

JAGATJIT INDUSTRIES LIMITED

Annual Report
for the year ended 31st March, 2017







Directors' Report

To the Shareholders

The Directors have pleasure in presenting their Report and Statement of Accounts for the financial year ended 31st March, 2017.

FINANCIAL SUMMARY

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

	2016-17	(Rs. in lacs) 2015-16
Profit for the year after charging all expenses excluding financing charges and depreciation	(3956)	(1524)
Deduct: Financing Charges	5080	4063
Cash Profit/(Loss)	(9036)	(5587)
Deduct : Depreciation/ Amortization	1229	1271
Profit/(Loss) for the year before taxation	(10265)	(6858)
Tax Expenses		
Current Tax		
— For the year	-	-
— MAT Credit Reversal	99	-
— Previous Year Tax Adjustment	(447)	-
— Deferred Tax (Benefit)/Charge	233	(159)
— Profit/(Loss) after tax from discontinuing operation	(1759)	134
Profit/(Loss) after tax for the year	(11909)	(6565)
Profit brought forward from previous year	(2397)	4168
Total profit/(Loss) available for appropriations	(14306)	(2397)
APPROPRIATIONS		
Balance Carried to Balance Sheet	(14306)	(2397)

STATE OF COMPANY'S AFFAIRS

During the year under report, the Gross Turnover (including income from Services & Other Sources) was Rs. 846.40 Crores as compared to Rs. 1153.51 Crores during the previous year. The Company incurred a loss before taxation of Rs. 102.65 Crores as compared to loss before taxation of Rs. 68.58 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.

There was no change in the nature of business of the Company during the financial year ended 31st March, 2017.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2017 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, has not accepted any deposits.

As on 31st March, 2017, 171 persons whose Fixed Deposits/Loans with the Company amounting to Rs.93.19 Lacs had become due for payment during the year, did not claim or renew their Deposits/Loans. Out of these, Fixed Deposits/Loans of 24 persons amounting to Rs.12.07 Lacs have since been 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

M/s JIL Trading Private Limited, M/s L. P. Investments Limited, 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 in terms of Section 2(6) of the Companies Act, 2013.

On 15th May, 2017 the Company incorporated a wholly owned subsidiary company with the name of M/s JILI Hotels & Resorts Private Limited.

The consolidated financial statements of the Company including all subsidiaries and Associate companies 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

Mr. Narender Sapra ceased to be Managing Director and Director of the Company w.e.f. 31st October, 2016. Mr. Sudhir Avasthi and Mr. Peri Kameswara Sharma ceased to be Directors of the Company w.e.f. 2nd September, 2016. The Board places on record their appreciation for the services rendered by Mr. Narender Sapra, Mr. Sudhir Avasthi and Mr. Peri Kameswara Sharma during their term of Directorship.

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

Ms. Roshini Sanah Jaiswal and Mr. Varun Kapoor have been appointed as Additional Directors of the Company on 28th April, 2017 and 1st August, 2017 respectively by the Board of Directors of the Company. They hold office upto the date of this Annual General Meeting. The Company has received notices in writing, under Section 160 of the Companies Act, 2013, from member(s), proposing their names as candidates for the office of Directors.

Mr. Ravi Manchanda was designated as Managing Director of the Company w.e.f. 28th April, 2017.

Mr. Anil Girotra and Mr. K. K. Kohli continued to be Chief Financial Officer and Company Secretary, respectively, during the year under review.

NUMBER OF MEETINGS OF THE BOARD

Six 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 20th December, 2016, whereat the prescribed items enumerated under Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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, 2017, 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 and Ms. Sonya Jaiswal 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.

NOMINATION AND REMUNERATION POLICY OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

In adherence of section 178(1) of the Companies Act, 2013, the Board of Directors of the Company have approved a policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided u/s 178(3), based on the recommendations of the Nomination and Remuneration Committee. The broad parameters covered under the Policy are :



- * Principle and Rationale
- * Company Philosophy
- * Guiding Principles
- * Nomination of Directors
- * Remuneration of Directors
- * Evaluation of the Directors
- * Nomination and Remuneration of the Key Managerial Personnel (other than Managing/ Whole-time Directors), Key-Executives and Senior Management persons.
- * Remuneration of other employees.

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is given in separate Annexure to this report. The policy is also available on the website of the Company i.e. www.jagatjit.com.

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.

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 Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors, in its Meeting held on 28th April, 2017 undertook the evaluation of its own performance, its Committees and all the individual Directors, in accordance with the framework approved by the Nomination and Remuneration Committee.

The review concluded by affirming that the Board as a whole as well as all of its Members, individually and the Committees of the Board continued to display commitment to good governance, ensuring a constant improvement of processes and procedures.

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.

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 **Annexure-1**.

AUDITORS AND AUDITORS' REPORT

Pursuant to the provisions of Section 139 of the Companies Act, 2013, and Rules made thereunder the term of office of Messrs Mittal Chaudhry & Co, as the Statutory Auditors of the Company will conclude from the close of ensuing Annual General Meeting of the Company.

The Board of Directors places on record its appreciation to the services rendered by Messrs Mittal Chaudhry & Co as the Statutory Auditors of the Company.

Subject to the approval of the Members, the Board of Directors of the Company has recommended the appointment of M/s Madan & Associates, Chartered Accountants (ICAI Firm Registration Number 000185N) as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013.

As required under the provisions of section 139(1) of the Companies Act, 2013, the Company has received a written consent from M/s Madan & Associates, 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.

Accordingly, the Board recommends the resolution in relation to appointment of Statutory Auditors, for the approval by the share holders of the Company.

The Statutory Auditors in their report for the financial year ended 31st March, 2017 have made certain qualifications/remarks which are annexed with this Report alongwith Board's explanations and comments as **Annexure-2**.

The observations of the Statutory Auditors in their Report on standalone and consolidated financial statement for the year ended on 31st March, 2017 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, 2017.

A Secretarial Audit Report submitted by the Secretarial Auditors in Form No. MR-3 is annexed with this Report as **Annexure-3** and forms part of this report. The Secretarial Auditors in their report for the financial year ended 31st March, 2017 have made certain remarks which are annexed with this Report alongwith Board's explanations and comments as **Annexure-4**.

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 2016-17.

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 2016-17.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 and part A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given in the notes to the Financial Statements.

RELATED PARTY TRANSACTIONS

All transactions entered with Related Parties for the year under review were at arm's length basis and in the ordinary course of business and accordingly the provisions of Section 188 of the Companies Act, 2013 are not attracted. Further, 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. A disclosure in form AOC-2 is annexed with this Report as **Annexure-5**.

All Related Party Transactions are placed before the Audit Committee for their review and approval. Prior omnibus approval is obtained for Related Party Transactions which are of repetitive nature and entered in the Ordinary Course of Business and at Arm's Length.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Policy as considered and approved by the Board has been uploaded on the website of the Company at 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 Company constituted a Corporate Social Responsibility Committee comprising of three Directors. The composition of the Committee is as under :

1. Mrs. Kiran Kapur, Independent Director
2. Mrs. Anjali Varma, Non-Executive Director
3. Mr. Ravi Manchanda, Managing Director

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 available on the website of the Company at www.jagatjit.com.

Since the Company does not meet the requirement of Section 135(5) of the Companies Act, 2013, no such activities were required to be undertaken by the Company.

GREEN INITIATIVE

Electronic copies of the Annual Report of the Company for the year 2017 and Notice of the 72nd 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 2017 is also available on the website of the Company at 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 Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The instructions for e-voting are provided in the Notice of the AGM.

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.

AUDIT COMMITTEE

As per the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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.

The Board of Directors has adopted a formal Risk Management Policy for the Company. The Policy outlines the parameters of identification, assessment, monitoring and mitigation of various risks which are key to business objectives.

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 Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There was no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

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 Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2017 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.

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-6** 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 Regulation 34 read with Schedule-V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed and forms part of the Annual Report.

Further, the Management Discussion and Analysis Report as required under Regulation 34 read with Schedule-V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is also presented in separate section forming part of the Annual Report.

LISTING OF SHARES OF THE COMPANY

The shares of your Company are listed on BSE Limited at Mumbai. The Listing fees for the financial year 2017-18 has been paid to Bombay 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 August, 2017

Sd/-
Ravi Manchanda
Managing Director
(DIN.00152760)

Sd/-
Anjali Varma
Director
(DIN. 01250881)



ANNEXURE - 1

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31.03.2017
[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 :	Jagatjit Industries Limited
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	1101	79.60

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	U15111DL1969PTC260186	Associate	32.88%	2(6)

IV. 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	
A. Promoters									
(1) Indian									
a) Individual/ HUF	606696	100	606796	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.	11534769	2500000	14034769	30.41	11534769	2500000	14034769	30.41	-
e) Banks / FI									
f) Any other									
Sub - total (A) (1) :-	12141465	2500100	14641565	31.72	12141465	2500100	14641565	31.72	-
(1) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals									
c) Bodies Corp.	-	1003800	1003800	2.18	-	1003800	1003800	2.18	-
d) Banks / FI									
e) Any other									
Sub - total (A) (2) :-	-	1003800	1003800	2.18	-	1003800	1003800	2.18	-
Total shareholding of Promoter (A) = (A) (1) + (A) (2)	12141465	3503900	15645365	33.9	12141465	3503900	15645365	33.9	-
B. Public Shareholding									
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)									
Sub-total (B)(1):-	1672	1800	3472	0.01	1672	1800	3472	0.01	-
2. Non-Institutions									
a) Bodies Corp.	1489216	3777	1492993	3.24	1492591	3777	1496368	3.24	-
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1302069	502547	1804616	3.91	1316204	495376	1811580	3.92	0.01
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1520258	235462	1755720	3.80	1537461	222610	1760071	3.81	0.01
c) Others (NRIs)	103097	132849	235946	0.51	88407	132849	221256	0.48	(0.03)
Sub-total (B)(2):-	4414640	874635	5289275	11.46	4434663	854612	5289275	11.46	(0.00)
Total Public Shareholding (B) = (B)(1) + (B)(2)	4416312	876435	5292747	11.47	4436335	856412	5292747	11.47	(0.00)
C. Shares held by Custodian for GDRs & ADRs		25210000	25210000	54.63		25210000	25210000	54.63	-
Grand Total (A + B + C)	16557777	29590335	46148112	100	16577800	29570312	46148112	100	-

(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	LPJ Holdings Pvt. Ltd.	7418648	16.08	-	7418648	16.08	-	-
2	LPJ Holdings Pvt. Ltd. (Special Series Shares)	2500000	5.42	-	2500000	5.42	-	-



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.	111657	0.24	-	111657	0.24	-	-
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	15645365	33.90	-	15645365	33.90	-	-

(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	15645365	33.90	15645365	33.90
	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):	0	0	0	0
	At the end of the year	15645365	33.90	15645365	33.90

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

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	
Sl. No.	Name	No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Oliver Investments Pvt. Ltd.	457628	0.99	-	-	457628	457628	0.99
2	AMQ Agro India Pvt. Ltd.	421537	0.91	07.10.2016	(421537)'	0	421537 0	0.91 0.00
3	Alaska Holdings Pvt. Ltd.	392128	0.85	-	-	392128	392128	0.85
4	Deepak Choudhry	390131	0.85	10.06.2016 05.08.2016	99383 79890	569404	489514 569404	1.06 1.23
5	R N Rubesh	217135	0.47	-	-	217135	217135	0.47
6	Ravi Chhabra	191373	0.41	10.06.2016 24.06.2016 05.08.2016	(99383)' (10000)' (81990)'	0	91990 81990 0	0.20 0.18 0.00
7	Harshvardhan Mansukhlal Vora	99904	0.22	-	-	99904	99904	0.22
8	Nagina Judge	95150	0.21	08.04.2016 22.04.2016	(30150)' (65000)'	0	65000 0	0.14 0.00
9	Surender Kumar Gupta	86478	0.19	08.04.2016 15.04.2016 22.04.2016 29.04.2016 13.05.2016 27.05.2016 03.06.2016	42269 5595 115721 44 570 385 655		128747 134342 250063 250107 250677 251062 251717	0.28 0.29 0.54 0.54 0.54 0.54 0.55

				10.06.2016	452		252169	0.55
				17.06.2016	(100)'		252069	0.55
				30.06.2016	54		252123	0.55
				15.07.2016	3100		255223	0.55
				22.07.2016	250		255473	0.55
				30.09.2016	2675		258148	0.56
				07.10.2016	(1900)'		256248	0.56
				21.10.2016	675		256923	0.56
				04.11.2016	100		257023	0.56
				31.12.2016	100		257123	0.56
				20.01.2017	1000		258123	0.56
				17.02.2017	493		258616	0.56
				24.02.2017	2000		260616	0.56
				10.03.2017	55	260671	260671	0.56
10	Dipender Bhardwaj Educare Pvt. Ltd.	-	-	07.10.2016	421537	421537	421537	0.91
11	Shiv Lal Verma	81632	0.18	-	-	81632	81632	0.18
12	Gurjit Singh	64000	0.14	-	-	64000	64000	0.14
13	Ranbeer Singh	64000	0.14	-	-	64000	64000	0.14

Notes : Shareholding of members under multiple folios have been clubbed, wherever information is available.
The reason of all increase/decrease in the shareholding of the share holders is due to the transfer (+/-) of the shares.

(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	Mrs. Kiran Kapur	Director	100	-	-	100	100	-
2	Mrs. Anjali Varma	Director	100	-	-	100	100	-
3	Ms. Sonya Jaiswal	Director	-	-	25.07.2016 3586	3586	3586	0.01
4	Mr. Ravi Manchanda	Director	100	-	-	100	100	-
5	Mr. K. K. Kohli	CS	140	-	-	140	140	-
6	Mr. Anil Girotra	CFO	140	-	-	140	140	-

Note: Ms. Sonya Jaiswal was appointed as a Director of the Company w.e.f. 25.07.2016.

V INDEBTEDNESS

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

(Amount in Rs. Thousands)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2356853	5881	195233	2557967
ii) Interest due but not paid	19527	1538	3746	24811
iii) Interest accrued but not due	5267	-	22639	27906
Total (i + ii + iii)	2381647	7419	221618	2610684
Change in Indebtedness during the financial year				
* Addition	-	1100000	-	1100000
* Reduction	676737	5881	121925	804543
Net Change	(676737)	1094119	(121925)	295457
Indebtedness at the end of the financial year				
i) Principal Amount	1680116	1100000	73308	2853424
ii) Interest due but not paid	8295	131742	2129	140037
iii) Interest accrued but not due	12654	240	8150	23173
Total (i + ii + iii)	1701065	1231982	83587	3016634



VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of MD/WT/ Manager		Total
	Gross salary	Mr. Narender Sapra(MD)*	Mr. Ravi Manchanda (WTD)	
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7200000	2746200	9946200
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2786966	1019260	3806226
	(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			
	Total (A)	9986966	3765460	13752426
	Ceiling as per the Act	As per part II of Schedule V of the Companies Act, 2013.		

* Mr. Narender Sapra ceased to be Managing Director of the Company w.e.f. 31.10.2016

B. Remuneration to other directors (sitting fee) :

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors					Total
		Mrs. Kiran Kapur	Mr. Sudhir Avasthi	Mrs. Anjali Varma	Mr. Peri Kameswara Sharma	Ms. Sonya Jaiswal	
1	Independent Directors						
	Fee for attending Board / committee meetings	2,60,000		1,40,000	60,000	1,60,000	6,20,000
	Commission						
	Others, please specify						
	Total (1)	2,60,000		1,40,000	60,000	1,60,000	6,20,000
2	Other Non-Executive Directors						
	Fee for attending board / committee meetings						
	Commission						
	Others, please specify						
	Total (2)						
	Total (B) = (1 + 2)	2,60,000		1,40,000	60,000	1,60,000	6,20,000
	Total Managerial Remuneration **						
	Overall Ceiling as per the Act	This is sitting fee for attending Board and Committee Meetings.					

** Total Managerial Remuneration to MD/WT/ (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 CS	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7440000	776928	8216928
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5384760	1224866	6609626
	(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			
	Total	12824760	2001794	14826554

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					



The remarks made by the Statutory Auditors in their independent audit report are as follows :

Point No.7

In the opinion of the management, Accounts Receivable & Loans and Advances have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet.

During the financial year ended March 31, 2017 confirmatory letters have been sent to the sundry creditors, suppliers and sundry debtors requesting them to confirm and reconcile the account balances as on March 31, 2017. A number of parties have not yet confirmed/reconciled the balances as on the date of signing of the financial statements.

Accordingly, Trade payables, Loans and Advances and balances appearing under Trade Receivables are subject to reconciliation & confirmation. The financial impact of this is not ascertainable and to that extent we do not have any information in respect of such balances.

The Board's explanations and comments on the above are as follows :

The Company takes steps for confirmation of accounts receivable, Loans & advances and accordingly confirmatory letters are sent to the debtors in the ordinary course of business. Some of the parties did not respond to the letters of the Company. The Company always takes necessary steps for speedy recovery of the receivables outstanding. The Management is of the view that the accounts receivables, loans and advances as shown in the statements of accounts are the debts considered good and recoverable in due course of time.

Point No.8

An amount of Rs. 2,977 lacs is outstanding in books of accounts of the Company, being an advance to its wholly owned subsidiary M/s S.R.K. Investments Pvt. Ltd, since 2010-11. No recovery of this amount has been made since disbursement of advance, to the aforementioned subsidiary.

The Company's management, based on internal assessments and evaluations, have represented that the balance outstanding advances are recoverable and that no accrual for diminution of advances is necessary as at balance sheet date. The Company has received confirmation from the aforementioned subsidiary on March 31, 2017.

The Company has not created a provision against this advance in its books of accounts. In our opinion, there is significant uncertainty and doubt about the recovery of this advance from the subsidiary, as considerable period of time has elapsed from grant of advance and therefore, a provision for doubtful advance should have been accounted for in the financial statements for the year ended March 31, 2017.

Consequently, the loss for the year ended March 31, 2017 is understated and reserves and surplus as at March 31, 2017 are overstated to the extent of Rs. 2,977 lacs.

The Board's explanations and comments on the above are as follows :

During the Financial Year 2010-11, the Company advanced an amount of Rs. 2977 lacs to its wholly owned subsidiary company M/s S.R.K. Investments Private Limited (SRK) for purchase of an apartment in Mumbai. SRK has advanced the amount to the builder towards part payment of the purchase of the apartment. As per the agreement the possession was to be handed over by September, 2012. However, the construction of the said apartment is not yet completed. The Management is continuously pursuing the matter with the builder and SRK and they have assured that the construction will soon be completed and the apartment will be handed over as per the terms of agreement.

The Management is in the process of executing a new agreement with the builder with revised terms for early completion and handing over the apartment on time bound basis. Accordingly, the Management is of the view that the outstanding advance is recoverable and that no provision is required to be made in the accounts of the Company for the year 2016-17.

Point No.12 (i) (iii)

There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except for a delay of amounts aggregating to Rs. 2 lacs (Refer Note-34 of the financial statements).

The Board's explanations and comments on the above are as follows :

The Company has been regularly transferring the amounts due to the Investor Education and Protection Fund (IEPF) as per the provisions of Section 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. However, in the year under review, the Company implemented a new ERP software. This software could not be stabilized during the year resulting into few delays in compliance with Section 125 of the Companies Act, 2013 as stated at item no. 34 of the Notes to Accounts.

The Company is now regular in depositing the amounts due to the IEPF as per the provisions of the companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[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,
 Dist. 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') for the audit period covering the financial year ended on 31st March, 2017 ("Audit Period"). 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, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period under consideration 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 2017, 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, Overseas Direct Investment and External Commercial Borrowings.
- (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, 2015;
 - (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 (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)**;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period)**; and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof the Company has complied with the laws applicable specifically to the Company:

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India (Secretarial Standards with respect to Meeting of the Board of Directors (SS-1) and General Meeting (SS-2) issued by the Institute of Company Secretaries of India).

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



We further report that, based on the information provided and the representation made by the Company and also on the review of the internal compliance reports taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes exist in the Company to monitor and ensure compliance with provisions of applicable industry specific Acts, general laws like Labour laws and environmental laws etc.

We further report that, the compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

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 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 to commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has

- (i) Obtained approval of members by way of special resolution under section 62(3) of the Act to convert all or part of the amount outstanding in respect of the term loan availed by the Company from KKR India Financial Services Private Limited into equity shares of the Company, from time to time, as per the terms and condition specified.
- (ii) Obtained approval of members by way of special resolution under section 180(1)(a) of the Act to authorize the Board of Directors to sell, lease or otherwise dispose of the whole or substantially the whole of the properties or undertaking(s) of the Company as specified in the said resolution.

We further report that

Following are the provisions not complied by the Company during the Financial year period under review:

- (a) *As per the provisions of Regulation 33 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations 2015"), the Company has delayed to file the Financial Results for the Quarter and Year ended 31st March, 2016 by 56 days.*
- (b) *As per the provisions of Regulation 33 of Listing Regulations 2015, the Company has delayed to file the Financial Results for the Quarter ended 30th June, 2016 by 92 days.*
- (c) *As per the provisions of Regulation 33 of Listing Regulations 2015, the Company has delayed to file the Financial Results for the Quarter ended 31st December, 2016 by 2days.*

For Pranav Kumar & Associates
Company Secretaries

Date : 26.07.2017
Place : Ghaziabad

Sd/-
Arpita Saxena
Partner
ACS: 23822
CP No. 11962

The remarks made by the Secretarial Auditors in their Secretarial Audit Report are as follows :

- (a) As per the provisions of Regulation 33 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations 2015"), the Company has delayed to file the Financial Results for the Quarter and Year ended 31st March, 2016 by 56 days.
- (b) As per the provisions of Regulation 33 of Listing Regulations 2015, the Company has delayed to file the Financial Results for the Quarter ended 30th June, 2016 by 92 days.
- (c) As per the provisions of Regulation 33 of Listing Regulations 2015, the Company has delayed to file the Financial Results for the Quarter ended 31st December, 2016 by 2 days.

The Board's explanations and comments on the above are as follows :

The submission and publication of Audited Financial Results for the quarter and year ended on 31st March, 2016 and Unaudited Financial Results for the quarter ended on 30th June, 2016 was delayed for 56 days and 92 days respectively due to undertaking and Implementation of ERP system in all its divisions and locations by the Company in its bid to improve the efficiency and streamlining the flow of data and MIS System. Due to the problems in the implementation of the ERP system, the accounts for the above stated periods could not be compiled/prepared and could not be audited or subjected to limited review and placed before the Board within the prescribed time limits.

Further, the submission and publication of unaudited Financial Results for the quarter and period ended on 31st December, 2016 was delayed for 2 days due to human error.



Form No. AOC-2
(Pursuant to *clause (h) of sub-section (3) of section 134 of the Act and*
Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis :
 - (a) Name(s) of the related party and nature of relationship : N. A
 - (b) Nature of contracts/arrangements/transactions : N. A
 - (c) Duration of the contracts / arrangements/transactions : N. A
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: N. A
 - (e) Justification for entering into such contracts or arrangements or transactions : N.A
 - (f) Date(s) of approval by the Board : N. A
 - (g) Amount paid as advances, if any : N. A
 - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 : N. A
2. Details of material contracts or arrangement or transactions at arm's length basis:
 - (a) Name(s) of the related party and nature of relationship: N. A
 - (b) Nature of contracts/arrangements/transactions: N. A
 - (c) Duration of the contracts / arrangements/transactions: N. A
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: N. A
 - (e) Date(s) of approval by the Board, if any: N. A
 - (f) Amount paid as advances, if any: N. A

For and on behalf of the Board of Directors of
Jagatjit Industries Limited

Sd/-
Ravi Manchanda
Managing Director
(DIN.00152760)

Sd/-
Anjali Varma
Director
(DIN.01250881)

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, 2017 is given 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 modifications. The highlights of these steps are as under:
 - Detailed steam and power energy audit of Hamira unit by M/s Inventum Power Pvt. Ltd.-Delhi to optimize the use of available energy resources .
 - Reduction in power consumption by installing Variable Frequency Drives (VFD) for PA Fan No-5 of Boiler No-5, 65 TR VAM Machine Cooling Tower, Chain Conveyor of MMF plant No-4.
 - Conversion of Boiler Deareator steam from high to low pressure to minimize the steam venting losses and to enhance the self-generation through captive power generation.
 - Replacement of steam traps in steam distribution 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-3 in MMF Plants.
 - Replacement of old inefficient slip ring motors with new squirrel cage induction motors at Malt House.
 - Use of LED lights for street lighting and in packing halls in MMF plants.
 - Replacement of old conventional fluorescent/GLS lights with LED fittings at residential colony.
 - Installation of 150 Kvar Capacitor Panel to reduce the distribution losses.
- ii. In line with Company's efforts towards utilizing alternative source of energy, the Company enhanced its self generation from Biomass (Rice husk, wooden chips etc.) 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. 20 Lacs.

B. TECHNOLOGY ABSORPTION.

- i. The Efforts made by the Company towards technology absorption, during the year are as under :
 - Installation of online monitoring system for conductivity of returned condensate from plants to ensure the quality of condensate before utilizing it in boilers.
 - Installation of Mechanized Residual water droplets Decantation system thereby improving the quality of product and manpower saving in IMFL WASHING YARD.
 - Installation of 240BPM high speed Rotary sticker Labeling machine in IMFL BOTTLING thereby improving the Quality and productivity.
 - 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 along with historical graphs..
 - Installation of Rotary Rinsers in IMFL WASHING YARD thereby improving productivity by manpower saving and energy saving.
 - Installation of advance and latest filtration technology & chilled filtration system for manufacturing of vodka products.
 - Heavy and high rating old ceiling fans replaced with light weight and low rating ceiling fans for saving energy.
 - Introduction of new and advanced Oracle ERP System for efficient & productive business operation.
 - Implementation of fully automatic Weigh Bridge system for hassle free inward/outward movement of vehicles entering the company premises.
 - Oven Automation with new light indication system installed for controlling process time and improve product quality.
 - Latest load cell weighing system installed for Mex lot tank for accurate measurement in place of old level gauge system.
 - Automatic control system for controlling temperature and humidity installed at MMF Plant No-4 Air handling Unit to save air conditioning and electrical load.
 - Temperature control system installed for MMF Plant No. 2, 3 & 4: Mix tank to achieve process Excellency.
 - Temperature control system installed for MMF Plant No-4 holding tank to improve product quality.
 - New level control system installed for 7 MW Turbine condensate tank to save electrical energy and to improve condensate recovery.
- 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. 1.50 Crore towards Research and Development

C. FOREIGN EXCHANGE EARNING AND OUTGO

Complete information required under this head is shown in Note No. 29.3, 29.4, 29.5 and 40 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. Whisky comprises a large portion of the IMFL market and accounts for nearly 62% of the market volume followed by Brandy at around 22% and Rum at around 13%. White spirits viz. Vodka, Gin and White Rum account for the balance 3%. The total IMFL industry in India is presently estimated at around 314 million cases per annum. The industry has de-grown @ 1% vis a vis last year. However, IMFL Whisky has shown a growth @ 2% with premium segment being the major contributor to the growth. Country Liquor segment is about 17.2 million cases per annum in the state of Punjab and your company has around 13% share in this segment. The overall CL industry has de- grown by 3%. We expect further de-growth in this segment in 2017-18.

The Company's premium brands introduced in the last couple of years viz. ROYAL PRIDE, KING HENRY VIII Scotch Whisky and IICE Vodka are now being revamped. Moving on the company has plans to grow in the deluxe and the premium Brandy segment. The company is also boosting the ACP brand with a refreshed approach namely new packaging and new campaign in the near future. Many other brands like AC Sekc and AC Neat have been undergoing packaging change to enable them take on the competition. The company is also focused on expansion in international markets.

There are strong headwinds against the liquor industry pertaining to the regulatory environment. In particular, the highway closure, prohibition crusades and a significantly higher tax burden expected from being excluded from the Goods and Services Tax (GST) regime do not bode well for the industry. Duties were increased in Telangana from November onwards. Demonetization has also impacted the industry especially in semi-urban / rural markets. To counter these factors, the company is focused on rationalizing brands, investing in higher-contribution brands, building export markets, improving operational efficiencies and developing the management team for future growth.

B. REGULATORY ENVIRONMENT

The Indian alcoholic spirits market is highly regulated by the States who control the alcoholic beverage industry. The Indian liquor industry has been experiencing challenges such as state policies restricting import & export from one state to the other, production constraints with respect to the pack sizes and type of packaging, price control and increasing state levies & duties. The multiplicity of State regulations creates a complex tax and licensing environment that limits economies of scale and reduces the ability of manufacturers and new products to achieve national distribution and gain competitive advantage. Advertising of alcoholic beverages is not permitted in the country, which restricts the Industry to reach out to the masses. Alcohol has been brought under the purview of the Food Safety and Standards Authority of India (FSSAI), leading to multiplicity of regulations.

C. OPPORTUNITIES AND THREATS

The industry suffers due to heavy taxation and over regulations which have affected the profitability. Increase in levies leads to increase in the selling prices thus restricting sales. Exclusion of Alcoholic beverage industry from GST regime, will put substantial additional burden on the Industry as the inputs will be subject to GST and will increase the cost of production. Impact of GST could be north of the range of 7%- 9% approx.

Inflationary pressures have impacted nearly every aspect of costs borne by the alcoholic sector. The increased cost in most cases cannot be passed to the consumers, thus reducing profitability. Further, intense competition has also impacted margins and sales. The liquor industry is also suffering due to illicit liquor production, which also results in State Governments losing out heavily on tax revenues.

Ban on liquor sales in Bihar and restrictions being imposed by few other states will be detrimental to the industry and is a matter of concern.

However, with favorable demographics, rising disposable income levels and greater acceptance of alcoholic beverages in social circles, the long-term outlook for Indian alcoholic beverages continues to remain positive. In addition, changing consumer preferences towards premium offerings of IMFL will favour premium brands thus increasing the industry's profitability. Your Company is focused on growth in the premium segment through its IICE Vodka, Royal Pride Premium Whisky and KING HENRY VIII Scotch Whisky brands. New launches are in the pipeline. The Punjab Excise Policy for 2017-18 is overall detrimental to the CL segment in that the overall quota is cut as well as the policy has led to more retail syndication and undue MRP increases vis a vis previous year. On the whole there will be a negative impact on the CL segment and independent CL manufacturers in Punjab will suffer.

D. OUTLOOK

The Company has incurred operational losses primarily due to decline in sales. The Company is focused on returning to profitability by rationalizing its brand portfolio, investing in higher-contribution brands, building export markets, improving operational efficiencies and developing the management team for future growth. The Company is adopting technology solutions such as an “Oracle EBS” to improve controls, streamline processes, drive planning and aid business decision-making. Several measures are being taken to control costs of production and distribution, and improve operating efficiencies. To meet its production requirements in IMFL, the Company has also entered into lease and bottling agreements to augment its production capacity where required. The Company continues to engage with royalty and distribution partners to grow its business.

The Company is also focused on initiatives to drive manufacturing excellence and increase throughput in the malted milkfood contract manufacturing business. The Company expects these initiatives to pay off going forward.

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 safe guard and protect the interests and assets of the Company. A strong set of Management Information Systems are in place to ensure reliability of reports and documents. The Company has invested in implementing an Oracle EBS to further strengthen controls, processes and aid business decision-making.

F. PERFORMANCE EVALUATION

The details of the financial performance of the Company are stated in the balance sheet, profit and loss account and other financial statements of the Company for the year 2016-17. During the year under review, the sale of alcoholic beverages by the Company decreased around 24% volume-wise. The Gross Turnover (including income from Services & Other Sources) was Rs. 846.41 Crores as compared to Rs. 1153.51 Crores during the previous year.

The Company incurred a loss before taxation of Rs. 102.65 Crores, from continuing operations, as compared to loss before taxation of Rs. 68.58 Crores during the previous year.

The net loss of the Company during the year was Rs. 119.09 Crores as compared to net loss of Rs. 65.65 Crores during the previous year.

G. HUMAN RESOURCES

JIL’s human capital now stands at around 2892 employees including permanent factory workmen. During the fiscal year the relations with the industrial work force remained generally harmonious.

H. FORWARD LOOKING STATEMENTS

This Report contains forward looking statements that involve risk and uncertainties. Your Company undertakes no obligation to publicly update or revise any forward looking statements. The results, performances or achievements may differ materially from those expressed or implied in such forward looking statements. Readers are cautioned not to place undue reliance on these forward looking statements. This Report should be read in conjunction with the financial statements included herein and the notes thereto.



CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Corporate Governance

Corporate Governance is about ensuring transparency, disclosure and reporting that conforms fully to the existing laws of the Country and to promote ethical conduct of business throughout the organization. The philosophy of the Company in relation to corporate governance is to ensure transparency in all its operations, make disclosures and enhance shareholder value without compromising on compliance with the laws and regulations.

Your Company is committed to sound principles of Corporate Governance with respect to all its procedures, policies and practices. Under good Corporate Governance we are committed to ensure that all functions of the Company are discharged in a professionally sound, accountable and competent manner.

The Board of Directors fully supports corporate governance practices and actively participates in overseeing risks and strategic management. The organization views Corporate Governance in its widest sense almost like a trusteeship, a progressive philosophy and ideology ingrained in the corporate culture. The governance processes and systems of your Company have strengthened over a period of time resulting in constant improvisation of sustainable and profitable growth.

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.

The Board as on 31st March, 2017 comprises of four Directors consisting of one executive and three non-executive Directors including two independent 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 Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013.

The Details of Board of Directors and their attendance at the Board Meetings during the financial year and the last Annual General Meeting (AGM) and also their other Directorships and Committee Memberships during the financial year 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. Ravi Manchanda	Executive	6	4	6	-	Yes
Mrs. Kiran Kapur	Non-Executive Independent	6	6	-	-	Yes
Mrs. Anjali Varma	Non-Executive Non-independent	6	6	2	-	No
Ms. Sonya Jaiswal*	Non-Executive Independent	4	4	1	-	No
Mr. Sudhir Avasthi**	Non-Executive Independent	2	-	2	-	-
Mr. Peri Kameswara Sharma**	Non-Executive Independent	2	1	-	-	-
Mr. Narender Sapra***	Executive	4	2	3	-	-

* Ms. Sonya Jaiswal was appointed as Director of the Company on 25th July, 2016.

** Mr. Sudhir Avasthi and Mr. Peri Kameswara Sharma ceased to be Directors of the Company w.e.f. 2nd September, 2016.

*** Mr. Narender Sapra ceased to be Managing Director and Director of the Company w.e.f. 31st October, 2016.

Ms. Roshini Sanah Jaiswal and Mr. Varun Kapoor have been appointed as Additional Directors of the Company on 28th April, 2017 and 01st August, 2017 respectively by the Board of Directors of the Company. They hold office upto the date of this Annual General Meeting. The Company has received notices in writing, under Section 160 of the Companies Act, 2013, from member(s), proposing their name as candidates for the office of Directors.

Mr. Ravi Manchanda who was appointed as Whole Time Director was designated as Managing Director of the Company w.e.f. 28th April, 2017.

No director has any relation inter-se.

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.

Familiarisation Programme for Independent Directors

All Independent Directors are familiarised 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.

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

1. 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 :
 - i. Mata Construction and Builders Private Limited
 - ii. 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.

2. Ms. Roshini Sanah Jaiswal had been appointed as Director New Projects w.e.f. 1st April, 2010 and thereafter she was designated as Chief Restructuring Officer of the Company w.e.f. 1st April, 2015. Her present assignment is to strategically oversee the restructuring and transformation being undertaken in the Company, in view of various challenges being faced.

Ms. Jaiswal is a Political Science and Economics Graduate from New York University. She has vast experience of management and expertise in the Food and Beverages industry in addition to an innate understanding of the liquor industry of more than two decades. After her joining the Company has added various new IMFL brands viz. Royal Pride, King Henry VIII Scotch Whisky and Ilce Vodka. She is holding directorship in following Companies :

- i. LPJ Holdings Private Limited
- ii. Aayaan Properties Private Limited
- iii. Qube Corporation Private Limited
- iv. Totalinks Enterprises Private Limited

She is not holding Chairmanship/membership of any of the Committees in any other Public Limited Company. She does not hold any equity share in the Company.

3. Mr. Varun Kapoor is BSc (Hons) in Design Engineering (sandwich degree) from Bournemouth University, UK. Mr. Varun Kapoor, aged around 29 years, has around eight years of experience in design engineering and marketing. He is a designated partner in Oody Designs LLP. He does not hold any equity share in the Company.

He is not holding Chairmanship/membership of any of the Committees in any other Public Limited Company. He does not hold any share in the Company.

Board Meetings:

The Board of Directors held six Board Meetings during the period under review i.e. on 19th May, 2016, 25th July, 2016, 2nd September, 2016, 28th October, 2016, 14th November, 2016 and 14th February, 2017.

Separate Meeting of the Independent Directors:

The Independent Directors held a Meeting on 20th December, 2016, without the attendance of Non-Independent Directors and members of Management. All the Independent Directors Viz. Mrs. Kiran Kapur and Ms. Sonya Jaiswal 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.



Details of shareholding of Non-executive Directors

Sl No.	Name of Director	No. of shares held
1.	Mrs. Kiran Kapur	100
2.	Mrs. Anjali Varma	100
3.	Ms. Sonya Jaiswal	3586

3. Audit Committee

The Audit Committee comprises of Mr. Ravi Manchanda, Mrs. Kiran Kapur and Ms. Sonya Jaiswal. Mrs. Kiran Kapur is the Chairperson of the Audit Committee. On 25th July, 2016 Mr. Peri Kameswara Sharma ceased to be member and Ms. Sonya Jaiswal was appointed as member of the Committee. On 28th October, 2016 Mr. Narender Sapra ceased to be member and Mr. Ravi Manchanda was appointed as the member of the Committee.

The terms of reference of this Committee cover the matters specified for Audit Committee under Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review the Audit Committee held five meetings i.e on 19th May, 2016, 25th July, 2016, 2nd September, 2016, 14th November, 2016 and 14th February, 2017.

Attendance record of Audit Committee members

Sl. No	Name of Members	No of meetings held during the tenure	Meetings attended
1	Mrs. Kiran Kapur	5	5
2	Mr. Narender Sapra	3	2
3	Mr. Peri Kameswara Sharma	2	2
4	Ms. Sonya Jaiswal	3	3
5	Mr. Ravi Manchanda	2	2

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of Mrs. Kiran Kapur, Mrs. Anjali Varma and Ms. Sonya Jaiswal. Mrs. Kiran Kapur is the Chairperson of the Nomination and Remuneration Committee. On 25th July, 2016 Mr. Peri Kameswara Sharma ceased to be member and Chairman of the Committee and Mrs. Kiran Kapur was nominated as Chairperson of the Committee. Ms. Sonya Jaiswal was appointed as the member of the Committee on 25th July, 2016.

The functions and terms of reference of the Committee are as prescribed under Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee identifies 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. The Committee also formulates 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 one meeting on 25th July, 2016.

Attendance record of Nomination and Remuneration Committee members

Sl. No	Name of Members	No of meetings held during the tenure	Meetings attended
1	Mrs. Kiran Kapur	1	1
2	Mrs. Anjali Varma	1	1
3	Mr. Peri Kameswara Sharma	1	-
4	Mrs. Sonya Jaiswal	-	-

5. Remuneration of Directors

Payment to Non-executive Directors

The non-executive directors are not paid any remuneration other than sitting fees for attending Board and Committee Meetings. The details of sitting fee paid during the year is as follows:

Sl. No.	Name of the Directors	Total Sitting Fees Paid (Rs.)
1.	Mrs. Kiran Kapur	2,60,000
2.	Mrs. Anjali Varma	1,40,000
3.	Ms. Sonya Jaiswal	1,60,000
4.	Mr. Peri Kameswara Sharma	60,000

Payment to Executive directors

During the period under report Mr. Narender Sapra, Managing Director, and Mr. Ravi Manchanda, Whole-time Director were paid remuneration as under:

Sl. No.	Name of the Directors	Salary (Rs.)	Perquisites & others (Rs.)	Total (Rs.)
1	Mr. Narender Sapra	72,00,000	27,86,966	99,86,966
2	Mr. Ravi Manchanda	27,46,200	10,19,260	37,65,460

(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.

6. Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises of Mr. Ravi Manchanda, Mrs. Kiran Kapur and Ms. Sonya Jaiswal. Mrs. Kiran Kapur, Independent Director is the Chairperson of the Stakeholders Relationship Committee. On 28th October, 2016 Mr. Narender Sapra ceased to be member and Mrs. Kiran Kapur was appointed as member and Chairperson of the Committee. Mr. K. K. Kohli, Company Secretary, is the Compliance Officer.

The functioning and terms of reference of the Committee are as prescribed under and in due compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 has received one complaint from shareholders and the said complaint was redressed during the year ended 31st March, 2017.

No transfer was pending on 31st March, 2017 for more than 15 days of its receipt.

During the year under review the Stakeholders Relationship Committee held one meeting on 14th February, 2017.

Attendance record of Stakeholders Relationship Committee members

Sl. No.	Name of Members	No. of meetings held during the tenure	Meetings attended
1.	Mr. Ravi Manchanda	1	1
2.	Mrs. Kiran Kapur	1	1
3.	Ms. Sonya Jaiswal	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:

Sl. No.	Year	Date	Day	Time
1	2014	30.09.2014	Tuesday	09.30 A. M.
2	2015	27.11.2015	Friday	09.30 A. M.
3	2016	30.11.2016	Wednesday	09.30 A. M.

The Company has passed seven Special Resolutions in the last three Annual General Meetings.

Special Resolution passed during the year through postal ballot – details of voting pattern and the procedure thereof :

During the year, one Special Resolutions was passed through Postal Ballot procedures on 30th November, 2016. The details of voting pattern in respect of Special Resolution is mentioned below :



The Board of Directors by its Resolution passed on 2nd September, 2016 had appointed Mr. Subhash Saini, Practicing Company Secretary, to act as the Scrutinizer for conducting the Postal Ballot. The Company had also offered e-voting facility to its members enabling them to cast their votes electronically. The Company has signed an agreement with the Central Depository Services (India) Limited (CDSL) to enable its members to cast their votes electronically pursuant to Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s), enactment(s) or reenactment(s) thereof for the time being in force). The postal ballot process was carried out as per the procedure laid down in terms of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014. Mr. Subhash Saini, had carried out the scrutiny of all the postal ballot forms received upto the close of working hours (5 P.M.) on 26th November, 2016 and that he had submitted his Report thereon to the Director of the Company. Based on the Scrutinizer's Report, Mr. Ravi Manchanda, Director and Chairman of 71st AGM, declared the result of the voting exercise on 30th November, 2016, as follows :

Sl. No.	Particular	Physical	Electronic	Total
a	Total Postal Ballot Forms received	42	50	92
b	Total number of votes casted	6,16,56,026	6,92,547	6,23,48,573
c	Less: Invalid no. of votes casted	1,184	0	1,184
d	Valid no. of votes casted (Net)	6,16,54,842	6,92,547	6,23,47,389
e	Total no. of votes with assent for the Resolution	6,16,54,592	6,91,747	6,23,46,339
f	Total no. of votes with dissent for the Resolution	250	800	1,050

% of total votes casted in favour of the Resolution: 99.99%

% of total votes casted against the Resolution: 0.001%

8. Means of Communication

The Quarterly and the Annual Financial Results are submitted to the Stock Exchange in accordance with the Listing Regulations and are published in the Statesman, English Edition and in Rozana Mehnat, Punjabi edition as required under the Listing Regulations. The results are displayed on the website of the Company www.jagatjit.com under the heading "Investors". The same are also forwarded to the Shareholders on their request. Management Discussion and Analysis Report is enclosed and forms part of this Annual Report.

9. General Shareholders Information

a) Annual General Meeting

Date : 27th September, 2017
Time : 09.30 A. M.
Venue : Jagatjit Nagar, Distt. Kapurthala, Punjab -144802

b) Financial Year : 1st April, 2016 to 31st March, 2017

c) Financial Calendar (2017-18)

(i) First Quarter Results : Mid of September, 2017
(ii) Second quarter Results : Mid of December, 2017
(iii) Third Quarter Results : Mid of February, 2018
(iv) Annual Results : By 30th May, 2018

d) Dates of Book Closure : 23rd September, 2017 to 27th September, 2017.

The Register of Members and Share Transfer Books will remain closed from 23rd September, 2017 to 27th September, 2017 (both days inclusive) for the purpose of Annual General Meeting.

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 are presently listed on BSE Limited Vide Stock Code No. 507155.

The Listing fees for the financial year 2017-18 have been paid to Bombay 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, 2016	83.90	69.45	26100.54	24523.20
May, 2016	77.15	69.70	26837.20	25057.93
June, 2016	83.85	65.65	27105.41	25911.33
July, 2016	81.75	72.30	28240.20	27034.14
August, 2016	78.80	65.10	28532.25	27627.97
September, 2016	74.55	67.50	29077.28	27716.78
October, 2016	83.55	69.30	28477.65	27488.30
November, 2016	81.95	65.00	28029.80	25717.93
December, 2016	71.00	65.00	26803.76	25753.74
January, 2017	71.95	64.60	27980.39	26447.06
February, 2017	68.10	60.15	29065.31	27590.10
March, 2017	65.00	59.00	29824.62	28716.21

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

j) Distribution of Shareholding as on 31st March, 2017

Category (in Rs.)	No. of Shareholders	% of Share holders	No. of Shares held	% of Shareholding
Upto - 5000	2984	77.95	387100	0.84
5001 - 10000	348	09.09	253261	0.55
10001 - 20000	213	05.56	321557	0.70
20001 - 30000	78	02.04	198140	0.43
30001 - 40000	46	01.20	161123	0.35
40001 - 50000	30	00.78	141713	0.31
50001 - 100000	72	01.88	498337	1.08
Above - 100000	57	01.49	44186881	95.75
Total	3828	100.00	46148112	100.00



k) Shareholding pattern as on 31st March, 2017

Sl. No.	Category	No. of Shares held	% of total Shareholding	% of Voting Rights
1.	Promoters' Holding	15645365	33.90	92.27
2.	Mutual Funds & UTI	1100	0.00	0.00
3.	Banks, Financial Institutions, Govt. Companies	2172	0.00	0.00
4.	Private Corporate Bodies	1496368	3.24	2.19
5.	NRIs/FIIs (other than Promoters)	221456	0.48	0.32
6.	Indian Public	3571651	7.75	5.22
	Total	20938112	45.37	100.00
7.	GDRs (Underlying Shares)	25210000	54.63	-
	Grand Total	46148112	100.00	100.00

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) Dematerialisation of Shares and Liquidity.

As on 31st March, 2017, 1,65,77,800 equity shares being 35.92 % 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.

n) 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.	Plot Nos. 4A-1/1 & 1/2, Sikandrabad Industrial Area, Sikandrabad- 203 205 (U.P.)
4.	Plot No. SP 1-3, Sotanala, RIICO Industrial Area, Behror, Distt. Alwar -301 701(Rajasthan)

o) 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-110019.
Tel: 011- 26432641-42
Fax: 011-26441850
E.mail: jil@jagatjit.com

Investor E. mail address : Investor@jagatjit.com

10. Other 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, 2017.

- (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, except that, the BSE Limited (Bombay Stock Exchange) has levied a penalty of Rs. 27,96,394/- for delay in submission and publication of Financial Results for the quarters and years ended on 31st March, 2014 and 31st March, 2015 and for the quarters ended on 30th June, 2015 and 31st December, 2015. The Company has approached the Stock Exchange for waiver of the penalty levied.

Further there has been delay in submission and publication of Financial Results for the quarters and years ended on 31st March, 2016 and 31st March, 2017 and for the quarters ended on 30th June, 2016 and 31st December, 2016. The BSE Limited has levied a penalty of Rs.7,77,952/-.

- (iii) Whistle Blower Policy: In compliance with Section 177 of the Companies Act, 2013 and the listing regulations, the Company has formulated a Whistle Blower Policy which has been uploaded on the website of the Company at www.jagatjit.com.
- (iv) The Company has followed all the mandatory requirements prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

11. 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. 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 Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

I, Ravi Manchanda, Managing Director hereby declare that as per the requirements of the SEBI (LODR) Regulations, 2015, 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 during the year under review.

Sd/-
Ravi Manchanda
Managing Director
DIN. 00152760

Date: 1st August, 2017



CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members,
JAGATJIT INDUSTRIES LIMITED

1. We have examined the compliance of conditions of Corporate Governance by JAGATJIT INDUSTRIES LIMITED ("the Company"), for the year ended on March 31st, 2017, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the year ended March 31st, 2017.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Pranav Kumar & Associates
Company Secretaries

Date : 26.07.2017
Place : Ghaziabad

Sd/-
Arpita Saxena
Partner
ACS : 23822
CP No. 11962

Financial Highlights

(Rs. in lacs or as indicated)

	2016-17**	2015-16**	2014-15**	2013-14*	2012-13*	2011-12*	2010-11*	2009-10	2008-09	2007-08
ASSETS										
Fixed Assets (Net Block)	42392	28701	29742	32762	34284	32348	34450	37137	37658	33367
Investments (Current & Non Current)	3066	1264	1183	1229	1318	298	1203	1201	111	106
Current and Non Current Assets	32114	44573	50787	45433	48784	48733	40453	31969	29540	27403
	77572	74538	81712	79424	84386	81379	76106	70307	67309	60876
LIABILITIES										
Loans, Liabilities and Provisions										
(Current & Non Current)	54233	54568	54888	47559	47705	44894	41955	37958	28670	21325
NET WORTH	23339	19970	26824	31865	36681	36485	34151	32349	38639	39551
REPRESENTED BY										
Equity Share Capital	4615	4615	4615	4615	4615	4615	4615	4615	5194	5194
Reserves and Surplus	18724	15355	22209	27250	32066	31870	29536	27734	33445	34357
TOTAL	23339	19970	26824	31865	36681	36485	34151	32349	38639	39551
OPERATING PERFORMANCE										
Revenue	84640	115351	124268	137081	145101	160484	141370	94297	84191	80042
Gross Profit Earnings	(10792)	(5445)	(4341)	(2417)	2418	5310	6382	2397	1390	4068
Profit before Tax	(12021)	(6716)	(5584)	(4266)	668	2847	3507	463	(211)	2402
Profit after Tax	(11909)	(6565)	(4365)	(4523)	505	3510	2526	646	(450)	1762
Earning per Share (Rs.)	(27.28)	(15.04)	(10.00)	(10.36)	1.16	8.04	5.79	1.48	(0.91)	3.56
DIVIDEND										
Amount per Share (Rs.)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rate (%)	0	0	0	0	0	0	0	0	0	0
Book Value per Equity Share (Rs.)	50.57	43.27	58.12	69.05	79.48	79.06	74.00	70.10	74.39	76.15
GROSS EARNINGS										
As a percentage of Revenue	(12.8)	(4.7)	(3.5)	(1.8)	1.7	3.3	4.5	2.5	1.7	5.1
As a percentage of Fixed Assets	(25.5)	(19.0)	(14.6)	(7.4)	7.1	16.4	18.5	6.5	3.7	12.2
As a percentage of Capital Employed	(19.3)	(9.4)	(7.5)	(4.1)	3.9	9.2	11.3	4.8	2.7	8.6

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

**based upon 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, 2017, the Statement of Profit and Loss and 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 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 (As amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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. 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 qualified audit opinion on the standalone financial statements.

Basis for qualified opinion

7. In the opinion of the management, Accounts Receivable & Loans and Advances have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet.
During the financial year ended March 31, 2017 confirmatory letters have been sent to the sundry creditors, suppliers and sundry debtors requesting them to confirm and reconcile the account balances as on March 31, 2017. A number of parties have not yet confirmed/reconciled the balances as on the date of signing of the financial statements.
Accordingly, Trade payables, Loans and Advances and balances appearing under Trade Receivables are subject to reconciliation & confirmation. The financial impact of this is not ascertainable and to that extent we do not have any information in respect of such balances.
8. An amount of Rs. 2,977 lacs is outstanding in books of accounts of the Company, being an advance to its wholly owned subsidiary M/s S.R.K. Investments Pvt. Ltd, since 2010-11. No recovery of this amount has been made since disbursement of advance, to the aforementioned subsidiary.
The Company's management, based on internal assessments and evaluations, have represented that the balance outstanding advances are recoverable and that no accrual for diminution of advances is necessary as at balance sheet date. The Company has received confirmation from the aforementioned subsidiary on March 31, 2017.
The Company has not created a provision against this advance in its books of accounts. In our opinion, there is significant uncertainty and doubt about the recovery of this advance from the subsidiary, as considerable period of time has elapsed from grant of advance and therefore, a provision for doubtful advance should have been accounted for in the financial statements for the year ended March 31, 2017. Consequently, the loss for the year ended March 31, 2017 is understated and reserves and surplus as at March 31, 2017 are overstated to the extent of Rs. 2,977 lacs.

Qualified Opinion

9. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion Paragraph above, 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, 2017;
- (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.

Emphasis of Matter

10. Attention is invited to Note No. 30.1 (iv) regarding Gas Sales Agreement with Gail (India) Limited, referring to non utilisation of RLNG for contract year 2014, 2015 and 2016. On this account for these years, the company received demands from supplier aggregating to Rs. 9,933 lacs towards Annual Take or Pay Deficiency basis.

The company has denied the liability in this regard to the supplier and the management is confident that there will be no material amount on resolution. In view of this, no effect of the same has been given in these accounts. The said amount has been considered as contingent liability.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditor's Report) Order, 2016 ("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', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
12. As required by Section 143(3) of the Act, we report that:
- (a) We have sought, and except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) Except for the possible effects of the matters described in the Basis of Qualified Opinion Paragraph above, 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) Except for the possible effects of the matters described in the Basis of Qualified Opinion Paragraph above, 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 (as amended);
 - (e) the matters described in the Basis for Qualified Opinion paragraph above, and the matter described in the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
 - (f) On the basis of the written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Act; and
 - (g) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
 - (h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (i) 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 (as amended), in our opinion and best of our information and according to 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 except for a delay of amounts aggregating to Rs. 2 lacs (Refer Note-34 of the financial statements)
 - iv. The Company has provided requisite disclosures in Note-44 to these standalone financial statements as to the holding of Specified Bank Notes on November, 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our enquiries, test check of the books of account and other details maintained by the Company and relying on the management representation regarding the holding and nature of cash transactions, including Specified bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company.

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 : 1st August, 2017



ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 11 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, 2017)

- (i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- (c) According to the information and explanations given to us by the management and on the basis of the examination of the records of the Company, the title deeds of immovable properties included in fixed assets are held in the name of the Company except two Immovable properties having gross book value of Rs.15 lacs (original cost) and net book value of Rs.6 lacs for which title deeds were not available with the Company and hence we are unable to comment on the same.

Immovable properties whose title deeds have been pledged with banks as security for term loans, are held in the name the of Company based on the Mortgage deeds executed between the banks and the Company for which confirmations have been obtained from respective bankers.
- (ii) The physical verification of inventory has been conducted at reasonable intervals by the management during the year. In respect of inventory lying with third parties, these have been substantially confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- (iii) (a) According to the information and explanations given to us, the Company has granted loan to one of its subsidiary company covered in the registered maintained under section 189 of the Companies Act, 2013, in an earlier year. No loan was granted to any entity covered in the registered maintained under section 189 of the Companies Act, 2013 during the current year.
- (b) In respect of the above, there is no stipulation regarding repayment of principal amount or interest. No repayment of either the principal or the interest has taken place during the current year.
- (c) The overdue amount exceeding 90 days is Rs.185 lacs. According to the information and explanations given to us, in our opinion reasonable steps have been taken by the company for recovery of the principal and interest.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- (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 notified 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 sub-section (1) of section 148 of the Companies Act, specified by the Central Government and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) (i) According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues with the appropriate authorities.
- (ii) According to the information and explanations given to us, there were no undisputed dues in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues which were in arrears as at March 31, 2017, 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, Service Tax, Excise Duty, Value Added Tax and Cess as at March 31, 2017 which have not been deposited on account of a dispute, are as follows: -

Name of the statute	Nature of dues	Amount(Rs.)	Period to which the amount relates	Forum where the Dispute is pending
EXCISE DUTY				
Central Excise Act, 1944	Demand of Cess on manufacturing of Corrugated Paper Board	70,041	November 2010 to Sept, 2014	Commissioner (Appeals) Chandigarh - I
Central Excise Act, 1944	Penalty in the above matter	70,041	November 2010 to Sept, 2014	Commissioner (Appeals) Chandigarh - I

Name of the statute	Nature of dues	Amount(Rs.)	Period to which the amount relates	Forum where the Dispute is pending
SERVICE TAX				
The Finance Act, 1994	Wrong availment of Service Tax Cenvat Credit	13,127,235	October 2003 to September 2007	CESTAT, Chandigarh
The Finance Act, 1994	Penalty in the above matter	13,127,235	October 2003 to September 2007	CESTAT, Chandigarh
The Finance Act, 1994	Wrong availment of Service Tax Cenvat Credit	6,970,632	October 2007 to March 2008	CESTAT, Chandigarh
The Finance Act, 1994	Penalty in the above matter	6,970,632	October 2007 to March 2008	CESTAT, Chandigarh
The Finance Act, 1994	Demand and Penalty towards Management maintenance and Repair Services	1,797,534	June, 2005	CESTAT, Chandigarh
The Finance Act, 1994	Demand and Penalty towards conversion charge for SMP & Ghee under category of Supply of Tangible Goods	6,221,720	May, 2008 to April,2010	CESTAT, Chandigarh
The Finance Act, 1994	Penalty in the above matter	6,221,720	May, 2008 to April,2010	CESTAT, Chandigarh
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
Sales Tax under Telangana VAT Act	Demand and Penalty on account of VAT on Royalty Income	1,03,00,000	2012-13 to November,2014	Appellate Deputy Commissioner, Hyderabad
Sales Tax under Punjab VAT Act & Central Sales Tax Act	Demand and Penalty on account of disallowance of VAT input credit on Rice Husk	2,21,48,291	2010-11	Deputy Excise and Taxation Commissioner (Appeals), Jalandhar
Sales Tax under Haryana VAT Act	Demand and Penalty on account of disallowance of VAT input credit on Rice Husk	39,69,900	2011-12	Joint Excise & Taxation Commissioner (A), Rohtak
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.

- (viii) In our opinion and according to the explanations given to us by the management, the Company has not defaulted in the repayment of dues to financial institutions and banks. The Company has not issued any debentures.
- (ix) The Company has not raised any moneys by way of initial public offer or further Public offer (including debt instruments) during the period. Moneys raised by way of Term Loan were applied for the purpose for which those are raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) To the best of our knowledge and according to the information and explanations given to us by the management, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion and according to the explanations given to us by the management, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3 (xiv) of the Order is not applicable.



- (xv) According to the information and explanations given to us the Company has not entered into any non-cash transactions with directors or person connected with him covered by section 192 of the Act.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

Place : New Delhi
Date : 1st August, 2017

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

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 12 (h) 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, 2017)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Jagatjit Industries Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Emphasis of Matter

We would draw attention to matters disclosed in Paragraphs under 'Basis for Qualified Opinion', which could indicate possible lapses in internal financial controls system.

Our opinion under Clause (i) of Sub-section 3 of Section 143 of the Act is not qualified in respect of this matter.

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 : 1st August, 2017

Balance Sheet

as at March 31, 2017



			As at 31st March, 2017 (Rs. in lacs)	As at 31st March, 2016 (Rs. in lacs)
EQUITY AND LIABILITIES	Shareholders' Funds	Note		
	Share Capital	2	4,615	4,615
	Reserves and Surplus	3	18,724	15,355
	Non-Current Liabilities			
	Long Term Borrowings	4	22,010	14,900
	Deferred Tax Liabilities (Net)	5	869	633
	Other Long Term Liabilities	6	830	258
	Long Term Provisions	7	2,302	1,983
	Current Liabilities			
	Short Term Borrowings	8	3,063	10,397
	Trade Payables	9		
	Total outstanding dues of micro and small enterprises		137	105
	Total outstanding dues of Creditors other than micro and small enterprises		12,834	12,287
	Other Current Liabilities	10	11,714	13,553
	Short Term Provisions	11	474	452
	TOTAL		77,572	74,538
ASSETS	Non-Current Assets			
	Fixed Assets			
	Tangible Assets	12	42,328	28,642
	Intangible Assets	12	7	10
	Capital Work-in-Progress		57	49
	Non Current Investments	13	3,051	1,249
	Long Term Loans and Advances	14	4,122	4,182
	Other Non Current Assets	15	1,372	1,868
	Current Assets			
	Current Investments	16	15	15
	Inventories	17	7,917	10,353
	Trade Receivables	18	13,984	18,811
	Cash and Bank Balances	19	786	1,051
	Short Term Loans and Advances	20	3,690	4,290
	Other Current Assets	21	243	4,018
	TOTAL		77,572	74,538

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

Roshini Sanah Jaiswal
Kiran Kapur
Anjali Varma
Sonya Jaiswal
] Directors

New Delhi
1st August, 2017

K.K. Kohli
Company Secretary

Anil Girotra
Chief Financial Officer

Ravi Manchanda - Managing Director

Statement of Profit and Loss

for the year ended March 31, 2017

		Note	For the year Ended 31st March, 2017 (Rs. in lacs)	For the year Ended 31st March, 2016 (Rs. in lacs)
INCOME				
	Revenue from Operations (Gross)	22	83,919	114,951
	Less: Excise Duty		32,825	46,148
	Revenue from Operations (Net)		51,094	68,803
	Other Income	23	721	400
	Total Revenue		51,815	69,203
EXPENSES				
	Cost of Materials Consumed	24	23,189	31,778
	Purchases of Stock-in-Trade	25	1,613	2,219
	Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	26	1,095	597
	Employee Benefits Expense	27	7,610	7,129
	Finance Costs	28	5,080	4,063
	Depreciation and Amortisation Expense	31	1,229	1,271
	Other Expenses	29	22,264	29,004
	Total Expenses		62,080	76,061
	Profit/(Loss) before tax		(10,265)	(6,858)
	Tax Expenses			
	Current tax			
	MAT Credit Reversal		99	
	Previous Year Tax Adjustment		(447)	
	Deferred Tax (benefit)/charge	5	233	(159)
			(115)	(159)
	Profit/(Loss) from Continuing Operations (after Tax)		(10,150)	(6,699)
	Profit/(Loss) from Discontinuing Operations	42	(1,756)	142
	Tax Expense from Discontinuing Operations		3	8
	Profit/(Loss) from Discontinuing Operations (after Tax)		(1,759)	134
	Profit/(Loss) for the year		(11,909)	(6,565)
	Earnings per Equity Share			
	Earnings per Share (Basic and Diluted) (Continuing operations)			
	(Face Value of Rs. 10 each)	36	(23.25)	(15.35)
	Earnings per Share (Basic and Diluted) (Face Value of Rs. 10 each)	36	(27.28)	(15.04)
	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 Statements of Profit & Loss

For and on behalf of
MITTAL CHAUDHRY & CO.
Chartered Accountants
Firm Registration No.002336N

Nitin Chaudhry

Partner

Membership No. F 91463

New Delhi
1st August, 2017

K.K. Kohli
Company Secretary

Anil Girotra
Chief Financial Officer

Roshini Sanah Jaiswal
Kiran Kapur
Anjali Varma
Sonyia Jaiswal

Directors

Ravi Manchanda - Managing Director



Cash Flow Statement

for the year ended March 31st, 2017

	2017 (Rs. in lacs)	2016 (Rs. in lacs)
A. Cash Flow from Operating Activities:		
Net Profit/(Loss) before tax	(12,021)	(6,716)
Adjustments for:		
Depreciation	1,229	1,271
Interest Expense	5,080	4,079
Interest Income	(128)	(129)
(Profit)/Loss on Fixed Assets sold (net)	1,631	(337)
Fixed Assets written off	25	-
Debts / Advances/Stock written off	326	742
Provision for Bad & Doubtful Debts and Advances	1,841	1,209
Provision for inventory for obsolete/damaged stock	979	11
Liability no longer required written back	(599)	(146)
Provision for Gratuity & Leave Encashment	341	(90)
Unrealised Foreign Exchange (gain)/loss (net)	3	(6)
Operating Profit before Working Capital Changes	(1,293)	(112)
Adjustments for changes in Working Capital :		
(Increase)/ Decrease in Trade Receivables	3,431	3,598
(Increase)/ Decrease in Short Term Loans & Advances	(154)	(203)
(Increase)/ Decrease in Long Term Loans & Advances	(46)	6
(Increase)/ Decrease in Other Current Assets	25	(109)
(Increase)/ Decrease in Inventories	1,457	294
Increase/ (Decrease) in Trade Payables	1,217	(2,595)
Increase/(Decrease) in other current liabilities	(2,689)	2,263
Increase/(Decrease) in Other Long Term Liabilities	572	(1,688)
Increase/(Decrease) in Long Term Provisions	-	-
Increase/(Decrease) in Short Term Provisions	-	(28)
Cash generated from operations	2,520	1,426
Taxes (Paid)/ Received (Net of TDS)	539	452
Net Cash from/ (used) Operating Activities	3,059	1,878
B. Cash flow from Investing Activities:		
Purchase of Fixed Assets including Capital Work- in -Progress and Capital advances	(250)	(630)
Proceeds from Sale of Fixed Assets	990	592
Purchase of investments	-	(99)
Sale of investments	-	18
Advances to Subsidiaries	-	16
Interest Received (Revenue)	122	74
Release/(Addition) of Cash (from)/for restrictive use	266	219
Net Cash from Investing Activities	1,128	190
C. Cash Flow from Financing Activities:		
Proceeds from short term Borrowings (Net)	(7,334)	(793)
Proceeds from long term Borrowings (Net)	6,858	3,299
Interest Paid	(3,976)	(4,416)
Net cash used in Financing Activities	(4,452)	(1,910)
Net Increase/ (Decrease) in Cash & Bank Balances	(265)	158
Cash and Cash equivalents at the beginning of the year	1,032	874
Other Bank Balance at the beginning of the year	19	19
Cash and Cash equivalents at the end of the year	566	1,032
Fixed Deposits with Banks	200	2
Margin Money Account	20	17
Cash and Bank Balances at the end of the year	786	1,051
Cash and Bank Balances Comprise		
Cash, Cheques & Drafts (in hand) and Remittances in transit	48	202
Balance with Scheduled Banks	738	849
	786	1,051
Cash and Cash Bank Balances Include :		
Cash and Bank Balances	786	1,051
Unrealised gain on foreign currency	-	-
Total Cash and Cash Equivalents	786	1,051
Cash flow from Discontinuing Operation included above in		
- Operating Activities	105	(146)
- Investing Activities	955	399
- Financing Activities	(31)	(156)

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

Nitin Chaudhry

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

New Delhi
1st August, 2017

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Notes

on Financial Statements for the year ended 31st March, 2017

1 SIGNIFICANT ACCOUNTING POLICIES:

1.1. BASIS FOR PREPARATION OF ACCOUNTS

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (As Amended). The financial statements have been prepared on accrual basis under the historical cost convention, except for certain tangible assets which are being carried at revalued amounts.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

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 (PROPERTY, PLANT & EQUIPMENT)

a) Tangible:

Fixed Assets (Property, Plant and Equipment) except Land is stated at cost, net of accumulated depreciation and any accumulated impairment losses. Cost of acquisition includes taxes, duties, freights 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 assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Land is stated and accounted as per revaluation model at revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses.

The cost of fixed assets not ready for their intended use is recorded as capital work-in-progress before such date

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. 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

Boiler No-5

Turbine 7 MW

Evaporator Spent Wash

Depreciation

Over its useful life as technically assessed (35 Years)

Over its useful life as technically assessed (35 Years)

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

a) 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.

b) Investment in land or buildings that are not intended to be occupied substantially for use by or in operations of the Company, or held for rental purpose is classified as investment property. Investment property is stated at cost less accumulated depreciation. This change in accounting policy did not have any financial impact on financial statements of the Company for the current year.

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. CASH AND CASH EQUIVALENTS:
Cash and Cash Equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances and demand deposits with banks where the original maturity is three months or less.
- 1.10. 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.
- 1.11. 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.
- 1.12. 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.
- 1.13. LEASE ACCOUNTING
Operating Lease payments are recognized as an expense in the Profit and Loss Account on straight-line basis over the lease term.
- 1.14. 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.
- 1.15. 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.
- 1.16. EARNINGS PER SHARE
The basic and dilutive earnings per share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. Dilutive earnings per share is computed and disclosed after adjusting the effects of all dilutive potential equity shares.
- 1.17. SEGMENT ACCOUNTING POLICIES
- a) Segment assets and liabilities:
All Segment assets and liabilities are directly attributable to the segment.
Segment assets include all operating assets used by the segment and consist principally of fixed assets, inventories, sundry debtors, loans and advances and operating cash and bank balances. Segment assets and liabilities do not include inter-corporate deposits, share capital, reserves and surplus, borrowings, and income tax (both current and deferred).
 - b) Segment revenue and expenses:
Segment revenue and expenses are directly attributable to segment. It does not include interest income on inter-corporate deposits, interest expense and income tax.
Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue/expenses/assets/liabilities".

Notes

Continued

		As at 31st March, 2017 (Rs. in lacs)	As at 31st March, 2016 (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 2.6 b)	25,210,000	25,210,000
	Add : Preferential allotment (Note 2.6 c)	2,500,000	2,500,000
	Less : Shares repurchased (Buy- Back)	5,794,112	5,794,112
	Total	46,148,112	46,148,112

2.4 RECONCILIATION OF NUMBER OF SHARES & SHARE CAPITAL

Equity Shares	As on 31.03.2017		As on 31.03.2016	
	No.of Equity Shares	Rs. in lacs	No.of Equity Shares	Rs. in lacs
At the beginning of the year	46,148,112	4,615	46,148,112	4,615
Add : Issued during the year	-	-	-	-
Less : Bought Back during the year	-	-	-	-
Outstanding at the end of the year	46,148,112	4,615	46,148,112	4,615

2.5 DETAIL OF SHAREHOLDERS HOLDING MORE THAN 5% EQUITY SHARES OF THE COMPANY

Name of the Shareholders	As on 31.03.2017		As on 31.03.2016	
	No. of Equity Shares	Percentage holding	No. of Equity Shares	Percentage holding
Equity Shares of Rs. 10/-each fully paid up held by:				
a) The Bank of New York (the Depository) (Note 2.6 b)	25,210,000	54.63	25,210,000	54.63
b) LPJ Holdings Pvt. Ltd.	7,418,648	16.08	7,418,648	16.08
c) LPJ Holdings Pvt. Ltd. (Note 2.6 c)	2,500,000	5.42	2,500,000	5.42

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

2.6 TERMS/RIGHTS ATTACHED TO EQUITY SHARES

- 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.
- 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.
- 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.
- 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 31st March, 2017 (Rs. in lacs)	As at 31st March, 2016 (Rs. in lacs)
3. RESERVES AND SURPLUS	Capital Reserve		
	Surplus on forfeited shares sold	0	0
	Capital Redemption Reserve		
	As per last Balance Sheet	580	580
	Revaluation Reserve		
	Revaluation Reserve as at the beginning of the year	11,459	11,748
	Less : Adjusted during the year (Refer note - 31)	11,459	102
	Add : Addition During the year (Refer note - 31)	26,779	
	Less : Transferred to Statement of Profit & Loss	42	187
	Closing balance	26,737	11,459
	Securities Premium Reserve		
	As per last Balance Sheet	3,697	3,697
	Closing balance	3,697	3,697
	General Reserve		
	As per last Balance Sheet	2,016	2,016
	Closing balance	2,016	2,016
	Surplus /(Deficit) as per Statement of Profit & Loss		
	As per last Balance Sheet	(2,397)	4,168
	Add: Profit/(Loss) for the year	(11,909)	(6,565)
	Closing balance	(14,306)	(2,397)
	TOTAL	18,724	15,355
4. LONG TERM BORROWINGS	Secured		
	From Banks		
	-Term Loan	10,650	13,905
	-Car Loans	24	93
	From others		
	-Car Loans	36	182
		10,710	14,180
	Unsecured		
	Fixed Deposits	300	661
	Loans and advances from Others	11,000	-
	Loans and advances from related parties	-	59
		11,300	720
	TOTAL	22,010	14,900

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

Nature of Security	Terms of Repayment
i. Term Loan amounting to Rs.Nil (Previous year Rs. 93 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.	Repayable in 28 equal quarterly installments commencing from September, 2009. Last installment Due in June, 2016. Rate of Interest Nil (Previous year 13.65% p.a.) as at year end.
ii. Term Loan amounting to Rs. Nil (Previous year Rs.30 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 Rate of interest Nil (Previous year 13.65% p.a) as at year end.
iii. Term Loan amounting to Rs.264 lacs (Previous year Rs. 688 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 12.50% p.a (Previous year 12.65% p.a) as at year end.

Notes

Continued

- | | | |
|------|--|---|
| iv | Term Loan amounting to Rs.116 lacs (Previous year Rs. 232 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 13.30% p.a (Previous year 13.65% p.a) as at year end. |
| v | Term Loan amounting to Rs.1,390 lacs (Previous year Rs. 1,829 lacs) for expansion of Malted Milkfood Plants secured against exclusive first charge on plant & machinery of the new Malted Milkfood including instrumentation etc. at its works at Jagatjit Nagar, Distt Kapurthala and extension of mortgage on Plot No. 78 Institutional area, Sector-18, Gurgaon, Haryana and negative lien on the Property of 9th and 10th floor, Ashoka Estate, 24 Barakhamba Road, New Delhi. | Repayable in 60 monthly equal installments commencing from June, 2015. Last installment due on May, 2021. Rate of interest 12.30% p.a. (Previous year 13.65% p.a) as at year end. |
| vi | Term Loan amounting to Rs.4,773 lacs (Previous year Rs. 6,533 lacs) for General Corporate Purpose is secured by exclusive charge by way of mortgage on Land & Building situated at Village Hamira, Distt Kapurthala and lien on Fixed Deposit in favour of IFCI. | Repayable in 18 structured quarterly installments commencing from August 2015 . Last installment due on November, 2019. Rate of interest 13.55% p.a. (Previous year 14.50%) as at year end. |
| vii | Term Loan amounting to Rs.7,268 lacs (Previous year Rs.7,908 lacs) is secured against lease rent receivables of leased space at Plot No. 78 Institutional area, Sactor-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 120 structured monthly installments commencing from April 2015. Last installment due on March, 2025. Rate of interest 11.30% p.a. (Previous year 11.65%) as at year end. |
| Viii | Car Loans are secured by hypothecation of the related cars. | Repayable in 36-60 equal monthly installments. Rate of interest 8.25% to 8.75% p.a. |

4.2 Terms of repayment for Long Term Unsecured Borrowings:

- | | | |
|-----|---|--|
| i. | Unsecured Inter Corporate deposit Rs. Nil (Previous year Rs. 59 lacs) from related party (Fast Buck Investment and Trading Pvt. Ltd). | Rate of Interest Nil (Previous year 8% on Rs 24 lacs and 12% on Rs. 35 lacs.) |
| ii. | Unsecured borrowing facility Rs. 11,000 lacs (Previous year Nil) from KKR Financial Services Pvt Ltd. This facility is secured by collaterals provided by promoters and other third parties. | Repayable after 3 years from the date of disbursement of tranche I which occurred on 26th May, 2016. Rate of Interest equivalent to Internal Rate of Return (IRR) of 17.25% (Previous year Nil) to the lender. |

Note: Installments falling due in respect of all the above loans up to 31.3.2018 have been grouped under "Current maturity of long-term debt" (Refer Note 10).



		As at 31st March, 2017 (Rs. in lacs)	As at 31st March, 2016 (Rs. in lacs)
5.	DEFERRED TAX LIABILITY (NET)		
	Deferred Tax Liability		
	Depreciation on Fixed Assets	2,873	2,246
	Total Deferred Tax Liabilities (A)	2,873	2,246
	Deferred Tax Assets		
	Statutory Liabilities	234	174
	Employee Retirement Benefits	813	620
	Provision for Doubtful Debts and Advances	957	819
	Total Deferred Tax Assets (B)	2,004	1,613
	Net Deferred Tax liabilities (A-B)	869	633
	Deferred Tax benefit/(expense) for the year	(236)	151
	The deferred tax asset arising on carried forward losses and unabsorbed depreciation is not being recognized as a matter of prudence as their recoverability cannot be commented on a virtual certainty basis.		
6.	OTHER LONG TERM LIABILITIES		
	Security Deposits	830	258
	TOTAL	830	258
7.	LONG TERM PROVISIONS		
	Provision for employee benefits		
	-Gratuity	1,616	1,275
	-Compensated Absences	260	282
	Provisions for Litigations		
	-Service Tax	402	402
	-Sales Tax	24	24
	TOTAL	2,302	1,983
8.	SHORT TERM BORROWINGS		
	Secured		
	- Working Capital Loans from Banks (Refer Note 8.1)	2,724	5,769
	Unsecured		
	- Fixed Deposits (Refer Note 8.2)	339	500
	- Fixed Deposits guaranteed by Directors	-	628
	- Working Capital Loan from Bank (Refer Note 8.3)	-	3,500
	TOTAL	3,063	10,397
	8.1. Cash credit limits are part of working capital facilities availed from consortium of banks. These consortium limits are secured by first pari passu charge on stock and book debts.		
	8.2. The Company continued acceptance of deposits from the members only upto 10% of the paid up capital, free reserves and securities premium account upto 30th September 2015 during the financial year 2015-16.		
	8.3. This working capital loan is secured by fixed deposits furnished by third party to bank.		
9.	TRADE PAYABLES		
	Micro, Small and Medium Enterprises	137	105
	Others	12,834	12,287
	TOTAL	12,971	12,392
	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 31st March, 2017 (Rs. in lacs)	As at 31st March, 2016 (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	137	105
	-Interest due	6	7
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	349	367
	-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.	26	18
IV	The amount of interest accrued and remaining unpaid at the end of the year	210	184
10. OTHER CURRENT LIABILITIES	Current maturities of long-term debt (Refer Note 10.1)	3,368	3,620
	Advances from Customers	626	638
	Unclaimed matured deposits (Refer Note 34)	93	163
	Interest accrued but not due	1,400	279
	Interest accrued and due	232	248
	Security Deposits	3,008	4,307
	Employee Benefits	913	904
	Statutory Liabilities	1,846	2,133
	Other Liabilities	228	1,261
	TOTAL	11,714	13,553
	10.1 This includes Car Loans secured by hypothecation of related cars amounting to Rs. 205 lacs (Previous Rs. 212 lacs)		
11. SHORT TERM PROVISIONS	Provision for employee benefits		
	-Gratuity	266	221
	-Compensated Absences	208	231
	TOTAL	474	452

12. FIXED ASSETS

	GROSS BLOCK-COST OR REVALUED VALUE					DEPRECIATION			NET BLOCK		
	As at April 1, 2016	Added on Revaluation	Addi- tions	Deletion/ Adjustments	As at March 31, 2017	As at April 1, 2016	For the Year	Deletion/ Adjustments	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
(i) Tangible Assets											
Land											
— Free Hold	2,944	23,748	-	2,903	23,789	-	-	-	-	23,789	4,276
— Lease Hold	286	3,032	-	159	3,159	59	44	34	69	3,090	227
Buildings	13,929	-	202	4,146	9,985	5,806	270	1,986	4,090	5,895	13,461
Plant & Machinery	29,681	-	51	5,368	24,364	19,944	624	5,028	15,540	8,824	9,737
Furniture & Fixtures	842	-	64	20	886	660	34	19	675	211	182
Vehicles-Owned	1,612	-	-	92	1,520	975	206	65	1,116	404	637
Office Equipments	1,020	-	46	29	1,037	898	52	28	922	115	122
Total Tangible Assets	50,314	26,780	363	12,717	64,740	28,342	1,230*	7,160	22,412	42,328	28,642
Previous Year	59,029	-	577	1,912	57,694	29,355	1,455*	1,758	29,052		
(ii) Intangible Assets											
Patents, Trade Marks	29	-	-	-	29	19	3	-	22	7	10
Total Intangible Assets	29	-	-	-	29	19	3*	-	22	7	10
Previous Year	29	-	-	-	29	16	3*	-	19		

*Please refer Note 31



		As at 31st March, 2017 (Rs. in lacs)	As at 31st March, 2016 (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		
	INVESTMENT PROPERTY (Refer Note-43)		
	Cost of premises given on Rental Income	2,407	
	Less: Accumulated Depreciation	605	1,802
	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 -4,965) shares of Rs.2 each fully paid	4	4
	UNQUOTED		
	Chic Interiors Private Limited 1,752 (Previous year-1,752) shares of Rs.10 each fully paid	0	0
	UNQUOTED-IN SUBSIDIARIES		
	S.R.K. Investments Pvt. Ltd. 10,000 (Previous year 10,000) Shares of Rs. 10 each fully paid	1	1
	Sea Bird Securities Pvt. Ltd. 8,000 (Previous Year 8,000) Shares of Rs. 10 each fully paid	1	1
	JIL Trading Pvt. Ltd. 10,000 (Previous year 10,000) Shares of Rs. 10 each fully paid	1	1
	L.P. Investments Limited 10,157,500 (Previous year-10,157,500) shares of Rs.10 each fully paid	1,016	1016
	IN PREFERENCE SHARES		
	UNQUOTED		
	Qube Corporation Pvt. Ltd. 13,50,000 (Previous year 13,50,000) Cumulative Redeemable preference shares of Rs. 10 each fully paid)	135	135
	IN SUBSIDIARIES		
	L.P. Investments Limited 4,500 (Previous year-4,500) 9.5% Redeemable Cumulative shares of Rs.100 each fully paid	4	4
	IN GOVERNMENT SECURITIES		
	UNQUOTED		
	06 year National Saving Certificates (lodged with Govt. authorities)	1	1
	TOTAL	3,051	1,249
	Aggregate Value of Unquoted Investments	2,963	1,161
	Aggregate Value of Quoted Investments	88	88
	Market Value/NAV of Quoted Investments	415	410
		3,051	1,249

Notes

Continued

		As at 31st March, 2017 (Rs. in lacs)	As at 31st March, 2016 (Rs. in lacs)
14. LONG TERM LOANS AND ADVANCES	Capital Advances		
	Unsecured, considered good	12	171
		<u>12</u>	<u>171</u>
	Security Deposits		
	Unsecured, considered good	373	444
	Unsecured, considered doubtful	2	2
	Less: Provision for doubtful deposits	2	2
		<u>373</u>	<u>444</u>
	Loans and advances to related parties		
	Unsecured, considered good (Refer Note-39)	3,166	3,166
		<u>3,166</u>	<u>3,166</u>
	Other loans and advances		
	Unsecured, considered good		
	Advance/claim recoverable in cash or in kind	571	401
	Unsecured, considered doubtful	56	110
	Less: Provision for doubtful loans and advances	56	110
		<u>571</u>	<u>401</u>
	TOTAL	<u>4,122</u>	<u>4,182</u>
15. OTHER NON- CURRENT ASSETS	MAT Credit Receivable	968	1,068
	Fixed Deposits With Bank (Pledged as security)	398	664
	Advance Wealth tax (Net of Provision)	5	5
	Advance income tax (Net of Provision)	1	131
	TOTAL	<u>1,372</u>	<u>1,868</u>
16. CURRENT INVESTMENTS	QUOTED		
	IN MUTUAL FUND		
	Canara Rebco Mutal Fund-Short Term fund (Growth Plan)	15	15
	TOTAL	<u>15</u>	<u>15</u>
	Aggregate Value of Quoted Investments/Mutual Funds	15	15
	Market Value/NAV of Quoted Investments/Mutual Funds	18	17



17. INVENTORIES

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

As at 31st March, 2017 (Rs. in lacs)	As at 31st March, 2016 (Rs. in lacs)
4,037	4,395
749	364
1,001	21
<u>3,785</u>	<u>4,738</u>
860	205
2,575	4,390
63	65
634	837
-	118
<u>7,917</u>	<u>10,353</u>

17.1 Details of Raw and Packaging Materials

Grains	492	518
Molasses	-	103
ENA	733	1,027
Chemicals	36	27
Colour & Essence	123	98
Bottles	945	1,283
Tins & Other Containers	198	232
Labels	545	265
Seals	596	532
Others	369	310
	<u>4,037</u>	<u>4,395</u>

17.2 Details of Work in Progress

Malt	7	6
Glass	-	17
Malt Extract	18	4
Liquor	830	173
Malted Milk Food	5	5
	<u>860</u>	<u>205</u>

17.3 Details of Finished Goods

Malt	497	312
Malt Extract	9	140
Liquor	1,989	3,734
Glass	76	134
Containers	-	9
Others	4	61
	<u>2,575</u>	<u>4,390</u>

17.4 Details of Stock -in-trade

Petroleum and its Products	59	45
Liquor	4	20
	<u>63</u>	<u>65</u>

Notes

Continued

		As at 31st March, 2017 (Rs. in lacs)	As at 31st March, 2016 (Rs. in lacs)
18. TRADE RECEIVABLES	(a) Unsecured overdue for more than six months		
	Considered Good	3,813	3,358
	Considered Doubtful	2,765	1,547
	Less: Provision for doubtful debts	2,765	1,547
	(b) Others		
	Considered Good	10,171	15,453
	TOTAL	13,984	18,811
19. CASH AND BANK BALANCES	(i) Cash & Cash Equivalents		
	Cash on hand	46	52
	Cheques on hand	2	27
	Funds in transit	-	123
	Balances with Banks		
	-Current Accounts	518	526
	-Fixed Deposits	-	304
	(With Original maturity period of up to 3 months)		
	(ii) Other Bank Balances		
	Fixed Deposits with Bank	200	2
	Margin Money Accounts	20	17
	TOTAL	786	1,051
20. SHORT TERM LOANS AND ADVANCES	Unsecured—Considered Good		
	Others Loan and Advance		
	- Balance with Revenue authorities	858	693
	- Advances to Suppliers	961	2,091
	- Security Deposits	217	72
	- Others	1,654	1,433
	Unsecured—Considered Doubtful		
	- Advances to Suppliers	1,466	979
	- Others	142	15
	- Balance with Revenue authorities	27	-
	- Less: Provision for Doubtful Advances	1,635	993
	TOTAL	3,690	4,290
21. OTHER CURRENT ASSETS	Interest Receivable	115	111
	Other Income Receivable	82	141
	Duty Drawback receivable	2	2
	Fixed Assets held for sale	44	3,764
	(Value at the lower of the estimated net realisable value & net book value)		
	TOTAL	243	4,018



		For the year ended 31st March, 2017 (Rs. in lacs)	For the year ended 31st March, 2016 (Rs. in lacs)
22. REVENUE FROM OPERATIONS (GROSS)	Sale of Products		
	Manufactured Goods	70,764	100,882
	Traded Goods	1,647	2,291
		72,411	103,173
	Income from Services		
	Job Work (tax deducted at source Rs. 38 lacs; Previous Year Rs. 46 lacs)	7,034	7,500
		7,034	7,500
	Other Operating Revenues		
	Rent Other	4	4
	Rent from Investment Properties (Tax deducted at source Rs. 31 lacs Previous year - Rs. 47 lacs;)	1,960	1,858
	Royalty (Tax Deducted at Source Rs 114 lacs; Previous year - Rs. 27 lacs)	1,080	932
	Duty Drawbacks	3	16
	Scrap Sales	320	592
	Bottling Charges Income	12	—
	Miscellaneous Income (Tax deducted at source Rs. 3 lacs; Previous year Rs.4 lacs)	1,095	876
		4,474	4,278
	Total Revenue from Operations	83,919	114,951
	22.1 Details of Sale of Products (Net of discount)		
	(a) Manufactured Goods		
	Malt & Malt Extract	2,996	3,576
	Malted Milk Food	-	92
	Liquor	66,562	96,287
	Carbondioxide Gas	-	1
	Others	1,206	926
		70,764	100,882
	(b) Traded Goods		
	Petroleum and its Products	1,393	1,559
	Liquor	234	704
	others	20	28
		1,647	2,291
	Total (a) + (b)	72,411	103,173
23. OTHER INCOME	Interest		
	- Fixed Deposits — Gross (Tax deducted at source Rs. 2 lacs ; Previous year Rs Nil lacs)	63	91
	- Others - Gross (Including interest on income tax Refund Rs 43 lacs ; Previous year Rs.37 lacs) (Tax deducted at source Rs. Nil ; Previous year Nil)	65	38
	Profit on Sale of Fixed Assets	16	122
	Insurance Claims	4	2
	Liabilities/provisions no longer required written back	573	141
	Foreign Exchange Fluctuation (Net)	-	6
	TOTAL	721	400

Notes

Continued

		For the year ended 31st March, 2017 (Rs. in lacs)	For the year ended 31st March, 2016 (Rs. in lacs)
24. COST OF MATERIALS CONSUMED	Opening Stocks	4,737	5,011
	Add: Purchases of raw and packing materials	23,237	31,504
		<u>27,974</u>	<u>36,515</u>
	Less: Closing Stocks	4,785	4,737
	TOTAL	<u>23,189</u>	<u>31,778</u>
24.1	Details of Raw and Packaging Materials Consumed		
	Grains	2,315	3,374
	Molasses	103	939
	ENA	9,902	11,544
	Bottles	6,211	9,309
	Tins & Other Containers	1,099	1,479
	Seals	1,595	2,361
	Milk	668	620
	Packing Materials	970	1,337
	Others	326	815
	TOTAL	<u>23,189</u>	<u>31,778</u>
25. PURCHASES OF STOCK-IN-TRADE	Petroleum and its Products	1,374	1,537
	Liquor	219	653
	Others	20	29
	TOTAL	<u>1,613</u>	<u>2,219</u>
26. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE	Opening Stocks		
	Work-in-Progress	188	204
	Finished Goods	4,340	4,929
	Stock-in-Trade	65	57
		<u>4,593</u>	<u>5,190</u>
	Closing Stocks		
	Work-in-Progress	860	188
	Finished Goods	2,575	4,340
	Stock-in-Trade	63	65
		<u>3,498</u>	<u>4,593</u>
	Decrease/(Increase)	<u>1,095</u>	<u>597</u>
27. EMPLOYEE BENEFITS EXPENSES	Salaries, Wages, Bonus and Gratuity	6,908	6,266
	Contribution to Provident, Family Pension and Superannuation Funds	399	468
	Employees' State Insurance	144	160
	Staff Welfare Expenses	159	235
	TOTAL	<u>7,610</u>	<u>7,129</u>
28. FINANCE COST	On Fixed Loans	2,083	2,687
	On Other Loans	2,559	1,376
	Other Borrowing Cost	438	-
	TOTAL	<u>5,080</u>	<u>4,063</u>



	For the year ended 31st March, 2017 (Rs. in lacs)	For the year ended 31st March, 2016 (Rs. in lacs)
29. OTHER EXPENSES		
Manufacturing Expenses		
Consumption of Stores and Spare parts excluding charged to other revenue heads Rs.2,628 lacs (Previous year - Rs. 3,296 lacs)	188	283
Power and Fuel	2,305	3,337
Repairs - Buildings	131	153
Plant and Machinery	404	857
Excise Duty*	(511)	148
Other Expenses	1,844	2,748
TOTAL	4,361	7,526
*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 35).		
Administration and Selling Expenses		
Rent (Net)	274	292
Lease Rental	20	65
Rates & Taxes	2,538	3,681
Insurance	207	233
Travelling Expenses	724	721
Repairs to Buildings	46	61
Other Repairs & Maintenance	72	155
Bad Debts, Advances and Stock written off	326	742
Provision for Doubtful Debts and advances	1,841	1,209
Provision for Inventory for obsolete stock	979	11
Fixed Assets written off	25	0
Loss on sale of Fixed Assets	5	83
Reimbursement of Expenses to Directors	12	8
Directors Fee	7	11
Forwarding Charges	1,131	1,955
Advertisement, Publicity and Sales Promotion	6,385	9,195
Auditors' Remuneration#	31	31
Legal & Professional Expenses	1,442	1,137
Miscellaneous Expenses	1,838	1,888
TOTAL	17,903	21,478
29.1 Auditors' Remuneration#		
For Audit	20	20
For Tax Audit	5	5
For Limited Review	3	3
For Other Services	2	2
Out of Pocket Expenses	1	1
TOTAL	31	31
29.2 Prior Period Expenses/Income		
Other Expenses	6	4
TOTAL	6	4
29.3 Value of Imports on C.I.F. Basis		
Raw Materials	2,105	3,068
Spare Parts including Stores	15	2
29.4 Expenditure in Foreign Currency (On Cash Basis)		
Other Matters - Legal Professional, Traveling etc.	37	38
29.5 Earnings in Foreign Exchange		
Export of goods calculated on FOB basis (Including sales to Nepal in rupee terms, Nil Previous year-Rs. 92 lacs)	622	845

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. 10,146 lacs (Previous year Rs. 7,237 lacs):

- i) Claim by Punjab Government in respect of amount paid to Mahalaxmi Sugar Mills pending before the 'The Court of Civil Judge (Senior Division)', Kapurthala' Rs. 22 lacs (Previous year Rs. 22 lacs).
- ii) Claim in respect of case filed by ESI Corporation Rs. 6 lacs (Previous year Rs. 6 lacs)
- iii) Employees related claims Rs. 185 lacs (Previous year Rs. 194 lacs)
- iv) In terms of Gas Sales Agreement dated 27.12.2008 between GAIL (India) Limited (supplier) and the company, for the supply of RLNG by former, the company has not utilised the minimum stipulated quantity of RLNG, due to closure of Glass unit situated at Sahibabad (UP). The supplier has raised demand towards Annual Take or Pay deficiency basis for contract year 2014, amounting to Rs. 1,746 lacs, for contract year 2015, amounting to Rs. 5,269 lacs and for contract year 2016, amounting to Rs. 2,918 lacs, aggregating to Rs. 9,933 lacs. The company has represented to the supplier, that due to reasons beyond their control, the Glass unit had to be closed down permanently and production discontinued. Consequently, as there no longer any requirement of gas the parties may be treated as discharged in this regard. Further, management is confident that there will not be any material amount on resolution/ settlement.
- v) 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. 853 lacs (Previous year Rs. 1,155 lacs) which have not been deposited on account of dispute:

- i) Demand of Service Tax and penalty in respect of wrong availment of Service Tax Cenvat Credit Rs. 261 lacs (Previous year Rs. 261 lacs).
- ii) Demand of Excise Duty in respect of reversal of Cenvat Credit on Turbine Rs. 74 lacs (Previous year Rs. 74 lacs).
- iii) Demand in respect of service tax ,interest and penalty on income from Tie-up operations and royalty Rs. 231 lacs (Previous year Rs. 569 lacs).
- iv) Demand of cess and penalty under Central Excise Act on manufacturing of corrugated paper board Rs. 2 lac (Previous year Rs.1 lac).
- v) Demand of service tax on renting of imovable property Rs. 113 lacs (Previous year Rs. 127 lacs).
- vi) Demand of service tax and penalty under service of supply of tangible goods Rs. 124 lacs (Previous year Rs. 62 lacs).
- vii) Demand of service tax and penalty under management , maintenance and repair services Rs. 48 lacs (Previous year Rs. 48 lacs).
- viii) Demand of Excise duty in respect of clearance of broken glass generated during the handling of bottles used for IMFL and country Liquor Rs. Nil (Previous year Rs 13 lac)

30.3 Particulars of various Sales tax demands under dispute Rs. 368 lacs (Previous year Rs. 370 lacs) :

- i) Demand of Sales Tax under Central Sales Tax Act on account of incomplete submission of sales tax forms Rs. 4 lacs (Previous year Rs.6 lacs).
- ii) Demand of Sales Tax & Penalty under Telangana VAT Act on account of VAT on Royalty Rs.103 lacs (Previous year Rs. 103 lacs).
- iii) Demand of Sales Tax & penalty under Punjab VAT Act on account of input VAT credit denied on rice husk Rs. 221 lacs (Previous year Rs. 221 lacs).
- iv) Demand of Sales Tax under Haryana VAT Act on account of disallowance of credit of excess VAT deposited due to rate difference Rs. 40 lacs (Previous year Rs. 40 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. Further the Income Tax Department has issued notice u/s 153A to the Company during F.Y. 2016-17 for assessment /reassessment of assessment years 2009-10 to 2015-16. The financial impact, if any, on the outcome of these matters is not determinable at this stage.

31. The company revalued Land, Building and Plant & Machinery at its various locations as on 31st March 1998. In compliance with AS-10 (Property, Plant & Equipment) the balance in Revaluation Reserve as on 1st April, 2016 amounting to Rs 11,459 lacs has been reversed and adjusted with the revalued assets . On 1st April, 2016 the company has carried out fresh revaluation of Land owned by the company as Fixed Assets. The Revaluation has been carried out by an independent valuer on fair market value basis. Consequently the fresh Revaluation Reserve amounting to Rs. 26,779 lacs has been created as on 1st April, 2016.

	2016-17 (Rs. in lacs)	2015-16 (Rs. in lacs)
Depreciation for the year calculated in accordance with accounting policy mentioned [Refer Note 1.4 (a) and 12] on Tangible assets	1,230	1,455
Depreciation for the year calculated in accordance with accounting policy mentioned [Refer Note 1.4 (b) and 12] on Intangible assets	3	3
Depreciation for the year calculated in accordance with accounting policy mentioned [Refer Note 1.4 (a), 1.6(b) and 12] on Investment properties	38	-
Less: Adjusted against Revaluation Reserve	42	187
Net depreciation for the year charged to Statement of Profit & Loss Account	1,229	1,271

32. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 3 lacs (Previous year Rs. 5 lacs).

33. Maximum amount of advances due from Subsidiary companies at any time during the year:

S.R.K. Investments Pvt. Limited : Rs.2,977 lacs (Previous year Rs.2,977 lacs)

JLL Trading Pvt. Ltd : Rs.5 lacs (Previous year Rs. 15 lacs)

L.P Investments Limited : Rs.185 lacs (Previous year Rs. 213 lacs)

34. At the end of the year unclaimed deposits of Rs.93 lacs (previous year Rs. 163 lacs) disclosed under current liabilities are not required to be transferred to the Investor Education and Protection Fund (IEPF) in terms of section 125 of the Companies Act, 2013, as these deposits are unclaimed for less than 7 years from the date of their maturity. Deposits of Rs. 1 lac as on 31.3.2016 lying unclaimed for more than 7 years were deposited in the IEPF on 2nd June, 2016. Additionally, during the financial year 2016-17, there were some small delays in depositing unclaimed deposits amounting to Rs. 1 lac to IEPF. Therefore, total amount of delay in transferring amounts, required to be transferred to IEPF was Rs. 2 lacs for financial year 2016-17. Deposits of Rs. 1 lac as on 31.3.2017 lying unclaimed for more than 7 years were deposited in the IEPF on 11th April, 2017.

35. 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. 32,825 lacs (Previous year Rs. 46,148 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. (525) lacs (Previous year Rs. 148 lacs) has been separately shown in Manufacturing Expenses under 'Other Expenses Schedule' (Refer Note 29 & 42).

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

	Year ended 31.03.2017 (Rs. in lacs)	Year ended 31.03.2016 (Rs. in lacs)
Net Profit/(Loss) attributable to Shareholders	(11,909)	(6,565)
Weighted Average Number of Equity Shares in issue	43,648,112*	43,648,112*
Basic / Diluted Earnings per share of Rs.10 each (Rs.)	(27.28)	(15.04)
Net Profit/(Loss) attributable to Shareholders from continuing operation	(10,150)	(6,699)
Basic / Diluted Earnings per share of Rs.10 each (Rs.) from continuing operation	(23.25)	(15.35)

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 2.6c).



37. EMPLOYEE BENEFITS

The Company has classified various employee benefits as under:

37.1 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, 2017 (Rs. in lacs)	For the Year ended March 31, 2016 (Rs. in lacs)
(i) Employers' Contribution to Superannuation Fund	-	15
(ii) Employers' Contribution to Provident Fund	402	457
(iii) Employers' Contribution to Employees' State Insurance	144	161

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

37.2 Defined Benefit Plans

Valuation in respect of Gratuity and Leave Encashment have been carried out by independent actuary, as at 31st March, 2017, based on the following assumptions:

	Leave Encashment (Unfunded) (Rs. in lacs)	Gratuity (Unfunded) (Rs. in lacs)
(I) Assumptions		
(a) Discount Rate	7.30%	7.30%
(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)	5.17-17.01	5.17-17.01
(II) Change in the Present Value of Obligation		
(a) Present value of obligation as at April 1, 2016	513	1,496
(b) Interest cost	18	100
(c) Current service cost	132	123
(d) Benefit paid	(66)	(250)
(e) Actuarial (gain)/loss on obligations	(129)	413
(f) Present value of obligation as at March 31, 2017	468	1,882
(III) Amount recognised in the Balance Sheet		
(a) Present value of obligation as at March 31, 2017	468	1,882
(b) Fair Value of Plan Assets as at the year end	-	-
(c) (Asset) / Liability recognised in the Balance Sheet	468	1,882
(IV) Expenses recognised in the Statement of Profit and Loss		
(a) Current service cost	132	123
(b) Interest cost	18	100
(c) Expected Return on Plan Assets	-	-
(d) Settlement Cost/Credit	(66)	(250)
(e) Actuarial (gain)/loss recognised in period	(129)	413
(f) Total Expenses recognised in the Statement of Profit and Loss	(45)	386

Valuation in respect of Gratuity and Leave Encashment was carried out by independent actuary, as on 31st March, 2016, based on the following assumptions:

(I) Assumptions		
(a) Discount Rate	7.85%	7.85%
(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)	4.89-17.71	4.89-17.71
(II) Change in the Present Value of Obligation		
(a) Present value of obligation as at April 1, 2015	472	1,627
(b) Interest cost	22	117
(c) Current service cost	235	122
(d) Benefit paid	(68)	(261)
(e) Actuarial (gain)/loss on obligations	(148)	(109)
(f) Present value of obligation as at March 31, 2016	513	1,496
(III) Amount recognised in the Balance Sheet		
(a) Present value of obligation as at March 31, 2016	513	1,496
(b) Fair Value of Plan Assets as at the year end	-	-
(c) (Asset) / Liability recognised in the Balance Sheet	513	1,496
(IV) Expenses recognised in the Statement of Profit and Loss		
(a) Current service cost	235	122
(b) Interest cost	22	117
(c) Expected Return on Plan Assets	-	-
(d) Settlement Cost/Credit	(68)	(261)
(e) Actuarial (gain)/loss recognised in period	(148)	(109)
(f) Total Expenses recognised in the Statement of Profit and Loss	41	(131)

38. 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.

Others : Segment includes sale of Petroleum products and Khad. It also includes dividend from and profit on sale of investments.

ii) As part of Secondary reporting, revenues are attributed to geographical areas based on the location of the customers.

Notes

Continued

Information about Business Segment - Primary for the year 2016-17				(Rs. in lacs)
	Beverages	Food	Others	Total
REVENUE				
Sales (Net of Excise duty), Services and Other income	39,556	10,710	1,483	51,749
Inter Segment Sales	—	—	—	—
Unallocated Income	—	—	—	—
Total Revenue	39,556	10,710	1,483	51,749
RESULTS				
Segment Results (Refer Note vii below)	(2,460)	1,172	35	(1,253)
Unallocated expenditure				
Net of unallocated income				(5,816)
Interest Income				128
Interest Expense				(5,080)
Profit/(Loss) before exceptional items				(12,021)
Exceptional items				-
Profit/ (Loss) before tax				(12,021)
Less: Tax expense:				
Current Tax :				
- For the year				-
- MAT Credit Reversed				99
Deferred Tax (benefit)/ charge				236
previous year Tax adjustment				(447)
Profit/ (Loss) after tax				(11,909)
OTHER INFORMATION				
Segment Assets (Refer Note ii below)	33,232	10,010	83	43,325
Unallocated Assets				34,247
Total Assets				77,572
Segment Liabilities	18,991	2,380	837	22,208
Unallocated Liabilities				32,025
Total Liabilities				54,233
Capital Expenditure	105	18	-	123
Unallocated Capital Expenditure				89
Total Capital Expenditure				212
Depreciation	289	564	-	853
Unallocated Depreciation				376
Total				1,229
Non - cash expenditure other than depreciation	3,074	-	-	3,074
Unallocable Non Cash expenditure				97
Total				3,171
Information about Secondary Business Segments - Geographical by location of customers				(Rs. in lacs)
	Domestic	Overseas	Total	
Revenues (Net of Excise Duty)	51,105	644	51,749	
Other information:				
Carrying amount of segment assets by location of assets	77,572	-	77,572	
Addition to Fixed Assets/Capital Work- in- Progress (including Capital Advances)	212	-	212	
Information about Business Segment - Primary for the year 2015-16				
	Beverages	Food	Others	Total
REVENUE				
Sales (Net of Excise duty), Services and Other income	55,864	11,607	1,612	69,083
Inter Segment Sales	—	—	—	—
Unallocated Income	—	—	—	324
Total Revenue	55,864	11,607	1,612	69,407
RESULTS				
Segment Results (Refer Note vii below)	(1,133)	1,709	(141)	435
Unallocated expenditure				
Net of unallocated income				(3,201)
Interest Income				129
Interest Expense				(4,079)
Profit/(Loss) before exceptional items				(6,716)
Exceptional items				-
Profit/ (Loss) before tax				(6,716)
Less: Tax expense:				
Current Tax :				
- For the year				-
- MAT Credit Entitlement				-
Deferred Tax (benefit)/ charge				(151)
Profit/ (Loss) after tax				(6,565)
OTHER INFORMATION				
Segment Assets (Refer Note ii below)	44,317	10,344	73	54,734
Unallocated Assets				19,804
Total Assets				74,538
Segment Liabilities	18,792	1,618	2	20,412
Unallocated Liabilities				34,156
Total Liabilities				54,568
Capital Expenditure	227	278	-	505
Unallocated Capital Expenditure				76
Total Capital Expenditure				581
Depreciation	492	516	-	1,008
Unallocated Depreciation				263
Total				1,271
Non - cash expenditure other than depreciation	1,732	19	-	1,751
Unallocable Non Cash expenditure				212
Total				1,963



Information about Secondary Business Segments - Geographical by location of customers

	(Rs. in lacs)		
	Domestic	Overseas	Total
Revenues (Net of Excise Duty)	68,949	458	69,407
Other information:			
Carrying amount of segment assets by location of assets	74,538	-	74,538
Addition to Fixed Assets/Capital Work- in- Progress (including Capital Advances)	581	-	581

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 2% 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.69 lacs (Previous year-Rs. 220 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. 1,810 lacs (Previous year Rs. 1,610 lacs) from the surplus properties of the Company.

39. 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:

39.1 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 Limited.

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

Milkfood Ltd.
Hyderabad Distilleries & Wineries Pvt. Ltd. (Associate)
Fast Buck Investments & Trading Pvt. Ltd.
Jagatjit Industries Limited Employees Superannuation Scheme
Pashupati Properties & Estates Pvt. Limited
Cube Corporation Pvt. Ltd.
Corporate Facilities Management

39.3 Key Management Personnel and their relatives:

Mr. Narender Sapra (Managing Director) - (Ceased to Director w.e.f. 31.10.2016)
Mr. Ravi Manchanda (Director)
Ms. Sonya Jaiswal - (Appointed as a Director w.e.f 25.07.2016)

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

	For the Year ended March 31, 2017				For the Year ended March 31, 2016			
	With Persons Mentioned in Note 39.1	With Persons Mentioned in Note 39.2	With Persons Mentioned in Note 39.3	Total	With Persons Mentioned in Note 40.1	With Persons Mentioned in Note 40.2	With Persons Mentioned in Note 40.3	Total
PARTICULARS OF TRANSACTIONS								
Sales of Goods (Refer Note 3 below.)	-	-	-	-	-	29	-	29
Royalty Received (Hyderabad Distilleries & Wineries Pvt. Ltd.)	-	-	-	-	-	4	-	4
Purchases of goods (Milkfood Limited)	-	-	-	-	-	-	-	-
Interest accrued (Refer Note 4 below)	-	6	-	6	-	6	-	6
Interest received on advance from L.P Investments Limited	-	-	-	-	-	-	-	-
Reimbursement of Payments Made on Behalf of Company (Refer Note 5 below)	4	21	-	25	11	49	-	60
Expenses paid by Company on Behalf of related party (Refer Note 6 below)	-	17	-	17	-	171	-	171
Rent received (Milkfood Limited)	-	4	-	4	-	4	-	4
Loans including interest repaid (Refer Note 7 below)	-	71	-	71	-	9	-	9
Managerial Remuneration including salary & reimbursement of expenses of Key Management Personnel (Refer Note 2 below)	-	-	132	132	-	-	150	150
Advance Given (Refer Note 8 below)	5	323	-	328	23	-	-	23
Refund of Advance Given (Refer Note 10 Below)	-	278	-	278	28	-	-	28
Bottling Charges paid (Hyderabad Distilleries & Wineries Pvt. Ltd.)	-	153	-	153	-	504	-	504
Redistillation Charges paid (Hyderabad Distilleries & Wineries Pvt. Ltd.)	-	-	-	-	-	65	-	65
Lease Rent paid (Refer Note 9 below)	-	20	-	20	-	67	-	67
Maintenance Charges paid (Corporate Facilities Management)	-	147	-	147	-	-	-	-
Contribution to Superannuation Fund (Jagatjit Industries Limited Employees Superannuation Scheme)	-	-	-	-	-	7	-	7
BALANCES OUTSTANDING AT THE YEAR END								
Unsecured Advances (Note 11)	3,166	-	-	3,166	3,166	-	-	3,166
Payable (Net of Receivable)	-	(417)	-	(417)	-	(88)	-	(88)
Unsecured Loans (Including interest accrued)	-	8	-	8	-	74	-	74
Investments (Note 12)	1,023	137	-	1,160	1,023	137	-	1,160

Notes:

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

Notes

Continued

- 2) Managerial Remuneration (These payments do not include expenses incurred by / reimbursed to directors during the course of performance of duties).
Mr. Narender Sapra (Managing Director) Rs.93 lacs (Previous year Rs. 103 lacs)
Mr. Ravi Manchanda (Director) Rs.39 lacs (Previous year Rs.47 lacs)
Key Management Persons and their relatives does not include the persons who were directors any time during the previous financial year but did not hold any position of director during the current financial year.
- 3) Sales of Goods
Milkfood Ltd. Rs. Nil (Previous year Rs.8 lacs)
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. Nil (Previous year Rs.21 lacs)
- 4) Interest Accrued is in respect of the following :
Fast Buck Investments & Trading Pvt. Ltd. Rs. 6 lacs (Previous year Rs. 6 lacs)
- 5) Reimbursement of Payments Made on behalf of the Company is in respect of the following :
Milkfood Ltd. Rs. 8 lacs (Previous year Rs. 29 lacs)
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 13 lacs (Previous year Rs.20 lacs)
JIL Trading Pvt. Ltd. Rs 4 lacs (Previous Year Rs. 11 lacs)
- 6) Expenses paid by the Company on behalf of related parties is in respect of the following :
Milkfood Ltd. Rs. 9 lacs (Previous year Rs. 14 lacs)
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 7 lacs (Previous year Rs. 157 lacs)
Fast Buck Investments & Trading Pvt. Ltd. Rs. 1 lacs (Previous year Rs. Nil)
- 7) Loans including interest repaid is in respect of the following :
Fast Buck Investments & Trading Pvt. Ltd. Rs. 71lacs (Previous year Rs. 9 lacs)
- 8) Advances Given
L.P. Investments Ltd. Rs. Nil (Previous year Rs. 14 lacs)
JIL Trading Pvt. Ltd. Rs.5 lacs (Previous year Rs. 9 lacs)
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 306 lacs (Previous year Rs. Nil)
Milkfood Ltd. Rs. 17 lacs (Previous year Rs. Nil)
- 9) Lease Rent paid
Pashupati Properties & Estates Pvt. Limited Rs. 12 lacs (Previous year Rs. 12 lacs)
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 8 lacs (Previous year Rs. 55 lacs)
- 10) Refund of Advance
L.P. Investments Ltd. Rs. Nil (Previous year Rs. 28 lacs)
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 278 lacs (Previous year Rs. Nil)
- 11) Unsecured Advances Outstanding
S.R.K. Investments Pvt. Ltd. Rs. 2,977 lacs (Previous year Rs. 2,977 lacs)
L.P. Investments Ltd. Rs. 185 lacs (Previous year Rs. 185 lacs)
JIL Trading Pvt. Ltd. Rs. 4 lacs (Previous year Rs. 4 lacs)
- 12) Investments
S.R.K. Investments Pvt. Ltd. Rs. 1 lacs (Previous year Rs. 1 lacs)
L.P. Investments Ltd. Rs. 1,020 lacs (Previous year Rs. 1,020 lacs)
JIL Trading Pvt. Ltd. Rs. 1 lacs (Previous year Rs. 1 lacs)
Sea Bird Securities Pvt. Ltd. Rs. 1 lacs (Previous year Rs. 1 lacs)
Cube Corporation Pvt. Ltd. Rs. 135 lacs (Previous year Rs. 135 lacs)
Hyderabad Distilleries & Wineries Pvt. Ltd. (Associate) Rs. 2 lacs (Previous year Rs. 2 lacs)

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

	2016-17		2015-16	
	Value (Rs. in lacs)	%	Value (Rs.in lacs)	%
Raw and Packing Materials				
Imported	1,932	8.33	2,629	8.27
Indigenous	21,257	91.67	29,149	91.73
	<u>23,189</u>	<u>100.00</u>	<u>31,778</u>	<u>100.00</u>
Stores and Spare Parts				
Imported	-	-	4	0.11
Indigenous	2,816	100.00	3,575	99.89
	<u>2,816</u>	<u>100.00</u>	<u>3,579</u>	<u>100.00</u>

41. During the year, net profit amounting to Rs Nil and (previous year Rs 324 lacs) has been earned by the Company from sale of its industrial property situated In Block C, Sector 57, Noida, Gautam Budh Nagar (U.P).



42. 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 31st March, 2017 (Rs. in lacs)	For the year ended 31st March, 2016 (Rs. in lacs)
Revenue		
Revenue from operations	35	
Miscellaneous Income	-	5
Interest		
-Fixed Deposits	-	-
Profit on Sale of Fixed Assets	-	323
Liabilities/provisions no longer required written back	26	5
Total Revenue	61	333
Expenses		
Changes in inventories of Finished Goods, Work-in-Process and Stock- in -Trade	66	-
Employee Benefits Expenses		
Salaries, Wages, Bonus and Gratuity	47	44
Contribution to Provident, Family Pension and Superannuation Funds	3	4
Employees' State Insurance	0	0
Staff Welfare Expenses	2	2
	52	50
Finance Cost		
On Fixed Loans	1	16
Others	0	0
	1	16
Other Expenses		
Manufacturing Expenses		
Power and Fuel	11	9
Excise Duty	-14	
Administration and Selling Expenses		
Rates & Taxes	4	7
Insurance	2	4
Travelling Expenses	6	12
Other Repairs & Maintenance	15	35
Bad Debts, Advances and Stock written off	-	0
Loss on sale of Fixed Assets	1642	26
Advertisement, Publicity and Sales Promotion	-	3
Legal & Professional Expenses	10	8
Miscellaneous Expenses	22	21
	1698	125
Total Expenses	1817	191
Profit/(Loss) for the year	(1,756)	142
Less: Tax Expense	3	8
Profit/(Loss) after Tax for the year	(1,759)	134
Total Assets	1,656	1,454
Total Liabilities	100	190
Cash Flow from discontinuing operations included in above		
- Operating activities	105	(146)
- Investing activities	955	399
- Financing activities	(31)	(156)

The loss of Rs. 1756 lacs comprises of loss of Rs. 1642 lacs (previous year Rs. 26 lacs) on account of sale of fixed assets situated at Plot No 17, Site IV, Industrial Area Sahibabad, Ghaziabad (U.P.)

43. In accordance with AS-13 (Accounting for Investments) the company has re-classified its fixed assets comprising of freehold land and buildings of company that are leased out to earn rental income. These are being disclosed as Investment Properties under Non-Current Investments.
44. Disclosure on Specified Bank Notes (SBNs)
The details of Specified Bank Notes (SBNs) or other denomination notes (as defined in the MCA notification G.S.R. 308 (E) dated March 31, 2017) held and transacted during the period from November 8, 2016 to December 30, 2016, is given below:-

Particulars	SBNs (Rs. in lacs)	Other denomination notes (Rs. in lacs)	Total (Rs. in lacs)
Closing Cash in hand as on 8th November, 2016	89.77	8.22	97.99
(+) Permitted Receipt*	86.21	151.68	237.89
(-) Permitted Payment	8.53	91.05	99.58
(-) Amount deposited in Bank	167.45	40.00	207.45
Closing Cash in hand as on 30th December, 2016	-	28.85	28.85

*Permitted receipts for SBNs represents amount received from sale of fuel at petrol pumps.

45. 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 subsidiary companies (the Holding Company and its subsidiary companies together referred to as "the Group") and its one associate company, comprising of the Consolidated Balance Sheet as at 31st March, 2017, 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 and its Associate 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 (as amended). The respective Board of Directors of the companies included in the Group and its associate company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.
5. 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. 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.
6. 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 sub-paragraphs of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for qualified opinion

7. In the opinion of the management of the Holding Company, Accounts Receivable & Loans and Advances have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the Balance sheet.
During the financial year ended March 31, 2017 confirmatory letters have been sent by the Holding Company to the sundry creditors, suppliers and sundry debtors requesting them to confirm and reconcile the account balances as on March 31, 2017. A number of parties have not yet confirmed/reconciled the balances as on the date of signing of the financial statements.
Accordingly, Trade Payables, Loans and Advances and balances appearing under Trade Receivables of the Holding Company are subject to reconciliation & confirmation. The financial impact of this is not ascertainable and to that extent we do not have any information in respect of such balances.
8. An amount of Rs.2,977 lacs is outstanding in books of accounts of the Holding Company, being an advance to its wholly owned subsidiary M/s S.R.K. Investments Pvt. Ltd, since 2010-11. No recovery of this amount has been made since disbursal of advance, to the aforementioned subsidiary.
The Holding Company's management, based on internal assessments and evaluations, have represented that the balance outstanding advances are recoverable and that no accrual for diminution of advances is necessary as at balance sheet date. The Holding Company has received confirmation from the aforementioned subsidiary on March 31, 2017.
The Holding Company has not created a provision against this advance in its books of accounts. In our opinion, there is significant uncertainty and doubt about the recovery of this advance from the subsidiary, as considerable period of time has elapsed from grant of advance and therefore, a provision for doubtful advance should have been accounted for in the financial statements of the Holding Company for the year ended March 31, 2017.



Consequently, the consolidated loss for the year ended March 31, 2017 is understated and consolidated reserves and surplus as at March 31, 2017 are overstated to the extent of Rs. 2,977 lacs.

Qualified Opinion

9. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion Paragraph above, 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 company as at March 31, 2017;
 - (b) In the case of the Consolidated Statement of Profit and Loss, of the consolidated loss of the Group and its associate company 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.

Emphasis of Matter

10. Attention is invited to Note No. 30.1 (iv) of consolidated financial statements regarding Gas Sales Agreement of the Holding Company with Gail (India) Limited, referring to non utilisation of RLNG for contract year 2014, 2015 and 2016. On this account for these years, The Company received demands from supplier aggregating to Rs. 9,933 lacs towards Annual Take or Pay Deficiency basis. The Holding Company has denied the liability in this regard to the supplier and the management of the Holding Company is confident that there will be no material amount on resolution. In view of this, no effect of the same has been given in these accounts. The said amount has been considered as contingent liability. Our opinion is not qualified in respect of this matter.

Other Matter

11. We did not audit the financial statements of four subsidiary companies, whose financial statements reflect total assets of Rs. 3,076 Lakhs as at 31st March, 2017, total revenues of Rs. 1 Lakhs and net cash outflows amounting to Rs. Nil for the year ended on that date, as considered in the consolidated financial statements. 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 is based solely on the reports of the other auditors.
- The consolidated financial statements also includes the Group's share of net loss of Rs. 148 Lakhs for the year ended 31st March, 2017, as considered in the consolidated financial statements, in respect of an associate company, whose financial statements have not been audited by us. The financial statements of the associate company has been audited by another auditor whose report has 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 this associate, is based solely on the report of the other auditor.
- 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

12. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- (a) We have sought, and except for the matters described in the Basis for Qualified Opinion paragraph, 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) Except for the possible effects of the matters described in the Basis of Qualified Opinion Paragraph above, 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) Except for the possible effects of the matters described in the Basis of Qualified Opinion Paragraph above, 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 (as amended);
 - (e) the matters described in the Basis for Qualified Opinion paragraph above, and the matter described in the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;
 - (f) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of such companies are disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (g) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;

- (h) With respect to the adequacy of the internal financial controls over financial reporting of the Group and associate company, incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure A; and
- (i) 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 (as amended), 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 company – Refer Note 30 to the consolidated financial statements.
 - ii. The Group and its associate 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 Holding Company, its subsidiary companies and associate company incorporated in India except for a delay by the Holding Company of amounts aggregating to Rs. 2 lacs (Refer Note-34 of the consolidated financial statements)
 - iv. The Group has provided requisite disclosures in Note-43 to these consolidated financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation of the Holding Company regarding the holding and nature of cash transactions, including Specified bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Group and as produced to us by the management of the Holding Company.

Place : New Delhi
Date : 1st August, 2017

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 'A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 12 (h) 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, 2017)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the consolidated financial statements of Jagatjit Industries Limited as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of Jagatjit Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies and its one associate company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies and its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria

established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Emphasis of Matter

We would draw attention to matters disclosed in Paragraphs under 'Basis for Qualified Opinion', which could indicate possible lapses in internal financial controls system.

Our opinion under Clause (i) of Sub-section 3 of Section 143 of the Act is not qualified in respect of this matter.

Other matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to four subsidiary companies and one associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Place : New Delhi
Date : 1st August, 2017

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

Consolidated Balance Sheet

as at March 31, 2017



		As at 31st March, 2017 (Rs. in lacs)	As at 31st March, 2016 (Rs. in lacs)
EQUITY AND LIABILITIES	Note		
Shareholders' Funds			
Share Capital	2	4,615	4,615
Reserves and Surplus	3	18,817	15,596
Non-Current Liabilities			
Long Term Borrowings	4	22,094	14,983
Deferred Tax Liabilities (Net)	5	869	633
Other Long Term Liabilities	6	830	258
Long Term Provisions	7	2,302	1,983
Current Liabilities			
Short Term Borrowings	8	3,063	10,397
Trade Payables	9		
Total outstanding dues of micro and small enterprises		137	105
Total outstanding dues of Creditors other than micro and small enterprises		12,834	12,287
Other Current Liabilities	10	11,719	13,559
Short Term Provisions	11	474	452
TOTAL		77,754	74,868
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	12	42,328	28,642
Intangible Assets	12	1,256	1,259
Capital Work-in-Progress		57	49
Non Current Investments	13	2,156	503
Long Term Loans and Advances	14	3,947	3,996
Other Non Current Assets	15	1,372	1,879
Current Assets			
Current Investments	16	15	15
Inventories	17	7,917	10,353
Trade Receivables	18	13,984	18,811
Cash and Bank Balances	19	788	1,053
Short Term Loans and Advances	20	3,691	4,290
Other Current Assets	21	243	4,018
TOTAL		77,754	74,868
Significant Accounting Policies	1		

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

The Notes referred to above form an integral part of the Consolidated Financial Statements

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

Roshini Sanah Jaiswal
Kiran Kapur
Anjali Varma
Sonya Jaiswal
] Directors

New Delhi
1st August, 2017

K.K. Kohli
Company Secretary

Anil Girotra
Chief Financial Officer

Ravi Manchanda - Managing Director

Consolidated Statement of Profit and Loss

for the year ended March 31, 2017

			For the year Ended 31st March, 2017 (Rs. in lacs)	For the year Ended 31st March, 2016 (Rs. in lacs)
INCOME		Note		
	Revenue from Operations (Gross)	22	83,920	114,951
	Less: Excise Duty		32,825	46,148
	Revenue from Operations (Net)		<u>51,095</u>	<u>68,803</u>
	Other Income	23	721	400
	Total Revenue		<u>51,816</u>	<u>69,203</u>
EXPENSES				
	Cost of Materials Consumed	24	23,189	31,778
	Purchases of Stock-in-Trade	25	1,613	2,219
	Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	26	1,095	597
	Employee Benefits Expense	27	7,610	7,129
	Finance Costs	28	5,080	4,063
	Depreciation and Amortisation Expense	32	1,229	1,271
	Other Expenses	29	22,266	29,005
	Total Expenses		<u>62,082</u>	<u>76,062</u>
	Profit/(Loss) before tax		(10,266)	(6,859)
	Less: Tax Expenses			
	Current tax			
	MAT Credit Reversal		99	
	Previous Year Tax Adjustment		(447)	
	Deferred Tax (benefit)/charge	5	<u>233</u>	<u>(159)</u>
			(115)	(159)
	Profit/(Loss) from Continuing Operations (after Tax)		(10,151)	(6,700)
	Less :- Minority Interest		(0)	(0)
	Add :- Share of Net Profit/(Loss) of Associates		<u>(148)</u>	<u>(10)</u>
	Profit/(Loss) after Tax after share of Associates & Minority interest for the year from Continuing Operations		(10,299)	(6,710)
	Discontinuing Operations			
	Profit/(Loss) from Discontinuing Operations	41	(1,756)	142
	Tax Expense from Discontinuing Operations		3	8
	Profit/(Loss) after tax from Discontinuing Operations		<u>(1,759)</u>	<u>134</u>
	Profit/(Loss) after Tax after share of Associates & Minority interest for the year		<u>(12,058)</u>	<u>(6,576)</u>
	Earnings per Equity Share			
	Earnings per Share (Basic and Diluted) (Continuing operations) (Face Value of Rs. 10 each)	36	(23.60)	(15.37)
	Earnings per Share (Basic and Diluted) (Face Value of Rs. 10 each)	36	(27.63)	(15.07)
	Significant Accounting Policies	1		

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

The Notes referred to above form an integral part of the Consolidated financial statements

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

New Delhi
1st August, 2017

K.K. Kohli
Company Secretary

Anil Girotra
Chief Financial Officer

Roshini Sanah Jaiswal
Kiran Kapur
Anjali Varma
Sonya Jaiswal

Directors

Ravi Manchanda - Managing Director



Consolidated Cash Flow Statement

for the year ended March 31st, 2017

	2017 (Rs. in lacs)	2016 (Rs. in lacs)
A. Cash Flow from Operating Activities:		
Net Profit/(Loss) before tax	(12,022)	(6,717)
Adjustments for:		
Depreciation	1,229	1,271
Interest Expense	5,080	4,079
Interest Income	(128)	(129)
(Profit)/Loss on Fixed Assets sold (net)	1,631	(337)
Fixed Assets written off	25	-
Debts / Advances/Stock written off / Investment written off	327	742
Provision for Bad & Doubtful Debts and Advances	1,841	1,209
Provision for inventory for obsolete/damaged stock	979	11
Liability no longer required written back	(599)	(146)
Provision for Gratuity & Leave Encashment	341	(90)
Unrealised Foreign Exchange (gain)/loss (net)	3	(6)
Operating Profit before Working Capital Changes	(1,293)	(113)
Adjustments for changes in Working Capital :		
(Increase)/ Decrease in Trade Receivables	3,431	3,598
(Increase)/ Decrease in Short Term Loans & Advances	(154)	(203)
(Increase)/ Decrease in Long Term Loans & Advances	(46)	5
(Increase)/ Decrease in Other Current Assets	25	(109)
(Increase)/ Decrease in Inventories	1,457	294
Increase/ (Decrease) in Trade Payables	1,217	(2,595)
Increase/(Decrease) in other current liabilities	(2,690)	2,263
Increase/(Decrease) in Other Long Term Liabilities	572	(1,688)
Increase/(Decrease) in Long Term Provisions	-	-
Increase/(Decrease) in Short Term Provisions	-	(28)
Cash generated from operations	2,519	1,424
Taxes (Paid)/ Received (Net of TDS)	539	439
Net Cash from/ (used) Operating Activities	3,058	1,863
B. Cash flow from Investing Activities:		
Purchase of Fixed Assets including Capital Work- in -Progress and Capital advances	(250)	(630)
Proceeds from Sale of Fixed Assets	990	592
Purchase of investments	-	(99)
Sale of investments	-	18
Interest Received (Revenue)	122	74
Release/(Addition) of Cash (from)/for restrictive use	266	219
Net Cash from Investing Activities	1,128	174
C. Cash Flow from Financing Activities:		
Proceeds from short term Borrowings (Net)	(7,334)	(793)
Proceeds from long term Borrowings (Net)	6,859	3,299
Interest Paid	(3,976)	(4,416)
Net cash used in Financing Activities	(4,451)	(1,910)
Net Increase/ (Decrease) in Cash & Bank Balances	(265)	127
Cash and Cash equivalents at the beginning of the year	1,034	907
Other Bank Balance at the beginning of the year	19	19
Cash and Cash equivalents at the end of the year	568	1,034
Fixed Deposits with Banks	200	2
Margin Money Account	20	17
Cash and Bank Balances at the end of the year	788	1,053
Cash and Bank Balances Comprise		
Cash, Cheques & Drafts (in hand) and Remittances in transit	48	202
Balance with Scheduled Banks	740	851
	788	1,053
Cash and Cash Bank Balances Include :		
Cash and Bank Balances	788	1,053
Unrealised gain on foreign currency	-	-
Total Cash and Cash Equivalents	788	1,053
Cash flow from Discontinuing Operation included above in		
- Operating Activities	105	(146)
- Investing Activities	955	399
- Financing Activities	(31)	(156)

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
Accounts
to in our report of even date

Significant Accounting Policies and Notes to
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

Roshini Sanah Jaiswal
Kiran Kapur
Anjali Varma
Sonya Jaiswal

Directors

New Delhi
1st August, 2017

K.K. Kohli
Company Secretary

Anil Girotra
Chief Financial Officer

Ravi Manchanda - Managing Director

Notes on Consolidated

Financial Statements for the year ended 31st March, 2017

1 SIGNIFICANT ACCOUNTING POLICIES:

1.1. A) BASIS FOR PREPARATION OF ACCOUNTS

The consolidated financial statements of Jagatjit Industries Limited (the Company) and its subsidiaries and associate (together referred to as 'the Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (As Amended). The consolidated financial statements have been prepared on accrual basis under the historical cost convention, except for certain tangible assets which are being carried at revalued amounts.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has determined its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

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 31,2017.

C) PRINCIPLES OF CONSOLIDATION

- i) The financial statements 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 /loss from the associate company has been added / deducted 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.
- v) Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit / loss after tax of the Group in order to arrive at the income attributable to shareholders of the Company.

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 (PROPERTY, PLANT & EQUIPMENT)

a) Tangible:

Fixed Assets (Property, Plant and Equipment) except Land is stated at cost, net of accumulated depreciation and any accumulated impairment losses. Cost of acquisition includes taxes, duties, freights 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 assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Land is stated and accounted as per revaluation model at revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses.

The cost of fixed assets not ready for their intended use is recorded as capital work-in-progress before such date

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. 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

- a) 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.



- b) Investment in land or buildings that are not intended to be occupied substantially for use by or in operations of the Company, or held for rental purpose is classified as investment property. Investment property is stated at cost less accumulated depreciation. This change in accounting policy did not have any financial impact on financial statements of the Company for the current year.

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. CASH AND CASH EQUIVALENTS:

Cash and Cash Equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances and demand deposits with banks where the original maturity is three months or less.

1.10. 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.

1.11. 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.

1.12. 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.

1.13. LEASE ACCOUNTING

Operating Lease payments are recognized as an expense in the Profit and Loss Account on straight-line basis over the lease term.

1.14. 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.

1.15. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Group 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.

1.16. EARNINGS PER SHARE

The basic and dilutive earnings per share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. Dilutive earnings per share is computed and disclosed after adjusting the effects of all dilutive potential equity shares.

1.17. SEGMENT ACCOUNTING POLICIES

- a) Segment assets and liabilities:
All Segment assets and liabilities are directly attributable to the segment.
Segment assets include all operating assets used by the segment and consist principally of fixed assets, inventories, sundry debtors, loans and advances and operating cash and bank balances. Segment assets and liabilities do not include inter-corporate deposits, share capital, reserves and surplus, borrowings, and income tax (both current and deferred).
- b) Segment revenue and expenses:
Segment revenue and expenses are directly attributable to segment. It does not include interest income on inter-corporate deposits, interest expense and income tax.
Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue/expenses/assets/liabilities".

Notes on Consolidated

Continued

		As at 31st March, 2017 (Rs. in lacs)	As at 31st March, 2016 (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 2.6 b)	25,210,000	25,210,000
	Add : Preferential allotment (Note 2.6 c)	2,500,000	2,500,000
	Less : Shares repurchased (Buy- Back)	5,794,112	5,794,112
	Total	46,148,112	46,148,112
	2.4 RECONCILIATION OF NUMBER OF SHARES & SHARE CAPITAL		
	Equity Shares	As on 31.03.2017	As on 31.03.2016
		No.of Equity Shares	No.of Equity Shares
	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
	2.5 DETAIL OF SHAREHOLDERS HOLDING MORE THAN 5% EQUITY SHARES OF THE COMPANY #		
	Name of the Shareholders	As on 31.03.2017	As on 31.03.2016
		No. of Equity Shares	No. of Equity Shares
		Percentage holding	Percentage holding
	Equity Shares of Rs. 10/-each fully paid up held by:		
	a) The Bank of New York (the Depository) (Note 2.6 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 2.6 c)	2,500,000	2,500,000
		5.42	5.42
	# As per the records of the Company, including its register of members.		
	2.6 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 31st March, 2017 (Rs. in lacs)	As at 31st March, 2016 (Rs. in lacs)
3. RESERVES AND SURPLUS	Capital Reserve		
	Surplus on forfeited shares sold	0	0
	Capital Redemption Reserve		
	As per last Balance Sheet	580	580
	Revaluation Reserve		
	Revaluation Reserve as at the beginning of the year	11,459	11,748
	Less : Adjusted during the year (Refer Note - 32)	11,459	102
	Add : Addition During the year (Refer Note - 32)	26,779	
	Less : Transferred to Statement of Profit & Loss	42	187
	Closing balance	26,737	11,459
	Securities Premium Reserve		
	As per last Balance Sheet	3,697	3,697
	Closing balance	3,697	3,697
	General Reserve		
	As per last Balance Sheet	2,136	2,136
	Closing balance	2,136	2,136
	Surplus /(Deficit) as per Statement of Profit & Loss		
	As per last Balance Sheet	(2,272)	4,304
	Add: Profit/(Loss) for the year	(12,058)	(6,576)
	Closing balance	(14,330)	(2,272)
	Less: Minority Interest	3	3
	Closing balance	(14,333)	(2,275)
	TOTAL	18,817	15,596
4. LONG TERM BORROWINGS	Secured		
	From Banks		
	-Term Loan	10,650	13,905
	-Car Loans	24	93
	From others		
	-Car Loans	36	182
		10,710	14,180
	Unsecured		
	Fixed Deposits	300	661
	Loans and advances from Others	11,000	-
	Loans and advances from related parties	84	142
		11,384	803
	TOTAL	22,094	14,983

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

Nature of Security	Terms of Repayment
i. Term Loan amounting to Rs.Nil (Previous year Rs. 93 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.	Repayable in 28 equal quarterly installments commencing from September, 2009. Last installment Due in June, 2016. Rate of Interest Nil (Previous year 13.65% p.a.) as at year end.
ii. Term Loan amounting to Rs. Nil (Previous year Rs.30 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 Rate of interest Nil (Previous year 13.65% p.a) as at year end.

Notes on Consolidated

Continued

- | | | |
|------|--|---|
| iii | Term Loan amounting to Rs.264 lacs (Previous year Rs. 688 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 12.50% p.a (Previous year 12.65% p.a) as at year end. |
| iv | Term Loan amounting to Rs.116 lacs (Previous year Rs. 232 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 13.30% p.a (Previous year 13.65% p.a) as at year end. |
| v | Term Loan amounting to Rs.1,390 lacs (Previous year Rs. 1,829 lacs) for expansion of Malted Milkfood Plants secured against exclusive first charge on plant & machinery of the new Malted Milkfood Plant including instrumentation etc. at its works at Jagatjit Nagar, Distt Kapurthala and extension of mortgage on Plot No. 78 Institutional area, Sector-18, Gurgaon, Haryana and negative lien on the property of 9th and 10th floor, Ashoka Estate, 24 Barakhamba Road, New Delhi. | Repayable in 60 monthly equal installments commencing from June, 2015. Last installment due on May, 2021. Rate of interest 12.30% p.a. (Previous year 13.65% p.a) as at year end. |
| vi | Term Loan amounting to Rs.4,773 lacs (Previous year Rs. 6,533 lacs) for General Corporate Purpose is secured by exclusive charge by way of mortgage on Land & Building situated at Village Hamira, Distt Kapurthala 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 13.55% p.a. (Previous year 14.50%) as at year end. |
| vii | Term Loan amounting to Rs.7,268 lacs (Previous year Rs.7,908 lacs) is secured against lease rent receivables of leased space at Plot No. 78 Institutional area, Sactor-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 120 structured monthly installments commencing from April 2015 . Last installment due on March , 2025. Rate of interest 11.30% p.a. (Previous year 11.65%) as at year end. |
| viii | Car Loans are secured by hypothecation of the related cars. | Repayable in 36-60 equal monthly installments. Rate of interest 8.25% to 8.75% p.a. |

4.2 Terms of repayment for Long Term Unsecured Borrowings:

- | | | |
|------|---|---|
| i. | Unsecured Inter Corporate deposit Rs. Nil (Previous year Rs. 59 lacs) from related party (Fast Buck Investment and Trading Pvt. Ltd) . | Rate of Interest Nil (Previous year 8% on Rs 24 lacs and 12% on Rs. 35 lacs.) |
| ii. | Unsecured borrowing facility Rs. 11,000 lacs (Previous year Nil) from KKR Financial Services Pvt Ltd. This facility is secured by collaterals provided by promoters and other third parties. | Repayable after 3 years from the date of disbursement of tranche I which occurred on 26th May, 2016. Rate of Interest equivalent to Internal Rate of Return (IRR) of 17.25% (Previous year Nil) to the lender. |
| iii. | 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) |
| iv. | Unsecured loan of Rs. 0 lacs (Previous year 0 lacs) from Director. | Rate of Interest Nil (Previous year Nil) |

Note: Installments falling due in respect of all the above loans up to 31.3.2018 have been grouped under "Current maturity of long-term debt" (Refer Note 10).



		As at 31st March, 2017 (Rs. in lacs)	As at 31st March, 2016 (Rs. in lacs)
5.	DEFERRED TAX LIABILITY (NET)		
	Deferred Tax Liability		
	Depreciation on Fixed Assets	2,873	2,246
	Total Deferred Tax Liabilities (A)	2,873	2,246
	Deferred Tax Assets		
	Statutory Liabilities	234	174
	Employee Retirement Benefits	813	620
	Provision for Doubtful Debts and Advances	957	819
	Total Deferred Tax Assets (B)	2,004	1,613
	Net Deferred Tax liabilities (A-B)	869	633
	Deferred Tax benefit/(expense) for the year	(236)	151
	The deferred tax asset arising on carried forward losses and unabsorbed depreciation is not being recognized as a matter of prudence as their recoverability cannot be commented on a virtual certainty basis.		
6.	OTHER LONG TERM LIABILITIES		
	Security Deposits	830	258
	TOTAL	830	258
7.	LONG TERM PROVISIONS		
	Provision for employee benefits		
	-Gratuity	1,616	1,275
	-Compensated Absences	260	282
	Provisions for Litigations		
	-Service Tax	402	402
	-Sales Tax	24	24
	TOTAL	2,302	1,983
8.	SHORT TERM BORROWINGS		
	Secured		
	- Working Capital Loans from Banks (Refer Note 8.1)	2,724	5,769
	Unsecured		
	- Fixed Deposits (Refer Note 8.2)	339	500
	- Fixed Deposits guaranteed by Directors	-	628
	- Working Capital Loan from Bank (Refer Note 8.3)	-	3,500
	TOTAL	3,063	10,397
	8.1. Cash credit limits are part of working capital facilities availed from consortium of banks. These consortium limits are secured by first pari passu charge on stock and book debts.		
	8.2. The Company continued acceptance of deposits from the members only upto 10% of the paid up capital, free reserves and securities premium account upto 30th September 2015 during the financial year 2015-16.		
	8.3. This working capital loan is secured by fixed deposits furnished by third party to bank.		
9.	TRADE PAYABLES		
	Micro, Small and Medium Enterprises	137	105
	Others	12,834	12,287
	TOTAL	12,971	12,392
	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	As at 31st March, 2017	As at 31st March, 2016
	I The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year		
	-Principal Amount Unpaid	137	105
	-Interest due	6	7

Notes on Consolidated

Continued

		As at 31st March, 2017 (Rs. in lacs)	As at 31st March, 2016 (Rs. in lacs)
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	349	367
	-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.	26	18
IV	The amount of interest accrued and remaining unpaid at the end of the year	210	184
10. OTHER CURRENT LIABILITIES	Current maturities of long-term debt (Refer Note 10.1)	3,368	3,620
	Advances from Customers	626	638
	Unclaimed matured deposits (Refer Note 34)	93	163
	Interest accrued but not due	1,400	279
	Interest accrued and due	232	248
	Security Deposits	3,008	4,307
	Employee Benefits	913	904
	Statutory Liabilities	1,847	2,135
	Other Liabilities	232	1,265
	TOTAL	11,719	13,559
10.1.	This includes Car Loans secured by hypothecation of related cars amounting to Rs. 205 lacs (Previous Rs. 212 lacs)		
11. SHORT TERM PROVISIONS	Provision for employee benefits		
	-Gratuity	266	221
	-Compensated Absences	208	231
	TOTAL	474	452

12. FIXED ASSETS	(Rs. in lacs)										
	GROSS BLOCK-COST OR REVALUED VALUE				DEPRECIATION				NET BLOCK		
	As at April 1, 2016	Added on Revaluation	Addi- tions	Deletion/ Adjustments	As at March 31, 2017	As at April 1, 2016	For the Year	Deletion/ Adjustments	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
(i) Tangible Assets											
Land											
— Free Hold	2,944	23,748	-	2,903	23,789	-	-	-	-	23,789	4,276
— Lease Hold	286	3,032	-	159	3,159	59	44	34	69	3,090	227
Buildings	13,929	-	202	4,146	9,985	5,806	270	1,986	4,090	5,895	13,461
Plant & Machinery	29,681	-	51	5,368	24,364	19,944	624	5,028	15,540	8,824	9,737
Furniture & Fixtures	842	-	64	20	886	660	34	19	675	211	182
Vehicles-Owned	1,612	-	-	92	1,520	975	206	65	1,116	404	637
Office Equipments	1,020	-	46	29	1,037	898	52	28	922	115	122
Total Tangible Assets	50,314	26,780	363	12,717	64,740	28,342	1,230*	7,160	22,412	42,328	28,642
Previous Year	59,029	-	577	1,912	57,694	29,355	1,455*	1,758	29,052		
(ii) Intangible Assets											
Goodwill	1249	-	-	-	1,249	-	-	-	-	1,249	1,249
Patents, Trade Marks	29	-	-	-	29	19	3	-	22	7	10
Total Intangible Assets	1,278	-	-	-	1,278	19	3*	-	22	1,256	1,259
Previous Year	1,278	-	-	-	1,278	16	3*	-	19		

*Please refer Note 32



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

Cost of acquisition

Add :- Group share of Profit/(Loss) up to 31.03.2017

**As at
31st March,
2017
(Rs. in lacs)**

**As at
31st March,
2016
(Rs. in lacs)**

3 3

45 193

48 196

OTHER-INVESTMENTS

INVESTMENT PROPERTY (Refer Note-42)

Cost of premises given on Rental Income

2,407

Less: Accumulated Depreciation

605

1,802

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 -4,965) shares of Rs.2 each fully paid

4 4

75 Equity shares (March 31,2016 : 75) of Rs.10 each held in Arlem Breweries Limited

- 0

35 Equity shares (March 31,2016:35) of Rs.10 each held in Ceat Limited

- 0

249 Equity shares (March 31,2016:249) of Rs.10 each held in Dalmia Industries Limited

- 0

100 Equity shares (March 31,2016:100) of Rs. 10 each held in Electronics Limited

- 0

4 Equity shares (March 31,2016:4) of Rs. 10 each held in GlaxoSmithKline

0 0

65 Equity shares (March 31,2016:65) of Rs.10 each held in Haryana Breweries Limited

- 0

10 Equity shares (March 31,2016:10) of Rs.10 each held in Hindustan Unilever Limited

- 0

100 Equity shares (March 31,2016:100) of Rs.10 each held in Indage Vintners Limited

0 0

1,075 Equity shares (March 31,2016:1,075) of Rs.10 each held in

- 0

J.K.Satoh Agricultural Machine Limited

200 Equity shares (March 31,2016:200) of Rs.10 each held in Jupiter Breweries Limited

- 0

50 Equity shares (March 31,2016:50) of Rs.10 each held in Kothari Industrial Corporation Limited

- 0

100 Equity shares (March 31,2016:100) of Rs. 10 each held in Lazard Credit-Capital Limited

- 0

120 Equity shares (March 31,2016:120) of Rs.10 each held in Metal Box (India) Limited

- 0

122 Equity shares (March 31,2016:122) of Rs. 10 each held in Modi Industries Limited

- 0

100 Equity shares (March 31,2016:100) of Rs. 5 each held in Mohan Meakin Limited

0 0

4 Equity shares (March 31,2016:4) of Rs. 10 each held in Nestle India Limited

0 0

100 Equity shares (March 31,2016:100) of Rs.10 each held in Pampasar Distillery Limited

- 0

137 Equity shares (March 31,2016:137) of Rs.10 each held in Poysha Industrial Co. Limited

- 0

10 Equity shares (March 31,2016:10) of Rs. 2 each held in Radico Khaitan Limited

0 0

80 Equity shares (March 31,2016:80) of Rs.10 each held in Rampur Fertilizers Limited

- 0

10,000 Equity shares (March 31,2016:10,000) of Rs. 10 each held in

Rodal Circaprint Electronics Limited

- 1

12 Equity shares (March 31,2016:12) of Rs.100 each held in Shreno Limited

0 0

500 Equity shares (March 31,2016:500) of Rs.10 each held in Sirmour-Sudburg Auto Limited

- 0

103 Equity shares (March 31,2016:103) of Rs. 10 each held in SAB Miller India Ltd

0 0

2,500 Equity shares (March 31,2016:2,500) of Rs. 10 each held in Taurus The Starshare

0 0

140 Equity shares (March 31,2016:140) of Rs. 1 each held in Titan Industries Limited

- 0

Notes on Consolidated

Continued

	As at 31st March, 2017 (Rs. in lacs)	As at 31st March, 2016 (Rs. in lacs)
330 Equity shares (March 31,2016:330) of Rs. 1 each held in Triveni Engineering & Industries Limited	-	0
5 Equity shares (March 31,2016:5) of Rs. 1 each held in United Breweries Limited	0	0
3 Equity shares (March 31,2016:3) of Rs.10 each held in United Breweries (Holdings) Limited	0	0
8 Equity shares (March 31,2016:8) of Rs. 10 each held in United Spirits Limited	0	0
100 Equity shares (March 31,2016:100) of Rs. 10 each held in Welga Foods Limited	-	0
40 Equity shares (March 31,2016:40) of Rs. 10 each held in Xerox Limited	-	0
UNQUOTED		
Chic Interiors Private Limited	0	0
1,752 (Previous year-1,752) shares 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 31,2016:50) of Rs.100 each held in Janta Co-operative	0	0
2 Equity shares (March 31,2016:2) of Rs.10 each held in Panipat Co-operative	0	0
1 Equity shares (March 31,2016:1) of Rs. 4 each held in Traders Bank Limited	0	0
IN PREFERENCE SHARES		
UNQUOTED		
Qube Corporation Pvt. Ltd.	135	135
13,50,000 (Previous year 13,50,000)		
Cumulative Redeemable preference shares of Rs. 10 each fully paid		
IN GOVERNMENT SECURITIES		
UNQUOTED		
06 year National Saving Certificates (lodged with Govt. authorities)	1	1
TOTAL	2,156	503
Aggregate Value of Unquoted Investments	2,067	413
Aggregate Value of Quoted Investments	89	90
Market Value/NAV of Quoted Investments	418	416



		As at 31st March, 2017 (Rs. in lacs)	As at 31st March, 2016 (Rs. in lacs)
14. LONG TERM LOANS AND ADVANCES	Capital Advances		
	Unsecured, considered good	2,983	3,142
		<u>2,983</u>	<u>3,142</u>
	Security Deposits		
	Unsecured, considered good	373	444
	Unsecured, considered doubtful	2	2
	Less: Provision for doubtful deposits	2	2
		<u>373</u>	<u>444</u>
	Loans and advances to related parties		
	Unsecured, considered good (Refer Note-39)	9	9
		<u>9</u>	<u>9</u>
	Other loans and advances		
	Unsecured, considered good		
	Advance/claim recoverable in cash or in kind	582	401
	Unsecured, considered doubtful	56	110
	Less: Provision for doubtful loans and advances	56	110
		<u>582</u>	<u>401</u>
	TOTAL	<u>3,947</u>	<u>3,996</u>
15. OTHER NON- CURRENT ASSETS	MAT Credit Receivable	968	1,079
	Fixed Deposits With Bank (Pledged as security)	398	664
	Advance Wealth tax (Net of Provision)	5	5
	Advance income tax (Net of Provision)	1	131
	TOTAL	<u>1,372</u>	<u>1,879</u>
16. CURRENT INVESTMENTS	QUOTED IN MUTUAL FUND		
	Canara Rebco Mutal Fund-Short Term fund (Growth Plan)	15	15
	TOTAL	<u>15</u>	<u>15</u>
	Aggregate Value of Quoted Investments/Mutual Funds	15	15
	Market Value/NAV of Quoted Investments/Mutual Funds	18	17

Notes on Consolidated

Continued

		As at 31st March, 2017 (Rs. in lacs)	As at 31st March, 2016 (Rs. in lacs)
17. INVENTORIES	Raw Materials and Packing Materials	4,037	4,395
	-In Transit	749	364
	Less : Provision for obsolete Inventory	1,001	21
		<hr/>	<hr/>
		3,785	4,738
	Work-in-Progress	860	205
	Finished Goods	2,575	4,390
	Stock-in-Trade	63	65
	Store and Spares	634	837
	- In Transit	-	118
		<hr/>	<hr/>
	TOTAL	7,917	10,353
		<hr/>	<hr/>
17.1 Details of Raw and Packaging Materials			
	Grains	492	518
	Molasses	-	103
	ENA	733	1,027
	Chemicals	36	27
	Colour & Essence	123	98
	Bottles	945	1,283
	Tins & Other Containers	198	232
	Labels	545	265
	Seals	596	532
	Others	369	310
		<hr/>	<hr/>
		4,037	4,395
		<hr/>	<hr/>
17.2 Details of Work in Progress			
	Malt	7	6
	Glass	-	17
	Malt Extract	18	4
	Liquor	830	173
	Malted Milk Food	5	5
		<hr/>	<hr/>
		860	205
		<hr/>	<hr/>
17.3 Details of Finished Goods			
	Malt	497	312
	Malt Extract	9	140
	Liquor	1,989	3,734
	Glass	76	134
	Containers	-	9
	Others	4	61
		<hr/>	<hr/>
		2,575	4,390
		<hr/>	<hr/>
17.4 Details of Stock -in-trade			
	Petroleum and its Products	59	45
	Liquor	4	20
		<hr/>	<hr/>
		63	65
		<hr/>	<hr/>



		As at 31st March, 2017 (Rs. in lacs)	As at 31st March, 2016 (Rs. in lacs)
18. TRADE RECEIVABLES			
	(a) Unsecured overdue for more than six months		
	Considered Good	3,813	3,358
	Considered Doubtful	2,765	1,547
	Less: Provision for doubtful debts	2,765	1,547
	(b) Others		
	Considered Good	10,171	15,453
	TOTAL	13,984	18,811
19. CASH AND BANK BALANCES			
	(i) Cash & Cash Equivalents		
	Cash on hand	46	52
	Cheques on hand	2	27
	Funds in transit	-	123
	Balances with Banks		
	-Current Accounts	520	528
	-Fixed Deposits	-	304
	(With Original maturity period of up to 3 months)		
	(ii) Other Bank Balances		
	Fixed Deposits with Bank	200	2
	Margin Money Accounts	20	17
	TOTAL	788	1,053
20. SHORT TERM LOANS AND ADVANCES			
	Unsecured—Considered Good		
	Others Loan and Advance		
	- Balance with Revenue authorities	858	693
	- Advances to Suppliers	961	2,091
	- Security Deposits	217	72
	- Others	1,655	1,433
	Unsecured—Considered Doubtful		
	- Advances to Suppliers	1,466	979
	- Others	142	15
	- Balance with Revenue authorities	27	-
	- Less: Provision for Doubtful Advances	1,635	993
	TOTAL	3,691	4,290
21. OTHER CURRENT ASSETS			
	Interest Receivable	115	111
	Other Income Receivable	82	141
	Duty Drawback receivable	2	2
	Fixed Assets held for sale	44	3,764
	(Value at the lower of the estimated net realisable value & net book value)		
	TOTAL	243	4,018

Notes on Consolidated

Continued

		As at 31st March, 2017 (Rs. in lacs)	As at 31st March, 2016 (Rs. in lacs)
22. REVENUE FROM OPERATIONS (GROSS)	Sale of Products		
	Manufactured Goods	70,764	100,882
	Traded Goods	1,647	2,291
		<u>72,411</u>	<u>103,173</u>
	Income from Services		
	Job Work (tax deducted at source Rs. 38 lacs; Previous Year Rs. 46 lacs)	7,034	7,500
		<u>7,034</u>	<u>7,500</u>
	Other Operating Revenues		
	Rent Other	4	4
	Rent from Investment Properties (Tax deducted at source Rs. 31 lacs Previous year - Rs. 47 lacs;	1,960	1,858
	Royalty (Tax Deducted at Source Rs 114 lacs; Previous year - Rs. 27 lacs)	1,080	932
	Duty Drawbacks	3	16
	Scrap Sales	320	592
	Bottling Charges	12	
	Miscellaneous Income (Tax deducted at source Rs. 3 lacs; Previous year Rs.4 lacs)	1,096	876
		<u>4,475</u>	<u>4,278</u>
	Total Revenue from Operations	<u>83,920</u>	<u>114,951</u>
22.1	Details of Sale of Products (Net of discount)		
	(a) Manufactured Goods		
	Malt & Malt Extract	2,996	3,576
	Malted Milk Food	-	92
	Liquor	66,562	96,287
	Carbondioxide Gas	-	1
	Others	1,206	926
		<u>70,764</u>	<u>100,882</u>
	(b) Traded Goods		
	Petroleum and its Products	1,393	1,559
	Liquor	234	704
	others	21	28
		<u>1,647</u>	<u>2,291</u>
	Total (a) + (b)	<u>72,411</u>	<u>103,173</u>
23. OTHER INCOME	Interest		
	- Fixed Deposits — Gross (Tax deducted at source Rs. 2 lacs ; Previous year Nil)	63	91
	- Others - Gross (Including interest on income tax Refund Rs 43 lacs ; Previous year Rs.37 lacs) (Tax deducted at source Nil Previous year Nil)	65	38
	Profit on Sale of Fixed Assets	16	122
	Insurance Claims	4	2
	Liabilities/provisions no longer required written back	573	141
	Foreign Exchange Fluctuation (Net)	0	6
	TOTAL	<u>721</u>	<u>400</u>



		For the year ended 31st March, 2017 (Rs. in lacs)	For the year ended 31st March, 2016 (Rs. in lacs)
24. COST OF MATERIALS CONSUMED	Opening Stocks	4,736	5,011
	Add: Purchases of raw and packing materials	23,238	31,504
		<hr/>	<hr/>
		27,974	36,515
		<hr/>	<hr/>
	Less: Closing Stocks	4,785	4,737
	TOTAL	<hr/> 23,189 <hr/>	<hr/> 31,778 <hr/>
24.1	Details of Raw and Packaging Materials Consumed		
	Grains	2,315	3,374
	Molasses	103	939
	ENA	9,902	11,544
	Bottles	6,211	9,309
	Tins & Other Containers	1,099	1,479
	Seals	1,595	2,361
	Milk	668	620
	Packing Materials	970	1,337
	Others	326	815
	TOTAL	<hr/> 23,189 <hr/>	<hr/> 31,778 <hr/>
25. PURCHASES OF STOCK-IN-TRADE	Petroleum and its Products	1,374	1,537
	Liquor	219	653
	Others	20	29
	TOTAL	<hr/> 1,613 <hr/>	<hr/> 2,219 <hr/>
26. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE	Opening Stocks		
	Work-in-Progress	188	204
	Finished Goods	4,340	4,929
	Stock-in-Trade	65	57
		<hr/>	<hr/>
		4,593	5,190
		<hr/>	<hr/>
	Closing Stocks		
	Work-in-Progress	860	188
	Finished Goods	2,575	4,340
	Stock-in-Trade	63	65
		<hr/>	<hr/>
		3,498	4,593
		<hr/>	<hr/>
	Decrease/(Increase)	<hr/> 1,095 <hr/>	<hr/> 597 <hr/>
27. EMPLOYEE BENEFITS EXPENSES	Salaries, Wages, Bonus and Gratuity	6,908	6,266
	Contribution to Provident, Family Pension and Superannuation Funds	399	468
	Employees' State Insurance	144	160
	Staff Welfare Expenses	159	235
	TOTAL	<hr/> 7,610 <hr/>	<hr/> 7,129 <hr/>

Notes on Consolidated

Continued

		For the year ended 31st March, 2017 (Rs. in lacs)	For the year ended 31st March, 2016 (Rs. in lacs)
28. FINANCE COST	On Fixed Loans	2,083	2,687
	On Other Loans	2,559	1,376
	Other Borrowing Cost	438	-
	TOTAL	5,080	4,063
29. OTHER EXPENSES	Manufacturing Expenses		
	Consumption of Stores and Spare parts excluding charged to other revenue heads Rs.2,628 lacs (Previous year - Rs. 3,296 lacs)	188	283
	Power and Fuel	2,305	3,337
	Repairs — Buildings	131	153
	Plant and Machinery	404	857
	Excise Duty*	(511)	148
	Other Expenses	1,844	2,748
	TOTAL	4,361	7,526
	*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 35).		
	Administration and Selling Expenses		
	Rent (Net)	274	292
	Lease Rental	20	65
	Rates & Taxes	2,538	3,681
	Insurance	207	233
	Travelling Expenses	724	721
	Repairs to Buildings	46	61
	Other Repairs & Maintenance	72	155
	Bad Debts, Advances and Stock written off	326	742
	Provision for Doubtful Debts and advances	1,841	1,209
	Provision for Inventory for obsolete stock	979	11
	Fixed Assets written off	25	-
	Loss on sale of Fixed Assets	5	83
	Reimbursement of Expenses to Directors	12	8
	Directors Fee	7	11
	Forwarding Charges	1,131	1,955
	Advertisement, Publicity and Sales Promotion	6,385	9,195
	Auditors' Remuneration#	31	31
	Legal & Professional Expenses	1,442	1,137
	Miscellaneous Expenses	1,840	1,889
		17,905	21,479
	TOTAL	22,266	29,005
29.1	Auditors' Remuneration#		
	For Audit	20	20
	For Tax Audit	5	5
	For Limited Review	3	3
	For Other Services	2	2
	Out of Pocket Expenses	1	1
		31	31
29.2	Prior Period Expenses/Income		
	Other Expenses	6	4
	TOTAL	6	4



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. 10,146 lacs (Previous year Rs. 7,237 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. 185 lacs (Previous year Rs. 194 lacs)
 - In terms of Gas Sales Agreement dated 27.12.2008 between GAIL (India) Limited (supplier) and the company, for the supply of RLNG by former, the company has not utilised the minimum stipulated quantity of RLNG, due to closure of Glass unit situated at Sahibabad (UP). The supplier has raised demand towards Annual Take or Pay deficiency basis for contract year 2014, amounting to Rs. 1,746 lacs, for contract year 2015, amounting to Rs. 5,269 lacs and for contract year 2016, amounting to Rs. 2,918 lacs, aggregating to Rs. 9,933 lacs. The company has represented to the supplier, that due to reasons beyond their control, the Glass unit had to be closed down permanently and production discontinued. Consequently, as there no longer any requirement of gas the parties may be treated as discharged in this regard. Further, management is confident that there will not be any material amount on resolution/ settlement.
 - 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. 853 lacs (Previous year Rs. 1,155 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. 231 lacs (Previous year Rs. 569 lacs).
 - Demand of cess and penalty under Central Excise Act on manufacturing of corrugated paper board Rs. 2 lac (Previous year Rs.1 lac).
 - Demand of service tax on renting of imovable property Rs. 113 lacs (Previous year Rs. 127 lacs).
 - Demand of service tax under service of supply if tangible goods Rs. 124 lacs (Previous year Rs. 62 lacs).
 - Demand of service tax and penalty under management , maintenance and repair services Rs. 48 lacs (Previous year Rs. 48 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. Nil lac (Previous year Rs 13 lacs)
- 30.3 Particulars of various Sales tax demands under dispute Rs. 368 lacs (Previous year Rs. 370 lacs) :
- Demand of Sales Tax under Central Sales Tax Act on account of incomplete submission of sales tax forms Rs. 4 lacs (Previous year Rs.6 lacs).
 - Demand of Sales Tax & Penalty under Telangana VAT Act on account of VAT on Royalty Rs.103 lacs (Previous year Rs. 103 lacs).
 - Demand of Sales Tax & penalty under Punjab VAT Act on account of input VAT credit denied on rice husk Rs. 221 lacs (Previous year Rs. 221).
 - Demand of Sales Tax under Haryana VAT Act on account of disallowance of credit of excess VAT deposited due to rate difference Rs. 40 lacs (Previous year Rs. 40).
- 30.4 Certain matters relating to various assessment years of Income Tax are pending at the various levels of tax authorities and High Court. Further the Income Tax Department has issued notice u/s 153A to the Company during F.Y. 2016-17 for assessment /reassessment of assessment years 2009-10 to 2015-16. 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 in its annual accounts.

S.No.	Name of the Subsidiary Company	Country of Incorporation	Ownership Interest	
			As on 31st March, 2017	As on 31st March, 2016
i)	JIL Trading Pvt. Ltd	India	100%	100%
ii)	S.R.K. Investments Pvt. Ltd.	India	100%	100%
iii)	Sea Bird Securities Pvt. Ltd.	India	80%	80%
iv)	L.P. Investments Ltd.	India	98.26%	98.26%

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

S.No.	Name of the Associates	Country of Incorporation	Ownership Interest	
			As on 31st March, 2017	As on 31st March, 2016
i)	Hyderabad Distilleries & Wineries Pvt. Ltd	India	33.16%*	33.16%*

*held through subsidiary

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 for financial year 2016-17 :

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 in lacs)	As a % of consolidated profits	Amount (Rs in lacs)
Parent :				
Jagatjit Industries Ltd	99.81	23,339	(99.99)	(11,909)
Subsidiary :				
Jil Trading Pvt Ltd	(0.04)	(9)	0	0
S.R.K. Investments Pvt Ltd	(0.03)	(6)	0	0
Sea Bird Securities Pvt Ltd	(0.01)	(2)	0	0
L.P. Investments Ltd	4.64	1,085	(0.01)	(1)
Sub Total	104.37	24,407	(100.00)	(11,910)
Inter-Company Elimination & Consolidation Adjustments	(4.36)	(1,023)	-	-
Grand Total	<u>100.00</u>	<u>23,384</u>	<u>(100.00)</u>	<u>(11,910)</u>
Minority Interest in Subsidiaries		3		0
Share of profit/(loss) in Associate				(148)
				<u>(12,058)</u>

Notes on Consolidated

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Disclosure mandated by Schedule III of the Companies Act, 2013 by way of additional information for financial year 2015-16 :

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 in lacs)	As a % of consolidated profits	Amount (Rs in lacs)
Parent :				
Jagatjit Industries Ltd	99.76	19,970	(99.99)	(6,565)
Subsidiary :				
Jil Trading Pvt Ltd	(0.04)	(8)	(0.00)	(0)
S.R.K. Investments Pvt Ltd	(0.03)	(6)	(0.00)	(0)
Sea Bird Securities Pvt Ltd	(0.01)	(2)	(0.00)	(0)
L.P. Investments Ltd	5.43	1,087	(0.00)	(0)
Sub Total	105.11	21,041	(100.00)	(6,566)
Inter-Company Elimination & Consolidation Adjustments	(5.10)	(1,023)	-	-
Grand Total	100.00	20,018	(100)	(6,566)
Minority Interest in Subsidiaries		3		-
Share of profit/(loss) in Associate				(10)
				(6,576)

32. The company revalued Land, Building and Plant & Machinery at its various locations as on 31st March 1998. In compliance with AS-10 (Property, Plant & Equipment) the balance in Revaluation Reserve as on 1st April, 2016 amounting to Rs 11,459 lacs has been reversed and adjusted with the revalued assets. On 1st April, 2016 the company has carried out fresh revaluation of Land owned by the company as Fixed Assets. The Revaluation has been carried out by an independent valuer on fair market value basis. Consequently the fresh Revaluation Reserve amounting to Rs. 26,779 lacs has been created as on 1st April, 2016.

	2016-17 (Rs. in lacs)	2015-16 (Rs. in lacs)
Depreciation for the year calculated in accordance with accounting policy mentioned [Refer Note 1.4 (a) and 12] on Tangible assets	1,230	1,455
Depreciation for the year calculated in accordance with accounting policy mentioned [Refer Note 1.4 (b) and 12] on Intangible assets	3	3
Depreciation for the year calculated in accordance with accounting policy mentioned [Refer Note 1.4 (a), 1.6(b) and 12] on Investment properties	38	-
Less: Adjusted against Revaluation Reserve	42	187
Net depreciation for the year charged to statement of Profit & Loss Account	1,229	1,271

33. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 1983 lacs (Previous year Rs. 1985 lacs).
34. At the end of the year unclaimed deposits of Rs.93 lacs (previous year Rs. 163 lacs) disclosed under current liabilities are not required to be transferred to the Investor Education and Protection Fund (IEPF) in terms of section 125 of the Companies Act, 2013, as these deposits are unclaimed for less than 7 years from the date of their maturity. Deposits of Rs. 1 lac as on 31.3.2016 lying unclaimed for more than 7 years were deposited in the IEPF on 2nd June, 2016. Additionally, during the financial year 2016-17, there were some small delays in depositing unclaimed deposits amounting to Rs. 1 lac to IEPF. Therefore, total amount of delay in transferring amounts, required to be transferred to IEPF was Rs. 2 lacs for financial year 2016-17. Deposits of Rs. 1 lac as on 31.3.2017 lying unclaimed for more than 7 years were deposited in the IEPF on 11th April, 2017.
35. 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. 32,825 lacs (Previous year Rs. 46,148 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. (525) lacs (Previous year Rs. 148 lacs) has been separately shown in Manufacturing Expenses under 'Other Expenses Schedule' (Refer Note 29 & 41).
36. Earnings per share (EPS) : Numerators and denominators used to calculate basic and diluted earning per share

	Year ended 31.03.2017 (Rs. in lacs)	Year ended 31.03.2016 (Rs. in lacs)
Net Profit/(Loss) attributable to Shareholders	(12,058)	(6,576)
Weighted Average Number of Equity Shares in issue	43,648,112*	43,648,112*
Basic / Diluted Earnings per share of Rs.10 each (Rs.)	(27.63)	(15.07)
Net Profit/(Loss) attributable to Shareholders from continuing operation	(10,299)	(6,710)
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	(23.60)	(15.37)

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 2.6c).

37. EMPLOYEE BENEFITS

The Company has classified various employee benefits as under:

37.1 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, 2017 (Rs. in lacs)	For the year ended March 31, 2016 (Rs. in lacs)
(i) Employers' Contribution to Superannuation Fund	-	15
(ii) Employers' Contribution to Provident Fund	402	457
(iii) Employers' Contribution to Employees' State Insurance	144	161
Included in 'Contribution to Provident, Family Pension and Superannuation Funds' and 'Employees' State Insurance (Refer Note 27)		

37.2 Defined Benefit Plans

Valuation in respect of Gratuity and Leave Encashment have been carried out by independent actuary, as at 31st March, 2017, based on the following assumptions:

(i) Assumptions	Leave Encashment (Unfunded) (Rs. in lacs)	Gratuity (Unfunded) (Rs. in lacs)
(a) Discount Rate	7.30%	7.30%
(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)	5.17-17.01	5.17-17.01



	Leave Encashment (Unfunded) (Rs. in lacs)	Gratuity (Unfunded) (Rs. in lacs)
(II) Change in the Present Value of Obligation		
(a) Present value of obligation as at April 1, 2016	513	1,496
(b) Interest cost	18	100
(c) Current service cost	132	123
(d) Benefit paid	(66)	(250)
(e) Actuarial (gain)/loss on obligations	(129)	413
(f) Present value of obligation as at March 31, 2017	468	1,882
(III) Amount recognised in the Balance Sheet		
(a) Present value of obligation as at March 31, 2017	468	1,882
(b) Fair Value of Plan Assets as at the year end	-	-
(c) (Asset) / Liability recognised in the Balance Sheet	468	1,882
(IV) Expenses recognised in the Statement of Profit and Loss		
(a) Current service cost	132	123
(b) Interest cost	18	100
(c) Expected Return on Plan Assets	-	-
(d) Settlement Cost/Credit	(66)	(250)
(e) Actuarial (gain)/loss recognised in period	(129)	413
(f) Total Expenses recognised in the Statement of Profit and Loss	(45)	386

Valuation in respect of Gratuity and Leave Encashment was carried out by independent actuary, as on 31st March, 2016, based on the following assumptions:

	Leave Encashment (Unfunded) (Rs. in lacs)	Gratuity (Unfunded) (Rs. in lacs)
(I) Assumptions		
(a) Discount Rate	7.85%	7.85%
(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)	4.89-17.71	4.89-17.71
(II) Change in the Present Value of Obligation		
(a) Present value of obligation as at April 1, 2015	472	1,627
(b) Interest cost	22	117
(c) Current service cost	235	122
(d) Benefit paid	(68)	(261)
(e) Actuarial (gain)/loss on obligations	(148)	(109)
(f) Present value of obligation as at March 31, 2016	513	1,496
(III) Amount recognised in the Balance Sheet		
(a) Present value of obligation as at March 31, 2016	513	1,496
(b) Fair Value of Plan Assets as at the year end	-	-
(c) (Asset) / Liability recognised in the Balance Sheet	513	1,496
(IV) Expenses recognised in the Statement of Profit and Loss		
(a) Current service cost	235	122
(b) Interest cost	22	117
(c) Expected Return on Plan Assets	-	-
(d) Settlement Cost/Credit	(68)	(261)
(e) Actuarial (gain)/loss recognised in period	(148)	(109)
(f) Total Expenses recognised in the Statement of Profit and Loss	41	(131)

38. 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.
Others : Segment includes sale of Petroleum products and Khad. It also includes dividend from and profit on sale of investments.
- ii) As part of Secondary reporting, revenues are attributed to geographical areas based on the location of the customers.

	(Rs. in lacs)			
	Beverages	Food	Others	Total
REVENUE				
Sales (Net of Excise duty), Services and Other income	39,556	10,710	1,484	51,750
Inter Segment Sales	—	—	—	—
Unallocated Income	—	—	—	—
Total Revenue	39,556	10,710	1,484	51,750
RESULTS				
Segment Results (Refer Note vii below)	(2,460)	1,172	34	(1,254)
Unallocated expenditure				
Net of unallocated income				(5,816)
Interest Income				128
Interest Expense				(5,080)
Profit/(Loss) before exceptional items				(12,022)
Exceptional Items				-
Profit/ (Loss) before tax				(12,022)
Less: Tax expense:				
Current Tax :				
- For the year				-
- MAT Credit Reversed				99
Deferred Tax (benefit)/ charge				236
previous year Tax adjustment				(447)
Profit/ (Loss) after tax				(11,910)
Less: Share of Minority Interest				0
Add: Share of Profit / (Loss from Associate)				(148)
Net Loss relating to the Group				(12,058)

Notes on Consolidated

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	(Rs. in lacs)			
	Beverages	Food	Others	Total
OTHER INFORMATION				
Segment Assets (Refer Note ii below)	33,232	10,010	265	43,507
Unallocated Assets				34,247
Total Assets				77,754
Segment Liabilities	18,991	2,380	926	22,297
Unallocated Liabilities				32,025
Total Liabilities				54,322
Capital Expenditure	105	18	-	123
Unallocated Capital Expenditure				89
Total Capital Expenditure				212
Depreciation	289	564	-	853
Unallocated Depreciation				376
Total				1,229
Non - cash expenditure other than depreciation	3,074	-	-	3,074
Unallocable Non Cash expenditure				97
Total				3,171
Information about Secondary Business Segments - Geographical by location of customers				
		Domestic	Overseas	Total
Revenues (Net of Excise Duty)		51,106	644	51,750
Other information:				
Carrying amount of segment assets by location of assets		77,754	-	77,754
Addition to Fixed Assets/Capital Work- in- Progress (including Capital Advances)		212	-	212
Information about Business Segment - Primary for the year 2015-16				
	Beverages	Food	Others	Total
REVENUE				
Sales (Net of Excise duty), Services and Other income	55,864	11,607	1,612	69,083
Inter Segment Sales	—	—	—	—
Unallocated Income	—	—	—	324
Total Revenue	55,864	11,607	1,612	69,407
RESULTS				
Segment Results (Refer Note vii below)	(1,133)	1,709	(141)	435
Unallocated expenditure				
Net of unallocated income				(3,202)
Interest Income				129
Interest Expense				(4,079)
Profit/(Loss) before exceptional items				(6,717)
Exceptional Items				-
Profit/ (Loss) before tax				(6,717)
Less: Tax expense:				
Current Tax :				-
- For the year				-
- MAT Credit Entitlement				-
Deferred Tax (benefit)/ charge				(151)
Profit / (Loss) after tax				(6,566)
Less: Share of Minority Interest				-
Add: Share of Profit / (Loss) from Associate				(10)
Net Loss relating to the Group				(6,576)
OTHER INFORMATION				
Segment Assets (Refer Note ii below)	44,317	10,344	73	54,734
Unallocated Assets				20,134
Total Assets				74,868
Segment Liabilities	18,792	1,618	2	20,412
Unallocated Liabilities				34,245
Total Liabilities				54,657
Capital Expenditure	227	278	-	505
Unallocated Capital Expenditure				76
Total Capital Expenditure				581
Depreciation	492	516	-	1,008
Unallocated Depreciation				263
Total				1,271
Non - cash expenditure other than depreciation	1,732	19	-	1,751
Unallocable Non Cash expenditure				212
Total				1,963
Information about Secondary Business Segments - Geographical by location of customers				
		Domestic	Overseas	Total
Revenues (Net of Excise Duty)		68,949	458	69,407
Other information:				
Carrying amount of segment assets by location of assets		74,868	-	74,868
Addition to Fixed Assets/Capital Work- in- Progress (including Capital Advances)		581	-	581

NOTES:

- i) The Company is focused on the segment of Beverages (including Liquor) in India. The commercial terms and conditions of Liquor sales being identical in India, there are no differential risks and return on the basis of such business segmentation. The Company's year to date export turnover being less than 2% 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.



- ii) Segment assets include Capital Work- in- Progress & Capital Advances aggregating to Rs.3,040 lacs (Previous year-Rs. 3,191 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.
- iii) Capital expenditure pertains to additions made to Fixed Assets/ Capital Work-in-Progress (including Capital Advances) during the year.
- iv) Unallocated assets includes land, administration building and cash & bank balances etc. at Jagatjit Nagar.
- v) Unallocated liabilities include interest bearing liabilities and tax provisions and deferred tax liability.
- vi) Non cash items includes bad debts, advances and stocks written off, provision for doubtful debts & advances and fixed assets written off.
- vii) Sales Services and other Income of Beverages segment includes rental income (net) of Rs. 1,810 lacs (Previous year Rs. 1,610 lacs) from the surplus properties of the Company.

39. 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:

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

Milkfood Ltd.
Hyderabad Distilleries & Wineries Pvt. Ltd. (Associate)
Fast Buck Investments & Trading Pvt. Ltd.
Jagatjit Industries Limited Employees Superannuation Scheme
Pashupati Properties & Estates Pvt. Limited
Cube Corporation Pvt. Ltd.
Corporate Facilities Management
Industrial Containers and Closures Limited
Blue Skies Investments Private Limited
Palm Beach Investments Private Limited
Snow White Holdings Private Limited
Hybrid Holding Private Limited

39.2 Key Management Personnel and their relatives:

Mr. Narender Sapra (Managing Director) - (Ceased to Director w.e.f. 31.10.2016)
Mr. Ravi Manchanda (Director)
Ms. Sonya Jaiswal - (Appointed as a Director w.e.f 25.07.2016)

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

(Rs. in lacs)

	For the Year ended March 31, 2017			For the Year ended March 31, 2016		
	With Persons Mentioned in Note 39.1	With Persons Mentioned in Note 39.2	Total	With Persons Mentioned in Note 40.1	With Persons Mentioned in Note 40.2	Total
PARTICULARS OF TRANSACTIONS						
Sales of Goods (Refer Note 3 below.)	-	-	-	29	-	29
Royalty Received (Hyderabad Distilleries & Wineries Pvt. Ltd.)	-	-	-	4	-	4
Purchases of goods (Milkfood Limited)	-	-	-	-	-	-
Interest accrued (Refer Note 4 below)	6	-	6	6	-	6
Reimbursement of Payments Made on Behalf of Company (Refer Note 5 below)	21	-	21	49	-	49
Expenses paid by Company on Behalf of related party (Refer Note 6 below)	17	-	17	171	-	171
Rent received (Milkfood Limited)	4	-	4	4	-	4
Loans including interest repaid (Refer Note 7 below)	71	-	71	9	-	9
Managerial Remuneration including salary & reimbursement of expenses of Key Management Personnel (Refer Note 2 below)	-	132	132	-	150	150
Advance Given (Refer Note 8 below)	323	-	323	-	-	-
Refund of Advance Given (Refer Note 10 Below)	278	-	278	-	-	-
Bottling Charges paid (Hyderabad Distilleries & Wineries Pvt. Ltd.)	153	-	153	504	-	504
Redistillation Charges paid (Hyderabad Distilleries & Wineries Pvt. Ltd.)	-	-	-	65	-	65
Lease Rent paid (Refer Note 9 below)	20	-	20	67	-	67
Maintenance Charges paid (Corporate Facilities Management)	147	-	147	-	-	-
Contribution to Superannuation Fund (Jagatjit Industries Limited Employees Superannuation Scheme)	-	-	-	7	-	7
BALANCES OUTSTANDING AT THE YEAR END						
Unsecured Advances (Note 11)	9	-	9	9	-	9
Payable (Net of Receivable)	(417)	-	(417)	(88)	-	(88)
Unsecured Loans (Including interest accrued) (Note 12)	91	-	91	157	-	157
Investments (Note 13)	138	-	138	138	-	138

Notes:

- 1) The above information has been compiled on the basis of disclosures received from all directors of the Company.
- 2) Managerial Remuneration (These payments do not include expenses incurred by / reimbursed to directors during the course of performance of duties).
Mr. Narender Sapra (Managing Director) Rs.93 lacs (Previous year Rs. 103 lacs)
Mr. Ravi Manchanda (Director) Rs.39 lacs (Previous year Rs.47 lacs)
Key Management Persons and their relatives does not include the persons who were directors any time during the previous financial year but did not hold any position of director during the current financial year.
- 3) Sales of Goods
Milkfood Ltd. Rs. Nil (Previous year Rs.8 lacs)
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. Nil (Previous year Rs.21 lacs)
- 4) Interest Accrued is in respect of the following :
Fast Buck Investments & Trading Pvt. Ltd. Rs. 6 lacs (Previous year Rs. 6 lacs)
- 5) Reimbursement of Payments Made on behalf of the Company is in respect of the following :
Milkfood Ltd. Rs. 8 lacs (Previous year Rs. 29 lacs)
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 13 lacs (Previous year Rs.20 lacs)

Notes on Consolidated

Continued

- 6) Expenses paid by the Company on behalf of related parties is in respect of the following :
Milkfood Ltd. Rs. 9 lacs (Previous year Rs. 14 lacs)
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 7 lacs (Previous year Rs. 157 lacs)
Fast Buck Investments & Trading Pvt. Ltd. Rs. 1 lacs (Previous year Rs. Nil)
- 7) Loans including interest repaid is in respect of the following :
Fast Buck Investments & Trading Pvt. Ltd. Rs. 71lacs (Previous year Rs. 9 lacs)
- 8) Advances Given
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 306 lacs (Previous year Rs. Nil)
Milkfood Ltd. Rs. 17 lacs (Previous year Rs. Nil)
- 9) Lease Rent paid
Pashupati Properties & Estates Pvt. Limited Rs. 12 lacs (Previous year Rs. 12 lacs)
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 8 lacs (Previous year Rs. 55 lacs)
- 10) Refund of Advance
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 278 lacs (Previous year Rs. Nil)
- 11) Unsecured Advances Outstanding
Industrial Containers and Closures Limited Rs. 3 lacs (Previous year Rs. 3 lacs)
Blue Skies Investments Private Limited Rs. 2 lacs (Previous year Rs. 2 lacs)
Palm Beach Investments Private Limited Rs. 3 lacs (Previous year Rs. 3 lacs)
Snowwhite Holdings Private Limited Rs. 1 lacs (Previous year Rs. 1 lacs)
- 12) Unsecured Loans (Including interest accrued)
Hybrid Holding Private Limited Rs. 2 lacs (Previous year Rs. 2 lacs)
Hyderabad Distilleries and Wineries Pvt Ltd. Rs. 81 lacs (Previous year Rs. 81 lacs)
Fast Buck Investments & Trading Pvt. Ltd. Rs. 8 lacs (Previous year Rs. 74 lacs)
- 13) Investments
Cube Corporation Pvt. Ltd. Rs. 135 lacs (Previous year Rs. 135 lacs)
Hyderabad Distilleries & Wineries Pvt. Ltd. (Associate) Rs. 3 lacs (Previous year Rs. 3 lacs)
40. During the year, net profit amounting to Rs Nil and (previous year Rs 324 lacs) has been earned by the Company from sale of its industrial property situated In Block C, Sector 57, Noida, Gautam Budh Nagar (U.P).
41. 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, 2017 (Rs. in lacs)	For the year ended March 31, 2016 (Rs. in lacs)
Revenue		
Revenue from operations	35	
Miscellaneous Income	-	5
Interest		
-Fixed Deposits	-	-
Profit on Sale of Fixed Assets	-	323
Liabilities/provisions no longer required written back	26	5
Total Revenue	61	333
Expenses		
Changes in inventories of Finished Goods, Work-in-Process and Stock- in -Trade	66	-
Employee Benefits Expenses		
Salaries, Wages, Bonus and Gratuity	47	44
Contribution to Provident, Family Pension and Superannuation Funds	3	4
Employees' State Insurance	0	0
Staff Welfare Expenses	2	2
	52	50
Finance Cost		
On Fixed Loans	1	16
Others	0	0
	1	16
Other Expenses		
Manufacturing Expenses		
Power and Fuel	11	9
Excise Duty	-14	
Administration and Selling Expenses		
Rates & Taxes	4	7
Insurance	2	4
Travelling Expenses	6	12
Other Repairs & Maintenance	15	35
Bad Debts, Advances and Stock written off	-	0
Loss on sale of Fixed Assets	1642	26
Advertisement, Publicity and Sales Promotion	-	3
Legal & Professional Expenses	10	8
Miscellaneous Expenses	22	21
	1698	125



	For the year ended March 31, 2017 (Rs. in lacs)	For the year ended March 31, 2016 (Rs. in lacs)
Total Expenses	1817	191
Profit/(Loss) for the year	(1,756)	142
Less: Tax Expense	3	8
Profit/(Loss) after Tax for the year	(1,759)	134
Total Assets	1,656	1,454
Total Liabilities	100	190
Cash Flow from discontinuing operations included in above		
- Operating activities	105	(146)
- Investing activities	955	399
- Financing activities	(31)	(156)

The loss of Rs. 1,756 lacs comprises of loss of Rs. 1,642 lacs (previous year Rs. 26 lacs) on account of sale of fixed assets situated at Plot No 17, Site IV, Industrial Area Sahibabad, Ghaziabad (U.P.)

42. In accordance with AS-13 (Accounting for Investments) the company has re-classified its fixed assets comprising of freehold land and buildings of company that are leased out to earn rental income. These are being disclosed as Investment Properties under Non-Current Investments.
43. Disclosure on Specified Bank Notes (SBNs)
The details of Specified Bank Notes (SBNs) or other denomination notes (as defined in the MCA notification G.S.R. 308 (E) dated March 31, 2017) held and transacted during the period from November 8, 2016 to December 30, 2016, is given below:-

Particulars	SBNs (Rs. in lacs)	Other denomination Notes (Rs. in lacs)	Total (Rs. in lacs)
Closing Cash in hand as on 8th November, 2016	89.77	8.22	97.99
(+) Permitted Receipt*	86.21	151.68	237.89
(-) Permitted Payment	8.53	91.05	99.58
(-) Amount deposited in Bank	167.45	40.00	207.45
Closing Cash in hand as on 30th December, 2016	-	28.85	28.85

*Permitted receipts for SBNs represents amount received from sale of fuel at petrol pumps.

44. 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 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	31.03.2017	31.03.2017	31.03.2017	31.03.2017
3.	Share capital	1.00	1038.25	1.00	1.00
4.	Reserves & surplus	(8.85)	(1200.97)	(3.24)	(6.85)
5.	Total assets	0.27	22.60	81.08	2972.01
6.	Total Liabilities	0.27	22.60	81.08	2972.01
7.	Investments	-	1.83	81.00	-
8.	Turnover	-	0.51	-	-
9.	Profit before taxation	(0.20)	(1.18)	(0.19)	(0.26)
10.	Provision for taxation	-	-	-	-
11.	Profit after taxation	(0.20)	(1.18)	(0.19)	(0.26)
12.	Proposed Dividend	-	-	-	-
13.	% of shareholding	100.00	98.26	80.00	100.00

Notes :

- Names of subsidiaries which are yet to commence operations – NIL
- Name of subsidiary which has been liquidated or sold during the year – NIL

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 Lacs unless otherwise stated)

Sl. No.	Name of associate	Hyderabad Distilleries & Wineries Private Ltd.
1.	Latest audited Balance Sheet Date	31.03.2017
2.	Shares of Associate held by the company on the year end :	
	(i) No. of shares	3124*
	(ii) Amount of Investment	3.12*
	(iii) Extent of Holding%	32.88*
3.	Description of how there is significant influence	*
4.	Reason why the associate is not consolidated	Consolidated
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	44.58
6.	Profit/Loss for the year	
	i. Considered in Consolidation	(148)
	ii. Not Considered in Consolidation	(298)

* 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 – NIL

Roshini Sanah Jaiswal
Kiran Kapur
Anjali Varma
Sonya Jaiswal } *Directors*

New Delhi
1st August, 2017

K.K. Kohli
Company Secretary

Anil Girotra
Chief Financial Officer

Ravi Manchanda - Managing Director



Notes

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*Kuch bhi
ho sakta hai*



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BARE IT ALL
VODKA
PREMIUM

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LIKE I
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