



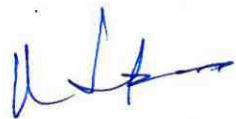




# JAGATJIT INDUSTRIES LIMITED

4th Floor, Bhandari House, 91, Nehru Place, New Delhi - 110019

Tel. (011) 26432641-42, 26424823, Fax : (011) 26441850

## FORM A

Format of covering letter of the Annual Audit Report to be filed with the Stock Exchange

1.	Name of the company	M/s JAGATJIT INDUSTRIES LIMITED
2.	Annual financial statements for the year ended	31.03.2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N. A.
5.	To be signed by -	
	Managing Director	Narender Sapra 
	CFO	Anil Girotra 
	Auditor of the Company	 Mittal Chaudhry & Co., Chartered Accountants 
	Audit Committee Chairman	 Peri Kameswara Sharma

Regd. Office : P.O. Jagatjit Nagar-144802. Distt. Kapurthala (Punjab)

Corporate Identity Number : L15520PB1944PLC001970

Phone: (0181) 2783112 Fax : (0181) 2783118 E-mail : jil@jagatjit.com. website : www.jagatjit.com

# **JAGATJIT INDUSTRIES LIMITED**

## **Annual Report**

for the year ended 31st March, 2015





# Directors' Report



## To the Shareholders

The Directors have pleasure in presenting their Report and Statement of Accounts for the financial year ended 31st March, 2015.

## FINANCIAL SUMMARY

The Board Report is prepared based on the stand alone financial statements of the Company. The Company's financial performance for the year under review along with previous year's figures are given hereunder :

	2014-15	(Rs. in lacs) 2013-14
Profit for the year after charging all expenses excluding financing charges and depreciation	(806)	447
Deduct: Financing Charges	3129	2864
Cash Profit/(Loss)	(3935)	(2417)
Deduct : Depreciation/ Amortization	1243	1849
Profit/(Loss) for the year before taxation	(5178)	(4266)
Tax Expenses		
Current Tax		
— For the year	—	—
— Deferred Tax (Benefit)/Charge	(1267)	257
— profit/(Loss) after tax from discontinuing operation	(454)	—
Profit/(Loss) after tax for the year	(4365)	(4523)
Profit brought forward from previous year	8533	13056
Total profit available for appropriations	4168	8533
APPROPRIATIONS		
Balance Carried to Balance Sheet	4168	8533

## STATE OF COMPANY'S AFFAIRS

During the year under report, the Gross Turnover (including income from Services & Other Sources) was Rs. 1242.68 Crores as compared to Rs. 1370.81 Crores during the previous year. The Company incurred a loss before taxation of Rs. 51.78 Crores as compared to loss before taxation of Rs. 42.66 Crores during the previous year.

## DIVIDEND

In view of the losses incurred by the Company during the year, the Board of Directors of your Company donot recommend any dividend for the year under report.

## MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this Report.

During the year the working of the Glass division of the Company was formally discontinued w.e.f. 01st April, 2014.

There was no change in the nature of business of the Company during the financial year ended 31st March, 2015.

## SHARE CAPITAL:

The paid up Equity Share Capital as on 31st March, 2015 was Rs. 46.15 Crores. During the year there was no change of the share capital by issue or buy back of shares.

## FIXED DEPOSITS

During the year under report the Company in compliance with the provisions of Section 73(2) of the Companies Act, 2013 and the Rules made thereunder, has accepted deposit of Rs. 465.93 Lacs from its members only.

As on 31st March, 2015, 222 persons whose Fixed Deposits/Loans with the Company amounting to Rs.123.96 Lacs had become due for payment during the year, did not claim or renew their Deposits/Loans. Out of these, Fixed Deposits/Loans of 77 persons amounting to Rs.63.17 Lacs have since been renewed/paid.

There has not been any default in repayment of deposits or interest thereon during the year under report.

## SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

During the year under review, M/s Jagatjit India Private Limited became and ceased to be the subsidiary of the Company. M/s JIL Trading Private Limited, M/s L. P. Investments Ltd., M/s Sea Bird Securities Private Limited and M/s S. R. K. Investments Private Limited continued to be subsidiary companies during the year under review. M/s Hyderabad Distilleries & Wineries Private Limited is the Associate Company.

# Directors' Report

The consolidated financial statements of the Company including all Subsidiaries and Associate prepared in accordance with relevant Accounting Standards, duly audited by the Statutory Auditors are presented in the Annual Report.

A report on performance and financial position of each of the Subsidiaries and Associate companies included in the consolidated financial statement is presented in the prescribed format AOC-1 and is annexed to the financial statements in the Annual Report.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Ms. Roshini Sanah Jaiswal was appointed as an Additional Director on 14th August, 2014 and she ceased to be Director on 30th September, 2014. The Board places on record its appreciation for the services rendered by Ms. Roshini Sanah Jaiswal during her tenure as Director.

Mrs. Anjali Varma, Director, retires by rotation, is eligible and offers herself for re-appointment.

Mr. Anil Girotra has been appointed as Chief Financial Officer of the Company w.e.f. 14th August, 2014. Mr. Narender Sapra and Mr. K. K. Kohli continue to be Managing Director and Company Secretary respectively during the year under review.

## **NUMBER OF MEETINGS OF THE BOARD**

Eight meetings of the Board of Directors were held during the year. The details of the meetings are stated in the Corporate Governance Report forming part of this Annual Report.

Further, a separate Meeting exclusively of the Independent Directors of the Company was also held on 23rd December, 2014, whereat the prescribed items enumerated under Schedule IV to the Companies Act, 2013 and clause 49 of the Listing Agreement were discussed.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

As stipulated in Section 134(5) of the Companies Act, 2013, Directors subscribe to the "Directors' Responsibility Statement" and confirm that :

- (a) in preparation of Annual Accounts for the year ended 31st March, 2015, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (b) 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 and loss of the Company for that period;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts of the Company on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **DECLARATION BY INDEPENDENT DIRECTORS**

All the Independent Directors viz. Mrs. Kiran Kapur, Mr. Sudhir Avasthi and Mr. Peri Kameswara Sharma have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules thereunder.

## **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The Company has constituted a "Nomination and Remuneration Committee". The Committee reviews and recommends to the Board for remuneration of Directors, Key Managerial Personnel and other employees.

The Company does not pay any remuneration to the Independent Directors of the Company other than sitting fees for attending the meetings of the Board and Committees of the Board. Remuneration to the Managing Director and Whole-time Director is governed under the relevant provisions of the Act and approvals.

## **FORMAL ANNUAL EVALUATION**

As the ultimate responsibility for sound governance and prudential management of a company lies with its Board, it is imperative that the Board remains continually energized, proactive and effective. An important way to achieve this is through an objective stock taking by the Board of its own performance. Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit Committee and Nomination and Remuneration Committee.

It was acknowledged that every individual Member and Committee of the Board contributed its best in the overall growth of the organization.

## **FAMILIARISATION PROGRAM OF INDEPENDENT DIRECTORS**

The Company has a policy of conducting familiarization program for its Independent Directors in order to familiarize them with the Company, their role, rights, responsibilities in the Company and the nature of the industry in which the Company operates etc. The details of such policy have been given on the website of the Company at [www.jagatjit.com](http://www.jagatjit.com).

## **EXTRACT OF ANNUAL RETURN**

The extract of Annual Return of the Company in Form MGT-9 forms part of the Board's Report and is annexed herewith as **Annexure1**.

## **AUDITOR AND AUDITORS' REPORT**

Messrs Mittal Chaudhry & Co., Chartered Accountants were re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 69th Annual General Meeting (AGM) held on 30th September, 2014 until the conclusion of the 72nd AGM of the Company to be held in the year 2017 (subject to ratification of their appointment by the Members at every AGM held after the AGM held on 30th September, 2014).

As required under the provisions of section 139(1) of the Companies Act, 2013, the Company has received a written consent from Messrs Mittal Chaudhry & Co., Chartered Accountants to their appointment and a Certificate, to the effect that their appointment, if made, would be in accordance with the Companies Act, 2013 and the Rules framed thereunder and that they satisfy the criteria provided in section 141 of the Companies Act, 2013.

The Auditors Report for the Financial Year 2014-15 does not contain any qualification, reservation or adverse remarks.

The observations of the Statutory Auditors in their Report on standalone and consolidated financial statement for the year ended on 31st March, 2015 are self-explanatory and therefore do not call for any further comments.

## **SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding Rules framed thereunder, M/s Pranav Kumar & Associates, Company Secretaries were appointed as the Secretarial Auditors of the Company to carry out the Secretarial Audit for the year ended on 31st March, 2015.

A Secretarial Audit Report submitted by the Secretarial Auditors in Form No. MR-3 is annexed with this Report as **Annexure-2** and forms part of this report. The Secretarial Audit Report for the financial year ended 31st March, 2015 do not contain any qualification, reservation, adverse remark or disclaimer.

## **COST AUDIT**

In terms of Companies (Cost Records and Audit) Rules, 2014, notified by the Ministry of Corporate Affairs on 30th June, 2014, the defined product of the Company does not come under the ambit of mandatory cost audit for the Financial year 2014-15.

## **INTERNAL AUDITORS**

In order to strengthen the internal control systems and considering the size and nature of business, the Company has appointed M/s Lalit Kumar & Co., Chartered Accountants, New Delhi as the internal auditors of the Company to perform the internal audit for the financial year 2014-15.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

## **RELATED PARTY TRANSACTIONS**

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Accordingly disclosure in form AOC-2 is not required. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its approval. The related party transactions entered during the year under review have been disclosed in Note 40 to the statement of Accounts of the year.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013, the Rules thereunder and the Listing Agreement. This Policy as considered and approved by the Board has been uploaded on the website of the Company at [www.jagatjit.com](http://www.jagatjit.com).

## **CORPORATE SOCIAL RESPONSIBILITY [CSR]**

The Management and the Board of Directors of the Company are of strong opinion that Corporate Social Responsibility is strongly connected with the principles of sustainability and taking care of the society at large. The management of the Company considers it as the core corporate responsibility of the Company to take steps for considering and recognizing the corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.

The Board of Directors of your Company has also adopted the CSR Policy of the Company as approved by the Corporate Social Responsibility Committee which is also available on the website of the Company at [www.jagatjit.com](http://www.jagatjit.com).

# Directors' Report

## GREEN INITIATIVE

Electronic copies of the Annual Report of the Company for the year 2015 and Notice of the 70th AGM are being sent to all members whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report and Notice of the AGM are being sent in the permitted mode. Members requiring physical copies can send a request to the Company Secretary.

The Annual Report of the Company for the year 2015 is also available on the website of the Company at [www.jagatjit.com](http://www.jagatjit.com).

## E-VOTING

The Company is providing e-voting facility to all members to enable them to cast their votes electronically on all resolutions set for in the Notice. This is pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement. The instructions for e-voting are provided in the Notice.

## PREVENTION OF INSIDER TRADING

Pursuant to new SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for the prevention of insider trading with a view to regulate trading in securities of Company by the Directors and Designated Employees of the Company on the basis of unpublished price sensitive information available to them by virtue of their position in the Company. The Code under SEBI (Prohibition of Insider Trading) Regulations, 2015 is available on the website of the Company at [www.jagatjit.com](http://www.jagatjit.com).

## AUDIT COMMITTEE

As per the provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has constituted an Audit Committee of the Board of Directors of the Company. The Composition of the Audit Committee is provided in the Corporate Governance Report forming part of this report.

The Board accepted the recommendations of the Audit Committee whenever made by the Committee during the year.

## NOMINATION AND REMUNERATION COMMITTEE

As per the provisions of Section 178(1) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has constituted the Nomination and Remuneration Committee of the Board of Directors of the Company. The Composition of the Nomination and Remuneration Committee is provided in the Corporate Governance Report forming part of this report.

Remuneration of the Key Managerial Personnel and Employees of the Company is based on the performance of the individual and the Company. Remuneration of the employees are revised on timely basis and based on their performances. The Committee identifies the persons who are qualified to become Directors or be appointed in senior management and recommends to the Board their appointment or removal and carries out evaluations of their performance.

## STAKEHOLDERS RELATIONSHIP COMMITTEE

As per the provisions of Section 178(5) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has constituted the Stakeholders Relationship Committee of the Board of Directors of the Company. The Composition of the Stakeholders Relationship Committee is provided in the Corporate Governance Report forming part of this report.

## RISK MANAGEMENT POLICY

The Company is aware of the risks associated with the business. It regularly analyses and takes corrective actions for managing / mitigating the same. Your Company's Risk management framework ensures compliance with the provisions of Clause 49 of the Listing Agreement. Your Company has institutionalized the process for identifying, minimizing and mitigating risks which is periodically reviewed. Some of the risks identified and been acted upon by your Company are: Securing critical resources; ensuring sustainable plant operations; cordial relations with the workers, ensuring cost competitiveness including logistics; maintaining and enhancing customer service standards and resolving environmental and safety related issues.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an effective internal control and risk-mitigation system, which is constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust management information system, which is an integral part of the control mechanism.

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

Recognizing the regulatory mandate u/s 177(9) of the Companies Act, 2013 and clause 49 of the Listing Agreement placing greater stress on the establishment of Vigil Mechanism in a listed entity for its directors and employees so that they may report their genuine concerns or grievances, the Company has established a policy called Whistle Blower Policy. The Policy has been posted on the website of the Company at [www.jagatjit.com](http://www.jagatjit.com).

#### **DETAILS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013**

The information required under section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2015 is given in separate Annexure to this report.

The above annexure is not being sent along with this Report to the members of the Company in line with the provision of Section 136 of the Companies Act, 2013. The aforesaid Annexure is available for inspection by Members at the Registered Office of the Company upto the date of the ensuing Annual General Meeting during the business hours on working days. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company.

#### **PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In term of Section 136 of the Act, the Report is being sent to all shareholders and others entitled thereto, excluding the aforesaid information and the said particulars are available for inspection by the Members at the Registered Office of the Company during the business hours on working days of the Company. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed herewith as **Annexure-3** and forms part of this Report.

#### **CORPORATE GOVERNANCE**

Your Company upholds the standards of governance and is compliant with the Corporate Governance provisions as stipulated under clause 49 of the Listing Agreement in both letter and spirit. The Company's core values of honesty and transparency have since its inception been followed in every line of decision making. Setting the tone at the top, your Directors cumulatively at the Board level, advocate good governance standards at the Company. Your Company has been built on a strong foundation of good Corporate Governance.

Parameters of Statutory compliances evidencing the standards expected from a listed entity have been duly observed and a Report on Corporate Governance as well as the Certificate from Practicing Company Secretary confirming compliance with the requirements of clause 49 of the Listing Agreement is annexed and forms part of the Annual Report.

Further, the Management Discussion and Analysis Report as prescribed under clause 49 of the listing agreement is also presented in separate section forming part of the Annual Report.

#### **INFORMATION UNDER THE LISTING AGREEMENTS WITH STOCK EXCHANGES**

The shares of your Company were listed at the Ludhiana, Delhi and Mumbai Stock Exchanges. The SEBI in November, 2014 withdrew the recognition granted to the Delhi Stock Exchange and allowed Ludhiana Stock Exchange to exit the bourses business vide their order dated 30th December, 2014. Accordingly, the shares of your Company are presently listed on BSE Limited at Mumbai only.

The Listing fees for the financial year 2015-16 have been paid to Mumbai Stock Exchange.

#### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti Sexual Harassment policy in line with the requirements of The Sexual Harassment of women at the Workplace (Prevention, Prohibition & Redressal ) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All Employees (permanent, contractual, temporary, trainees) are covered under this policy.

#### **ACKNOWLEDGEMENT**

The Board places on record its appreciation for the continued co-operation and support extended to the Company by the Government agencies, customers, vendors, banks, business associates and all the employees.

For and on behalf of the Board

Date : 1st September, 2015

Sd/-  
Narender Sapra  
Managing Director  
(DIN.00200239)

Sd/-  
Peri Kameswara Sharma  
Director  
(DIN. 02316593)

# Directors' Report

ANNEXURE - 1

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on 31.03.2015**  
[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS:

i)	CIN:	L15520PB1944PLC001970
ii)	Registration Date:	09.08.1944
iii)	Name of the Company :	<b>Jagatjit Industries Limited</b>
iv)	Category/ Sub Category of the Company:	Public Company Limited by shares
v)	Address of the Registered Office and Contact details :	Jagatjit Nagar, Dist. Kapurthala, Punjab-144802 Tel. 011-26432641, Fax. 011-26441850
vi)	Whether listed company Yes/ No :	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any :	The Shares Registry work is done in House.

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Alcoholic Beverages	1553	83.82
2	Milk and Malted Milk Food	1520	13.07

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	JIL Trading Private Limited 4th Floor, Bhandari House, 91, Nehru Place, New Delhi-110019	U51109DL2010PTC207648	Subsidiary	100.00%	2(87)
2	L. P. Investments Limited Jagatjit Nagar-144802. Distt. Kapurthala (Punjab)	U65921PB1974PLC003526	Subsidiary	98.26%	2(87)
3	Sea Bird Securities Private Limited Jagatjit Nagar, Dist. Kapurthala, Punjab-144802	U65993PB2006PTC030689	Subsidiary	80.00%	2(87)
4	S. R. K. Investments Private Limited 5th Floor, Bhandari House, 91, Nehru Place, New Delhi-110019	U65999DL2009PTC191718	Subsidiary	100.00%	2(87)
5	Hyderabad Distilleries & Wineries Private Ltd. 4th Floor, Bhandari House, 91, Nehru Place, New Delhi-110019	U15511DL1969PTC260186	Associate	32.88%	2(6)

## VI. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) <b>Indian</b>									
a) Individual/ HUF	606596	100	606696	1.31	606696	100	606796	1.31	-
b) Central Govt									
c) State Govt(s)									

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Shares	
d) Bodies Corp.	11588612	2500000	14088612	30.53	11588612	2500000	14088612	30.53	-
e) Banks / FI									
f) Any other									
<b>Sub - total (A) (1) :-</b>	12195208	2500100	14695308	31.84	12195308	2500100	14695408	31.84	-
<b>(1) Foreign</b>									
a) NRIs-Individuals	100	-	100	-	-	-	-	-	-
b) Other-Individuals									
c) Bodies Corp.	-	1003800	1003800	2.18	-	1003800	1003800	2.18	-
d) Banks / FI									
e) Any other									
<b>Sub - total (A) (2) :-</b>	100	1003800	1003900	2.18	-	1003800	1003800	2.18	-
<b>Total shareholding of Promoter(A) = (A) (1) + (A) (2)</b>	12195308	3503900	15699208	34.02	12195308	3503900	15699208	34.02	-
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	400	700	1100	-	400	700	1100	-	-
b) Banks / FI	1272	900	2172	-	1272	900	2172	-	-
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs	-	200	200	-	-	200	200	-	-
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>	1672	1800	3472	0.01	1672	1800	3472	0.01	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.	1559957	55141	1615098	3.50	1618987	3777	1622764	3.52	0.02
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1341469	525645	1867114	4.05	1348498	511020	1859518	4.03	(0.02)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1301366	235462	1536828	3.33	1283162	235462	1518624	3.29	(0.04)
c) Others (NRIs)	83542	132850	216392	0.47	101677	132849	234526	0.51	0.04
<b>Sub-total (B)(2):-</b>	4286334	949098	5235432	11.35	4352324	883108	5235432	11.35	0.00
<b>Total Public Shareholding(B) = (B)(1) + (B)(2)</b>	4288006	950898	5238904	11.36	4353996	884908	5238904	11.36	0.00
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>		25210000	25210000	54.63	-	25210000	25210000	54.63	-
<b>Grand Total (A + B + C)</b>	16483314	29664798	46148112	100	16549304	29598808	46148112	100	0.00

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	LPI Holdings Pvt. Ltd.	7418648	16.08	-	7418648	16.08	-	-
2	LPI Holdings Pvt. Ltd. (Special Series Shares)	2500000	5.42	-	2500000	5.42	-	-

# Directors' Report

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
3	Mr. Karamjit S. Jaiswal	531780	1.15	-	531780	1.15	-	-
4	Mr. Karamjit S. Jaiswal Jt with Mr. L.P. Jaiswal	100	0.00	-	100	0.00	-	-
5	K. S. J. Finance & Holdings(P) Ltd.	1192256	2.58	-	1192256	2.58	-	-
6	R. J. Shareholdings Pvt. Ltd.	576000	1.25	-	576000	1.25	-	-
7	S. J. Finance And Holdings (P) Ltd.	1130304	2.45	-	1130304	2.45	-	-
8	Quick Return Inv.Company Ltd.	114904	0.25	-	114904	0.25	-	-
9	Double Durable Investments Ltd.	165500	0.36	-	165500	0.36	-	-
10	Fast Buck Inv. & Trading (P) Ltd.	988900	2.14	-	988900	2.14	-	-
11	Snowwhite Holdings Pvt. Ltd.	2100	0.00	-	2100	0.00	-	-
12	Mrs. Surjit Jaiswal	74816	0.16	-	74816	0.16	-	-
13	Mrs. Shakun Jaiswal	100	0.00	-	100	0.00	-	-
14	Orissa Holdings Ltd. (OCB)	1003800	2.18	-	1003800	2.18	-	-
	Total	15699208	34.02	-	15699208	34.02	-	-

## (iii) Change in Promoters' Shareholding ( please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of Total Shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	15699208	34.02	15699208	34.02
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	15699208	34.02	15699208	34.02

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):		At the End of the year (or on the date of separation, if separated during the year)	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Oliver Investments Pvt. Ltd.	-	-	12.04.2014	457628	457628	457628	0.99
2	AMQ Agro India Pvt. Ltd.	421537	0.91	-	-	421537	421537	0.91
3	Subhash Shivakumar Gupta	410000	0.89	-	-	410000	410000	0.89
4	Alaska Holdings Pvt. Ltd.	-	-	12.04.2014	392128	392128	392128	0.85
5	R N Rubesh	105564	0.23	14.06.2014	500		106064	0.23
				30.06.2014	1648		107712	0.23
				23.08.2014	787		108499	0.24
				30.09.2014	2000		110499	0.24
				08.11.2014	605		111104	0.24
				15.11.2014	310		111414	0.24
				31.12.2014	638		112052	0.24
				03.01.2015	-305		111747	0.24
				17.01.2015	2190		113937	0.25

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):		At the End of the year (or on the date of separation, if separated during the year)	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
				24.01.2015	2240		116177	0.25
				31.01.2015	3376		119553	0.26
				07.02.2015	313		119866	0.26
				14.02.2015	903	120769	120769	0.26
6	Pace Stock Broking Services Pvt Ltd	-	-	05.04.2014	965539		965539	2.09
				12.04.2014	-849756		115783	0.25
				06.12.2014	-100		115683	0.25
				10.01.2015	-700		114983	0.25
				17.01.2015	-100		114883	0.25
				14.02.2015	-190	114693	114693	0.25
7	Nagina Judge	95150	0.21	-	-	95150	95150	0.21
8	Shahenaaz Judge	93173	0.20	07.03.2015	1977	95150	95150	0.21
9	Ravi Chhabra	81990	0.18	-	-	81990	81990	0.18
10	Shiv Lal Verma	81632	0.18	-	-	81632	81632	0.18

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP		Shareholding at the beginning of the year		Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):	At the End of the year	Cumulative Shareholding during the year	
	Name	Director/ KMP	No. of shares	% of total shares of the company			No. of shares	% of total shares of the company
1	Mr. Narender Sapra	Managing Director	100	-	-	100	100	-
2	Mrs. Kiran Kapur	Director	100	-	-	100	100	-
3	Mrs. Anjali Varma	Director	0	-	100 (Transfer dated 26.04.2014)	100	100	-
4	Mr. Sudhir Avasthi	Director	100	-	-	100	100	-
5	Mr. Ravi Manchanda	Director	100	-	-	100	100	-
6	Mr. Peri Kameswara Sharma	Director	100	-	-	100	100	-
7	Mr. K. K. Kohli	CS	140	-	-	140	140	-
8	Mr. Anil Girotra	CFO	140	-	-	140	140	-

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in Thousands)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1401605	5881	778323	2185809
ii) Interest due but not paid	12477	1491	1469	15437
iii) Interest accrued but not due	3716	-	64545	68261
<b>Total (i + ii + iii)</b>	<b>1417798</b>	<b>7372</b>	<b>844337</b>	<b>2269507</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	1051919	-	46593	1098512
* Reduction	334187	-	296418	630605
<b>Net Change</b>	<b>717732</b>	<b>-</b>	<b>(249825)</b>	<b>467907</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2119337	5881	528498	2653716
ii) Interest due but not paid	16377	1824	2362	20563
iii) Interest accrued but not due	6305	-	59533	65838
<b>Total (i + ii + iii)</b>	<b>2142019</b>	<b>7705</b>	<b>590393</b>	<b>2740117</b>

# Directors' Report

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (Rs.)
		Mr. Narender Sapra(MD)	Mr. Ravi Manchanda (WTD)	Ms. Roshini Sanah Jaiswal** (Director)	
	<b>Gross salary</b>				
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7440000	1816050	1422581	10678631
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1781139	2214051	5216	4000406
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify *	892800	466034	-	1358834
	Total (A)	10113939	4496135	1427797	16037871
	Ceiling as per the Act	As per part II of Schedule V of the Companies Act, 2013.			

\* Contribution to Provident fund and Superannuation fund.

\*\* For the period from 14th August, 2014 to 30th September, 2014 when she was the director.

### B. Remuneration to other directors (sitting fee) :

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (Rs.)
		Mrs. Kiran Kapur	Mr. Sudhir Avasthi	Mrs. Anjali Varma	Mr. Peri Kameswara Sharma	
1	Independent Directors					
	Fee for attending Board / committee meetings	320000	120000	-	280000	720,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	320000	120000	-	280000	720,000
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board / committee meetings	-	-	180000	-	180,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	180000	-	180,000
	Total (B) = (1 + 2)	320000	120000	180000	280000	900,000
	Total Managerial Remuneration **					
	Overall Ceiling as per the Act	This is sitting fee for attending Board and Committee Meetings.				

\*\* Total Remuneration to MD/WTD and other Directors (being the total of A)

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Anil Girotra CFO	Mr. K.K. Kohli C. S.	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7440000	999156	8439156
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5333957	1051663	6385620
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify ***	1908800	221173	2129973
	Total	14682757	2271992	16954749

\*\*\* Contribution to Provident fund and Superannuation fund.

VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment					
Compounding					

# Directors' Report

**Annexure - 2**

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
Jagatjit Industries Limited,  
Jagatjit Nagar,  
Distt Kapurthala,  
PUNJAB- 144802

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Jagatjit Industries Limited (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2015, according to the provisions of:

- (i) The Companies Act, 2013 (the 'Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the audit period);
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014 (Not applicable to the Company during the audit period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the audit period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the audit period).
- (vi) All other specific laws applicable on the company.

We have also examined compliance with the applicable clauses of the following –

- a. The Listing Agreements entered into by the Company with the Stock Exchanges.
- b. Secretarial Standards issued by the Institute of Company Secretaries of India (not notified in FY 2014-15. Therefore, not applicable to the Company during the audit period)

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board as the case may be.

**We further report that-**

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Pranav Kumar & Associates  
Company Secretaries

Sd/-  
Arpita Saxena  
(Partner)  
M. No: 23822  
C P No.: 11962

Place: Ghaziabad, U.P  
Date: 03/06/2015

# Directors' Report

## Annexure-3

### **Conservation of energy, Technology Absorption and Foreign Exchange Earning and Outgo,**

The information under section 134(3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the companies (Accounts) Rules, 2014 for the year ended March 31, 2015 is given here below and forms part of the Directors' report.

#### **A. CONSERVATION OF ENERGY**

- i. Stepping towards company's commitment for energy conservation, various steps have been taken in this regard by adopting latest technology, upgradation of existing systems and by system modification. The highlights of these steps are as under:
  - Reduction in power consumption by installing Variable Frequency Drives (VFD) for cooling towers, Circulation pumps, Evaporator agitators, distillation process pumps, decantation etc.
  - Utilization of process flash steam in distillation process.
  - Replacement of steam traps in distillation steam line networks to prevent excess bleeding of steam and to improve collection of steam condensate.
  - Replacement of old inefficient motors with new energy efficient motors of class IE-2,3 for Vacuum pumps & Cooling water pumps.
  - Replacement of old inefficient slip ring with new squirrel cage induction motors for boiler's FD Fans.
  - Total 100% use of LED lights for recently commissioned Malted Milk Plant.
  - Replacement of old conventional fluorescent/GLS lights with LED fittings.
  - Installation of 65 TR Vapour absorption machine (VAM) to replace conventional air conditioners at Boiler.
  - Installation of 250 Kvar Capacitor Panel to reduce the distribution losses.
- ii. In line with Company's efforts towards utilizing alternative source of energy company enhanced its self generation from Biomass (Rice husk ,wooden chips etc.) and purchased power from open access power trading to reduce load on state power utility which is generating power from fossil fuels (Coal).
- iii. The Capital investment on energy conservation equipment is Rs. 90 Lacs.

#### **B. TECHNOLOGY ABSORPTION.**

- i. The Efforts made by the company towards technology absorption, during the year as under.
  - Installation of online monitoring system for effluent quality and stack emission.
  - Installation additional gravity settler at multi effect evaporator to improve the plant efficiency in ETP section.
  - Up-gradation of Boiler control room Air conditioning system by installing Vapour absorption machine.
  - Implemented latest LED trend in lighting, used 100 % LED lights for Malted Milk Food plant.
  - Up-gradation of steam monitoring system by incorporating all steam flows at DCS.
  - Commissioning of 240 BPM High speed Bottling Line for Pet bottle to improve productivity & quality of finished product.
  - Installation of advance and latest filtration technology & chilled filtration system for manufacturing of vodka products.
  - Introduction of rotary rinsing machine in IMFL Bottling for IICE Vodka to increase the productivity of the line.
  - Modification of Yeast cream recycling in fermentation process to non recycling cyclic fed batch fermentation process. The cyclic fed batch fermentation process besides energy savings helps to improve quality of product and ease of operation in scale up & scale down the process.
  - Replacement of conventional coil cooling system in grain fermentation with plate type heat exchanger for better control of fermentation process and to improve quality of finished ENA.
  - Benefits derived as a result of above efforts e.g. product improvement, cost reduction, product development.
- ii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - NA.
- iii. The expenditure incurred on research and development.  
The company has incurred an expenditure of Rs. 0.27 Crore towards Research and development.

#### **C. FOREIGN EXCHANGE EARNING AND OUTGO**

Complete information required under this head is shown in Note Nos. 29.3, 29.4, 29.5 and 41 of Financial Statements. Members are requested to please refer to these Notes for the relevant information.

## 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 and Dairy Products. 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, Brandy, Rum, Gin and Vodka etc.. Whisky comprises of a large portion of IMFL market and accounts for nearly 60% of the market followed by Brandy at around 20% and Rum 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 300 million cases growing @ around 8% per annum. The volume-wise increase rate is much higher in the low-priced segment as compared to the upper segment. Country Liquor segment is about 22 million cases per annum in the state of Punjab and your company has around 10% share in this segment.

Your Company has a market share of around 6% of IMFL industry with ARISTOCRAT, ARISTOCRAT PREMIUM, AC BLACK, BONNIE SPECIAL, BINNIES and AC SEKC as the leading brands available across the Country. The Company has introduced new brands viz. ROYAL PRIDE, KING HENRY Scotch whisky in the Bottled in India Scotch Whisky Segment and IICE Vodka in the premium Indian vodka range in the previous years. All the brands are well accepted in the market. 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 on the Contract Manufacturing basis for the leading manufacturers in this industry. The Company has installed a new plant to enhance its production capacity to meet the increasing demand of the manufacturers.

The Industry experienced the effect of the recessionary trend during the previous years. Inflationary trend eroded the buying power of the general public. However, the things are improving and the prices of main raw materials viz. Mollasses, Grains and Spirit have stabilized. The Company is focusing to increase the production and marketing of more contributory brands which will increase the margins leading to higher profitability of your Company.

Further, the outlook of the liquor industry appears to be promising. Vodka is a fast growing IMFL segment in India growing @ 10-12% per annum. The overall industry is growing @ around 8% 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 Glass Container industry has suffered a slowdown during the year due to the increase in natural gas prices and substantial increase of the capacity in north India. Being unviable to continue the operations, the Glass division plant of the Company has been shut down.

### B. REGULATORY ENVIRONMENT

The Indian liquor industry has been experiencing challenges like the policies of states with respect to restricting import & export from one state to the other, production constraints with respect to the pack sizes and type of packaging i.e. prohibition of pet packaging in Uttarakhand and usage of Tetra pack in Karnataka, pricing i.e. state levies & duties. Advertising of alcoholic beverages is not permitted in the Country, which restricts the Industry to reach out to the masses. The incidence of duties is very high and there is no unanimity of policies amongst various states which affect the marketing policies of the Company.

### 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. Exclusion of Alcoholic beverage industry from the proposed Goods and Service Tax (GST), if implemented, will put substantial additional burden on the Industry as the inputs will be subject to GST and will increase the cost of production. The increased cost may not be passed to the consumers, thus reducing the profitability. Further, the competition from domestic, multinationals and unlicensed manufacturers has also increased which is affecting the margins and restricting the sales. In line with its commitment with WTO, the Government of India has been consistently reducing the import duty on spirits, which is also a cause of concern for the liquor industry. The liquor industry is also suffering due to illicit liquor production, whereby not only the industry is suffering but also the State Governments are losing heavily on account of excise duty and sales tax etc. However, the increasing acceptance of alcohol consumption among rich and aspiring middle class coupled with rising disposable income and a large young population indicate high growth potential for the sector. With the trend of shifting from Country liquor to IMFL sector, the Industry is witnessing a strong growth in the middle and lower price segments, where your Company is a leading player. The industry has also been adversely affected by the increase in raw material prices of ENA, Glass and Molasses. However, with favorable demographics, rising disposable income levels and greater acceptance of alcoholic beverages in social circles, the outlook for the Indian alcoholic beverages continues to remain positive. In addition, changing consumer preference towards premium offerings of IMFL will favour the premium brands thus increasing the profitability. Your Company is moving towards premiumization and have entered the premium segments through its brands like IICE Vodka, Royal Pride & King Henry whisky.

# Directors' Report

## D. OUTLOOK

The sales of Alcoholic Beverages (IMFL) declined around 9% during the year under review. The Company incurred operational losses on account of closure of Glass division, reduction of sales of IMFL in Andhra Pradesh due to political instability and increase of expenses on sales promotion of various IMFL brands. However, the Company foresees the increasing trend inline with the industry in the current year and years to come. With introduction of new brands and their acceptance in the market, your Company is hopeful to clock higher sales during the current year. With the cost of raw materials expected to be favorable 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 entered in the premium segment of Alcoholic Beverages by launching the new brand ROYAL PRIDE which has got encouraging response in the market. The Company has already launched KING HENRY Scotch whisky in Bottled in India Scotch Whisky Segment and IICE Vodka in the premium Indian Vodka segment and both the products have been well accepted by the public. The Company had to incur substantial amount on the brand building of the new brands introduced in the market. The Company expects that the investment made in the brand building will start yielding results in the coming years leading to higher sales and profits.

In view of the increased production capacity of the milkfood products, the Company is expecting increase of production volumes of the malted milkfood products being manufactured by it. This will increase the turnover and the profitability of the Company. The profitability of the Glass division was adversely affected due to the increase in natural gas prices and substantial increase of the capacity in north India. The substantial increase in capacity is the result of cheap natural gas being supplied in the Firozabad area in Uttar Pradesh. Due to this, the production of Glass division became unviable and the Company had to stop the production and the Glass division remained inoperative during the year under review. The production activities of this division have been formally discontinued during the year. This also resulted in the lower sales turnover and incurring of losses by the Company during the year under review.

Prices of raw materials continued to put pressure on the margins during the year. Effective measures are being taken regularly to reduce the overheads costs coupled with optimum utilization of resources and better product mix.

## 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 and better coordination amongst various departments.

## 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 of the Company has an optimum combination of executive and non-executive directors with women directors and more than fifty percent of the Board of Directors comprising of non-executive directors.

As on 31st March, 2015, your Company's Board has a strength of six Directors comprising two executive and four non executive Directors. Of the four non-executive directors two directors are women directors.

The members of the Board are drawn from various fields having considerable expertise in their respective areas. Together they bring diverse experience, varied perspectives, complementary skills and vast expertise.

All the Independent Directors have declared that they meet the criteria of 'Independence' mentioned under Clause 49 of the Listing Agreement and Section 149 of the Companies Act, 2013.

Directors' attendance at the Board Meetings during the financial year and the last Annual General Meeting (AGM) as also their other Directorships and Committee Memberships are given below:

Name of the Director	Category	No. of Board Meetings held during the tenure	No. of Board Meetings attended	No. of other Directorship held	No. of memberships/ Chairmanships in other Board Committees	Last Annual General Meeting attended
Mr. Narender Sapra	Executive	8	8	6	—	Yes
Mrs. Kiran Kapur	Non-Executive Independent	8	8	1	—	No
Ms. Roshini Sanah Jaiswal*	Executive	—	—	5	—	No
Mr. Sudhir Avasthi**	Non-Executive Independent	5	5	2	—	No
Mr. Ravi Manchanda	Executive	8	8	7	—	No
Mr. Peri Kameswara Sharma	Non-Executive Independent	8	5	2	—	Yes
Mrs. Anjali Varma***	Non-Executive Non-Independent	7	7	2	—	No

\*Ms. Roshini Sanah Jaiswal was appointed as an Additional Director of the Company on 14th August, 2014 and she ceased to be Director w.e.f. 30th September, 2014.

\*\*Mr. Sudhir Avasthi was appointed as an Additional Director of the Company on 10th July, 2014 and re-appointed as an Independent Director at the AGM held on 30th September, 2014.

\*\*\* Mrs. Anjali Varma was appointed as an Additional Director of the Company on 21st April, 2014 and was re-appointed as a Director liable to retire by rotation at the AGM held on 30th September, 2014.

#### Maximum tenure of Independent Directors

The Independent Directors are appointed for a period of five years which is well within the maximum tenure of Independent Directors provided under the Companies Act, 2013 and clarifications/ circulars issued by the Ministry of Corporate Affairs, in this regard, from time to time.

#### Formal letter of appointment to Independent Directors

The Company has issued letter of appointment to all the independent directors in the manner as provided under the Companies Act, 2013 and the terms and conditions of their appointment have been disclosed on the website of the Company at [www.jagatjit.com](http://www.jagatjit.com).

#### Familiarisation Programme for Independent Directors

All Independent Directors are familiarized with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. from time to time. The Company makes consistent efforts to acquaint the Board with the overall business performance of the Company.

# Directors' Report

## **Brief Profile of Directors being appointed at the ensuing Annual General Meeting:**

Mrs. Anjali Varma, Director retires at the ensuing Annual General Meeting, is eligible and offers herself for re-appointment. Mrs. Anjali Varma aged about 56 years is a Graduate and holds diploma in Hotel Management. She has around twenty years of experience in the fields of Marketing and Administration. She is holding directorship in following companies :

1. Mata Construction and Builders Private Limited
2. G. Management Services Private Limited

She is not holding Chairmanship/membership of any of the Committees in any other Public Limited Company. She holds 100 equity shares in the Company.

The Board of Directors, subject to the approval of the shareholders has re-appointed Mr. Narender Sapra as Managing Director of the Company for a period of three years w.e.f. 28th November, 2014. The approval of the shareholders for the re-appointment and payment of remuneration to Mr. Narender Sapra is being sought in the ensuing Annual General Meeting.

Brief profile of Mr. Narender Sapra is stated in the Notice of the Annual General Meeting. Mr. Narender Sapra holds directorship in following companies:

1. Emperor Investments (P) Ltd.
2. Lilac Investments & Trading (P) Ltd.
3. Maize Investment (P) Ltd.
4. Vapour Investments & Trading (P) Ltd.
5. Ispace Developers (P) Ltd.
6. LPJ Medical Foundation

He is not holding Chairmanship/membership of any other Committees in any other Public Limited Company. He holds 100 equity shares in the Company.

## **Board Meetings:**

The Board of Directors held eight Board Meetings during the period under review i.e on 21st April, 2014, 30th May, 2014, 10th July, 2014, 31st July, 2014, 14th August, 2014, 4th October, 2014, 14th November, 2014 and 14th February, 2015.

## **Separate Meeting of the Independent Directors :**

The Independent Directors held a Meeting on 23rd December, 2014, without the attendance of Non-Independent Directors and members of Management. All the Independent Directors Viz. Mr. Sudhir Avasthi, Mr. Peri Kameswara Sharma and Mrs. Kiran Kapur were present at the meeting. The following issues were discussed in detail :

- i) Review of the performance of non-independent directors and the Board as a whole;
- ii) Assessment of the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## **3. Audit Committee**

The Audit Committee comprises of Mrs. Kiran Kapur, Mr. Narender Sapra and Mr. Peri Kameswara Sharma. Mr. Peri Kameswara Sharma is the Chairman of the Audit Committee.

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 177 of the Companies Act, 2013.

During the year under review the Audit Committee held five meetings i.e on 30th May, 2014, 10th July, 2014, 14th August, 2014, 14th November, 2014 and 14th February, 2015.

## **Attendance record of Audit Committee members**

Name of Members	No of meetings held during the tenure	Meetings attended
Mrs. Kiran Kapur	5	5
Mr. Narender Sapra	5	5
Mr. Peri Kameswara Sharma	5	5

## **4. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee comprises of Mrs. Kiran Kapur, Mrs. Anjali Varma and Mr. Peri Kameswara Sharma, all being non executive directors. Mr. Peri Kameswara Sharma is the Chairman of the Committee.

The functions and terms of reference of the Committee are as prescribed under Section 178 of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges. The Committee shall identify the persons, who are qualified to become Directors of the Company / who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and also shall carry out evaluation of every director's performance. Committee

shall also formulate the criteria for determining qualifications, positive attributes, independence of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

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 year under review the Nomination and Remuneration Committee held two meetings on 15th July, 2014 and 21st August, 2014.

#### Attendance record of Nomination and Remuneration Committee members

Name of Members	No of meetings held during the tenure	Meetings attended
Mrs. Kiran Kapur	2	2
Mrs. Anjali Varma	2	2
Mr. Peri Kameswara Sharma	2	2

During the period under report Mr. Narender Sapra, Managing Director, Ms. Roshini Sanah Jaiswal and Mr. Ravi Manchanda, Directors were paid remuneration as under :

Name of the Directors	Salary (Rs.)	Perquisites & others (Rs.)	Total (Rs.)
Mr. Narender Sapra	74,40,000	26,73,939	101,13,939
Ms. Roshini Sanah Jaiswal*	14,22,581	5,216	14,27,797
Mr. Ravi Manchanda	18,16,050	26,80,085	44,96,135

\* Relates to the period from 14th August, 2014 to 30th September, 2014 as Director.

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

#### Service contract, severance fee and notice period of the Executive Directors :

The appointment of the Executive Directors is governed by Resolutions passed by the Shareholders of the Company, which cover the terms and conditions of such appointment, read with the service rules of the Company. A separate Service Contract is not entered into by the Company with any Executive Director. No notice period or severance fee is payable to any Director.

#### Sitting Fee :

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. Kiran Kapur	3,20,000
2.	Mr. Sudhir Avasthi	1,20,000
3.	Mrs. Anjali Varma	1,80,000
4.	Mr. Peri Kameswara Sharma	2,80,000

#### Details of shareholding of Non-executive Directors

Sl No.	Name of Director	No. of shares held
1.	Mrs. Kiran Kapur	100
2.	Mr. Sudhir Avasthi	100
3.	Mrs. Anjali Varma	100
4.	Mr. Peri Kameswara Sharma	100

#### 5. Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises of Mr. Narender Sapra, Mr. Ravi Manchanda and Mr. Peri Kameswara Sharma. Mr. Peri Kameswara Sharma a Non- executive Independent Director, is the Chairman of the Committee. Mr. K. K. Kohli, Company Secretary, is the Compliance Officer.

The functioning and terms of reference of the Committee are as prescribed under and in due compliance with Section 178 of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges. The Committee focuses primarily on monitoring expeditious redressal of investors / stakeholders grievances and also functions in an efficient manner that all issues / concerns of the stakeholders are addressed / resolved promptly.

The Company did not receive any complaint from shareholders during the year ended 31st March, 2015.

No transfer was pending on 31st March, 2015 for more than 15 days of its receipt.

During the year under review the Stakeholders Relationship Committee held one meeting on 14th February, 2015.

# Directors' Report

## Attendance record of Stakeholders Relationship Committee members

Sl. No.	Name of Members	No. of meetings held during the tenure	Meetings attended
1.	Mr. Narender Sapra	1	1
2.	Mr. Ravi Manchanda	1	1
3.	Mr. Peri Kameswara Sharma	1	1

## 7. 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
2012	28.09.2012	Friday	09.30 A. M.
2013	30.09.2013	Monday	09.30 A. M.
2014	30.09.2014	Tuesday	09.30 A. M.

The Company has passed three Special Resolutions in the last three Annual General Meetings. No Special Resolution was passed by way of Postal Ballot during the year under report. However, the Company passed one Special Resolution at the Extraordinary General Meeting of the Company held on 30th July, 2014.

## 8. Disclosures

- (i) Related Party Transactions : Please refer the Directors' Report for details on Related Party transactions and Materially significant Related Party Transactions that may have potential conflict with the interests of Company at large, during the year ended on March 31, 2015.
- (ii) There has not been any non-compliance, penalty or stricture imposed on the Company by any Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years.
- (iii) Whistle Blower Policy : In compliance with Section 177 of the Companies Act, 2013 and the listing agreement, the Company has established a Whistle Blower Policy which has been uploaded on the website of the Company at [www.jagatjit.com](http://www.jagatjit.com).
- (iv) The Company has followed all the mandatory requirements prescribed under Clause 49 of the Listing Agreement.

## 9. Code of Conduct

The Board of Directors has adopted a Code of Conduct for Directors and Senior Management of the Company. An annual affirmation of compliance with the Code of Conduct is taken from all the Directors and Senior Management members of the Company to whom the Code applies. The Code of Conduct has also been posted at the website of the Company [www.jagatjit.com](http://www.jagatjit.com). Managing Director's affirmation that the Code of Conduct has been complied with by the Board of Directors and Senior Management is produced below.

### **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.

Sd/-  
Narender Sapra  
Managing Director

Date : 1st September, 2015

## 10. 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](http://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.

## 11. General Shareholders Information

### a) Annual General Meeting

Date : 27th November, 2015  
Time : 09.30 A. M.  
Venue : Registered Office

**b) Financial Year** : 1st April, 2014 to 31st March, 2015

**c) Financial Calendar (2015-16)**

- (i) First Quarter Results : Mid of September, 2015
- (ii) Second Quarter Results : Mid of November, 2015
- (iii) Third Quarter Results : Mid of February, 2016
- (iv) Annual Results : By 30th May, 2016

**d) Dates of Book Closure**

The Register of Members and Share Transfer Books will remain closed from 23rd November, 2015 to 27th November, 2015 ( both days inclusive).

Due to certain technical problems in the computer system of the Company the stored data was lost. The Company had to regenerate the entire data again. Accordingly, the compilation and audit of the financial statements and results of the Company for the quarter and year ended 31st March, 2015 and quarter ended 30th June, 2015 have been delayed. Further, on the request of the Company the Registrar of Companies , Punjab and Chandigarh granted an extension to hold the Annual General Meeting of the Company upto 30th November, 2015 vide their letters dated 2nd September, 2015 and 14th September, 2015.

**e) Dividend Payment Date**

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

**f) Listing on Stock Exchanges**

The shares of your Company were listed at the Ludhiana, Delhi and Mumbai Stock Exchanges. The SEBI in November, 2014 withdrew the recognition granted to the Delhi Stock Exchange and allowed Ludhiana Stock Exchange to exit the bourses business vide their order dated 30th December, 2014. Accordingly, the shares of your Company are presently listed on BSE Limited Vide Stock Code No. 507155.

The Listing fees for the financial year 2015-16 have been paid to Mumbai Stock Exchange.

**g) 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 BSE are as follows :

Month	High	Low	Sensex High	Sensex Low
April, 2014	56.15	46.00	22939.31	22197.51
May, 2014	51.45	42.50	25375.63	22277.04
June, 2014	55.50	45.65	25725.12	24270.20
July, 2014	54.50	45.15	26300.17	24892.00
August, 2014	51.40	46.55	26674.38	25232.82
September, 2014	52.70	47.60	27354.99	26220.49
October, 2014	52.50	45.25	27894.32	25910.77
November, 2014	50.40	45.10	28822.37	27739.56
December, 2014	49.80	42.95	28809.64	26469.42
January, 2015	49.70	43.00	29844.16	26776.12
February, 2015	47.95	42.75	29560.32	28044.49
March, 2015	44.25	37.10	30024.74	27248.45

**h) 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.

**i) 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.

# Directors' Report

## j) Distribution of Shareholding as on 31st March, 2015

Category (in Rs.)	No. of Shareholders	% of Share holders	No. of Shares held	% of Shareholding
Upto - 5000	3176	78.21	428582	0.93
5001 - 10000	376	09.26	278055	0.60
10001 - 20000	225	05.54	337241	0.73
20001 - 30000	82	02.02	210630	0.46
30001 - 40000	48	01.18	168013	0.36
40001 - 50000	27	00.67	127568	0.28
50001 - 100000	72	01.77	498985	1.08
Above - 100000	55	01.35	44099038	95.56
Total	4061	100.00	46148112	100.00

## Shareholding pattern as on 31st March, 2015

Sl. No.	Category	No. of Shares held	% of total Shareholding	% of Voting Rights
1.	Promoters' Holding	15699208	34.02	92.35
2.	Mutual Funds & UTI	1100	0.00	0.00
3.	Banks, Financial Institutions, Govt. Companies	2172	0.00	0.00
4.	Private Corporate Bodies	1622764	3.52	2.37
5.	NRIs/FIIs (other than Promoters)	234726	0.51	0.34
6.	Indian Public	3378142	7.32	4.94
	<b>Total</b>	<b>20938112</b>	<b>45.37</b>	<b>100.00</b>
7.	GDRs (Underlying Shares)	25210000	54.63	-
	<b>Grand Total</b>	<b>46148112</b>	<b>100.00</b>	<b>100.00</b>

## k) Dematerialisation of Shares and Liquidity.

As on 31st March, 2015, 16549304 equity shares being 35.86 % of the total paid-up Capital have been dematerialised. The shares of the Company are being 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.

## l) 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.

## m) 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)

## n) Address for Correspondence

Registered Office : Jagatjit Industries Limited  
Jagatjit Nagar-144 802, Distt. Kapurthala (Punjab)  
Tel: 0181- 2783112-16, Fax: 0181-2783118, E-mail: hamira@jagatjit.com

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

Investor E. mail address: Investor@jagatjit.com

## **CERTIFICATE OF COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To the Members  
Jagatjit Industries Limited

We have examined the compliance of conditions of Corporate Governance by Jagatjit Industries Limited for the financial year ended on 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the Company entered with the Bombay Stock Exchange Limited.

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 : 30th July, 2015

Sd/-  
P.D. Sharma  
Partner  
CP. No. 2692

# Financial Highlights

(Rs. in lacs or as indicated)

	2014-15**	2013-14*	2012-13*	2011-12*	2010-11*	2009-10	2008-09	2007-08	2006-07	2005-06
<b>ASSETS</b>										
Fixed Assets (Net Block)	<b>29742</b>	32762	34284	32348	34450	37137	37658	33367	33881	32436
Investments (Current & Non Current)	<b>1183</b>	1229	1318	298	1203	1201	111	106	96	93
Current and Non Current Assets	<b>50787</b>	45433	48784	48733	40453	31969	29540	27403	24103	19082
	<b>81712</b>	79424	84386	81379	76106	70307	67309	60876	58080	51611
<b>LIABILITIES</b>										
Loans, Liabilities and Provisions (Current & Non Current)	<b>54888</b>	47559	47705	44894	41955	37958	28670	21325	19716	14328
NET WORTH	<b>26824</b>	31865	36681	36485	34151	32349	38639	39551	38364	37283
<b>REPRESENTED BY</b>										
Equity Share Capital	<b>4615</b>	4615	4615	4615	4615	4615	5194	5194	5194	5194
Reserves and Surplus	<b>22209</b>	27250	32066	31870	29536	27734	33445	34357	33170	32089
TOTAL	<b>26824</b>	31865	36681	36485	34151	32349	38639	39551	38364	37283
<b>OPERATING PERFORMANCE</b>										
Revenue	<b>124268</b>	137081	145101	160484	141370	94297	84191	80042	63970	40775
Gross Profit Earnings	<b>(4341)</b>	(2417)	2418	5310	6382	2397	1390	4068	3201	1795
Profit before Tax	<b>(5584)</b>	(4266)	668	2847	3507	463	(211)	2402	1996	657
Profit after Tax	<b>(4365)</b>	(4523)	505	3510	2526	646	(450)	1762	1637	671
Earning per Share (Rs.)	<b>(10.00)</b>	(10.36)	1.16	8.04	5.79	1.48	(0.91)	3.56	3.31	1.36
<b>DIVIDEND</b>										
Amount per Share (Rs.)	<b>0.00</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rate (%)	<b>0</b>	0	0	0	0	0	0	0	0	0
Book Value per Equity Share (Rs.)	<b>58.12</b>	69.05	79.48	79.06	74.00	70.10	74.39	76.15	73.86	71.78
<b>GROSS EARNINGS</b>										
As a percentage of Revenue	<b>(3.5)</b>	(1.8)	1.7	3.3	4.5	2.5	1.7	5.1	5.0	4.4
As a percentage of Fixed Assets	<b>(14.6)</b>	(7.4)	7.1	16.4	18.5	6.5	3.7	12.2	9.4	5.5
As a percentage of Capital Employed	<b>(7.5)</b>	(4.1)	3.9	9.2	11.3	4.8	2.7	8.6	6.9	4.2

\* based on Revised Schedule VI of the Companies Act, 1956

\*\* based on schedule III of the Companies Act, 2013.

# Independent Auditors' Report

TO THE MEMBERS OF JAGATJIT INDUSTRIES LIMITED



## Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Jagatjit Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
  - (b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
  - (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
9. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and 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 it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements-Refer Note 30 to the financial statements.
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Nitin Chaudhry  
Partner

Membership No. F 91463  
For and on behalf of  
Mittal Chaudhry & Co.  
Chartered Accountants

Place : New Delhi  
Date : September 01, 2015

Firm Registration No. 002336N

# Independent Auditors' Report

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 8 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Jagatjit Industries Limited on the financial statements for the year ended March 31, 2015)

- (i) (a) The Company has maintained 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 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 have been noticed on such verification.
- (ii) (a) The inventory (excluding stocks with third parties) has been physically verified during the year by the management. 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 inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the books records were not material.
- (iii) The Company has not granted loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3 (iii)(a) &(b) of the said Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the aforesaid internal control system of the Company.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by Reserve Bank of India and provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder to the extent applicable 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.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act and we 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.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth-Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. Further, there were no undisputed amounts outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) 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, Value Added Tax and Cess as at March 31, 2015 which have not been deposited on account of a dispute, are as follows:-

Name of the statute	Nature of dues	Amount(Rs.)	Period to which the amount relates	Forum where the Dispute is pending
<b>EXCISE DUTY</b>				
Central Excise Act, 1944	Demand of Cess on manufacturing of Corrugated Paper Board	36,978	November 2010 to October 2012	Commissioner (Appeals) Chandigarh - I
Central Excise Act, 1944	Penalty in the above matter	36,978	November 2010 to October 2012	Commissioner (Appeals) Chandigarh - I
<b>SERVICE TAX</b>				
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 March 2008	CESTAT, New Delhi
The Finance Act, 1994	Penalty in the above matter	6,970,632	October 2007 to March 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

Name of the statute	Nature of dues	Amount(Rs.)	Period to which the amount relates	Forum where the Dispute is pending
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
The Finance Act, 1994	Demand and Penalty Management maintenance and Repair Services	1,797,534	June, 2005	CESTAT, New Delhi
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
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.

- (c) According to the information and explanations given to us and the records of the Company examined by us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) The Company has no accumulated losses at the end of the financial year and it has incurred cash losses in the current and immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks. The Company has not issued any debentures.
- (x) 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.
- (xi) 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.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no instances of material fraud on or by the Company has been noticed or reported during the course of our audit.

Place : New Delhi  
Date : September 01, 2015

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 31st March, 2015

			As at March 31 2015 (Rs. in lacs)	As at March 31 2014 (Rs. in lacs)
<b>Equity and Liabilities</b>	<b>Shareholders' Funds</b>	Note		
	Share Capital	2	4,615	4,615
	Reserves and Surplus	3	22,209	27,250
	<b>Non-Current Liabilities</b>			
	Long Term Borrowings	4	11,439	10,586
	Deferred Tax Liability (Net)	5	784	2,199
	Other Long Term Liabilities	6	1,946	848
	Long Term Provisions	7	2,099	2,088
	<b>Current liabilities</b>			
	Short Term Borrowings	8	11,190	7,839
	Trade Payables	9	15,187	13,665
	Other Current Liabilities	10	11,789	9,882
	Short Term Provisions	11	454	452
	<b>TOTAL</b>		<b>81,712</b>	<b>79,424</b>
<b>ASSETS</b>	<b>Non-Current Assets</b>			
	Fixed Assets			
	Tangible Assets	12	29,674	32,163
	Intangible Assets	12	13	16
	Capital Work-in-Progress		55	583
	Non-current investments	13	1,150	1,206
	Long-term loans and advances	14	4,251	4,316
	Other non-current assets	15	2,111	1,636
	<b>Current Assets</b>			
	Current investments	16	33	23
	Inventories	17	11,385	11,695
	Trade receivables	18	23,524	21,828
	Cash and Bank Balances	19	893	1,047
	Short-term loans and advances	20	4,516	4,766
	Other current assets	21	4,107	145
	<b>TOTAL</b>		<b>81,712</b>	<b>79,424</b>
	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 financial statements

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

**Narender Sapra** - Managing Director

New Delhi  
1st September, 2015

**K.K. Kohli**  
Company Secretary

**Anil Girotra**  
Chief Financial Officer

**Kiran Kapur**  
**Sudhir Avasthi**  
**Peri Kameswara Sharma** } *Directors*

# Statement of Profit and Loss

for the year ended 31st March, 2015



			For the year Ended March 31 2015 (Rs. in lacs)	For the year Ended March 31 2014 (Rs. in lacs)
	Note			
<b>Income</b>				
Revenue from Operations (Gross)	22		123,467	136,728
Less: Excise Duty			40,850	43,140
			<b>82,617</b>	<b>93,588</b>
Other Income	23		801	353
<b>Total Revenue</b>			<b>83,418</b>	<b>93,941</b>
<b>Expenses</b>				
Cost of Materials Consumed	24		38,868	39,992
Purchases of Stock-in-Trade	25		4,751	8,556
Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	26		191	3,456
Employee Benefits Expense	27		7,731	7,321
Finance Costs	28		3,129	2,864
Depreciation and Amortisation Expense	31		1,243	1,849
Other Expenses	29		32,683	34,169
<b>Total Expenses</b>			<b>88,596</b>	<b>98,207</b>
<b>Profit/(Loss) before exceptional items and tax</b>			<b>(5,178)</b>	<b>(4,266)</b>
Exceptional expenses/(incomes)			—	—
<b>Profit/(Loss) before Tax</b>			<b>(5,178)</b>	<b>(4,266)</b>
<b>Less: Tax Expenses</b>				
Current tax :				
- For the year			—	—
- MAT Credit Entitlement			—	—
Deferred Tax (benefit)/charge	5	(1,267)	257	257
			<b>(1,267)</b>	<b>257</b>
Profit/(Loss) after Tax from Continuing Operations			<b>(3,911)</b>	<b>(4,523)</b>
Profit/(Loss) from Discontinuing Operations	45		<b>(406)</b>	—
Less : Tax Expense from Discontinuing Operations			<b>48</b>	—
Profit/(Loss) after Tax from Discontinuing Operations			<b>(454)</b>	—
Profit/(Loss) after Tax for the year			<b>(4,365)</b>	<b>(4,523)</b>
Basic and Diluted Earnings per share (from Continuing operations(Rs.))				
(Face Value of Rs. 10 each)	37		<b>(8.96)</b>	(10.36)
Basic and Diluted Earnings per share (Rs.) (Face Value of Rs. 10 each)	37		<b>(10.00)</b>	(10.36)
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 financial statements	

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

**Narender Sapra** - Managing Director

New Delhi  
1st September, 2015

**K.K. Kohli**  
Company Secretary

**Anil Girotra**  
Chief Financial Officer

**Kiran Kapur**  
**Sudhir Avasthi**  
**Peri Kameswara Sharma**

} **Directors**

# Cash Flow Statement

for the year ended 31st March, 2015

	2015 (Rs. in lacs)	2014 (Rs. in lacs)
<b>A. Cash Flow from Operating Activities:</b>		
Net Profit/(Loss) before tax	(5,584)	(4,266)
Adjustments for:		
Depreciation	1,243	1,849
Interest Expense	3,166	2,864
Interest Income	(616)	(138)
(Profit)/Loss on Fixed Assets sold (net)	(413)	3
Fixed Assets written off	4	9
Debts / Advances/Stock written off	259	7
Provision for Bad & Doubtful Debts and Advances	1,010	81
Provision for inventory for obsolete/damaged stock	7	
Liability no longer required written back	(142)	(50)
Provision for Gratuity & Leave Encashment	90	(310)
Unrealised Foreign Exchange (gain)/loss (net)	1	2
Operating Profit before Working Capital Changes	(975)	51
Adjustments for changes in Working Capital :		
(Increase)/ Decrease in Trade Receivables	(2,012)	271
(Increase)/ Decrease in Short Term Loans & Advances	(169)	(381)
(Increase)/ Decrease in Long Term Loans & Advances	61	(43)
(Increase)/ Decrease in Other Current Assets	(189)	(152)
(Increase)/ Decrease in Inventories	43	2,364
Increase/ (Decrease) in Trade Payables	1,598	20
Increase/(Decrease) in other current liabilities	1,454	(1,288)
Increase/(Decrease) in Other Long Term Liabilities	1,098	444
Increase/(Decrease) in Long Term Provisions	(78)	(1)
Increase/(Decrease) in Short Term Provisions	1	4
Cash generated from operations	832	1,289
Taxes (Paid)/ Received (Net of TDS)	254	(88)
Net Cash from/ (used) Operating Activities	1,086	1,201
<b>B. Cash flow from Investing Activities:</b>		
Purchase of Fixed Assets including Capital Work- in -Progress and Capital advances	(3,172)	(925)
Proceeds from Sale of Fixed Assets	538	143
Purchase of investments	(20)	—
Sale of investments	66	—
Advances to Subsidiaries	54	7
Interest Received (Revenue)	562	177
Release/(Addition) of Cash (from)/for restrictive use	(759)	55
Net Cash from Investing Activities	(2,731)	(543)
<b>C. Cash Flow from Financing Activities:</b>		
Proceeds from short term Borrowings (Net)	3,351	631
Proceeds from long term Borrowings (Net)	1,279	163
Interest Paid	(3,139)	(2,534)
<b>Net cash used in Financing Activities</b>	<b>1,491</b>	<b>(1,740)</b>
Net Increase/ (Decrease) in Cash & Bank Balances	(154)	(1,082)
Cash and Cash equivalents at the beginning of the year	1,033	2,113
Other Bank Balance at the beginning of the year	14	16
Cash and Cash equivalents at the end of the year	874	1,033
Fixed Deposits with Banks	2	2
Margin Money Account	17	12
Cash and Bank Balances at the end of the year	893	1,047
Cash and Bank Balances Comprise		
Cash, Cheques & Drafts (in hand) and Remittances in transit	133	145
Balance with Scheduled Banks	760	902
	<b>893</b>	<b>1,047</b>
Cash and Cash Bank Balances Include :		
Cash and Bank Balances	893	1,047
Unrealised gain on foreign currency	—	—
<b>Total Cash and Cash Equivalents</b>	<b>893</b>	<b>1,047</b>
Cash flow from Discontinuing Operation included above in		
- Operating Activities	(530)	—
- Investing Activities	532	—
- Financing Activities	(184)	—

## 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 balances.
- 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 the financial statements

## Nitin Chaudhry

Partner

Membership No. F 91463

For and on behalf of

MITTAL CHAUDHRY & CO.

Chartered Accountants

Firm Registration No.002336N

Narender Sapra - Managing Director

New Delhi  
1st September, 2015

K.K. Kohli  
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Chief Financial Officer

Kiran Kapur  
Sudhir Avasthi  
Peri Kameswara Sharma



Directors

## on Financial Statements for the year ended 31st March, 2015

### 1 SIGNIFICANT ACCOUNTING POLICIES:

#### 1.1. BASIS FOR PREPARATION OF ACCOUNTS

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (GAAP) under the historical cost convention on accrual basis, except for certain tangible assets which are being carried at revalued amounts. These financial statements have been prepared to comply in all material aspects with the accounting standards as prescribed by Companies (Accounting Standards) Rule, 2006, as amended and the other relevant provisions of the Companies Act, 2013.

#### 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

##### a) Tangible:

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.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard. The cost of fixed assets not ready for their intended use is recorded as capital work-in-progress before such date. Spares that can be used only with particular items of plant and machinery and such usage is expected to be irregular are capitalised.

##### b) Intangible:

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment loss, if any.

#### 1.4. DEPRECIATION / AMORTISATION

##### a) Tangible:

Principal Straight Line Method (SLM) rates, in the manner prescribed by Schedule II of the Companies Act, 2013, 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. In respect of following assets, where useful life is different than those prescribed in schedule II are used:-

Particulars	Depreciation
Boiler No-5	Over its useful life as technically assessed (35 Years)
Turbine 7 MW	Over its useful life as technically assessed (35 Years)
Evaporator Spent Wash	Over its useful life as technically assessed (35 Years)

##### b) Intangible:

Intangible assets are amortised on a straight line basis over their estimated useful lives and have been amortised @ 10% per annum.

#### 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.

#### 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) Long Term 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

Foreign currency transactions are accounted for at the exchange rate prevailing on the date of the transaction. All monetary foreign currency assets and liabilities are converted at the exchange rate prevailing at the date of the balance sheet. All exchange differences other than in relation to acquisition of fixed assets and other long term foreign currency monetary liabilities are dealt with in the statement of Profit and Loss.

#### 1.11. BORROWING COSTS

Borrowing costs attributable to the acquisition and/ or construction of qualifying assets are capitalised as a part of the cost of such assets, upto the date when such assets are ready for their intended use. Other Borrowing costs are charged to Statement of Profit and Loss.

#### 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 42 ].

#### 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 and to the extent there is reasonable/virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised. 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, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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 or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made. Contingent assets are neither recognised nor disclosed.

# Notes

## Continued

		As at March 31 2015 (Rs. in lacs)	As at March 31 2014 (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 & Share Capital		
	Equity Shares	As on 31.03.2015	As on 31.03.2014
		No.of Equity Shares	No.of Equity Shares
		Rs. in lacs	Rs. in lacs
	At the beginning of the year	46,148,112	46,148,112
	Add : Issued during the year	—	—
	Less : Bought Back during the year	—	—
	Outstanding at the end of the year	46,148,112	46,148,112
	2.6 Detail of Shareholders Holding More Than 5% Equity Shares of The Company #		
	Name of the Shareholders	As on 31.03.2015	As on 31.03.2014
		No. of Equity Shares	No. of Equity Shares
		Percentage holding	Percentage holding
	Equity Shares of Rs. 10/- each		
	a) The Bank of New York (the Depository) (Note 2.7 b)	25,210,000	25,210,000
		54.63	54.63
	b) LPJ Holdings Pvt. Ltd.	7,418,648	7,418,648
		16.08	16.08
	c) LPJ Holdings Pvt. Ltd. (Note 2.7 c)	2,500,000	2,500,000
		5.42	5.42
	# 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 are having face value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share and dividend, if declared.		
	b) 25,210,000 underlying 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. GDRs do not carry any voting rights until they are converted into underlying equity shares.		
	c) 2,500,000 Equity Shares of Rs. 10/- each are held by LPJ Holdings Pvt. Ltd., 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.		

		As at March 31 2015 (Rs. in lacs)	As at March 31 2014 (Rs. in lacs)
<b>3. Reserves and Surplus</b>			
	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	11,985	12,278
	Less : Adjusted during the year	34	5
	Less : Transferred to Statement of Profit & Loss	203	288
		<b>11,748</b>	<b>11,985</b>
	Securities Premium Account		
	As per last Balance Sheet	3,697	3,697
		<b>3,697</b>	<b>3,697</b>
	General Reserve		
	As per last Balance Sheet	2,455	2,455
	Less : Transition Provision of depreciation *	439	—
		<b>2,016</b>	<b>2,455</b>
	Surplus as per Statement of Profit & Loss		
	As per last Balance Sheet	8,533	13,056
	Add: Profit/(Loss) for the year	(4,365)	(4,523)
		<b>4,168</b>	<b>8,533</b>
	<b>TOTAL</b>	<b>22,209</b>	<b>27,250</b>
	*This is on account of transitional provision of depreciation as per Schedule II of Companies Act, 2013 adjusted with W.D.V of Fixed Assets as on 01.04.2014 (Refer Note 43).		
<b>4. Long Term Borrowings</b>			
	Secured		
	From Banks		
	- Term Loan	9,827	5,638
	- Car Loans	14	17
	From others		
	- Car Loans	—	17
		<b>9,841</b>	<b>5,672</b>
	Unsecured		
	Fixed Deposits	897	3,436
	Fixed Deposits guaranteed by Directors	642	1,419
	Loans and advances from related parties	59	59
		<b>1,598</b>	<b>4,914</b>
	<b>TOTAL</b>	<b>11,439</b>	<b>10,586</b>

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

##### Nature of Security

- Term Loan amounting to Rs. Nil (Previous year Rs. 39 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. 467 lacs (Previous year Rs. 841 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.
- Term Loan amounting to Rs. 168 lacs (Previous year Rs. 306 lacs ) for machinery (IS machine) is secured by all the machineries and accessories including civil work related to the aforementioned machinery installed at its works at Site IV, Plot No.17 Sahibabad Industrial Area Sahibabad (U.P).

##### Terms of Repayment

- Repayable in 20 equal quarterly installments commencing from June, 2009. Last installment was due in March, 2014. Rate of Interest Nil. (Previous year 13.20% p.a.) as at year end. Last installment of March, 2014 was paid on 1st April 2014.
- Repayable in 28 equal quarterly installments commencing from September, 2009. Last installment due in June, 2016. Rate of Interest 14.00% p.a. (Previous year 14.25% p.a.) as at year end.
- Repayable in 20 equal quarterly installments commencing from September, 2011. Last installment due on July, 2016. Rate of interest 14.00% p.a (Previous year 14.75% p.a) as at year end.

# Notes

## Continued

- |      |  |   |
|------|--|---|
| iv.  | Term Loan amounting to Rs. 1,112 lacs (Previous year Rs. 1,519 lacs) 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 13.20% p.a (Previous year 13.20% p.a) as at year end.   |
| v    | Term Loan amounting to Rs.Nil (Previous year Rs. 1,200 lacs) is secured by land with building thereon where the Hamira(Punjab) plant of company is situated. Loan was taken for General Corporate purpose including strengthening of Net Working Capital and to meet normal capex of the company                       | Repayable in 25 equal Monthly installments commencing from January 2013. Last installment was due on January 2015. Rate of interest Nil: (Previous year 13.95% p.a) as at year end.       |
| vi   | Term Loan amounting to Rs. 348 lacs (Previous year Rs. 464 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.   | Repayable in 60 equal monthly installments commencing from April, 2013. Last installment due on March, 2018. Rate of interest 14.00% p.a (Previous year 14.25% p.a) as at year end.       |
| vii  | Term Loan amounting to Rs. 5,759 lacs (Previous year Rs. 4,432 lacs) is secured against lease rent receivables of leased space at Plot No. 78 Institutional area, Sector-18, Gurgaon, Haryana and 9th and 10th floor, Ashoka Estate, 24 Barakhamba Road, New Delhi for purpose of Working Capital needs of the company | Repayable in 88 structured monthly installments commencing from June, 2013. Last installment due on Sept, 2020. Rate of interest 12.00% p.a. (Previous year 12.25% p.a.) as at year end.  |
| viii | Term Loan amounting to Rs. 2,016 lacs (Previous year Rs. Nil) for expansion of Malted Milkfood Plants secured against exclusive first charge on plant & machinery of the new Malted Milkfood Plant and country liquor plant including instrumentation etc. at its works at Jagatjit Nagar, Distt Kapurthala            | Repayable in 60 monthly equal installments commencing from June, 2015. Last installment due on May, 2021. Rate of interest 13.25% p.a. (Previous year Nil) as at year end.                |
| ix   | Term Loan amounting to Rs. 3,700 lacs (Previous year Rs. Nil) for General Corporate Purpose is secured by exclusive charge by way of mortgage on Land & Building situated at Village Hamira, Distt Kapurthala and Escrow on Proceeds received from M/s Glaxo Smithkline and lien on Fixed Deposit in favour of IFCL.   | Repayable in 18 structured quarterly installments commencing from August, 2015 . Last installment due on November, 2019. Rate of interest 15.00% p.a. (Previous year Nil) as at year end. |
| x    | 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. |
|----|---|--|
- Note: Installments falling due in respect of all the above loans up to 31.3.2016 have been grouped under "Current maturity of long-term debt" (Refer Note 10).

		As at March 31 2015 (Rs. in lacs)	As at March 31 2014 (Rs. in lacs)
<b>5. Deferred Tax Liability (Net)</b>	Deferred Tax Liability		
	Depreciation on Fixed Assets	<b>2,083</b>	3,273
	Total Deferred Tax Liabilities (A)	<b>2,083</b>	3,273
	Statutory Liabilities	<b>161</b>	244
	Employee Retirement Benefits	<b>649</b>	683
	Provision for Bad Debts	<b>489</b>	147
	Total Deferred Tax Assets (B)	<b>1,299</b>	1,074
	Net Deferred Tax liabilities (A-B)	<b>784</b>	2,199
	Deferred Tax benefit/(expense) for the year*	<b>1,415</b>	(257)
	*This includes amount of Rs. 196 lacs on account of transitional provision of depreciation as per Schedule II of Companies Act, 2013		
<b>6. Other Long Term Liabilities</b>	Security Deposits	<b>1,946</b>	848
	TOTAL	<b>1,946</b>	848
<b>7. Long Term Provisions</b>	Provision for employee benefits		
	- Gratuity	<b>1,354</b>	1,297
	- Leave Encashment	<b>319</b>	287
	Provisions for Litigations		
	- Service Tax	<b>402</b>	402
	- Sales Tax	<b>24</b>	24
	- Excise Duty	<b>—</b>	78
	TOTAL	<b>2,099</b>	2,088
<b>8. SHORT TERM BORROWINGS</b>	Secured		
	- Working Capital Loans from Banks	<b>7,569</b>	4,988
	Unsecured		
	- Fixed Deposits	<b>2,892</b>	2,257
	- Fixed Deposits guaranteed by Directors	<b>729</b>	594
	TOTAL	<b>11,190</b>	7,839
<b>9. Trade Payables</b>	Micro, Small and Medium Enterprises	<b>180</b>	182
	Others	<b>15,007</b>	13,483
	TOTAL	<b>15,187</b>	13,665

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

Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006		As at March 31 2015 (Rs. in lacs)	As at March 31 2014 (Rs. in lacs)
I	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year		
	- Principal Amount Unpaid	180	182
	- Interest due	8	3
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	520	584
	- 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.	28	31
IV	The amount of interest accrued and remaining unpaid at the end of the year	166	138
<b>10. Other Current Liabilities</b>	Current maturities of long-term debt	3,782	3,356
	Advances from Customers	891	726
	Unclaimed matured deposits (Refer Note 35)	124	77
	Interest accrued but not due	658	683
	Interest accrued and due	206	154
	Due to Directors	6	2
	Security Deposits	436	324
	Employee Benefits	965	900
	Statutory Liabilities	3,509	2,595
	Other Liabilities	1,212	1,065
	<b>TOTAL</b>	<b>11,789</b>	<b>9,882</b>
<b>11. Short Term Provisions</b>	Provision for employee benefits		
	- Gratuity	273	278
	- Leave Encashment	153	147
	Wealth Tax	28	27
	<b>TOTAL</b>	<b>454</b>	<b>452</b>

## 12. Fixed Assets (Rs. in lacs)

	GROSS BLOCK-COST OR REVALUED VALUE					DEPRECIATION					NET BLOCK	
	As at April 1, 2014	Added on Revaluation	Addi- tions	Deletion/ Adjustments	As at March 31, 2015	As at April 1, 2014	For the Year	Impact of Transition to Schedule II of the Companies Act, 2013 (Refer Note-43)	Deletion/ Adjustments	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
<b>(i) Tangible Assets</b>												
Land												
— Free Hold	4,276	—	—	—	4,276	—	—	—	—	—	4,276	4,276
— Lease Hold	1,350	—	—	1,064	286	326	3	—	273	56	230	1,024
Buildings	19,943	—	1,439	1,493	19,889	6,428	342	29	668	6,131	13,758	13,515
Plant & Machinery	36,291	—	2,180	7,771	30,700	24,956	654	357	5,365	20,602	10,098	11,336
Furniture & Fixtures	829	—	6	32	803	512	69	54	22	613	190	317
Vehicles-Owned	2,234	—	28	170	2,092	915	267	18	82	1,118	974	1,319
Office Equipments	1,000	—	67	84	983	624	108	177	74	835	148	376
<b>Total Tangible Assets</b>	65,923	—	3,720	10,614**	59,029	33,761	1,443*	635	6,484**	29,355	29,674	32,163
Previous Year	66,377	—	431	885	65,923	32,351	2,134*	—	725	33,760		
<b>(ii) Intangible Assets</b>												
Patents, Trade Marks	29	—	—	—	29	13	3	—	—	16	13	16
<b>Total Intangible Assets</b>	29	—	—	—	29	13	3*	—	—	16	13	16
Previous Year	29	—	—	—	29	10	3*	—	—	13		

\*Please refer Note 31

\*\*Deletion/Adjustment include tangible assets retired from active use held for sale of the Glass Unit at Sahibabad (U.P) shown under 'Other Current Assets' (Refer Note-21) : gross block Rs. 10,311 lakhs, accumulated depreciation Rs. 6,365 lakhs and net block Rs. 3,946 lakhs. (Previous Year Nil).

		As at March 31 2015 (Rs. in lacs)	As at March 31 2014 (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 (Previous year-1,350) Shares of Rs.10 Each Fully paid	0	0
	Punjab National Bank Limited		
	4,965 (Previous year -993) shares of Rs.2 each fully paid (Previous year Rs. 10 each fully paid)	4	4
	UNQUOTED		
	Chic Interiors Private Limited	0	0
	1,752 (Previous year-3,352) shares of Rs.10 each fully paid [Sold during the year 1600 shares (Previous year Nil) of Rs. 10 each fully paid]		
	UNQUOTED-IN SUBSIDIARIES		
	S.R.K. Investments Pvt. Ltd.	1	1
	10,000 (Previous year 10,000) Shares of Rs. 10 each fully paid		
	Sea Bird Securities Pvt. Ltd.	1	1
	8,000 (Previous Year 8,000) Shares of Rs. 10 each fully paid		
	JIL Trading Pvt. Ltd.	1	1
	10,000 (Previous year 10,000) Shares of Rs. 10 each fully paid		
	L.P. Investments Limited	1,016	1016
	10,157,500 (Previous year-10,157,500) shares of Rs.10 each fully paid [Purchased During the year Nil (Previous year Nil) shares of Rs.10 each fully paid]		
	IN PREFERENCE SHARES		
	UNQUOTED		
	Qube Corporation Pvt. Ltd.	36	90
	360,000 (Previous year 900,000 Cumulative Redeemable preference shares of Rs. 10 each) [Sold During the year 540,000 (Previous year 900,000) shares of Rs.10 each fully paid]		
	IN SUBSIDIARIES		
	L.P. Investments Limited	4	4
	4,500 (Previous year-4,500) 9.5% Redeemable Cumulative shares of Rs.100 each fully paid		
	IN GOVERNMENT SECURITIES		
	UNQUOTED		
	06 year National Saving Certificates (lodged with Govt. authorities)	1	3
	TOTAL	1,150	1,206
	Aggregate Value of Unquoted Investments	1,062	1,118
	Aggregate Value of Quoted Investments	88	88
	Market Value/NAV of Quoted Investments	413	412

# Notes

## Continued

		As at March 31 2015 (Rs. in lacs)	As at March 31 2014 (Rs. in lacs)
14. Long Term Loans and Advances	Capital Advances		
	Unsecured, considered good	161	114
		<u>161</u>	<u>114</u>
	Security Deposits		
	Unsecured, considered good	452	544
	Unsecured, considered doubtful	2	3
	Less: Provision for doubtful deposits	2	3
		<u>452</u>	<u>544</u>
	Loans and advances to related parties		
	Unsecured, considered good (Refer Note-40)	3,182	3,236
		<u>3,182</u>	<u>3,236</u>
	Other loans and advances		
	Unsecured, considered good		
	Advance/claim recoverable in cash or in kind	456	421
15. Other Non-current Assets	Unsecured, considered doubtful	54	54
	Less: Provision for doubtful loans and advances	54	54
	Balances with Statutory Authorities	—	1
		<u>456</u>	<u>422</u>
	TOTAL	<u>4,251</u>	<u>4,316</u>
	MAT Credit Receivable	1,068	1,068
	Fixed Deposits With Bank (Pledged as security)	883	124
	Fixed Deposits With Banks having maturity period of more than one year	—	3
	Advance Wealth tax (Net of Provision)	4	3
	Advance income tax (Net of Provision)	156	438
		<u>1,068</u>	<u>1,068</u>
	TOTAL	<u>2,111</u>	<u>1,636</u>
16. Current Investments	IN MUTUAL FUND		
	Principal PNB Long Term Equity Fund - 3 year Plan - Series I & II	—	8
	Principal PNB Fixed Maturity Plan - Series B17-371 Days	5	—
	Principal PNB Long Term Equity Fund - 3 year Plan - Principal Emerging Bluechip Fund-Growth	8	10
	Canara Rebco Mutal Fund-Short Term fund (Growth Plan)	15	—
	Principal Mutual Fund		
	UTI Infrastructure Advantage Fund Series I	5	5
		<u>5</u>	<u>5</u>
	TOTAL	<u>33</u>	<u>23</u>
	Aggregate Value of Quoted Investments/Mutual Funds	33	23
	Market Value/NAV of Quoted Investments/Mutual Funds	64	42

## 17. Inventories

Raw Materials and Packing Materials  
- In Transit  
Less : Provision for obsolete Inventory

Work-in-Progress  
Finished Goods  
Stock-in-Trade  
Store and Spares  
- In Transit

TOTAL

### 17.1 Details of Raw and Packaging Materials

Grains  
Molasses  
ENA  
Chemicals  
Colour & Essence  
Bottles  
Tins & Other Containers  
Labels  
Seals  
Others

### 17.2 Details of Work in Progress

Malt  
Glass  
Malt Extract  
Liquor  
Malted Milk Food

### 17.3 Details of Finished Goods

Malt  
Malt Extract  
Liquor  
Malted Milk Food  
Carbondioxide Gas  
Glass  
Containers  
Others

### 17.4 Details of Stock -in-trade

Petroleum and its Products  
Wine  
Liquor

As at March 31 2015 (Rs. in lacs)	As at March 31 2014 (Rs. in lacs)
3,994	4,300
1,040	792
18	23
5,016	5,069
222	290
4,978	5,001
57	208
899	1,072
213	55
11,385	11,695
277	888
172	420
601	536
27	31
83	74
1,092	937
248	211
410	289
669	575
415	339
3,994	4,300
4	6
18	22
8	3
170	242
22	17
222	290
139	438
8	2
4,507	4,159
0	1
0	0
252	345
9	9
63	47
4,978	5,001
29	42
—	162
28	4
57	208

# Notes

## Continued

		As at March 31 2015 (Rs. in lacs)	As at March 31 2014 (Rs. in lacs)
<b>18. Trade Receivables</b>	(a) Unsecured overdue for more than six months		
	Considered Good	3,527	3,268
	Considered Doubtful	554	363
	Less: Provision for doubtful receivables	554	363
	(b) Others		
	Considered Good	19,997	18,560
	<b>TOTAL</b>	<b>23,524</b>	<b>21,828</b>
<b>19. Cash and Bank Balances</b>	(i) <b>Cash &amp; Cash Equivalents</b>		
	Cash on hand	107	144
	Cheques on hand	14	1
	Funds in transit	12	—
	Balances with Banks		
	- Current Accounts	587	357
	- Fixed Deposits	154	531
	(With Original maturity period of up to 3 months)		
	(ii) <b>Other Bank Balances</b>		
	Fixed Deposits with Bank	2	2
	Margin Money Accounts	17	12
	<b>TOTAL</b>	<b>893</b>	<b>1,047</b>
<b>20. Short Term Loans and Advances</b>	Unsecured—Considered Good		
	Others Loan and Advance		
	- Balance with Revenue authorities	1,215	948
	- Advances to Suppliers	1,669	2,584
	- Security Deposits	81	87
	- Others	1,551	1,147
	Unsecured—Considered Doubtful		
	- Advances to Suppliers	818	—
	- Others	15	15
	- Less: Provision for Doubtful Advances	833	15
	<b>TOTAL</b>	<b>4,516</b>	<b>4,766</b>
<b>21. Other Current Assets</b>	Interest Receivable	56	59
	Other Income Receivable	82	56
	Duty Drawback receivable	2	9
	Fixed Assets held for sale		
	(Valued at the lower of the estimated net realisable value & net book value)	3,967	21
	<b>TOTAL</b>	<b>4,107</b>	<b>145</b>

		For the year ended March 31 2015 (Rs. in lacs)	For the year ended March 31 2014 (Rs. in lacs)
<b>22. Revenue From Operations (Gross)</b>	Sale of Products		
	Manufactured Goods	107,649	117,809
	Traded Goods	5,171	9,296
		<u>112,820</u>	<u>127,105</u>
	Income from Services		
	Job Work (Tax deducted at source Rs.123 lacs; Previous Year Rs. 112 lacs)	6,219	5,583
		<u>6,219</u>	<u>5,583</u>
	Other Operating Revenues		
	Rent (Tax deducted at source Rs.183 lacs; Previous year - Rs.170 lacs)	1,819	1,680
	Royalty (Tax Deducted at Source Rs Nil; Previous year - Rs. 19 lacs)	1,267	1,046
	Duty Drawbacks	—	18
	Scrap Sales	614	535
	Miscellaneous Income	728	761
	(Tax deducted at source Rs. 8 lacs; Previous year Rs. 7 lacs)		
		<u>4,428</u>	<u>4,040</u>
	Total Revenue from Operations	<u>123,467</u>	<u>136,728</u>
22.1	Details of Sale of Products (Net of discount)		
	(a) Manufactured Goods		
	Malt & Malt Extract	4,022	3,808
	Malted Milk Food	152	192
	Liquor	102,360	111,628
	Glass Bottles	—	728
	Carbondioxide Gas	16	30
	Others	1,099	1,423
		<u>107,649</u>	<u>117,809</u>
	(b) Traded Goods		
	Petroleum and its Products	2,094	1,861
	Wine	250	8
	Liquor	2,783	7,384
	others	44	43
		<u>5,171</u>	<u>9,296</u>
	Total (a) + (b)	<u>112,820</u>	<u>127,105</u>
<b>23. Other Income</b>	Dividends		
	On Other Investments	0	0
	Interest		
	- Fixed Deposits — Gross (Tax deducted at source Rs.12 lacs ; Previous year Rs. 15 lacs)	97	122
	- Others - Gross (Including interest on income tax Refund Rs. 54 lacs ; Previous year Rs.Nil)	503	16
	(Tax deducted at source Rs. 45 lacs; Previous year Rs.1 lac)		
	Profit on Sale of Investments	10	—
	Profit on Sale of Fixed Assets	55	17
	Insurance Claims	14	10
	Liabilities/provisions no longer required written back	114	182
	Foreign Exchange Fluctuation (Net)	8	6
	TOTAL	<u>801</u>	<u>353</u>

# Notes

## Continued

		For the year ended March 31 2015 (Rs. in lacs)	For the year ended March 31 2014 (Rs. in lacs)
<b>24. Cost of Materials Consumed</b>	Opening Stocks (Refer Note 45)	5,023	4,268
	Add: Purchases of raw and packing materials	38,856	40,816
		<u>43,879</u>	<u>45,084</u>
	Less: Closing Stocks	5,011	5,092
	TOTAL	<u>38,868</u>	<u>39,992</u>
	24.1 Details of Raw and Packaging Materials Consumed		
	Grains	4,635	3,402
	Molasses	3,074	4,730
	Soda Ash	—	86
	Sand	—	3
	ENA	11,618	9,503
	Bottles	11,055	9,956
	Tins & Other Containers	1,797	1,936
	Seals	3,600	3,570
	Cullet Outside Purchase	—	—
	Milk	797	1,133
	Packing Materials	1,645	2,157
	Others	647	3,516
	TOTAL	<u>38,868</u>	<u>39,992</u>
<b>25. Purchases of Stock-in-trade</b>	Petroleum and its Products	2,043	1,818
	Liquor	2,667	6,696
	Others	41	42
	TOTAL	<u>4,751</u>	<u>8,556</u>
<b>26. Changes in Inventories of Finished Goods Work in Progress and Stock-in-trade</b>	Opening Stocks		
	Work-in-Progress	268	310
	Finished Goods	4,905	8,471
	Stock-in-Trade	208	174
		<u>5,381*</u>	<u>8,955</u>
	Closing Stocks		
	Work-in-Progress	204	290
	Finished Goods	4,929	5,001
	Stock-in-Trade	57	208
		<u>5,190</u>	<u>5,499</u>
	Decrease/(Increase)	<u>191</u>	<u>3,456</u>
	* (Refer Note 45)		
<b>27. Employee Benefits Expenses</b>	Salaries, Wages, Bonus and Gratuity	6,592	6,174
	Contribution to Provident, Family Pension and Superannuation Funds	702	715
	Employees' State Insurance	177	173
	Staff Welfare Expenses	260	259
	TOTAL	<u>7,731</u>	<u>7,321</u>
<b>28. Finance Cost</b>	On Fixed Loans	2,105	2,127
	Others	1,024	737
	TOTAL	<u>3,129</u>	<u>2,864</u>

		For the year ended March 31 2015 (Rs. in lacs)	For the year ended March 31 2014 (Rs. in lacs)
<b>29. Other Expenses</b>	Manufacturing Expenses		
	Consumption of Stores and Spare parts excluding charged to other revenue heads Rs. 4,086 lacs (Previous year - Rs. 4,292 lacs)	389	415
	Power and Fuel	4,198	4,449
	Repairs - Buildings	189	208
	Plant and Machinery	569	584
	Excise Duty*	37	(207)
	Other Expenses	2,863	3,181
	<b>TOTAL</b>	<b>8,245</b>	<b>8,630</b>
	*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 (Refer Note 36).		
	Administration and Selling Expenses		
	Rent (Net)	286	303
	Lease Rental	197	214
	Rates & Taxes	3,670	3,584
	Insurance	260	281
	Travelling Expenses	1,005	1,319
	Repairs to Buildings	101	106
	Other Repairs & Maintenance	151	256
	Bad Debts, Advances and Stock written off	7	7
	Provision for Doubtful Debts and advances	1,010	81
	Provision for Inventory for obsolete stock	7	—
	Fixed Assets written off	4	9
	Loss on sale of Fixed Assets	11	20
	Reimbursement of Expenses to Directors	17	13
	Directors Fee	10	6
	Forwarding Charges	2,210	2,340
	Advertisement, Publicity and Sales Promotion	11,704	14,384
	Legal & Professional Expenses	1,020	924
	Miscellaneous Expenses	2,768	1,692
	<b>TOTAL</b>	<b>32,683</b>	<b>34,169</b>
29.1	Details of Payments to Auditors		
	For Audit	15	15
	For Tax Audit	5	5
	For Limited Review	3	3
	For Other Services	1	1
	Out of Pocket Expenses	1	1
	<b>TOTAL</b>	<b>25</b>	<b>25</b>
29.2	Prior Period Expenses/Income		
	Other Expenses	13	6
	<b>TOTAL</b>	<b>13</b>	<b>6</b>
29.3	Value of Imports on C.I.F. Basis		
	Raw Materials	3,068	2,425
	Spare Parts including Stores	2	0
29.4	Expenditure in Foreign Currency (On Cash Basis)		
	Other Matters - Commission, Traveling etc.	38	180
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. 192 lacs)	845	812

# Notes

## Continued

### 30. CONTINGENT LIABILITIES:

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

- 30.1 Particulars of various claims against the Company not acknowledged as debts Rs. 1,953 lacs (Previous year Rs. 195 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 Rs. 6 lacs)
  - Employees related claims Rs. 179 lacs (Previous year Rs. 167 lacs)
  - Liability in respect of notice received from GAIL (India) Limited on account of Annual Take or Pay Deficiency Claim for the Contract Year 2014 Rs. 1,746 lacs (Previous year Nil)
  - 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.
- 30.2 Particulars of various Excise & Service Tax demands under dispute Rs. 1,150 lacs (Previous year Rs. 1,111 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. 261 lacs (Previous year Rs. 261 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. 569 lacs).
  - Demand of cess and penalty under Central Excise Act on manufacturing of corrugated paper board Rs. 1 lac (Previous year Rs.1 lac).
  - Demand of service tax on renting of immovable property Rs.127 lacs (Previous year Rs. 127 lacs).
  - Demand of service tax under service of supply of tangible goods Rs. 62 lacs (Previous year Rs. 62 lacs).
  - Demand of service tax and penalty under management, maintenance and repair services Rs. 48 lacs (Previous year Rs. 17 lacs).
  - Demand of Excise Duty in respect of clearance of broken glass generated during the handling of bottles used for IMFL and Country Liquor Rs. 8 lacs (Previous year Nil).
- 30.3 Particulars of various Sales tax demands under dispute Rs. 6 lacs (Previous year Rs. 82 lacs) :
- Demand of Sales Tax under Central Sales Tax Act on account of incomplete submission of sales tax forms Rs. 6 lacs (Previous year Rs.9 lacs).
  - Demand of Sales Tax under UP Sales Tax Act & Central Sales Tax Act Rs. Nil (Previous year Rs. 73 lacs).
- 30.4 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.

31. 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.

	2014-15 (Rs. in lacs)	2013-14 (Rs. in lacs)
Depreciation for the year calculated in accordance with accounting policy mentioned [Refer Note 1.4 (a) and 12] on Tangible assets	1,443	2,134
Depreciation for the year calculated in accordance with accounting policy mentioned [Refer Note 1.4 (b) and 12] on Intangible assets	3	3
Less: Adjusted against Revaluation Reserve	203	288
Net depreciation for the year charged to Profit & Loss Account	1,243	1,849

32. The additions to fixed assets includes interest on borrowing which has been capitalised amounting to Rs. 113 Lacs (Previous year Rs. Nil)
33. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 20 lacs (Previous year Rs. 262 lacs).
34. Maximum amount of advances due from Subsidiary companies, "S.R.K. Investments Pvt. Limited", "JIL Trading Pvt. Ltd " and "L.P Investments Limited" at any time during the year is Rs.3,262 lacs (Previous year Rs. 3,251 lacs).
35. At the end of the year unclaimed deposits of Rs.124 lacs (previous year Rs. 77 lacs) disclosed under current liabilities are not required to be transferred to the Investor Education and Protection Fund (IEPF) in terms of section 205C of the Companies Act, 1956, as these deposits are unclaimed for less than 7 years from the date of their maturity. Additional unclaimed deposits of Rs. 0.49 lacs as on 31.3.2015 (Previous year 0.37 lacs) lying unclaimed for more than 7 years have been deposited in the IEPF on 11th April, 2015 (Previous year 12th April, 2014).
36. 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. 40,850 lacs (Previous year Rs. 43,140 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. 37 lacs [Previous year Rs. (207) lacs] has been separately shown in Manufacturing Expenses under 'Other Expenses Schedule' (Refer Note 29).
37. Earnings per share (EPS) : Numerators and denominators used to calculate basic and diluted earning per share

	Year ended 31.03.2015 (Rs. in lacs)	Year ended 31.03.2014 (Rs. in lacs)
Net Profit/(Loss) attributable to Shareholders	(4,365)	(4,523)
Weighted Average Number of Equity Shares in issue	43,648,112*	43,648,112*
Basic / Diluted Earnings per share of Rs.10 each (Rs.)	(10.00)	(10.36)
Net Profit/(Loss) attributable to Shareholders from continuing operation	(3,911)	(4,523)
Basic / Diluted Earnings per share of Rs.10 each (Rs.) from continuing operation	(8.96)	(10.36)

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).

### 38. EMPLOYEE BENEFITS

The Company has classified various employee benefits as under:

#### 38.1 Defined Contribution Plans

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

	For the Year ended 31.03.2015 (Rs. in lacs)	For the Year ended 31.03.2014 (Rs. in lacs)
(i) Employers' Contribution to Superannuation Fund	174	190
(ii) Employers' Contribution to Provident Fund	538	525
(iii) Employers' Contribution to Employees' State Insurance	178	173

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

#### 38.2 Defined Benefit Plans

Valuation in respect of Gratuity and Leave Encashment have been carried out by independent actuary, as at 31st March, 2015, based on the following assumptions:

	Leave Encashment (Unfunded) (Rs. in lacs)	Gratuity (Unfunded) (Rs. in lacs)
(I) Assumptions		
(a) Discount Rate	7.90%	7.90%
(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)	6.50-17.79	6.50-17.79
(II) Change in the Present Value of Obligation		
(a) Present value of obligation as at April 1, 2014	434	1,575
(b) Interest cost	21	111
(c) Current service cost	180	120
(d) Benefit paid	(53)	(351)
(e) Actuarial (gain)/loss on obligations	(110)	172
(f) Present value of obligation as at March 31, 2015	472	1,627
(III) Amount recognised in the Balance Sheet		
(a) Present value of obligation as at March 31, 2015	472	1,627
(b) Fair Value of Plan Assets as at the year end	—	—
(c) (Asset) / Liability recognised in the Balance Sheet	472	1,627
(IV) Expenses recognised in the Statement of Profit and Loss		
(a) Current service cost	180	120
(b) Interest cost	21	111
(c) Expected Return on Plan Assets	—	—
(d) Settlement Cost/Credit	(53)	(351)
(e) Actuarial (gain)/loss recognised in period	(110)	172
(f) Total Expenses recognised in the Statement of Profit and Loss	38	52

Valuation in respect of Gratuity and Leave Encashment was carried out by independent actuary, as on 31st March, 2014, based on the following assumptions:

(I) Assumptions		
(a) Discount Rate	9.15%	9.15%
(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)	7.85-18.00	7.85-18.00
(II) Change in the Present Value of Obligation		
(a) Present value of obligation as at April 1, 2013	497	1,822
(b) Interest cost	27	152
(c) Current service cost	124	112
(d) Benefit paid	(56)	(317)
(e) Actuarial (gain)/loss on obligations	(158)	(194)
(f) Present value of obligation as at March 31, 2014	434	1,575
(III) Amount recognised in the Balance Sheet		
(a) Present value of obligation as at March 31, 2014	434	1,575
(b) Fair Value of Plan Assets as at the year end	—	—
(c) (Asset) / Liability recognised in the Balance Sheet	434	1,575
(IV) Expenses recognised in the Statement of Profit and Loss		
(a) Current service cost	124	112
(b) Interest cost	27	152
(c) Expected Return on Plan Assets	—	—
(d) Settlement Cost/Credit	(56)	(317)
(e) Actuarial (gain)/loss recognised in period	(158)	(194)
(f) Total Expenses recognised in the Statement of Profit and Loss	(63)	(247)

### 39. 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.

#### 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.

# Notes

## Continued

Information about Business Segment - Primary for the year 2014-15					(Rs. in lacs)
	Beverages	Food	Packaging	Others	Total
REVENUE					
Sales (Net of Excise duty), Services and Other income	69,775	10,880	55	2,155	82,865
Inter Segment Sales	—	—	—	—	—
Unallocated Income	—	—	—	—	383
Total Revenue	69,775	10,880	55	2,155	83,248
RESULTS					
Segment Results (Refer Note vii below)	56	810	(761)	35	140
Unallocated expenditure					
Net of unallocated income					(3,174)
Interest Income					616
Interest Expense					(3,166)
Profit/(Loss) before exceptional items					(5,584)
Exceptional items					—
Profit/ (Loss) before tax					(5,584)
Less: Tax expense:					
Current Tax :					—
- For the year					—
- MAT Credit Entitlement					—
Deferred Tax (benefit)/ charge					(1,219)
Profit/ (Loss) after tax					(4,365)
OTHER INFORMATION					
Segment Assets (Refer Note ii below)	51,249	10,346	4,560	77	66,232
Unallocated Assets					15,480
Total Assets					81,712
Segment Liabilities	23,789	1,627	214	2	25,632
Unallocated Liabilities					29,256
Total Liabilities					54,888
Capital Expenditure	181	3,004	—	—	3,185
Unallocated Capital Expenditure					54
Total Capital Expenditure					3,239
Depreciation	535	454	—	—	989
Unallocated Depreciation					254
Total					1,243
Non - cash expenditure other than depreciation	1,017	10	253	—	1,280
Unallocable Non Cash expenditure					—
Total					1,280
Information about Secondary Business Segments - Geographical by location of customers					(Rs. in lacs)
			Domestic	Overseas	Total
Revenues (Net of Excise Duty)			82,394	854	83,248
Other information:					
Carrying amount of segment assets by location of assets			81,712	—	81,712
Addition to Fixed Assets/Capital Work- in- Progress (including Capital Advances)			3,239	—	3,239
Information about Business Segment - Primary for the year 2013-14					(Rs. in lacs)
	Beverages	Food	Packaging	Others	Total
REVENUE					
Sales (Net of Excise duty), Services and Other income	80,420	10,430	749	1,911	93,510
Inter Segment Sales	—	—	1,755	—	1,755
Unallocated Income	—	—	—	—	293
Total Revenue	80,420	10,430	2,504	1,911	95,558
RESULTS					
Segment Results (Refer Note vii below)	2,126	668	(1,062)	22	1,754
Unallocated expenditure					
Net of unallocated income					(3,294)
Interest Income					138
Interest Expense					(2,864)
Profit/(Loss) before exceptional items					(4,266)
Exceptional items					—
Profit/ (Loss) before tax for the year					(4,266)
Less: Tax expense:					
Current Tax :					—
- For the year					—
- MAT Credit Entitlement					—
Deferred Tax (benefit)/ charge					257
Profit/ (Loss) after tax					(4,523)
OTHER INFORMATION					
Segment Assets (Refer Note ii below)	50,139	8,240	5,103	96	63,578
Unallocated Assets					15,846
Total Assets					79,424
Segment Liabilities	19,760	1,439	377	3	21,579
Unallocated Liabilities					25,980
Total Liabilities					47,559
Capital Expenditure	169	555	—	—	724
Unallocated Capital Expenditure					62
Total Capital Expenditure					786
Depreciation	930	471	277	5	1,683
Unallocated Depreciation					166
Total					1,849
Non - cash expenditure other than depreciation	88	—	4	—	92
Unallocable Non Cash expenditure					5
Total					97

Information about Secondary Business Segments - Geographical by location of customers

(Rs. in lacs)

	Domestic	Overseas	Total
Revenues (Net of Excise Duty)	92,981	822	93,803
Other information:			
Carrying amount of segment assets by location of assets	79,424	—	79,424
Addition to Fixed Assets/Capital Work- in- Progress (including Capital Advances)	786	—	786

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 less than 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. 216 lacs (Previous year-Rs. 697 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. 1,617 lacs (Previous year Rs. 1,479 lacs) from the surplus properties of the Company.

40. 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:

- 40.1 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.  
L.P. Investments Ltd.

- 40.2 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. Ltd.  
Qube Corporation Pvt. Ltd.

- 40.3 Key Management Personnel and their relatives:

Ms. Roshini Sanah Jaiswal (Director w.e.f. 14.8.2014 to 30.09.2014)  
Mr. Karamjit Jaiswal (Relative of Director)  
Mrs. Shakun Jaiswal (Relative of Director)  
Mr. Narender Sapra (Managing Director)  
Mr. Ravi Manchanda (Director)  
Mrs. Nimmi Manchanda (Relative of Director)

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

(Rs. in lacs)

	For the Year ended March 31, 2015				For the Year ended March 31, 2014			
	With Persons Mentioned in Note 40.1	With Persons Mentioned in Note 40.2	With Persons Mentioned in Note 40.3	Total	With Persons Mentioned in Note 40.1	With Persons Mentioned in Note 40.2	With Persons Mentioned in Note 40.3	Total
	40.1	40.2	40.3		40.1	40.2	40.3	
PARTICULARS OF TRANSACTIONS								
Sales of Goods (Hyderabad Distilleries & Wineries Pvt. Ltd.)	—	40	—	40	—	9	—	9
Royalty Received (Hyderabad Distilleries & Wineries Pvt. Ltd.)	—	9	—	9	—	3	—	3
Purchases of goods (Milkfood Limited)	—	14	—	14	—	18	—	18
Interest accrued (Refer Note 3 below)	—	6	—	6	—	6	—	6
Interest received on advance from L.P Investments Limited	449	—	—	449	—	—	—	—
Reimbursement of Payments Made on Behalf of Company (Refer Note 4 below)	4	81	—	85	—	104	—	104
Expenses paid by Company on Behalf of related party (Refer Note 5 below)	—	106	—	106	1	26	—	27
Rent received (Milkfood Limited)	—	4	—	4	—	4	—	4
Loans including interest repaid (Refer Note 6 below)	—	3	—	3	—	2	—	2
Managerial Remuneration including salary & reimbursement of expenses of Key Management Personnel (Refer Note 2 below)	—	—	587	587	—	—	546	546
Sale of shares to Hyderabad Distilleries & Wineries Pvt. Ltd.	—	—	—	—	—	45	—	45
Advance Given (Refer Note 8 below)	2	—	100	102	10	—	—	10
Refund of Advance Given (Refer Note 9 Below)	51	—	—	51	17	—	—	17
Bottling Charges paid (Hyderabad Distilleries & Wineries Pvt. Ltd.)	—	285	—	285	—	202	—	202
Lease Rent paid (Refer Note 7 below)	—	147	8	155	—	147	10	157
Contribution to Superannuation Fund (Jagatjit Industries Limited Employees Superannuation Scheme)	—	79	—	79	—	134	—	134
BALANCES OUTSTANDING AT THE YEAR END								
Unsecured Advances (Note 10)	3,182	—	—	3,182	3,236	—	—	3,236
Payable (Net of Receivable)	—	102	—	102	—	157	—	157
Unsecured Loans (Including interest accrued)	—	77	—	77	—	74	—	74
Investments (Note 11)	1,023	38	—	1,061	1,023	92	—	1,115

Notes:

- The above information has been compiled on the basis of disclosures received from all directors of the Company.

# Notes

## Continued

- 2) The above payments does not include expenses incurred by / reimbursed to directors during the course of performance of duty.
- 3) Interest Accrued is in respect of the following :  
Fast Buck Investments & Trading Pvt. Ltd. Rs. 6 lacs (Previous year Rs. 6 lacs)
- 4) Reimbursement of Payments Made on behalf of the Company is in respect of the following :  
Milkfood Ltd. Rs. 71 lacs (Previous year Rs. 94 lacs)  
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 10 lacs (Previous year Rs.10 lacs)  
JIL Trading Pvt. Ltd. Rs 4 (Previous Year Rs. 0)
- 5) Expenses paid by the Company on behalf of related parties is in respect of the following :  
Milkfood Ltd. Rs. 20 lacs (Previous year Rs. 13 lacs)  
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 86 lacs (Previous year Rs. 13 lacs)  
S. R. K. Investments Pvt. Ltd. Rs. 0 (Previous year Rs. 0)  
L. P. Investments Pvt. Ltd. Rs 0 (Previous year Rs.0)
- 6) Loans including interest repaid is in respect of the following :  
Fast Buck Investments & Trading Pvt. Ltd. Rs. 3 lacs (Previous year Rs. 2 lacs)
- 7) Lease Rent paid  
Pashupati Properties & Estates Pvt. Limited Rs. 12 lacs (Previous year Rs. 12 lacs)  
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 135 lacs (Previous year Rs. 135 lacs)  
Mrs. Nimmi Manchanda Rs. 8 lacs (Previous year Rs. 10 lacs)
- 8) Advances Given  
S. R. K. Investments Pvt. Ltd. Rs.Nil (Previous year Rs. 4 lacs)  
JIL Trading Pvt. Ltd.Rs. 2 lacs (Previous year Rs. 6 lacs)  
Relatives of Director Rs. 100 lac (Previous year Rs. Nil)
- 9) Refund of Advance  
L.P. Investments Ltd. Rs. 51 lacs (Previous year Rs. 15 lacs)  
S. R. K. Investments Pvt. Ltd. Rs.Nil (Previous year Rs. 2 lacs)
- 10) Unsecured Advances Outstanding  
S.R.K. Investments Pvt. Ltd. Rs. 2,977 lacs (Previous year Rs. 2,977 lacs)  
L.P. Investments Ltd. Rs. 199 lacs (Previous year Rs. 252 lacs)  
JIL Trading Pvt. Ltd. Rs. 6 lacs (Previous year Rs. 7 lacs)
- 11) Investments  
S.R.K. Investments Pvt. Ltd. Rs. 1 lac (Previous year Rs. 1 lac)  
L.P. Investments Ltd. Rs. 1,020 lacs (Previous year Rs. 1,020 lacs)  
JIL Trading Pvt. Ltd. Rs. 1 lac (Previous year Rs. 1 lac)  
Sea Bird Securities Pvt. Ltd. Rs. 1 lac (Previous year Rs. 1 lac)  
Qube Corporation Pvt. Ltd. Rs. 36 lacs (Previous year Rs. 90 lacs)  
Hyderabad Distilleries & Wineries Pvt. Ltd. (Associate) Rs. 2 lacs (Previous year Rs. 2 lacs)

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

	2014-15		2013-14	
	Value (Rs. in lacs)	%	Value (Rs.in lacs)	%
Raw and Packing Materials				
Imported	2,899	7.46	2,780	6.95
Indigenous	35,969	92.54	37,212	93.05
	<u>38,868</u>	<u>100.00</u>	<u>39,992</u>	<u>100.00</u>
Stores and Spare Parts				
Imported	1	0.02	3	0.06
Indigenous	4,474	99.98	4,704	99.94
	<u>4,475</u>	<u>100.00</u>	<u>4,707</u>	<u>100.00</u>

42. The Company normally acquires vehicles under operational lease with the respective underlying assets as security. Minimum lease payments outstanding as on March 31, 2015 in respect of these assets are Nil (Previous year Nil).  
Lease payments of Rs. Nil (Previous year Rs. 9 lacs) have been recognised as an expense in the profit and loss account for the year ended March 31, 2015
43. The Company has provided for depreciation adopting the useful lives of the assets (except for some Plant and Machinery) as prescribed in Schedule II of the Companies Act, 2013. However some plants and machinery have been depreciated on the re-evaluated useful life assessed by the technical experts which are different from the useful life prescribed in Schedule - II read with the relevant provisions thereof. Had the Company continued with the previously assessed useful life, charge for depreciation and loss for the period ended 31st March, 2015 would have been higher by Rs. 575 Lacs for the assets held as at 1st April, 2014. Further, based on transitional provisions provided in clause 7(b) of Schedule II of the Companies Act,2013, an amount of Rs. 439 lacs (net of deferred tax assets Rs.196 lacs) representing the carrying value of those Assets which have become nil, has been charged to the retained earnings as at 1st April, 2014.
44. During the year, net profit amounting to Rs. 375 lacs and (previous year Rs Nil) has been earned by the Company from sale of its industrial property situated In Block C, Sector 57, Noida, Gautam Budh Nagar (U.P).

45. The company has discontinued its operation for Packaging Division with effect from 1st April, 2014. The disclosures as required under Accounting Standard -24 are given below.

	For the year ended March 31 2015 (Rs. in lacs)	For the year ended March 31 2014 (Rs. in lacs)
Revenue		
Miscellaneous Income	27	—
Interest		
- Fixed Deposits	16	—
Profit on Sale of Fixed Assets	375	—
Liabilities/provisions no longer required written back	28	—
Total Revenue	<u>446</u>	<u>—</u>
Expenses		
Changes in inventories of Finished Goods, Work-in-Process and Stock- in -Trade	51	—
Employee Benefits Expenses		
Salaries, Wages, Bonus and Gratuity	272	—
Contribution to Provident, Family Pension and Superannuation Funds	10	—
Employees' State Insurance	1	—
Staff Welfare Expenses	3	—
	<u>286</u>	<u>—</u>
Finance Cost		
On Fixed Loans	36	—
Others	1	—
	<u>37</u>	<u>—</u>
Other Expenses		
Manufacturing Expenses		
Power and Fuel	83	—
Administration and Selling Expenses		
Rates & Taxes	4	—
Insurance	11	—
Travelling Expenses	15	—
Other Repairs & Maintenance	57	—
Bad Debts, Advances and Stock written off	252	—
Loss on sale of Fixed Assets	6	—
Advertisement, Publicity and Sales Promotion	4	—
Legal & Professional Expenses	17	—
Miscellaneous Expenses	29	—
	<u>478</u>	<u>—</u>
Total Expenses	852	—
Profit/(Loss) for the year	(406)	—
Less: Tax Expense	48	—
Profit/(Loss) after Tax for the year	(454)	—
Total Assets	1,193	—
Total Liabilities	355	—
Cash Flow from discontinuing operations included in above		
- Operating activities	(530)	—
- Investing activities	532	—
- Financing activities	(184)	—

The effect of discontinuing operations has resulted in changes/exclusion in opening stock of inventories (Schedule 24 & 26)

46. Previous year's figures have been regrouped / reclassified whenever necessary to correspond with the current year's classification/ disclosure.

# Consolidated Financial Statements

## Independent Auditors' Report

### TO THE MEMBERS OF JAGATJIT INDUSTRIES LIMITED

#### Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Jagatjit Industries Limited (hereinafter referred to as "the Holding Company") and its Subsidiaries (the Holding Company and its Subsidiaries together referred to as "the Group") its Associate, comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

#### Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the Group and of its Associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) In the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group and its Associate as at March 31, 2015;
  - (b) In the case of the Consolidated Statement of Profit and Loss, of the consolidated loss of the Group and its Associate for the year ended on that date;
  - (c) In the case of Consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

#### Other Matter

7. We did not audit the financial statements of four Subsidiaries, whose financial statements reflect total assets of Rs. 3,106 Lakhs as at 31st March, 2015, total revenues of Rs. 525 Lakhs and net cash flows amounting to Rs. 23 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's

share of net loss of Rs. 0.12 Lakhs for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of one Associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these Subsidiaries and Associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid Subsidiaries and Associate, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our Report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

#### **Report on Other Legal and Regulatory Requirements**

8. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company, Subsidiary Companies and Associate Company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
9. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its Subsidiary Companies and Associate Company incorporated in India, none of the directors of the Group Companies and its Associate Company incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its Associate— Refer Note 30 to the consolidated financial statements.
    - ii. The Group and its Associates did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiary Companies and Associate Company incorporated in India.

Place : New Delhi  
Date : September 01, 2015

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

# Consolidated Financial Statements

## Independent Auditors' Report

### ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in the paragraph 8 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the consolidated financial statement of Jagatjit Industries Limited for the year ended March 31, 2015)

Our reporting on the Order includes one Subsidiary Company and one Associate Company incorporated in India, to which the Order is applicable, which have been audited by other auditors and our report in respect of these Companies is based solely on the reports of the other auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

- (i) In respect of the fixed assets of the Holding Company, Subsidiary Company and Associate Company incorporated in India:
  - (a) The respective Companies have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets of the Holding Company are physically verified by the management according to a phased programme designed to cover all 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 of the Holding Company during the year and no material discrepancies have been noticed on such verification. In the opinion of other auditors, the fixed assets of the Subsidiary Company and Associate Company incorporated in India have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.
- (ii) In respect of the inventories of the Holding Company, Subsidiary Company and Associate Company incorporated in India:
  - (a) The inventory (excluding stocks with third parties) of the Holding Company, Subsidiary Company and Associate Company incorporated in India has been physically verified during the year by the management of respective Companies. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion and the opinion of the other auditors, the frequency of verification is reasonable.
  - (b) In our opinion and the opinion of the other auditors, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the respective Company and the nature of their business.
  - (c) On the basis of examination of the inventory records, in our opinion and in the opinion of the other auditors, the respective Companies are maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the books records were not material.
- (iii) The Holding Company and Associate Company have not granted loans, secured or unsecured, to Companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3 (iii)(a) & (b) of the said Order are not applicable to the Holding Company and Associate Company. In the opinion of auditor of the Subsidiary of the Group, the Company has granted loan to three Companies covered in the register maintained under section 189 of Companies Act, 2013 amounting to Rs. 6.26 lacs.
  - a) In the opinion of the auditor of the aforesaid Subsidiary Company, it has not received any amount during the year towards the said loans granted.
  - b) In the opinion of the auditor of the aforesaid Subsidiary Company, paragraph 3(b) of the Order is not applicable to the Company in respect of repayment of the principal amount.
- (iv) In our opinion and the opinion of the other auditors, according to the information and explanations given to us and to other auditors, there is an adequate internal control system commensurate with the size of the Holding Company, Subsidiary Company and Associate Company and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit, we and the auditors of other Subsidiary company and Associate company have not observed any continuing failure to correct major weakness in the aforesaid internal control system of the entities.
- (v) In our opinion and according to the information and explanations given to us, the Holding Company has complied with the directives issued by Reserve Bank of India and provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder to the extent applicable 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. The Subsidiary and Associate Company have not accepted any deposits from the public as reported by the other auditors who audited the financial statements of these entities.
- (vi) We have broadly reviewed the cost records maintained by the Holding Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act and we 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. In the opinion of the auditors of Subsidiary Company & Associate Company, the requirements of the Companies (Cost Records and Audit) Rules, 2014 do not apply to them.
- (vii) (a) According to the information and explanations given to us and other auditors and the records of the Holding Company, Subsidiary Company and Associate Company examined by us and other auditors, the Holding Company, Subsidiary Company and Associate Company are generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth-Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. Further, in our opinion and the opinion of the other auditors, there were no undisputed amounts outstanding at the year end for a period of more than six months from the date they became payable in the Holding Company, Subsidiary Company and Associate Company.
  - (b) According to the information and explanations given to us and other auditors and the records of the the Holding Company, Subsidiary Company and Associate Company examined by us and other auditors, the particulars of dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty, Value Added Tax and Cess as at March 31, 2015 which have not been deposited on account of a dispute, are as follows:-

#### Holding Company:-

Name of the statute	Nature of dues	Amount(Rs.)	Period to which the amount relates	Forum where the Dispute is pending
<b>EXCISE DUTY</b>				
Central Excise Act, 1944	Demand of Cess on manufacturing of Corrugated Paper Board	36,978	November 2010 to October 2012	Commissioner (Appeals) Chandigarh - I
Central Excise Act, 1944	Penalty in the above matter	36,978	November 2010 to October 2012	Commissioner (Appeals) Chandigarh - I
<b>SERVICE TAX</b>				
The Finance Act, 1994	Wrong availment of Service Tax Cenvat Credit	13,127,235	October 2003 to September 2007	CESTAT, New Delhi

Name of the statute	Nature of dues	Amount(Rs.)	Period to which the amount relates	Forum where the Dispute is pending
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 March 2008	CESTAT, New Delhi
The Finance Act, 1994	Penalty in the above matter	6,970,632	October 2007 to March 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
The Finance Act, 1994	Demand and Penalty Management maintenance and Repair Services	1,797,534	June, 2005	CESTAT, New Delhi
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
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.

#### Associate Company:-

Name of the statute	Nature of dues	Amount(Rs.)	Period to which the amount relates	Forum where the Dispute is pending
EXCISE ACT AP Excise Act	Arrears of License Fees and Label approval fees	826,000	FY-1889-93	Andhra Pradesh High Court
VALUE ADDED TAX AP Value Added Tax	VAT on Lease Rent	545,000	Oct 2006 to April, 2007	Sales Tax Appellate Tribunal
INCOME TAX ACT Income Tax Act	Tax Demand	8,782,000	FY-2007-08	Second Appellate Authority
Income Tax Act	Tax Demand	11,491,000	FY-2009-10	First Appellate Authority

- (c) According to the information and explanations given to us and to other auditors the records of the Holding, Subsidiary and Associate Companies examined by us and other auditors, the amounts required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) The Holding Company and its Associate Company do not have consolidated accumulated losses at the end of the financial year. As reported by the other auditor of the Subsidiary Company in the Group, the same has accumulated losses at the end of the financial year which are more than fifty percent of its net worth. Holding Company has incurred cash losses in the current and immediately preceding financial year. As reported by the other auditors, the Subsidiary Company has not incurred cash losses in the current and immediately preceding financial year and the Associate Company has not incurred cash losses in the current financial year.
- (ix) In our opinion and opinion of other auditors, and according to the information and explanations given to us and other auditors, the Holding Company, Subsidiary Company and Associate Company have not defaulted in the repayment of dues to financial institutions and banks. The Holding Company, Subsidiary Company & Associate Company have not issued any debentures.
- (x) In our opinion and opinion of other auditors, and according to the information and explanations given to us and other auditors, the Holding Company, Subsidiary Company and Associate Company have not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xi) In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied by the Holding Company for the purposes for which they were obtained. As per the report and opinion of the auditors of Subsidiary Company and Associate Company, no term loans were obtained by them during the year.
- (xii) To the best of our knowledge and according to the information and explanations given to us and to other auditors, no instances of material fraud on or by the Holding Company, Subsidiary Company and Associate Company have been noticed or reported during the course of our audit.

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

Place : New Delhi  
Date : September 01, 2015

# Consolidated Balance Sheet

as at 31st March, 2015

			As at March 31 2015 (Rs. in lacs)	As at March 31 2014 (Rs. in lacs)
<b>Equity and Liabilities</b>	<b>Shareholders' Funds</b>	<b>Note</b>		
	Share Capital	2	4,615	4,615
	Reserves and Surplus	3	22,462	27,446
	<b>Non-Current Liabilities</b>			
	Long Term Borrowings	4	11,522	10,669
	Deferred Tax Liability (Net)	5	784	2,199
	Other Long Term Liabilities	6	1,946	848
	Long Term Provisions	7	2,099	2,088
	<b>Current liabilities</b>			
	Short Term Borrowings	8	11,190	7,839
	Trade Payables	9	15,187	13,665
	Other Current Liabilities	10	11,795	9,884
	Short Term Provisions	11	454	452
	<b>TOTAL</b>		<b>82,054</b>	<b>79,705</b>
<b>Assets</b>	<b>Non-Current Assets</b>			
	<b>Fixed Assets</b>			
	Tangible Assets	12	29,674	32,163
	Intangible Assets	12	1,262	1,265
	Capital Work-in-Progress		55	583
	Non-current investments	13	415	473
	Long-term loans and advances	14	4,046	4,058
	Other non-current assets	15	2,122	1,649
	<b>Current Assets</b>			
	Current investments	16	33	23
	Inventories	17	11,385	11,695
	Trade receivables	18	23,525	21,828
	Cash and Bank Balances	19	926	1,057
	Short-term loans and advances	20	4,504	4,766
	Other current assets	21	4,107	145
	<b>TOTAL</b>		<b>82,054</b>	<b>79,705</b>
	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 financial statements

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

**Narender Sapra** - Managing Director

New Delhi  
1st September, 2015

**K.K. Kohli**  
Company Secretary

**Anil Girotra**  
Chief Financial Officer

**Kiran Kapur**  
**Sudhir Avasthi**  
**Peri Kameswara Sharma** } Directors

# Consolidated Statement of Profit and Loss

for the year ended 31st March, 2015



			For the year Ended March 31 2015 (Rs. in lacs)	For the year Ended March 31 2014 (Rs. in lacs)
<b>Income</b>		Note		
	Revenue from Operations (Gross)	22	123,992	136,728
	Less: Excise Duty		40,850	43,140
			83,142	93,588
	Other Income	23	352	358
	Total Revenue		83,494	93,946
<b>Expenses</b>				
	Cost of Materials Consumed	24	38,868	39,992
	Purchases of Stock-in-Trade	25	4,750	8,556
	Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	26	191	3,456
	Employee Benefits Expense	27	7,731	7,321
	Finance Costs	28	3,133	2,864
	Depreciation and Amortisation Expense	32	1,243	1,849
	Other Expenses	29	32,696	34,180
	Total Expenses		88,612	98,218
	Profit/(Loss) before exceptional items and tax		(5,118)	(4,272)
	Exceptional expenses/(incomes)		—	—
<b>Profit/(Loss) before Tax</b>			(5,118)	(4,272)
<b>Less: Tax Expenses</b>				
	Current tax :			
	- For the year		12	—
	- MAT Credit Entitlement		(10)	—
	Deferred Tax (benefit)/charge	5	(1,267)	257
			(1,265)	257
	Profit/(Loss) after tax from Continuing Operations		(3,853)	(4,529)
	Profit/(Loss) from discontinuing Operations	44	(406)	—
	Less : Tax Expenses from discontinuing Operations		48	—
	Profit/(Loss) after Tax before share of results of associates & Minority interest		(4,307)	(4,529)
	Less :- Minority Interest		1	0
	Add :- Share of Net Profit/(Loss) of Associates		(0)	(9)
	Profit/(Loss) after Tax before share of Associates & Minority interest for the year		(4,308)	(4,538)
	Basic and Diluted Earnings per share (from Continuing Operations (Rs.) (Face Value of Rs. 10 each)	37	(8.83)	(10.40)
	Basic and Diluted Earnings per share (Rs.) (Face Value of Rs. 10 each)	37	(9.87)	(10.40)
	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 financial statements

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

**Narender Sapra** - Managing Director

New Delhi  
1st September, 2015

**K.K. Kohli**  
Company Secretary

**Anil Girotra**  
Chief Financial Officer

**Kiran Kapur**  
**Sudhir Avasthi**  
**Peri Kameswara Sharma**

} Directors

# Consolidated Cash Flow Statement

for the year ended 31st March, 2015

	2015 (Rs. in lacs)	2014 (Rs. in lacs)
<b>A. Cash Flow from Operating Activities:</b>		
Net Profit/(Loss) before tax	(5,525)	(4,272)
Adjustments for:		
Depreciation	1,243	1,849
Interest Expense	3,166	2,864
Interest Income	(616)	(138)
(Profit)/Loss on Fixed Assets sold (net)	(413)	3
Profit on sale of investment in shares	(515)	—
Profit on redemption of shares	(7)	—
Dividend received	(4)	—
Fixed Assets written off	4	9
Debts / Advances/Stock written off	259	7
Provision for Bad & Doubtful Debts and Advances	1,010	81
Provision for inventory for obsolete/damaged stock	7	—
Liability no longer required written back	(142)	(50)
Provision for Gratuity & Leave Encashment	90	(310)
Unrealised Foreign Exchange (gain)/loss (net)	1	2
Operating Profit before Working Capital Changes	(1,442)	45
Adjustments for changes in Working Capital :	—	—
(Increase)/ Decrease in Trade Receivables	(2,012)	270
(Increase)/ Decrease in Short Term Loans & Advances	(157)	(381)
(Increase)/ Decrease in Long Term Loans & Advances	61	(43)
(Increase)/ Decrease in Other Current Assets	(189)	(152)
(Increase)/ Decrease in Inventories	43	2,364
Increase/ (Decrease) in Trade Payables	1,598	20
Increase/(Decrease) in other current liabilities	1,457	(1,287)
Increase/(Decrease) in Other Long Term Liabilities	1,098	444
Increase/(Decrease) in Long Term Provisions	(78)	(1)
Increase/(Decrease) in Short Term Provisions	1	4
Cash generated from operations	380	1,283
Taxes (Paid)/ Received (Net of TDS)	254	(88)
Net Cash from/ (used) Operating Activities	635	1,195
<b>B. Cash flow from Investing Activities:</b>		
Purchase of Fixed Assets including Capital Work- in -Progress and Capital advances	(3,172)	(925)
Proceeds from Sale of Fixed Assets	538	143
Purchase of investments	(20)	—
Sale of investments	590	3
Dividend Received	4	—
Advances to Subsidiaries	0	—
Interest Received (Revenue)	562	177
Release/(Addition) of Cash (from)/for restrictive use	(759)	55
Net Cash from Investing Activities	(2,257)	(547)
<b>C. Cash Flow from Financing Activities:</b>		
Proceeds from short term Borrowings (Net)	3,351	631
Proceeds from long term Borrowings (Net)	1,279	163
Interest Paid	(3,139)	(2,534)
<b>Net cash used in Financing Activities</b>	<b>1,491</b>	<b>(1,740)</b>
Net Increase/ (Decrease) in Cash & Bank Balances	(131)	(1,092)
Cash and Cash equivalents at the beginning of the year	1,043	2,133
Other Bank Balance at the beginning of the year	14	16
Cash and Cash equivalents at the end of the year	907	1,043
Fixed Deposits with Banks	2	2
Margin Money Account	17	12
Cash and Bank Balances at the end of the year	926	1,057
Cash and Bank Balances Comprise		
Cash, Cheques & Drafts (in hand) and Remittances in transit	133	154
Balance with Scheduled Banks	793	903
	<u>926</u>	<u>1,057</u>
Cash and Cash Bank Balances Include :		
Cash and Bank Balances	926	1,057
Unrealised gain on foreign currency	—	—
<b>Total Cash and Cash Equivalents</b>	<b>926</b>	<b>1,057</b>
Cash Flow from discontinuing operations included in above		
- Operating activities	(530)	—
- Investing activities	532	—
- Financing activities	(184)	—

## 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 balances.
- 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 the financial statements

**Nitin Chaudhry**

Partner

Membership No. F 91463

For and on behalf of

MITTAL CHAUDHRY & CO.

Chartered Accountants

Firm Registration No.002336N

**Narender Sapra** - Managing Director

New Delhi  
1st September, 2015

**K.K. Kohli**  
Company Secretary

**Anil Girotra**  
Chief Financial Officer

**Kiran Kapur**  
**Sudhir Avasthi**  
**Peri Kameswara Sharma**



Directors

# Notes on Consolidated

## Financial Statements for the year ended 31st March, 2015



### 1 SIGNIFICANT ACCOUNTING POLICIES:

#### 1.1. A) BASIS FOR PREPARATION OF ACCOUNTS

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (GAAP) under the historical cost convention on accrual basis, except for certain tangible assets which are being carried at revalued amounts. These financial statements have been prepared to comply in all material aspects with the accounting standards as prescribed by Companies (Accounting Standards) Rule, 2006, as amended and the other relevant provisions of the Companies Act, 2013.

#### 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, 2015.

#### C) PRINCIPLES OF CONSOLIDATION

- i) The financial statement of the parent company and its subsidiaries have been combined 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 consolidated financial statements include the share of profit of the associate company which has been accounted for using equity method as per Accounting Standard 23-Accounting for Investments in Associates in Consolidated Financial Statements. Accordingly, the share of profit from the associate company has been added to the cost of Investments.
- iv) Goodwill represents the difference between the company's share in the networth and cost of acquisition of subsidiary at each stage of acquisition of investment. Goodwill arising on consolidation is not amortised but is tested for impairment on annual basis.

#### 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

##### a) Tangible:

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.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard. The cost of fixed assets not ready for their intended use is recorded as capital work-in-progress before such date.

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

##### b) Intangible:

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment loss, if any.

#### 1.4. DEPRECIATION / AMORTISATION

##### a) Tangible:

Principal Straight Line Method (SLM) rates, in the manner prescribed by Schedule II of the Companies Act, 2013, 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. In respect of following assets, where useful life is different than those prescribed in schedule II are used:-

Particulars	Depreciation
Boiler No-5	Over its useful life as technically assessed (35 Years)
Turbine 7 MW	Over its useful life as technically assessed (35 Years)
Evaporator Spent Wash	Over its useful life as technically assessed (35 Years)

##### b) Intangible:

Intangible assets are amortised on a straight line basis over their estimated useful lives and have been amortised @ 10% per annum.

#### 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.

#### 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) Long term 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

Foreign currency transactions are accounted for at the exchange rate prevailing on the date of the transaction. All monetary foreign currency assets and liabilities are converted at the exchange rate prevailing at the date of the balance sheet. All exchange differences other than in relation to acquisition of fixed assets and other long term foreign currency monetary liabilities are dealt with in the statement of Profit and Loss.

#### 1.11. BORROWING COSTS

Borrowing costs attributable to the acquisition and/ or construction of qualifying assets are capitalised as a part of the cost of such assets, upto the date when such assets are ready for their intended use. Other Borrowing costs are charged to Statement of Profit and Loss.

#### 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 41 ].

#### 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 and to the extent there is reasonable/virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised. 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, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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 or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made. Contingent assets are neither recognised nor disclosed.

# Notes on Consolidated

## Continued

		As at March 31 2015 (Rs. in lacs)	As at March 31 2014 (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 & Share Capital		
	Equity Shares	As on 31.03.2015	As on 31.03.2014
		No.of Equity Shares	No.of Equity Shares
		Rs. in lacs	Rs. in lacs
	At the beginning of the year	46,148,112	46,148,112
	Add : Issued during the year	—	—
	Less : Bought Back during the year	—	—
	Outstanding at the end of the year	46,148,112	46,148,112
	2.6 Detail of Shareholders Holding More Than 5% Equity Shares of The Company #		
	Name of the Shareholders	As on 31.03.2015	As on 31.03.2014
		No. of Equity Shares	No. of Equity Shares
		Percentage holding	Percentage holding
	Equity Shares of Rs. 10/- each		
	a) The Bank of New York (the Depository) (Note 2.7 b)	25,210,000	25,210,000
		54.63	54.63
	b) LPJ Holdings Pvt. Ltd.	7,418,648	7,418,648
		16.08	16.08
	c) LPJ Holdings Pvt. Ltd. (Note 2.7 c)	2,500,000	2,500,000
		5.42	5.42
# 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 are having face value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share and dividend, if declared.		
	b) 25,210,000 underlying 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. GDRs do not carry any voting rights until they are converted into underlying equity shares.		
	c) 2,500,000 Equity Shares of Rs. 10/- each are held by LPJ Holdings Pvt. Ltd., 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.		

		As at March 31 2015 (Rs. in lacs)	As at March 31 2014 (Rs. in lacs)
<b>3. Reserves and Surplus</b>			
	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	11,985	12,278
	Less : Adjusted during the year	34	5
	Less : Transferred to Statement of Profit & Loss	203	288
		<b>11,748</b>	<b>11,985</b>
	Securities Premium Account		
	As per last Balance Sheet	3,697	3,697
		<b>3,697</b>	<b>3,697</b>
	General Reserve		
	As per last Balance Sheet	2,575	2,575
	Less : Transition Provision of depreciation	*439	—
		<b>2,136</b>	<b>2,575</b>
	Surplus as per Statement of Profit & Loss		
	As per last Balance Sheet	8,612	13,150
	Add: Profit/(Loss) for the year	(4,308)	(4,538)
		<b>4,304</b>	<b>8,612</b>
	Less :- Minority Interest	3	3
		<b>4,301</b>	<b>8,609</b>
	TOTAL	<b>22,462</b>	<b>27,446</b>
*This is on account of transitional provision of depreciation as per Schedule II of Companies Act, 2013 adjusted with W.D.V of Fixed Assets as on 01.04.2014 (Refer Note 42).			
<b>4. Long Term Borrowings</b>			
	Secured		
	From Banks		
	- Term Loan	9,827	5,638
	- Car Loans	14	17
	From others		
	- Car Loans	—	17
		<b>9,841</b>	<b>5,672</b>
	Unsecured		
	Fixed Deposits	897	3,436
	Fixed Deposits guaranteed by Directors	642	1,419
	Loans and advances from related parties	142	142
		<b>1,681</b>	<b>4,997</b>
	TOTAL	<b>11,522</b>	<b>10,669</b>

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

##### Nature of Security

- Term Loan amounting to Rs.Nil (Previous year Rs.39 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. 467 lacs (Previous year Rs. 841 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 June, 2009. Last installment due in March, 2014. Rate of Interest Nil.(Previous year 13.20% p.a.) as at year end. Last installment of March, 2014 was paid on 1st April 2014.

Repayable in 28 equal quarterly installments commencing from September, 2009. Last installment due in June, 2016. Rate of Interest 14.00% p.a.(Previous year 14.25% p.a.) as at year end.

# Notes on Consolidated

## Continued

- |   |  |   |
|---|--|---|
| iii   | Term Loan amounting to Rs. 168 lacs (Previous year Rs. 306 lacs) for machinery (IS machine) is secured by all the machineries and accessories including civil work related to the aforementioned machinery installed at its works at Site IV, Plot No.17 Sahibabad Industrial Area Sahibabad (U.P).                  | Repayable in 20 equal quarterly installments commencing from September, 2011. Last installment due on July, 2016<br>Rate of interest 14.00% p.a (Previous year 14.75% p.a.) as at year end. |
| iv.   | Term Loan amounting to Rs. 1,112 lacs (Previous year Rs. 1,519 lacs) 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.<br>Rate of interest 13.20% p.a (Previous year 13.20% p.a) as at year end.  |
| v   | Term Loan amounting to Rs.Nil (Previous year Rs. 1,200 lacs) is secured by land with building thereon where the Hamira(Punjab) plant of company is situated. Loan was taken for General Corporate purpose including strengthening of Net Working Capital and to meet normal capex of the company                     | Repayable in 25 equal Monthly installments commencing from January 2013. Last installment was due on January 2015<br>Rate of interest Nil: (Previous year 13.95% p.a) as at year end.       |
| vi  | Term Loan amounting to Rs. 348 lacs (Previous year Rs. 464 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.   | Repayable in 60 equal monthly installments commencing from April, 2013. Last installment due on March, 2018. Rate of interest 14.00% p.a (Previous year 14.25% p.a) as at year end.         |
| vii   | Term Loan amounting to Rs. 5,759 lacs (Previous year Rs. 4,432) is secured against lease rent receivables of leased space at Plot No. 78 Institutional area, Sector-18, Gurgaon, Haryana and 9th and 10th floor, Ashoka Estate, 24 Barakhamba Road, New Delhi for purpose of working Capital needs of the company    | Repayable in 88 structured monthly installments commencing from June, 2013. Last installment due on Sept, 2020. Rate of interest 12.00% p.a. (Previous year 12.25%) as at year end.         |
| viii  | Term Loan amounting to Rs. 2,016 lacs (Previous year Rs. Nil) for expansion of Malted Milk food Plants secured against exclusive first charge on plant & machinery of the new Malted Milk food plant and country liquor plant including instrumentation etc. at its works at Jagatjit Nagar, Distt Kapurthala        | Repayable in 60 monthly equal installments commencing from June, 2015. Last installment due on May, 2021. Rate of interest 13.25% p.a. (Previous year Nil) as at year end.                  |
| ix  | Term Loan amounting to Rs. 3,700 lacs (Previous year Rs. Nil) for General Corporate Purpose is secured by exclusive charge by way of mortgage on Land & Building situated at Village Hamira, Distt Kapurthala and Escrow on Proceeds received from M/s Glaxo Smithkline and lien on Fixed Deposit in favour of IFCL. | Repayable in 18 structured quarterly installments commencing from August 2015. Last installment due on November, 2019. Rate of interest 15.00% p.a. (Previous year Nil ) as at year end.    |
| x   | 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.  |
| <b>4.2 Terms of repayment for Long Term Unsecured Borrowings:</b> |  |   |
| 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. 83 lacs) from related parties (Hybrid Holdings Pvt. Ltd. and Hyderabad Distilleries & Wineries Pvt. Ltd.).  | Rate of interest Nil (Previous year Nil)  |
| iii.  | Unsecured loan 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 31.3.2016 have been grouped under "Current maturity of long-term debt" (Refer Note 10).

		As at March 31 2015 (Rs. in lacs)	As at March 31 2014 (Rs. in lacs)
<b>5. Deferred Tax Liability (Net)</b>	Deferred Tax Liability		
	Depreciation on Fixed Assets	<b>2,083</b>	3,273
	Total Deferred Tax Liabilities (A)	<b>2,083</b>	3,273
	Statutory Liabilities	<b>161</b>	244
	Employee Retirement Benefits	<b>649</b>	683
	Provision for Bad Debts	<b>489</b>	147
	Total Deferred Tax Assets (B)	<b>1,299</b>	1,074
	Net Deferred Tax liabilities (A-B)	<b>784</b>	2,199
	Deferred Tax benefit/(expense) for the year*	<b>1,415</b>	(257)
	*This includes amount of Rs. 196 lacs on account of transitional provision of depreciation as per Schedule II of Companies Act, 2013		
<b>6. Other Long Term Liabilities</b>	Security Deposits	<b>1,946</b>	848
	TOTAL	<b>1,946</b>	848
<b>7. Long Term Provisions</b>	Provision for employee benefits		
	- Gratuity	<b>1,354</b>	1,297
	- Leave Encashment	<b>319</b>	287
	Provisions for Litigations		
	- Service Tax	<b>402</b>	402
	- Sales Tax	<b>24</b>	24
	- Excise Duty	<b>—</b>	78
	TOTAL	<b>2,099</b>	2,088
<b>8. Short Term Borrowings</b>	Secured		
	- Working Capital Loans from Banks	<b>7,569</b>	4,988
	Unsecured		
	- Fixed Deposits	<b>2,892</b>	2,257
	- Fixed Deposits guaranteed by Directors	<b>729</b>	594
	TOTAL	<b>11,190</b>	7,839
<b>9. Trade Payables</b>	Micro, Small and Medium Enterprises	<b>180</b>	182
	Others	<b>15,007</b>	13,483
	TOTAL	<b>15,187</b>	13,665

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	<b>180</b>	182
	- Interest due	<b>8</b>	3
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	<b>520</b>	584
	- Interest paid beyond the Appointed date	<b>—</b>	—
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.	<b>28</b>	31
IV	The amount of interest accrued and remaining unpaid at the end of the year	<b>166</b>	138

# Notes on Consolidated

## Continued

		As at March 31 2015 (Rs. in lacs)	As at March 31 2014 (Rs. in lacs)
<b>10. Other Current Liabilities</b>	Current maturities of long-term debt	<b>3,782</b>	3,356
	Advances from Customers	<b>891</b>	726
	Unclaimed matured deposits (Refer Note 35)	<b>124</b>	77
	Interest accrued but not due	<b>658</b>	683
	Interest accrued and due	<b>206</b>	154
	Due to Directors	<b>6</b>	2
	Security Deposits	<b>436</b>	324
	Employee Benefits	<b>965</b>	900
	Statutory Liabilities	<b>3,512</b>	2,595
	Other Liabilities	<b>1,215</b>	1,067
	<b>TOTAL</b>	<b>11,795</b>	<b>9,884</b>
<b>11. Short Term Provisions</b>	Provision for employee benefits		
	- Gratuity	<b>273</b>	278
	- Leave Encashment	<b>153</b>	147
	Wealth Tax	<b>28</b>	27
	Income Tax	<b>—</b>	—
	<b>TOTAL</b>	<b>454</b>	<b>452</b>

## 12. Fixed Assets

(Rs. in lacs)

	GROSS BLOCK-COST OR REVALUED VALUE					DEPRECIATION					NET BLOCK	
	As at April 1, 2014	Added on Revaluation	Addi- tions	Deletion/ Adjustments	As at March 31, 2015	As at April 1, 2014	For the Year	Impact of Transition to Schedule II of the Companies Act, 2013 (Refer Note-42)	Deletion/ Adjustments	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
<b>(i) Tangible Assets</b>												
Land												
— Free Hold	4,276	—	—	—	<b>4,276</b>	—	—	—	—	—	<b>4,276</b>	4,276
— Lease Hold	1,350	—	—	1,064	<b>286</b>	326	3	—	273	<b>56</b>	<b>230</b>	1,024
Buildings	19,944	—	1,438	1,493	<b>19,889</b>	6,428	342	29	668	<b>6,131</b>	<b>13,758</b>	13,516
Plant & Machinery	36,291	—	2,180	7,771	<b>30,700</b>	24,956	654	357	5,365	<b>20,602</b>	<b>10,098</b>	11,335
Furniture & Fixtures	829	—	6	32	<b>803</b>	512	69	54	22	<b>613</b>	<b>190</b>	317
Vehicles-Owned	2,234	—	28	170	<b>2,092</b>	915	267	18	82	<b>1,118</b>	<b>974</b>	1,319
Office Equipments	1,000	—	67	84	<b>983</b>	624	108	177	74	<b>835</b>	<b>148</b>	376
<b>Total Tangible Assets</b>	<b>65,924</b>	<b>—</b>	<b>3,719</b>	<b>10,614**</b>	<b>59,029</b>	<b>33,761</b>	<b>1,443*</b>	<b>635</b>	<b>6,484**</b>	<b>29,355</b>	<b>29,674</b>	<b>32,163</b>
Previous Year	66,516	—	431	1,024	<b>65,924</b>	32,376	2,134*	—	749	<b>33,761</b>		
<b>(ii) Intangible Assets</b>												
Goodwill	1,249	—	—	—	<b>1,249</b>	—	0	—	—	—	<b>1,249</b>	1,249
Patents, Trade Marks	29	—	—	—	<b>29</b>	13	3	—	—	<b>16</b>	<b>13</b>	16
<b>Total Intangible Assets</b>	<b>1,278</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,278</b>	<b>13</b>	<b>3*</b>	<b>—</b>	<b>—</b>	<b>16</b>	<b>1,262</b>	<b>1,265</b>
Previous Year	1,308	—	—	—	<b>1,278</b>	10	3*	—	—	<b>13</b>		

\*Please refer Note 32

\*\*Deletion/Adjustment include tangible assets retired from active use held for sale of the Glass Unit at Sahibabad (U.P) shown under 'Other Current Assets' (Refer Note-21) : gross block Rs. 10,311 lacs, accumulated depreciation Rs. 6,365 lacs and net block Rs. 3,946 lacs (Previous Year Nil).

		As at March 31 2015 (Rs. in lacs)	As at March 31 2014 (Rs. in lacs)
13	Non Current Investments		
	Trade Investments		
	IN EQUITY SHARES		
	Unquoted		
	In Associates		
	Hyderabad Distilleries & Wineries Pvt. Ltd.		
	3,150 (Previous year - 3,150) shares of Rs. 100 each fully paid up	3	3
	Cost of acquisition		
	Add :- Group share of Profit/(Loss) up to 31.03.2015	204	204
		<b>207</b>	<b>207</b>
	OTHER-INVESTMENTS		
	IN EQUITY SHARES		
	QUOTED		
	Mohan Meakin Limited		
	281,961(Previous year-281,961) shares of Rs. 5 each fully paid.	84	84
	Milk food Limited	0	0
	1,350 ( Previous year 1,350) Shares of Rs. 10 Each Fully paid Punjab National Bank Limited	4	4
	4,965 (Previous year -993) shares of Rs. 2 each fully paid (Previous year Rs. 10 each fully paid)		
	0 Equity shares (March 31,2014 : 45) of Rs. 10 each held in Aditya Birla Nuvo Limited	0	0
	0 Equity shares (March 31,2014 : 3000) of Rs. 2 each held in Alembic Limited	0	0
	0 Equity shares (March 31,2014 : 1,500) of Rs. 2 each held in Alembic Pharmaceuticals Limited	0	0
	75 Equity shares (March 31,2014 : 75) of Rs. 10 each held in Arlem Breweries Limited	0	0
	0 Equity shares (March 31,2014:50) of Rs. 10 each held in Bannari Amman Sugars Limited	0	0
	0 Equity shares(March 31,2014:4) of Rs.10 each held in Bell Ceramics Limited Now Orient Bell Ltd.	0	0
	0 Equity shares (March 31,2014:825) of Rs. 2 each held in Britannia Industries Limited	0	0
	0 Equity shares (March 31,2014:350) of Rs. 10 each held in Cadbury India Limited	0	0
	35 Equity shares (March 31,2014:35) of Rs. 10 each held in Ceat Limited	0	0
	0 Equity shares (March 31,2014:463) of Rs. 10 each held in Clariant Chemicals (India) Limited	0	0
	0 Equity shares (March 31,2014:1,190) of Rs. 1 each held in Colgate-Palmolive Limited	0	0
	0 Equity shares (March 31,2014:1,330) of Rs. 2 each held in		
	Dalmia Bharat Sugar And Industries Limited	0	0
	0 Equity shares (March 31,2014:1,330) of Rs. 2 each held in Dalmia Bharat Limited	0	0
	249 Equity shares (March 31,2014:249) of Rs. 10 each held in Dalmia Industries Limited	0	0
	100 Equity shares (March 31,2014:100) of Rs. 10 each held in Electronics Limited	0	0
	0 Equity shares (March 31,2014:921) of Rs. 10 each held in Escorts Limited	0	0
	4 Equity shares (March 31,2014:544) of Rs. 10 each held in		
	GlaxoSmithKline Consumer Healthcare Limited	0	0
	0 Equity shares (March 31,2014:120) of Rs. 10 each held in		
	GlaxoSmithKline Pharmaceuticals Limited	0	0
	0 Equity shares (March 31,2014:160) of Rs. 10 each held in Golden Tobacco Limited	0	0
	0 Equity shares (March 31,2014:95) of Rs. 10 each held in Grasim Industries Limited	0	0
	0 Equity shares (March 31,2014:4,000) of Rs. 1 each held in Gujarat Flouro- Chemicals Limited	0	0
	65 Equity shares (March 31,2013:65) of Rs. 10 each held in Haryana Breweries Limited	0	0
	0 Equity shares (March 31,2014:810) of Rs. 2 each held in Hero MotoCorp Limited	0	0
	10 Equity shares (March 31,2014:2,840) of Re. 1 each held in Hindustan Unilever Limited	0	0
	100 Equity shares (March 31,2014:100) of Rs. 10 each held in Indage Vintners Limited	0	0
	0 Equity shares (March 31,2014:50) of Rs. 10 each held in IST Limited	0	0
	0 Equity shares (March 31,2014:23,440) of Rs. 1 each held in ITC Limited	0	0
	1,075 Equity shares (March 31,2014:1,075) of Rs. 10 each held in J.K. Satoh		
	Agricultural Machine Limited	0	0
	200 Equity shares (March 31,2014:200) of Rs. 10 each held in Jupiter Breweries Limited	0	0
	0 Equity shares (March 31,2014:400) of Rs. 1 each held in Khaitan Chemicals & Fertilizers Limited	0	0
	50 Equity shares (March 31,2014:50) of Rs. 10 each held in Kothari Industrial Corporation Limited	0	0
	100 Equity shares (March 31,2014:100) of Rs. 10 each held in Lazard Credit-Capital Limited	0	0
	0 Equity shares (March 31,2014:104) of Rs. 5 each held in Mahindra & Mahindra Limited	0	0
	6 Equity shares (March 31,2014:81) of Rs. 10 each held in McDowell Holdings Limited	0	0
	120 Equity shares (March 31,2014:120) of Rs. 10 each held in Metal Box (India) Limited	0	0
	122 Equity shares (March 31,2014:122) of Rs. 10 each held in Modi Industries Limited	0	0
	100 Equity shares (March 31,2014:100) of Rs. 5 each held in Mohan Meakin Limited	0	0
	4 Equity shares (March 31,2014:2,874) of Rs. 10 each held in Nestle India Limited	0	0
	206 Equity shares (March 31,2014:206) of Rs. 10 each held in Novartis India Limited		
	formerly in Sandoz (India) Ltd.	0	0
	100 Equity shares (March 31,2014:100) of Rs. 10 each held in Pampasar Distillery Limited	0	0
	0 Equity shares (March 31,2014:150) of Rs. 10 each held in Pearl Polymers Limited	0	0
	0 Equity shares (March 31,2014:64) of Rs.10 each held in Pfizer Limited	0	0
	130 Equity shares (March 31,2014:130) of Rs. 1 each held in Pharmax Corporation Limited	0	0
	137 Equity shares (March 31,2014:137) of Rs. 10 each held in Poysa Industrial Co. Limited	0	0

# Notes on Consolidated

## Continued

	As at March 31 2015 (Rs. in lacs)	As at March 31 2014 (Rs. in lacs)
0 Equity shares (March 31,2014:594) of Rs. 10 each held in Procter & Gamble Hygiene & Healthcare Limited	0	0
10 Equity shares (March 31,2014:1550) of Rs. 2 each held in Radico Khaitan Limited	0	0
80 Equity shares (March 31,2014:80) of Rs. 10 each held in Rampur Fertilizers Limited	0	0
0 Equity shares (March 31,2014:2,380) of Rs. 5 each held in Ranbaxy Laboratories Limited	0	0
0 Equity shares (March 31,2014:50) of Rs. 10 each held in Raymond Limited	0	0
10,000 Equity shares (March 31,2014:10,000) of Rs. 10 each held in Rodal Circaprint Electronics Limited	1	1
0 Equity shares (March 31,2014:1,000) of Rs. 2 each held in Ruchi Soya Industries Limited	0	0
12 Equity shares (March 31,2014:12) of Rs. 100 each held in Shreno Limited	0	0
500 Equity shares (March 31,2014:500) of Rs. 10 each held in Sirmour-Sudburg Auto Limited	0	0
103 Equity shares (March 31,2014:103) of Rs. 10 each held in SAB Miller India Ltd	0	0
0 Equity shares (March 31,2014:50) of Rs. 10 each held in SRF Limited	0	0
0 Equity shares (March 31,2014:75) of Rs. 10 each held in Surya Roshni Limited	0	0
0 Equity shares (March 31,2014:100) of Rs. 10 each held in Tasty Bite Eatables Limited	0	0
2,500 Equity shares (March 31,2014:2,500) of Rs. 10 each held in Taurus The Starshare	0	0
0 Equity shares (March 31,2014:20,830) of Re. 1 each held in Thomas Cook (India) Limited	0	0
140 Equity shares (March 31,2014:140) of Re. 1 each held in Titan Industries Limited	0	0
330 Equity shares (March 31,2014:330) of Re. 1 each held in Triveni Engineering & Industries Limited	0	0
0 Equity shares (March 31,2014:50) of Rs. 10 each held in Tuticorin Alkali Chemical & Ferilisers Limited	0	0
0 Equity shares (March 31,2014:55) of Rs. 10 each held in UltraTech Cement Limited	0	0
5 Equity shares (March 31,2014:1,760) of Re. 1 each held in United Breweries Limited	0	0
3 Equity shares (March 31,2014:528) of Rs. 10 each held in United Breweries (Holdings) Limited	0	0
8 Equity shares (March 31,2014:1,443) of Rs. 10 each held in United Spirits Limited	0	0
0 Equity shares (March 31,2014:70) of Re. 1 each held in Voltas Limited	0	0
100 Equity shares (March 31,2014:100) of Rs. 10 each held in Welga Foods Limited	0	0
0 Equity shares (March 31,2014:708) of Rs. 10 each held in Whirlpool of India Limited	0	0
40 Equity shares (March 31,2014:40) of Rs. 10 each held in Xerox Limited	0	0
UNQUOTED		
Chic Interiors Private Ltd		
1,752 (Previous year-3,352) shares of Rs. 10 each fully paid	0	0
(Sold during the year 1600 shares (Previous year Nil) of Rs. 10 each fully paid)		
LPJ Holdings Pvt Ltd	81	81
600 (Previous year-600) shares of Rs. 10 each fully paid		
50 Equity shares (March 31,2014:50) of Rs. 100 each held in Janta Co-operative Sugar Mills Limited	0	0
2 Equity shares (March 31,2014:2) of Rs. 10 each held in Panipat Co-operative Sugar Mills Limited	0	0
1 Equity shares (March 31,2014:1) of Rs. 4 each held in Traders Bank Limited	0	0
IN PREFERENCE SHARES		
UNQUOTED		
Qube Corporation Pvt. Ltd.	36	90
360,000 (Previous year 900,000 Cumulative Redeemable preference shares of Rs. 10 each)		
(Sold During the year 540,000 (Previous year 900,000) shares of Rs. 10 each fully paid)		
IN GOVERNMENT SECURITIES		
UNQUOTED		
06 year National Saving Certificates (lodged with Govt. authorities)	1	3
TOTAL	415	473
Aggregate Value of Unquoted Investments	329	381
Aggregate Value of Quoted Investments	90	92
Market Value/NAV of Quoted Investments	419	866

		As at March 31 2015 (Rs. in lacs)	As at March 31 2014 (Rs. in lacs)
<b>14. Long Term Loans and Advances</b>	Capital Advances		
	Unsecured, considered good	3,132	3,085
		<u>3,132</u>	<u>3,085</u>
	Security Deposits		
	Unsecured, considered good	452	544
	Unsecured, considered doubtful	2	3
	Less: Provision for doubtful deposits	2	3
		<u>452</u>	<u>544</u>
	Loans and advances to related parties		
	Unsecured, considered good	6	7
		<u>6</u>	<u>7</u>
	Other loans and advances		
	Unsecured, considered good		
	Advance/claim recoverable in cash or in kind	456	421
	Unsecured, considered doubtful	54	54
	Less: Provision for doubtful loans and advances	54	54
	Balances with Statutory Authorities	—	1
		<u>456</u>	<u>422</u>
	<b>TOTAL</b>	<b>4,046</b>	<b>4,058</b>
<b>15. Other Non-current Assets</b>	MAT Credit Receivable	1,079	1,068
	Fixed Deposits With Bank (Pledged as security)	883	124
	Fixed Deposits With Banks having maturity period of more than one year	—	3
	Advance Wealth tax (Net of Provision)	4	3
	Advance income tax (Net of Provision)	156	451
	<b>TOTAL</b>	<b>2,122</b>	<b>1,649</b>
<b>16. Current Investments</b>	In Mutual Fund		
	Principal PNB Long Term Equity Fund - 3 year Plan - Series I & II	—	8
	Principal PNB Fixed Maturity Plan - Series B17-371 Days	5	—
	Principal PNB Long Term Equity Fund - 3 year Plan - Principal Emerging Bluechip Fund-Growth	8	10
	Canara Rebco Mutal Fund-Short Term fund (Growth Plan)	15	—
	Principal Mutual Fund		
	UTI Infrastructure Advantage Fund Series I	5	5
	<b>TOTAL</b>	<b>33</b>	<b>23</b>
	Aggregate Value of Quoted Investments/Mutual Funds	33	23
	Market Value/NAV of Quoted Investments/Mutual Funds	64	42

# Notes on Consolidated

## Continued

		As at March 31 2015 (Rs. in lacs)	As at March 31 2014 (Rs. in lacs)
<b>17. Inventories</b>			
	Raw Materials and Packing Materials	<b>3,994</b>	4,300
	- In Transit	<b>1,040</b>	792
	Less : Provision for obsolete Inventory	<b>18</b>	23
		<b>5,016</b>	5,069
	Work-in-Progress	<b>222</b>	290
	Finished Goods	<b>4,978</b>	5,001
	Stock-in-Trade	<b>57</b>	208
	Store and Spares	<b>899</b>	1,072
	- In Transit	<b>213</b>	55
	<b>TOTAL</b>	<b>11,385</b>	11,695
	<b>17.1 Details of Raw and Packaging Materials</b>		
	Grains	<b>277</b>	888
	Molasses	<b>172</b>	420
	ENA	<b>601</b>	536
	Chemicals	<b>27</b>	31
	Colour & Essence	<b>83</b>	74
	Bottles	<b>1,092</b>	937
	Tins & Other Containers	<b>248</b>	211
	Labels	<b>410</b>	289
	Seals	<b>669</b>	575
	Others	<b>415</b>	339
		<b>3,994</b>	4,300
	<b>17.2 Details of Work in Progress</b>		
	Malt	<b>4</b>	6
	Glass	<b>18</b>	22
	Malt Extract	<b>8</b>	3
	Liquor	<b>170</b>	242
	Malted Milk Food	<b>22</b>	17
		<b>222</b>	290
	<b>17.3 Details of Finished Goods</b>		
	Malt	<b>139</b>	438
	Malt Extract	<b>8</b>	2
	Liquor	<b>4,507</b>	4,159
	Malted Milk Food	<b>0</b>	1
	Carbondioxide Gas	<b>0</b>	0
	Glass	<b>252</b>	345
	Containers	<b>9</b>	9
	Others	<b>63</b>	47
		<b>4,978</b>	5,001
	<b>17.4 Details of Stock -in-trade</b>		
	Petroleum and its Products	<b>29</b>	42
	Wine	<b>—</b>	162
	Liquor	<b>28</b>	4
		<b>57</b>	208

		As at March 31 2015 (Rs. in lacs)	As at March 31 2014 (Rs. in lacs)
<b>18. Trade Receivables</b>	(a) Unsecured overdue for more than six months		
	Considered Good	3,527	3,268
	Considered Doubtful	554	363
	Less: Provision for doubtful receivables	554	363
	(b) Others		
	Considered Good	19,998	18,560
	<b>TOTAL</b>	<b>23,525</b>	<b>21,828</b>
<b>19. Cash and Bank Balances</b>	(i) Cash & Cash Equivalents		
	Cash on hand	107	144
	Cheques on hand	14	1
	Funds in transit	12	0
	Balances with Banks		
	- Current Accounts	620	367
	- Fixed Deposits	154	531
	(With Original maturity period of up to 3 months)		
	(ii) Other Bank Balances		
	Fixed Deposits with Bank	2	2
	Margin Money Accounts	17	12
	<b>TOTAL</b>	<b>926</b>	<b>1,057</b>
<b>20. Short Term Loans and Advances</b>	Unsecured—Considered Good		
	Others Loan and Advance		
	- Balance with Revenue authorities	1,203	948
	- Advances to Suppliers	1,669	2,584
	- Security Deposits	81	87
	- Others	1,551	1,147
	Unsecured—Considered Doubtful		
	- Advances to Suppliers	818	—
	- Others	15	15
	- Less: Provision for Doubtful Advances	833	15
	<b>TOTAL</b>	<b>4,504</b>	<b>4,766</b>
<b>21. Other Current Assets</b>	Interest Receivable	56	59
	Other Income Receivable	82	56
	Duty Drawback receivable	2	9
	Fixed Assets held for sale		
	(Valued at the lower of the estimated net realisable value & net book value)	3,967	21
	<b>TOTAL</b>	<b>4,107</b>	<b>145</b>

# Notes on Consolidated

## Continued

		For the year ended March 31 2015 (Rs. in lacs)	For the year ended March 31 2014 (Rs. in lacs)
<b>22. Revenue From Operations (Gross)</b>	Sale of Products		
	Manufactured Goods	107,649	117,809
	Traded Goods	5,696	9,296
		<b>113,345</b>	<b>127,105</b>
	Income from Services		
	Job Work (Tax deducted at source Rs.123 lacs; Previous Year Rs. 112 lacs)	6,219	5,583
		<b>6,219</b>	<b>5,583</b>
	Other Operating Revenues		
	Rent (Tax deducted at source Rs.183 lacs; Previous year - Rs.170 lacs)	1,819	1,680
	Royalty (Tax Deducted at Source Rs. Nil; Previous year - Rs. 19 lacs)	1,267	1,046
	Duty Drawbacks	—	18
	Scrap Sales	614	535
	Miscellaneous Income	728	761
	(Tax deducted at source Rs. 8 lacs; Previous year Rs.7 lacs)		
		<b>4,428</b>	<b>4,040</b>
	Total Revenue from Operations	<b>123,992</b>	<b>136,728</b>
	22.1 Details of Sale of Products (Net of discount)		
	(a) Manufactured Goods		
	Malt & Malt Extract	4,022	3,808
	Malted Milk Food	152	192
	Liquor	102,360	111,628
	Glass Bottles	—	728
	Carbondioxide Gas	16	30
	Others	1,099	1,423
		<b>107,649</b>	<b>117,809</b>
	(b) Traded Goods		
	Petroleum and its Products	2,094	1,861
	Wine	250	8
	Liquor	2,783	7,384
	Others	569	43
		<b>5,696</b>	<b>9,296</b>
	Total (a)+ (b)	<b>113,345</b>	<b>127,105</b>
<b>23. Other Income</b>	Dividends		
	On Other Investments	—	5
	Interest		
	- Fixed Deposits — Gross (Tax deducted at source Rs.12 lacs ;Previous year Rs. 15 lacs )	97	122
	- Others - Gross (Including interest on income tax Refund Rs. 54 lacs ; Previous year Rs.Nil)	54	16
	(Tax deducted at source Rs. 45 lacs ; Previous year Rs. 1 lac)		
	Profit on Sale of Investments	10	—
	Profit on Sale of Fixed Assets	55	17
	Insurance Claims	14	10
	Liabilities/provisions no longer required written back	114	182
	Foreign Exchange Fluctuation (Net)	8	6
	TOTAL	<b>352</b>	<b>358</b>

		For the year ended March 31 2015 (Rs. in lacs)	For the year ended March 31 2014 (Rs. in lacs)
24. Cost of Materials Consumed	Opening Stocks (Refer Note-44)	5,023	4,268
	Add: Purchases of raw and packing materials	38,856	40,816
		<u>43,879</u>	<u>45,084</u>
	Less: Closing Stocks	5,011	5,092
	TOTAL	<u>38,868</u>	<u>39,992</u>
	24.1 Details of Raw and Packaging Materials Consumed		
	Grains	4,635	3,402
	Molasses	3,074	4,730
	Soda Ash	—	86
	Sand	—	3
25. Purchases of Stock-in-trade	ENA	11,618	9,503
	Bottles	11,055	9,956
	Tins & Other Containers	1,797	1,936
	Seals	3,600	3,570
	Milk	797	1,133
	Packing Materials	1,645	2,157
	Others	647	3,516
	TOTAL	<u>38,868</u>	<u>39,992</u>
	Petroleum and its Products	2,043	1,818
	Liquor	2,666	6,696
	Others	41	42
	TOTAL	<u>4,750</u>	<u>8,556</u>
26. Changes in Inventories of Finished Goods Work in Progress and Stock-in-trade	Opening Stocks		
	Work-in-Progress	268	310
	Finished Goods	4,905	8,471
	Stock-in-Trade	208	174
		<u>5,381*</u>	<u>8,955</u>
	Closing Stocks		
	Work-in-Progress	204	290
	Finished Goods	4,929	5,001
	Stock-in-Trade	57	208
		<u>5,190</u>	<u>5,499</u>
27. Employee Benefits Expenses	Decrease/(Increase)	<u>191</u>	<u>3,456</u>
	*(Refer Note-44)		
	Salaries, Wages, Bonus and Gratuity	6,592	6,174
	Contribution to Provident, Family Pension and Superannuation Funds	702	715
	Employees' State Insurance	177	173
	Staff Welfare Expenses	260	259
	TOTAL	<u>7,731</u>	<u>7,321</u>

# Notes on Consolidated

## Continued

		For the year ended March 31 2015 (Rs. in lacs)	For the year ended March 31 2014 (Rs. in lacs)
<b>28. Finance Cost</b>	On Fixed Loans	<b>2,105</b>	2,127
	Others	<b>1,028</b>	737
	<b>TOTAL</b>	<b>3,133</b>	<b>2,864</b>
<b>29. Other Expenses</b>	Manufacturing Expenses		
	Consumption of Stores and Spare parts excluding charged to other revenue heads Rs. 4,086 lacs (Previous year - Rs. 4,292 lacs)	<b>389</b>	415
	Power and Fuel	<b>4,198</b>	4,449
	Repairs - Buildings	<b>189</b>	208
	Plant and Machinery	<b>569</b>	584
	Excise Duty*	<b>37</b>	(207)
	Other Expenses	<b>2,863</b>	3,181
	<b>TOTAL</b>	<b>8,245</b>	<b>8,630</b>
	*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 (Refer Note 36).		
	Administration and Selling Expenses		
	Rent (Net)	<b>286</b>	303
	Lease Rental	<b>197</b>	214
	Rates & Taxes	<b>3,670</b>	3,587
	Insurance	<b>260</b>	281
	Travelling Expenses	<b>1,005</b>	1,319
	Repairs to Buildings	<b>101</b>	106
	Other Repairs & Maintenance	<b>151</b>	256
	Bad Debts, Advances and Stock written off	<b>7</b>	7
	Provision for Doubtful Debts and advances	<b>1,010</b>	81
	Provision for Inventory for obsolete stock	<b>7</b>	—
	Fixed Assets written off	<b>4</b>	9
	Loss on sale of Fixed Assets	<b>11</b>	20
	Reimbursement of Expenses to Directors	<b>17</b>	13
	Directors Fee	<b>10</b>	6
	Forwarding Charges	<b>2,210</b>	2,340
	Advertisement, Publicity and Sales Promotion	<b>11,704</b>	14,384
	Legal & Professional Expenses	<b>1,021</b>	931
	Miscellaneous Expenses	<b>2,780</b>	1,693
	<b>TOTAL</b>	<b>24,451</b>	<b>25,550</b>
	<b>TOTAL</b>	<b>32,696</b>	<b>34,180</b>
	29.1 Details of Payments to Auditors		
	For Audit	<b>15</b>	15
	For Tax Audit	<b>5</b>	5
	For Limited Review	<b>3</b>	3
	For Other Services	<b>1</b>	1
	Out of Pocket Expenses	<b>1</b>	1
	<b>TOTAL</b>	<b>25</b>	<b>25</b>
	29.2 Prior Period Expenses/Income		
	Other Expenses	<b>13</b>	6
	<b>TOTAL</b>	<b>13</b>	<b>6</b>

### 30. CONTINGENT LIABILITIES:

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

- 30.1 Particulars of various claims against the Company not acknowledged as debts Rs. 1,953 lacs (Previous year Rs. 195 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. 179 lacs (Previous year Rs. 167 lacs)
  - Liability in respect of notice received from GAIL (India) Limited on account of Annual Take or Pay Deficiency Claim for the Contract Year 2014 Rs. 1,746 lacs (Previous year Nil)
  - 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.
- 30.2 Particulars of various Excise & Service Tax demands under dispute Rs. 1,150 lacs (Previous year Rs. 1,111 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. 261 lacs (Previous year Rs. 261 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. 569 lacs).
  - Demand of cess and penalty under Central Excise Act on manufacturing of corrugated paper board Rs. 1 lac (Previous year Rs.1 lac).
  - Demand of service tax on renting of immovable property Rs.127 lacs (Previous year Rs. 127 lacs).
  - Demand of service tax under service of supply of tangible goods Rs. 62 lacs (Previous year Rs. 62 lacs).
  - Demand of service tax and penalty under management, maintenance and repair services Rs. 48 lacs (Previous year Rs. 17 lacs).
  - Demand of Excise Duty in respect of clearance of broken glass generated during the handling of bottles used for IMFL and Country Liquor Rs. 8 lacs (Previous year Nil).
- 30.3 Particulars of various Sales tax demands under dispute Rs. 6 lacs (Previous year Rs. 82 lacs) :
- Demand of Sales Tax under Central Sales Tax Act on account of incomplete submission of sales tax forms Rs. 6 lac (Previous year Rs. 9 lacs).
  - Demand of Sales Tax under UP Sales Tax Act & Central Sales Tax Act Rs. Nil (Previous year Rs. 73 lacs).
- 30.4 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.

31. a) The company has consolidated the Balance Sheet & Profit and Loss Account of its following subsidiaries as on 31.03.2015 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 Pvt. Ltd.	India	100%
iii)	Sea Bird Securities Pvt. Ltd.	India	80%
iv)	L.P. Investments Ltd.	India	98%

- b) The company has considered the Balance Sheet & Profit and Loss Account of its following Associates as on 31.03.2015 in its annual accounts.

S.No.	Name of the Associates	Country of Incorporation	Ownership Interest
i)	Hyderabad Distilleries & Wineries Pvt. Ltd.	India	33.16%

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.

- (c) Disclosure mandated by Schedule III of the Companies Act, 2013 by way of additional information

Name of Entities	Net assets i.e. total assets minus total liabilities		Share of consolidated Profit/(loss)	
	As a % of consolidated net assets	Amount (Rs lacs)	As a % of consolidated profits	Amount (Rs lacs)
<b>Parent :</b>				
Jagatjit Industries Ltd.	99.81	26,824	(101.34)	(4,365)
<b>Subsidiary :</b>				
Jil Trading Pvt. Ltd.	(0.03)	(7)	0.00	(0)
S.R.K. Investments Pvt. Ltd.	(0.02)	(5)	0.00	(0)
Sea Bird Securities Pvt. Ltd.	(0.01)	(2)	0.01	(0)
L.P. Investments Ltd.	4.05	1,088	1.33	57
<b>Sub Total</b>	103.80	27,899	(100.00)	(4,307)
<b>Inter-Company Elimination &amp; Consolidation Adjustments</b>	(3.80)	(1,023)	—	—
<b>Grand Total</b>	100.00	26,876	(100.00)	(4,307)
Minority Interest in Subsidiaries		3		1
Share of profit/(loss) in Associate				(0)

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.

	2014-15 (Rs. in lacs)	2013-14 (Rs. in lacs)
Depreciation for the year calculated in accordance with accounting policy mentioned [Refer Note 1.4 (a) and 12] on Tangible assets	1,443	2,134
Depreciation for the year calculated in accordance with accounting policy mentioned [Refer Note 1.4 (b) and 12] on Intangible assets	3	3
Less: Adjusted against Revaluation Reserve	203	288
Net depreciation for the year charged to Profit & Loss Account	1,243	1,849

33. The additions to fixed assets includes interest on borrowing which has been capitalised amounting to Rs. 113 Lac (Previous year Rs. Nil)
34. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 20 lacs (Previous year Rs. 262 lacs).
35. At the end of the year unclaimed deposits of Rs.124 lacs (previous year Rs. 77 lacs) disclosed under current liabilities are not required to be transferred to the Investor Education and Protection Fund (IEPF) in terms of section 205C of the Companies Act, 1956, as these deposits are unclaimed for less than 7 years from the date of their maturity. Additional unclaimed deposits of Rs. 0.49 lacs as on 31.3.2015 (Previous year 0.37 lacs) lying unclaimed for more than 7 years have been deposited in the IEPF on 11th April, 2015 (Previous year 12th April, 2014).
36. 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. 40,850 lacs (Previous year Rs. 43,140 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. 37 lacs [Previous year Rs. (207) lacs] has been separately shown in Manufacturing Expenses under 'Other Expenses Schedule' (Refer Note 29).

# Notes on Consolidated

## Continued

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

	Year ended 31.03.2015 (Rs. in lacs)	Year ended 31.03.2014 (Rs. in lacs)
Net Profit/(Loss) attributable to Shareholders	(4,308)	(4,538)
Weighted Average Number of Equity Shares in issue	43,648,112*	43,648,112*
Basic / Diluted Earnings per share of Rs.10 each (Rs.)	(9.87)	(10.40)
Net Profit/(Loss) attributable to Shareholders from continuing operation	(3,853)	(4,538)
Weighted Average Number of Equity Shares in issue	43,648,112*	43,648,112*
Basic / Diluted Earnings per share of Rs.10 each (Rs.) from continuing operation	(8.83)	(10.40)

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).

## 38. EMPLOYEE BENEFITS

The Company has classified various employee benefits as under:

### 38.1 Defined Contribution Plans

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

	For the year ended March 31, 2015 (Rs. in lacs)	For the year ended March 31, 2014 (Rs. in lacs)
(i) Employers' Contribution to Superannuation Fund	174	190
(ii) Employers' Contribution to Provident Fund	538	525
(iii) Employers' Contribution to Employees' State Insurance	178	173

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

### 38.2 Defined Benefit Plans

Valuation in respect of Gratuity and Leave Encashment have been carried out by independent actuary, as at 31st March, 2015, based on the following assumptions:

	Leave Encashment (Unfunded) (Rs. in lacs)	Gratuity (Unfunded) (Rs. in lacs)
(I) Assumptions		
(a) Discount Rate	7.90%	7.90%
(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)	6.50-17.79	6.50-17.79
(II) Change in the Present Value of Obligation		
(a) Present value of obligation as at April 1, 2014	434	1,575
(b) Interest cost	21	111
(c) Current service cost	180	120
(d) Benefit paid	(53)	(351)
(e) Actuarial (gain)/loss on obligations	(110)	172
(f) Present value of obligation as at March 31, 2015	472	1,627
(III) Amount recognised in the Balance Sheet		
(a) Present value of obligation as at March 31, 2015	472	1,627
(b) Fair Value of Plan Assets as at the year end	—	—
(c) (Asset) / Liability recognised in the Balance Sheet	472	1,627
(IV) Expenses recognised in the Statement of Profit and Loss		
(a) Current service cost	180	120
(b) Interest cost	21	111
(c) Expected Return on Plan Assets	—	—
(d) Settlement Cost/Credit	(53)	(351)
(e) Actuarial (gain)/loss recognised in period	(110)	172
(f) Total Expenses recognised in the Statement of Profit and Loss	38	52

Valuation in respect of Gratuity and Leave Encashment was carried out by independent actuary, as on 31st March, 2014, based on the following assumptions:

	Leave Encashment (Unfunded) (Rs. in lacs)	Gratuity (Unfunded) (Rs. in lacs)
(I) Assumptions		
(a) Discount Rate	9.15%	9.15%
(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)	7.85-18.00	7.85-18.00
(II) Change in the Present Value of Obligation		
(a) Present value of obligation as at April 1, 2013	497	1,822
(b) Interest cost	27	152
(c) Current service cost	124	112
(d) Benefit paid	(56)	(317)
(e) Actuarial (gain)/loss on obligations	(158)	(194)
(f) Present value of obligation as at March 31, 2014	434	1,575
(III) Amount recognised in the Balance Sheet		
(a) Present value of obligation as at March 31, 2014	434	1,575
(b) Fair Value of Plan Assets as at the year end	—	—
(c) (Asset) / Liability recognised in the Balance Sheet	434	1,575
(IV) Expenses recognised in the Statement of Profit and Loss		
(a) Current service cost	124	112
(b) Interest cost	27	152
(c) Expected Return on Plan Assets	—	—
(d) Settlement Cost/Credit	(56)	(317)
(e) Actuarial (gain)/loss recognised in period	(158)	(194)
(f) Total Expenses recognised in the Statement of Profit and Loss	(63)	(247)

## 39. 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.

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 2014-15

(Rs. in lacs)

	Beverages	Food	Packaging	Others	Total
<b>REVENUE</b>					
Sales (Net of Excise duty), Services and Other income	69,777	10,880	55	2,679	83,391
Inter Segment Sales	—	—	—	—	—
Unallocated Income	—	—	—	—	383
<b>Total Revenue</b>	<b>69,777</b>	<b>10,880</b>	<b>55</b>	<b>2,679</b>	<b>83,774</b>
<b>RESULTS</b>					
Segment Results (Refer Note vii below)	56	810	(761)	545	650
Unallocated expenditure					(3,173)
Net of unallocated income					167
Interest Income					(3,169)
Interest Expense					(5,525)
Profit/(Loss) before exceptional items					—
Exceptional items					(5,525)
Profit/ (Loss) before tax					—
Less: Tax expense:					
Current Tax :					12
- For the year					(10)
- MAT Credit Entitlement					(1,219)
Deferred Tax (benefit)/ charge					(4,308)
Profit/ (Loss) after tax					
<b>OTHER INFORMATION</b>					
Segment Assets (Refer Note ii below)	51,249	10,346	4,560	419	66,574
Unallocated Assets					15,480
Total Assets					82,054
Segment Liabilities	23,789	1,627	214	90	25,720
Unallocated Liabilities					29,257
Total Liabilities					54,977
Capital Expenditure	181	3,004	—	—	3,185
Unallocated Capital Expenditure					54
Total Capital Expenditure					3,239
Depreciation	535	454	—	—	989
Unallocated Depreciation					254
Total					1,243
Non - cash expenditure other than depreciation	1,017	11	252	—	1,280
Unallocable Non Cash expenditure					—
Total					1,280

Information about Secondary Business Segments - Geographical by location of customers

(Rs. in lacs)

	Domestic	Overseas	Total
Revenues (Net of Excise Duty)	82,920	854	83,774
Other information:			
Carrying amount of segment assets by location of assets	82,054	—	82,054
Addition to Fixed Assets/Capital Work- in- Progress (including Capital Advances)	3,239	—	3,239

Information about Business Segment - Primary for the year 2013-14

(Rs. in lacs)

	Beverages	Food	Packaging	Others	Total
<b>REVENUE</b>					
Sales (Net of Excise duty), Services and Other income	80,420	10,430	749	1,916	93,515
Inter Segment Sales	—	—	1,755	—	1,755
Unallocated Income	—	—	—	—	294
<b>Total Revenue</b>	<b>80,420</b>	<b>10,430</b>	<b>2,504</b>	<b>1,916</b>	<b>95,564</b>
<b>RESULTS</b>					
Segment Results (Refer Note vii below)	2,126	668	(1,062)	17	1,749
Unallocated expenditure					(3,295)
Net of unallocated income					138
Interest Income					(2,864)
Interest Expense					(4,272)
Profit/(Loss) before exceptional items					—
Exceptional items					(4,272)
Profit/ (Loss) before tax for the year					—
Less: Tax expense:					
Current Tax :					—
- For the year					—
- MAT Credit Entitlement					257
Deferred Tax (benefit)/ charge					(4,529)
Profit/ (Loss) after tax					
<b>OTHER INFORMATION</b>					
Segment Assets (Refer Note ii below)	50,139	8,240	5,103	4,636	68,118
Unallocated Assets					11,587
Total Assets					79,705
Segment Liabilities	19,760	1,439	377	88	21,664
Unallocated Liabilities					25,980
Total Liabilities					47,644
Capital Expenditure	169	555	—	—	724
Unallocated Capital Expenditure					62
Total Capital Expenditure					786
Depreciation	930	471	277	5	1,683
Unallocated Depreciation					166
Total					1,849
Non - cash expenditure other than depreciation	88	—	4	—	92
Unallocable Non Cash expenditure					5
Total					97

# Notes on Consolidated

## Continued

Information about Secondary Business Segments - Geographical by location of customers			(Rs. in lacs)
	Domestic	Overseas	Total
Revenues (Net of Excise Duty)	92,987	822	<b>93,809</b>
Other information:			
Carrying amount of segment assets by location of assets	79,705	—	<b>79,705</b>
Addition to Fixed Assets/Capital Work- in- Progress (including Capital Advances)	786	—	<b>786</b>

### 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 less than 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. 3,187 lacs (Previous year-Rs. 3,368 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. 1,617 lacs (Previous year Rs. 1,479 lacs) from the surplus properties of the Company.

## 40. 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:

- 40.1 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. Ltd.  
Qube Corporation Pvt. Ltd.

- 40.2 Key Management Personnel and their relatives:

Ms. Roshini Sanah Jaiswal (Director w.e.f. 14.08.2014 to 30.09.2014)  
Mr. Karamjit Jaiswal (Relative of Director)  
Mrs. Shakun Jaiswal (Relative of Director)  
Mr. Narender Sapra (Managing Director)  
Mr. Ravi Manchanda (Director)  
Mrs. Nimmi Manchanda (Relative of Director)

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

	For the Year ended March 31, 2015			For the Year ended March 31, 2014		
	With Persons Mentioned in Note 40.1	With Persons Mentioned in Note 40.2	Total	With Persons Mentioned in Note 40.1	With Persons Mentioned in Note 40.2	Total
PARTICULARS OF TRANSACTIONS						
Sales of Goods (Hyderabad Distilleries & Wineries Pvt. Ltd.)	40	—	40	9	—	9
Royalty Received (Hyderabad Distilleries & Wineries Pvt. Ltd.)	9	—	9	3	—	3
Purchases of goods (Milkfood Limited)	14	—	14	18	—	18
Interest accrued (Refer Note 3 below)	6	—	6	6	—	6
Reimbursement of Payments Made on Behalf of Company (Refer Note 4 below)	81	—	81	104	—	104
Expenses paid by Company on Behalf of related party (Refer Note 5 below)	106	—	106	26	—	26
Rent received (Milkfood Limited)	4	—	4	4	—	4
Loans including interest repaid (Refer Note 6 below)	3	—	3	2	—	2
Managerial Remuneration including salary & reimbursement of expenses of Key Management Personnel (Refer Note 2 below)	—	587	587	—	546	546
Sale of shares to Hyderabad Distilleries & Wineries Pvt. Ltd.	—	—	—	45	—	45
Advance Given (Refer Note 8 below)	—	100	100	—	—	—
Bottling Charges paid (Hyderabad Distilleries & Wineries Pvt. Ltd.)	285	—	285	202	—	202
Lease Rent paid (Refer Note 7 below)	147	8	155	147	10	157
Contribution to Superannuation Fund (Jagatjit Industries Limited Employees Superannuation Scheme)	79	—	79	134	—	134
BALANCES OUTSTANDING AT THE YEAR END						
Payable (Net of Receivable)	102	—	102	157	—	157
Unsecured Loans (Including interest accrued) (Refer Note-8 below)	160	—	160	157	—	157
Investments (Note 9)	39	—	39	93	—	93

### Notes:

- The above information has been compiled on the basis of disclosures received from all directors of the Company.
- The above payments does not include expenses incurred by / reimbursed to directors during the course of performance of duty.
- Interest Accrued is in respect of the following :  
Fast Buck Investments & Trading Pvt. Ltd. Rs. 6 lacs (Previous year Rs. 6 lacs)
- Reimbursement of Payments Made on behalf of the Company is in respect of the following :  
Milkfood Ltd. Rs. 71 lacs (Previous year Rs. 94 lacs)  
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 10 lacs (Previous year Rs.10 lacs)
- Expenses paid by the Company on behalf of related parties is in respect of the following :  
Milkfood Ltd. Rs. 20 lacs (Previous year Rs. 13 lacs)  
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 86 lacs (Previous year Rs. 13 lacs)
- Loans including interest repaid is in respect of the following :  
Fast Buck Investments & Trading Pvt. Ltd. Rs. 3 lacs (Previous year Rs. 2 lacs)

- 7) Lease Rent paid  
Pashupati Properties & Estates Pvt. Limited Rs. 12 lacs (Previous year Rs. 12 lacs)  
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 135 lacs (Previous year Rs. 135 lacs)  
Mrs. Nimmi Manchanda Rs. 8 lacs ( Previous year Rs. 10 lacs)
  - 8) Advances Given  
Relatives of Director Rs. 100 lac (Previous year Rs. Nil)
  - 9) Unsecured Loans (Including interest accrued)  
Fast Back Investments & Trading Pvt. Ltd. Rs. 77 lacs (Previous Year Rs. 74 lacs)  
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 81 lacs (Previous Year Rs. 81 lacs)  
Hybrid Holdings Pvt. Ltd. Rs. 2 lacs (Previous Year Rs. 2 lacs)
  - 10) Investments  
Qube Corporation Pvt. Ltd. Rs. 36 lacs ( Previous year Rs. 90 lacs)  
Hyderabad Distilleries & Wineries Pvt. Ltd. (Associate) Rs. 3 lacs ( Previous year Rs. 3 lacs)
41. The Company normally acquires vehicles under operational lease with the respective underlying assets as security. Minimum lease payments outstanding as on March 31, 2015 in respect of these assets are Nil (Previous year Rs. Nil).  
Lease payments of Rs. Nil (Previous year Rs. 9 lacs) have been recognised as an expense in the profit and loss account for the year ended March 31, 2015
42. The Company has provided for depreciation adopting the useful lives of the assets (except for some plant and Machinery) as prescribed in Schedule II of the Companies Act, 2013. However some plants and machinery have been depreciated on the re-evaluated useful life assessed by the technical experts which are different from the useful life prescribed in Schedule - II read with the relevant provisions thereof. Had the Company continued with the previously assessed useful life, charge for depreciation and loss for the period ended 31st March, 2015 would have been higher by Rs. 575 Lacs for the assets held as at 1st April, 2014. Further, based on transitional provisions provided in clause 7(b) of Schedule II of the Companies Act, 2013, an amount of Rs. 439 lacs (net of deferred tax assets Rs. 196 lacs) representing the carrying value of those Assets which have become nil, has been charged to the retained earnings as at 1st April, 2014.
43. During the year, net profit amounting to Rs 375 lacs and (previous year Rs. Nil) has been earned by the Company from sale of its industrial property situated In Block C, Sector 57, Noida, Gautam Budh Nagar (U.P).
44. The company has discontinued its operation for Packaging Division with effect from 1st April, 2014 The disclosures as required under Accounting Standard -24 are given below.

	For the year ended March 31 2015 (Rs. in lacs)	For the year ended March 31 2014 (Rs. in lacs)
Revenue		
Miscellaneous Income	27	—
Interest		
- Fixed Deposits	16	—
Profit on Sale of Fixed Assets	375	—
Liabilities/provisions no longer required written back	28	—
Total Revenue	446	—
Expenses		
Changes in inventories of Finished Goods, Work-in-Process and Stock- in -Trade	51	—
Employee Benefits Expenses		
Salaries, Wages, Bonus and Gratuity	272	—
Contribution to Provident, Family Pension and Superannuation Funds	10	—
Employees' State Insurance	1	—
	3	—
Staff Welfare Expenses	286	—
Finance Cost		
On Fixed Loans	36	—
Others	1	—
	37	—
Other Expenses		
Manufacturing Expenses		
Power and Fuel	83	—
Administration and Selling Expenses		
Rates & Taxes	4	—
Insurance	11	—
Travelling Expenses	15	—
Other Repairs & Maintenance	57	—
Bad Debts, Advances and Stock written off	252	—
Loss on sale of Fixed Assets	6	—
Advertisement, Publicity and Sales Promotion	4	—
Legal & Professional Expenses	17	—
Miscellaneous Expenses	29	—
	478	—
Total Expenses	852	—
Profit/(Loss) for the year	(406)	—
Less: Tax Expense	48	—
Profit/(Loss) after Tax for the year	(454)	—
Total Assets	1,193	—
Total Liabilities	355	—
Cash Flow from discontinuing operations included in above		
- Operating activities	(530)	—
- Investing activities	532	—
- Financing activities	(184)	—

The effect of discontinuing operations has resulted in changes/exclusion in opening stock of inventories (Schedule 24 & 26)

45. Previous year's figures have been regrouped / reclassified whenever necessary to correspond with the current year's classification/ disclosure.

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

**Part "A": Subsidiaries**

(All amount in Rs. Lacs unless otherwise stated)

Sl. No.	Particulars	Details	Details	Details	Details
1.	Name of the subsidiary	JIL Trading Private Limited	L.P. Investments Limited	Sea Bird Securities Private Limited	S. R. K. Investments Private Limited
2.	Reporting period	31.03.2015	31.03.2015	31.03.2015	31.03.2015
3.	Share capital	1	1038	1	1
4.	Reserves & surplus	(8.52)	(1200)	(2.92)	(6.40)
5.	Total assets	0.50	52	81.18	2972.37
6.	Total Liabilities	0.50	52	81.18	2972.37
7.	Investments	-	3.24	81	-
8.	Turnover	-	525.46	-	-
9.	Profit before taxation	(0.14)	60.11	(0.35)	(0.21)
10.	Provision for taxation	-	1.76	-	-
11.	Profit after taxation	(0.14)	58.35	(0.35)	(0.21)
12.	Proposed Dividend	-	-	-	-
13.	% of shareholding	100	98.26	80	100

Notes :

- Names of subsidiaries which are yet to commence operations – NIL
- Name of subsidiary which has been liquidated or sold during the year – M/s Jagatjit India Private Limited

**Part "B": Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(All amount in Rs. Lacs unless otherwise stated)

Sl. No.	Name of associate	Hyderabad Distilleries & Wineries Private Ltd.
1.	Latest audited Balance Sheet Date	31.03.2015
2.	Shares of Associate held by the company on the year end :	
	(i) No. of shares	3124
	(ii) Amount of Investment	3.12*
	(iii) Extend of Holding%	32.88*
3.	Description of how there is significant influence	*
4.	Reason why the associate is not consolidated	N/A
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	201.48
6.	Profit/Loss for the year	
	i. Considered in Consolidation	(0.35)
	ii. Not Considered in Consolidation	-

\* The Company holds 1650 equity shares of Rs.100/- each aggregating to Rs.1,65,000/-. M/s L. P. Investments Limited, (a subsidiary Company in which Jagatjit Industries Limited holds 98.26% of capital) is holding 1500 equity shares of Rs.100/- each aggregating to Rs.1,50,000/- (the indirect holding of the Company amounts to 1474 equity shares). Taken together direct and indirect holding of the Company aggregates to 3124 equity shares of Rs.100/- each amounting to Rs.3.12 Lacs which is 32.88% of the capital of M/s Hyderabad Distilleries & Wineries Private Ltd..

Notes :

- Names of associates or joint ventures which are yet to commence operations – NIL
- Names of associates or joint ventures which have been liquidated or ceased during the year : (i) Qube Corporation Private Limited (ii) Chic Interiors Private Limited.

Narender Sapra - Managing Director

Kiran Kapur  
Sudhir Avasthi  
Peri Kameswara Sharma

} Directors

New Delhi  
1st September, 2015

K.K. Kohli  
Company Secretary

Anil Girotra  
Chief Financial Officer



