Original maturity period of up to 3 months)	4,550	1,840
	(ii) Other Bank Balances		
	Unclaimed Dividend Accounts	0	2
	Fixed Deposits with Bank	1	4
	Margin Money Accounts	12	12
		5,520	3,864

		As at March 31 2012 (Rs. in lacs)	As at March, 31 2011 (Rs. in lacs)
20. Short Term Loans and Advances	Unsecured—Considered Good		
	Others Loan and Advance		
	Balance with Revenue authorities	1,577	1,874
	Balance with other revenue Authorities		
	Advances to Suppliers	513	557
	Security Deposits	43	26
	Others	1,317	1,333
	Unsecured—Considered Doubtful		
	Others	13	5
	Less: Provision for Doubtful Advances	(13)	(5)
		<u>3,450</u>	<u>3,790</u>
21. Other Current Assets	Interest Receivable	99	63
	Other Income Receivable	43	80
	Duty Drawback receivable	23	64
	Fixed Assets held for sale	21	—
	Preliminary Expenses	—	3
		<u>186</u>	<u>210</u>
		<u>For the Year ended March 31 2012 (Rs. in lacs)</u>	<u>For the Year ended March 31 2011 (Rs. in lacs)</u>
22. Revenue Form Operations (Gross)	Sale of Products		
	Manufactured Goods	138,102	126,590
	Traded Goods	6,886	5,099
	Less: Other Discount & Allowances	308	433
		<u>144,680</u>	<u>131,256</u>
	Income from Services		
	Job Work [tax deducted at source Rs. 77 lacs—[Previous Year Rs. 57 lacs]	3,402	3,452
		<u>3,402</u>	<u>3,452</u>
	Other Operating Revenues		
	Rent (Tax deducted at source Rs.187 lacs Previous year — Rs.136 lacs)	1,740	1,292
	Royalty(Tax Deducted at Source Rs Nil Previous year — Rs. 1.18 lacs)	821	511
	Duty Drawbacks	17	67
	Scrap Sales	373	261
	Miscellaneous Income	904	962
	(Tax deducted at source Rs. 7 lacs; Previous year Rs.5 lacs)		
		<u>3,855</u>	<u>3,093</u>
		<u>151,937</u>	<u>137,801</u>
	22.1 Details of Sale of Products (Net of discount)		
	(a) Manufactured Goods		
	Malt & Malt Extract	2,699	2,491
	Malted Milk Food	325	2,994
	Liquor	128,310	113,414
	Glass Bottles	5,011	5,979
	Carbondioxide Gas	45	87
	Others	1,404	1,191
		<u>137,794</u>	<u>126,156</u>
	(b) Traded Goods		
	Petroleum and its Products	1,949	1,774
	Wine	—	11
	Liquor	4,896	3,271
	others	41	44
		<u>6,886</u>	<u>5,100</u>
		<u>144,680</u>	<u>131,256</u>
23. Other Income	Dividends		
	On Other Investments	0	7
	Interest		
	- Fixed Deposits — Gross (Tax deducted at source Rs.18 lacs ;Previous year Rs 12 lacs)	225	136
	- Others — Gross (Including interest on income tax Refund Rs Nil ; Previous year Rs.57.68 lacs) (Tax deducted at source Rs.18 lacs; Previous year Rs.5 lacs)	186	75
	Profit on Sale of Fixed Assets (Refer Note 49)	7,968	3,151
	Insurance Claims	18	12
	Liabilities/provisions no longer required written back	150	177
	Foreign Exchange Fluctuation (Net)	—	19
		<u>8,547</u>	<u>3,577</u>

Notes on Consolidated

Continued

		For the Year ended March 31 2012 (Rs. in lacs)	For the Year ended March 31 2011 (Rs. in lacs)
24. Cost of Materials Consumed	Opening Stocks	4,426	4,094
	Add: Purchases of raw and packing materials	47,119	42,636
		51,545	46,730
	Less: Closing Stocks	5,655	4,427
		45,890	42,303
	24.1 Details of Raw and Packaging Materials Consumed		
	Grains	6,668	5,759
	Molasses	4,290	2,830
	Soda Ash	1,818	1,723
	Sand	682	614
	ENA	7,410	8,879
	Bottles	7,585	6,496
	Tins & Other Containers	2,509	2,341
	Seals	3,986	3,652
	Cullet Outside Purchase	1,254	737
	Milk	1,170	1,680
	Packing Materials	3,859	3,549
	Others	4,659	4,043
		45,890	42,303
25. Purchases of Stock-in-Trade	Petroleum and its Products	1,897	1,756
	Liquor	5,048	3,253
	Others	43	44
		6,988	5,053
26. Changes in Inventories of Finished Goods, Work-in-Progress & Stock in Trade	Opening Stocks		
	Work-in-Progress	103	143
	Finished Goods	6,154	5,587
	Stock-in-Trade	51	74
		6,308	5,804
	Closing Stocks		
	Work-in-Progress	189	103
	Finished Goods	7,426	6,154
	Stock-in-Trade	227	51
		7,842	6,308
	Decrease/(Increase)	(1,534)	(504)
27. Employee Benefits Expenses	Salaries, Wages, Bonus and Gratuity	6,801	6,314
	Contribution to Provident, Family Pension and Superannuation Funds	733	644
	Employees' State Insurance	151	141
	Staff Welfare Expenses	276	287
		7,961	7,386
28. Finance Cost	On Fixed Loans	1,591	1,894
	Others	619	277
		2,210	2,171
29. Other Expenses	Manufacturing Expenses		
	Consumption of Stores and Spare parts excluding charged to other revenue heads		
	Rs. 5,300 lacs (Previous year - Rs. 5,597 lacs)	499	434
	Consumption of Moulds (Outside Purchase)	114	100
	Power and Fuel	8,251	7,096
	Repairs — Buildings	501	440
	Plant and Machinery	1,698	1,305
	Excise Duty*	1,629	1,293
	Other Expenses	2,933	3,030
		15,625	13,698

*Excise Duty shown under expenditure represents the aggregate of excise duty borne by the Company and difference between excise duty on opening and closing stock of finished goods.

For the Year ended March 31 2012 (Rs. in lacs)	For the Year ended March 31 2011 (Rs. in lacs)
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Administration and Selling Expenses		
Rent (Net)	245	218
Lease Rental	292	324
Rates & Taxes	4,219	3,838
Insurance	258	186
Travelling Expenses	1,040	1,071
Repairs to Buildings	290	236
Other Repairs & Maintenance	321	336
Bad Debts, Advances and Stock written off	1,595	190
Provision for Doubtful Debts and advances	35	52
Provision for Inventory for obsolete stock	12	—
Investment Written off	0	—
Fixed Assets written off	53	8
Loss on sale of Fixed Assets	105	125
Reimbursement of Expenses to Directors	40	71
Directors Fee	6	9
Forwarding Charges	2,250	1,985
Advertisement, Publicity and Sales Promotion	19,224	15,533
Legal & Professional Expenses	1,014	1,148
Miscellaneous Expenses	1,943	1,569
	32,942	26,899
	48,567	40,597
29.1 Details of Payments to Auditors		
For Audit (including service tax)	15	14
For Tax Audit (including service tax)	4	4
For Other Services (including service tax)	7	3
Out of Pocket Expenses	1	1
	27	22
29.2 Prior Period Expenses/Income		
Other Expenses	8	7
	8	7
29.3 Value of Imports on C.I.F. Basis		
Raw Materials	4,447	3,324
Spare Parts including Stores	75	177
Capital Goods	848	480
29.4 Expenditure in Foreign Currency (On Cash Basis)		
Other Matters - Commission, Traveling etc.	51	67
29.5 Earnings in Foreign Exchange		
Export of goods calculated on FOB basis	380	781
(Including sales to Nepal in rupee terms, Rs. 152 lacs ;Previous year-Rs. 176 lacs)		
30. Exceptional Items		
Loss on sale of Investment	824	—
	824	—

Notes on Consolidated

Continued

31. CONTINGENT LIABILITIES:

The following are the details of Contingent liabilities the outflow of which is uncertain at this stage:

31.1 Particulars of various claims against the Company not acknowledged as debts Rs. 173 lacs (Previous year Rs. 167 lacs):

- 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. 22 lacs (Previous year Rs. 22 lacs).
- Claim in respect of case filed by ESI Corporation Rs. 6 lacs (Previous year 6 lacs)
- Employees related claims Rs. 145 lacs (Previous year 139 lacs)
- 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.

31.2 Particulars of various Excise & Service Tax demands under dispute Rs. 890 lacs (Previous year Rs. 828 lacs) which have not been deposited on account of dispute:

- Demand of Service Tax and penalty in respect of wrong availment of Service Tax Cenvat Credit Rs. 247 lacs (Previous year Rs. 247 lacs)
- Demand of Excise Duty in respect of reversal of Cenvat Credit on Turbine Rs. 74 lacs (Previous year Rs. 74 lacs)
- Demand in respect of service tax ,interest and penalty on income from Tie-up operations and royalty Rs. 569 lacs (Previous year Rs. 507 lacs)

31.3 Particulars of various Sales tax demands under dispute Rs.78 lacs (Previous year Rs. 143 lacs).

- Demand of Sales Tax under Central Sales Tax Act on account of incomplete submission of sales tax forms Rs. 3 lacs (Previous year Rs.3 lacs).
- Demand of Entry Tax under UP Sales Tax Rs. Nil (Previous year Rs. 65 lacs)
- Demand of Sales Tax under UP Sales Tax Act Rs. 73 lacs (Previous year Rs. 73 lacs)
- Demand on account of non-submission of sales tax forms Rs. 2 lacs (Previous year Rs. 2 lacs)

31.4 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.

32 a) The company has consolidated the Balance Sheet & Profit and Loss Account of its following subsidiaries as on 31.03.2012 in its annual accounts.

S.No.	Name of the Subsidiary Company	Country of Incorporation	Ownership Interest
i)	JIL Trading Pvt Ltd	India	100%
ii)	S.R.K. Investments Ltd.	India	100%
iii)	Sea Bird Securites Pvt Ltd.	India	100%

b) The company has considered the Balance Sheet & Profit and Loss Account of its following Associates as on 31.03.2012 in its annual accounts.

S.No.	Name of the Associates	Country of Incorporation	Ownership Interest
i)	Hyderabad Distilleries & Wineries Pvt Ltd	India	20.63%
ii)	L.P. Investments Ltd	India	46.66%

These investments have been accounted for using the equity method whereby the investment is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of net assets.

*Against the investments in L.P. Investments pvt. Ltd., Provision has been made in the accounts for diminution in the value of investments.

33. 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. 4,832 lacs has been transferred to Revaluation Reserve.

	2011-12 (Rs. in lacs)	2010-11 (Rs. in lacs)
Depreciation for the year calculated in accordance with accounting policy mentioned (Refer Note 1.4 and 12)	2,946	3,329
Less: Adjusted against Revaluation Reserve	483	453
Net depreciation for the year charged to Profit & Loss Account	2,463	2,876

34. The additions to fixed assets and work-in-progress includes interest on borrowing which has been capitalised amounting to Rs. 3 lacs (Previous year Rs. 3 lacs) and Rs.24 lacs (Previous year Rs. Nil) respectively.

35. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) Rs. 1,142 lacs (Previous year Rs. 622 lacs).

36.1. Company reviewed the future earning of all its cash generating units in accordance with the accounting policy on impairment of assets [Notes 1.5]. Consequent to such review and due to change in market demand, during the FY 2010-11 the Company impaired the carrying value of Building and Plant & Machinery of plant located at Sikandrabad being Rs. 1,104 lacs (Gross block Rs. 2,598 lacs and accumulated depreciation thereon, Rs. 1,495 lacs) to its estimated recoverable amount Rs. 149 lacs (being the estimated net selling price, determined on the basis of an independent valuation). Out of impairment loss of Rs.955 lacs arising thereon, Rs. 61 lacs was adjusted against Revaluation Reserve.

36.2. Company has reviewed the future earning of all its cash generating units in accordance with the accounting policy on impairment of assets [Notes 1.5]. Consequent to such review and due to change in market demand, during the year, the Company has impaired the carrying value of Dairy plant located at Jagatjit Nagar, Kapurthala being Rs. 228 lacs (Gross block Rs. 1,521 lacs and accumulated depreciation thereon, Rs. 1,293 lacs) to its estimated recoverable amount Rs. 42 lacs (being the estimated net value in use, determined on the basis of an independent valuation and estimated future cash inflow as per AS-28). Out of impairment loss of Rs.186 lacs arising thereon, Rs. 123 lacs has been adjusted against Revaluation Reserve.

37. Jagatjit Brown Forman (I) Limited (JBFL), a joint venture of the Company with Brown Forman Mauritius Limited (BFML) has been ordered to be wound up by the Hon'ble High Court of Delhi vide their order dated 30th September, 2011. The Official Liquidator was directed to make payment/create provisions towards the Government Fee, Audit Fee and liquidation expenses from the account of the company in liquidation and transfer the balance funds available, if any, to the Common Pool Fund maintained in the Office of the Official Liquidator, Delhi. As the Company stands wound up, the investment of 1,528,880 equity shares of Rs. 153 lacs against which provision of Rs. 153 lacs had been made in earlier years, has been written off during the year and no amount was received by the company against these shares from the Official Liquidator.

38. At the year end unclaimed dividend Rs.Nil (Previous Year Rs. 2 lacs) and unclaimed deposits Rs.101 lacs (previous year Rs. 93 lacs) disclosed under current liabilities need not be transferred to Investor Education and Protection Fund in terms of provisions of Section 205C of the Companies Act, 1956 (Refer Note 10).

39. 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. 44,270 lacs (Previous year Rs. 37,990 lacs) has been reduced from turnover in Statement of Profit & Loss.

Differential excise duty on opening and closing stock of finished goods amounting to Rs. 1,629 lacs (Previous year Rs. 1,293 lacs) has been separately shown in Manufacturing Expenses under 'Other Expenses Schedule' (Refer Note 29).

40. Earnings per share (EPS) : Numerators and denominators used to calculate basic and diluted earning per share

	Year ended 31.03.2012 (Rs)	Year ended 31.03.2011 (Rs)
Net Profit/(Loss) attributable to Shareholders	351,151,686	252,365,000
Number of equity shares in issue	43,648,112*	43,648,112*
Basic / Diluted Earnings per share of Rs.10 each (in Rs.)	8.04	5.78

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 Note 2.7c).

41. EMPLOYEE BENEFITS

The Company has classified various employee benefits as under:

41.1 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 2012 (Rs. in lacs)	For the Year ended March 31 2011 (Rs. in lacs)
(i) Employers' Contribution to Superannuation Fund	239	205
(ii) Employers' Contribution to Provident Fund	492	439
(iii) Employers' Contribution to Employees' State Insurance	153	141

Included in 'Contribution to Provident, Family Pension and Superannuation Funds' and 'Employees' State Insurance (Refer Note 27)

41.2 DEFINED BENEFIT PLANS

Valuation in respect of Gratuity and Leave Encashment have been carried out by independent actuary, as at March 31, 2012, based on the following assumptions:

	Leave Encashment (Unfunded) (Rs. in lacs)	Gratuity (Unfunded) (Rs. in lacs)
(I) Assumptions		
(a) Discount Rate	8.65%	8.65%
(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)	13-31	13-31
(II) Change in the Present Value of Obligation		
(a) Present value of obligation as at April 1, 2011	492	1,601
(b) Interest cost	27	131
(c) Current service cost	212	109
(d) Benefit paid	(27)	(174)
(e) Actuarial (gain)/loss on obligations	(129)	164
(f) Present value of obligation as at March 31, 2012	575	1,831
(III) Amount recognised in the Balance Sheet		
(a) Present value of obligation as at March 31, 2012	575	1,831
(b) Fair Value of Plan Assets as at the year end	-	-
(c) (Asset) / Liability recognised in the Balance Sheet	575	1,831
(IV) Expenses recognised in the Profit and Loss Account		
(a) Current service cost	212	109
(b) Interest cost	27	131
(c) Expected Return on Plan Assets	-	-
(d) Settlement Cost/Credit	(27)	(174)
(e) Actuarial (gain)/loss recognised in period	(129)	164
(f) Total Expenses recognised in the Profit and Loss Account	83	230

Valuation in respect of Gratuity and Leave Encashment was carried out by independent actuary, as on March 31, 2011, based on the following assumptions:

	Leave Encashment (Unfunded) (Rs. in lacs)	Gratuity (Unfunded) (Rs. in lacs)
(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)	9.78-20.04	10.54-22.45
(II) Change in the Present Value of Obligation		
(a) Present value of obligation as at April 1, 2010	400	1,172
(b) Interest cost	21	90
(c) Current service cost	187	96
(d) Benefit paid	(19)	(103)
(e) Actuarial (gain)/loss on obligations	(97)	347
(f) Present value of obligation as at March 31, 2011	492	1,602
(III) Amount recognised in the Balance Sheet		
(a) Present value of obligation as at March 31, 2011	492	1,602
(b) Fair Value of Plan Assets as at the year end	-	-
(c) (Asset) / Liability recognised in the Balance Sheet	492	1,602
(IV) Expenses recognised in the Profit and Loss Account		
(a) Current service cost	187	96
(b) Interest cost	21	90
(c) Expected Return on Plan Assets	-	-
(d) Settlement Cost/Credit	(19)	(103)
(e) Actuarial (gain)/loss recognised in period	(97)	347
(f) Total Expenses recognised in the Profit and Loss Account	92	430

42. 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 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.

Notes on Consolidated

Continued

- 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 2011-12

(Rs. in lacs)

	Beverages	Food	Packaging	Others	Total
REVENUE					
Sales (Net of Excise duty), Services and Other income	93,812	7,365	4,599	1,999	107,775
Inter Segment Sales	91	—	8,094	—	8,185
Unallocated Income	—	—	—	—	8,028
Total Revenue	93,903	7,365	12,693	1,999	123,988
RESULTS					
Segment Results (Refer Note vii below)	1,772	(708)	704	12	1,780
Unallocated expenditure					
Net of unallocated income					3,688
Interest Income					411
Interest Expense					(2,210)
Profit before exceptional items					3,669
Exceptional items					824
Profit/ (Loss) before tax					2,845
Less: Tax expense:					
Current Tax :					
- For the year					577
- MAT Credit Entitlement					(627)
Deferred Tax (benefit)/ charge					(606)
Provision for earlier year written back					(7)
Profit/ (Loss) after tax					3,508
OTHER INFORMATION					
Segment Assets (Refer Note ii below)	47,733	6,187	8,388	3,478	65,786
Unallocated Assets	15,801				
Total Assets	81,587				
Segment Liabilities	19,867	1,236	2,711	92	23,906
Unallocated Liabilities	21,070				
Total Liabilities	44,976				
Capital Expenditure	740	340	792	-	1,872
Unallocated Capital Expenditure	564				
Total Capital Expenditure	2,436				
Depreciation	1,218	483	529	5	2,235
Unallocated Depreciation	228				
Total	2,463				
Non - cash expenditure other than depreciation	1,204	7	201	-	1,412
Unallocable Non Cash	283				
Total	1,695				

Information about Secondary Business Segments - Geographical by location of customers

	Domestic	Overseas	Total
Revenues (Net of Excise Duty)	115,419	384	115,803
Other information:			
Carrying amount of segment assets by location of assets	81,587	-	81,587
Addition to Fixed Assets/Capital Work- in- Progress (including Capital Advances)	2,436	-	2,436

Information about Business Segment - Primary for the year 2010-11

(Rs. in lacs)

	Beverages	Food	Packaging	Others	Total
REVENUE					
Sales (Net of Excise duty), Services and Other income	83,160	9,485	5,534	1,833	100,012
Inter Segment Sales	69	—	6,301	—	6,370
Unallocated Income	—	—	—	—	3,107
Total Revenue	83,229	9,485	11,835	1,833	109,489
RESULTS					
Segment Results (Refer Note vii below)	5,462	239	967	1	6,669
Unallocated expenditure					
Net of unallocated income					1,204
Interest Income					211
Interest Expense					(2,170)
Profit/ (Loss) before tax					3,506
Less: Tax expense:					
Current Tax :					
- For the year					709
- MAT Credit Entitlement					(88)
Deferred Tax (benefit)/ charge					361
Profit/ (Loss) after tax					2,524
OTHER INFORMATION					
Segment Assets (Refer Note iv below)	43,626	7,005	7,987	4,422	63,040
Unallocated Assets					13,130
Total Assets					76,170
Segment Liabilities	16,653	985	2,062	7	19,707
Unallocated Liabilities					22,360
Total Liabilities					42,067
Capital Expenditure	155	16	355	3,016	3,542
Unallocated Capital Expenditure					1,237
Total Capital Expenditure					4,779
Depreciation	1,693	459	500	6	2,658
Unallocated Depreciation					219
Total					2,877
Non - cash expenditure other than depreciation	228	17	-	3	248
Unallocable Non Cash					5
Total					253

Information about Secondary Business Segments - Geographical by location of customers

	(Rs. in lacs)		
	Domestic	Overseas	Total
Revenues (Net of Excise Duty)	102,326	793	103,119
Other information:			
Carrying amount of segment assets by location of assets	76,170	-	76,170
Addition to Fixed Assets/Capital Work- in- Progress (including Capital Advances)	1,933	-	1,933

NOTES:

- 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 1%), the commercial risks and returns involved on the basis of geographic segmentation are therefore considered insignificant and immaterial.
- Segment assets include Capital Work- in- Progress & Capital Advances aggregating to Rs.4,099 lacs (Previous year-Rs. 3,276 lacs). 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.
- Capital expenditure pertains to additions made to Fixed Assets/ Capital Work-in-Progress (including Capital Advances) during the year.
- Unallocated assets includes land, administration building and cash & bank balances etc. at Jagatjit Nagar.
- Unallocated liabilities include interest bearing liabilities and tax provisions and deferred tax liability.
- Non cash items includes bad debts, advances and stocks written off, provision for doubtful debts & advances and fixed assets written off.
- Sales Services and other Income of Beverages segment includes rental income (net) of Rs. 1,508 lacs (Previous year Rs. 927 lacs) from the surplus properties of the Company.

43. 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:

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

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

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

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

- 43.4 Details of transactions carried out with the related parties in the ordinary course of business:

Rs.in lacs

	For the Year ended March 31, 2012			For the Year ended March 31, 2011		
	With Persons Mentioned in Note 43.1	With Persons Mentioned in Note 43.2	Total	With Persons Mentioned in Note 43.1	With Persons Mentioned in Note 43.2	Total
PARTICULARS OF TRANSACTIONS						
Sales of Goods (Refer Note 3 below)	2	-	2	88	-	88
Sales of Fixed Assets (Milkfood Limited)	1	-	1	-	-	-
Job Work rendered (Milkfood Limited)	-	-	-	7	-	7
Royalty Received (Hyderabad Distilleries & Wineries Pvt. Ltd.)	1	-	1	9	-	9
Purchases of goods (Refer Note 4 below)	8	-	8	415	-	415
Purchases of Fixed Assets (Milkfood Limited)	-	-	-	706	-	706
Interest accrued (Refer Note 5 below)	6	-	6	6	-	6
Interest Received (Milkfood Limited)	17	-	17	-	-	-
Reimbursement of Payments Made on Behalf of Company (Refer Note 6 below)	152	-	152	98	-	98
Expenses paid by Company on Behalf of related party (Refer Note 7 below)	15	-	15	13	-	13
Rent received (Milkfood Limited)	4	-	4	4	-	4
Loans including interest repaid (Refer Note 8 below)	5	-	5	3	-	3
Managerial Remuneration (Refer Note 2 below)	-	103	103	-	101	101
Unsecured loan taken (Hyderabad Disiltheries & Wineries Pvt Ltd)	81	-	81	-	-	-
Advance Given (Refer Note 10 below)	20	-	20	-	-	-
Refund of Advance Given (Refer Note 11 Below)	20	20	-	-	-	-
Bottling Charges paid (Hyderabad Distilleries & Wineries Pvt. Ltd.)	232	-	232	245	-	245
Lease Rent paid (Refer Note 9 below)	144	-	144	158	-	158
Receivable Written off (Refer Note 12 below)	558	-	558	-	-	-
Contribution to Superannuation Fund (Jagatjit Industries Limited Employees Superannuation Scheme)	240	-	240	205	-	205
BALANCES OUTSTANDING AT THE YEAR END						
Unsecured Advances	1,266	-	1,266	1,266	-	1,266
Provision for Unsecured Advances	1,266	-	1,266	1,266	-	1,266
Receivables (Net of Payable)	(151)	-	(151)	203	-	203
Unsecured Loans	150	-	150	65	-	65
Investments	202	-	202	202	-	202
Provision for Permanent Diminution in value of Investments	20	-	20	20	-	20

Notes on Consolidated

Continued

Notes:

- 1) The above information has been compiled on the basis of disclosures received from all directors of the Company.
- 2) The above payments does not include expenses incurred by / reimbursed to directors during the course of performance of duty.
- 3) Sale of goods includes sales to the following :
Milkfood Ltd. Rs. Nil (Previous year Rs. 72 lacs)
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 2 lacs (Previous year Rs. 16 lacs)
- 4) Purchase of goods includes purchases from the following :
Milkfood Ltd. Rs. 8 lacs (Previous year - Rs. 414 lacs)
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. Nil (Previous year Rs. 1 lac)
- 5) Interest Accrued is in respect of the following :
Fast Buck Investments & Trading Pvt. Ltd. Rs. 6 lacs (Previous year Rs. 6 lacs)
- 6) Reimbursement of Payments Made on behalf of the Company is in respect of the following :
Milkfood Ltd. Rs. 85 lacs (Previous year Rs. 93 lacs)
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 67 lacs (Previous year Rs. 4 lacs)
Fast Buck Investments & Trading Pvt. Ltd. Rs. Nil (Previous year Rs. 0 lacs)
Grand Regency Hospitalities Pvt Ltd. Rs Nil (Previous Year Rs. 0 lacs)
- 7) Expenses paid by the Company on behalf of related parties is in respect of the following :
Milkfood Ltd. Rs. 11 lacs (Previous year Rs. 9 lacs)
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 3 lacs (Previous year Rs. 4 lacs)
Grand Regency Hospitalities Pvt Ltd. Rs 0 lacs (Previous Year Rs. 1 lacs)
Fast Buck Investments & Trading Pvt. Ltd. Rs. 0 lacs (Previous year Rs. Nil)
Jagatjit Spirit & Wines Pvt. Ltd. Rs 0 lacs (Previous year Rs. Nil)
- 8) Loans including interest repaid is in respect of the following :
Fast Buck Investments & Trading Pvt. Ltd. Rs. 5 lacs (Previous year Rs. 3 lacs)
- 9) Lease Rent paid
Pashupati Properties & Estates Pvt. Limited Rs. 12 lacs (Previous year Rs. 12 lacs)
Hyderabad Distilleries & Wineries Pvt. Ltd Rs. 132 lacs (Previous year Rs. 146 lacs)
- 10) Advances Given
Milkfood Ltd. Rs. 20 lacs (Previous year Rs. Nil)
- 11) Refund of Advance
Milkfood Ltd. Rs. 20 lacs (Previous year Rs. Nil)
- 12) Receivable written off
Hyderabad Distilleries & Wineries Pvt. Ltd Rs. 557 lacs (Previous year Rs. Nil)
Jagatjit Marketing Ltd Rs. 0 lacs (Previous year Rs. Nil)
44. Sundry Debtors, Sundry Creditors and Loans & Advances are subject to confirmation and are in the process of reconciliation.
45. The Company normally acquires vehicles under operational lease with the respective underlying assets as security. Minimum lease payments outstanding as on March 31, 2012 in respect of these assets are as under:

Total minimum lease payments outstanding as on March 31, 2012 (Rs. in lacs)	Total minimum lease payments outstanding as on March 31, 2011 (Rs. in lacs)
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Due within one year	53	73
Due later than one year and not later than five years	9	56

- Lease payments of Rs. 86 lacs (Previous year Rs. 122 lacs) have been recognised as an expense in the profit and loss account for the year ended March 31, 2012.
46. During the last financial year the company has recognised revenue from goods sold by contract manufacturers on behalf of company as per the accounting policy in respect of income recognition. In this connection total revenue of the Company, for this financial year includes the revenue amounting to Rs. 24,549 lacs (Previous year Rs. 22,882 lacs) from its contract manufacturing units. All expenditure, assets and liabilities related to operations with contract manufacturing units are consolidated in the respective accounting heads. (Note 1.8a)
47. During the year, net profit amounting to Rs 7,942 lacs and previous year Rs 2,939 lacs has been earned by the Company from sale of its idle residential property situated at B-69, G.K-1, New Delhi and 12, Rajdoot Marg, New Delhi respectively.
48. During the year ended 31st March, 2012, the revised format of accounts was notified by modifying Schedule VI under the Companies Act, 1956. The new format has been followed for preparation and presentation of the financial statements. The adoption of revised Schedule VI, as aforesaid does not impact recognition and measurement principles followed for preparation of the financial statements. The Company has reclassified the previous year's figure in accordance with the requirements applicable in the current year. The figures have been rounded off to the nearest lac.
49. Particulars regarding Subsidiary Companies, in accordance with General Circular No. 2/2011 dated 8th February, 2011 from the Ministry of Corporate Affairs.

	Sea Bird Securities Private Limited	S.R.K. Investments Private Limited	JIL Trading Private Limited
Capital (Paid-up)	1	1	1
Reserves	(2)	(2)	—
Total Assets	81	2,974	1
Total Liabilities	81	2,974	1
Investments	81	—	—
Turnover / Income	—	—	—
Profit / (Loss) before Tax	(2)	—	—
Provision for Tax	—	—	—
Profit / (Loss) after Tax	(2)	—	—

New Delhi
31st July, 2012

K.K. Kohli
Company Secretary

Anil Girotra
Finance Director

Gita Bawa
Kiran Kapur
Narender Sapra
Ravi Manchanda
Directors



JAGATJIT INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the Sixty-seventh Annual General Meeting of JAGATJIT INDUSTRIES LIMITED will be held on Friday the 28th September, 2012 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, 2012.
2. To appoint a Director in place of Mr. Surjit Singh Bawa, who retires by rotation, is eligible and offers himself for re-appointment.
3. 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 & Co., Chartered Accountants, the retiring Auditors, are eligible and offer themselves for re-appointment.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of the Sections 198, 269, 309, 310, 311, 314 and other applicable provisions of the Companies Act, 1956, Schedule XIII to the Companies Act, 1956, Rules or Regulations, if any, approval of the Company be and is hereby accorded to the re-appointment of Mr. Narender Sapra as Whole Time Director, for a period of three years w.e.f. 28th November, 2011."

"RESOLVED FURTHER THAT change of designation of Mr. Narender Sapra from Whole Time Director to Managing Director w.e.f. 26th March, 2012, with other terms of appointment remaining unaltered is approved and ratified."

"RESOLVED FURTHER THAT the terms and conditions regarding remuneration of Mr. Narender Sapra shall not exceed the limits set out in Section I of Part II of Schedule XIII to the Companies Act, 1956 read with applicable sections of the Companies Act, 1956. The material terms of appointment, inter-alia, are as under:-

 1. Basic Salary: Rs. 3,20,000/- p.m.
 2. Perquisites: In addition to salary as above, Mr. Narender Sapra shall also be entitled to perquisites like reimbursement of expenditure or allowances in respect of maintenance, utilities such as gas, electricity, water, medical re-imbursement, medical insurance and leave travel concession for himself and his family, personal accident insurance, club fees, Leave etc. in accordance with the Rules of the Company or as may be agreed by the Board and Mr. Narender Sapra.
 3. Provision of a car with driver for use of Company's business and telephone facility at his residence will not be considered as perquisites.
 4. The following shall not be included for the purposes of computation of remuneration or perquisites as aforesaid:
 - (i) The Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income Tax Act;
 - (ii) Gratuity payable as per Rules of the Company;"

"RESOLVED FURTHER THAT approval of the Company be and is hereby accorded to the Board of Directors for revision of remuneration from time to time of Mr. Narender Sapra, as a Managing Director of the Company for such period and on such terms and conditions and with such powers and authorities, as the Board may, in the exercise of its discretion, consider appropriate, provided however, that the terms of such remuneration shall not exceed those set out in Part II of Schedule XIII of the Companies Act, 1956, as amended from time to time."

"RESOLVED Further that notwithstanding anything hereinabove stated, in the event of loss or inadequacy of profits in any financial year, during the tenure of Mr. Narender Sapra as Managing Director, the Company may pay him remuneration by way of salary allowances, perquisites and any other allowances not exceeding the maximum limits as prescribed under Section II of the Part II of the Schedule XIII to the Companies Act, 1956 or within such ceilings as may be prescribed under Schedule XIII from time to time or the Companies Act, 1956 as may be amended from time to time."

BY ORDER OF THE BOARD
for JAGATJIT INDUSTRIES LIMITED

Date : 31st July, 2012
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. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the resolution set out under Item No. 4 above is annexed.
3. Members are requested to intimate to the Company changes, if any, in their Registered Addresses along with Pin Code Numbers.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 2012 to 28th September, 2012 (both days inclusive).
5. Members/ Proxies should bring the Attendance Slip duly filled in for attending the Meeting.
6. Members are requested to bring their copy of the Annual Report to the Meeting.
7. 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.
8. 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.
9. The Company has transferred the unclaimed dividend upto the financial year 1999-2000, declared in the year 2004 to the Investor Education and Protection Fund of the Central Government as required under Sections 205C of the Companies Act, 1956. Presently, no unclaimed/unpaid dividend is held by the Company.
10. 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.

EXPLANATORY STATEMENT

Pursuant to Section 173(2) of the Companies Act, 1956

Item No. 4

Mr. Narender Sapra was re-appointed as Whole Time Director of the Company for a further period of three years w.e.f. 28th November, 2011. He was designated as Managing Director of the Company at the Board Meeting held on 26th March, 2012. Other terms and conditions regarding his appointment remained the same.

Mr. Narender Sapra is a Chartered Accountant and has experience of more than three decades in the fields of Finance, Accounts and Administration. He has long association with the Company and has held various senior posts in the Company in the past. The approval of the shareholders is being sought to confirm the re-appointment of Mr. Narender Sapra as Whole Time Director from 28th November, 2011 to 25th March, 2012 and as Managing Director w.e.f. 26th March, 2012 to 27th November, 2014, on the terms and conditions stated in the proposed resolution.

The remuneration now paid to Mr. Narender Sapra, or as may be paid to him after re-fixation by the Board from time to time shall be in accordance with limits as prescribed under Part II of the Schedule XIII to the Companies Act, 1956 or such other laws and/or regulations as may be prevalent at that time.

The Company has already sent the abstract of the terms of appointment of Mr. Narender Sapra to all the shareholders in compliance with Section 302 of the Companies Act, 1956. However the Notice and the Explanatory Statement in respect of the aforesaid resolution may also be treated as abstract of the terms of appointment of Mr. Narender Sapra under Section 302 of the Companies Act, 1956.

The Board commends the resolution for approval.

None of the Directors except Mr. Narender Sapra is interested or Concerned in the resolution.



JAGATJIT INDUSTRIES LIMITED

JAGATJIT NAGAR, DISTT. KAPURTHALA (PUNJAB)

PROXY FORM

DP ID	
Client ID	

Folio No.	
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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 67th Annual General Meeting of the Company to be held at 09.30 A. M. on Friday, the 28th day of September, 2012 and at any adjournment thereof.

Affix a
Revenue
Stamp

Signed this day of2012 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.	
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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 67th ANNUAL GENERAL MEETING held in Jagatjit Nagar, District Kapurthala at 09.30 A. M. on Friday, the 28th day of September, 2012.

(To be signed and handed over at the Reception)

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



