

# Directors' Report



## To the Shareholders

The Directors have pleasure in presenting their Report and Statement of Accounts for the financial year ended 31st March, 2013.

## FINANCIAL RESULTS

	(Rs. In lacs)	
	2012-13	2011-12
Profit for the year after charging all expenses excluding financing charges and depreciation	4,726	7,520
Deduct: Financing Charges	<u>2,308</u>	<u>2,210</u>
Cash Profit	2,418	5,310
Deduct : Depreciation/ Amortisation	<u>1,750</u>	<u>2,463</u>
Profit/(Loss) for the year before taxation	668	2,847
Tax Expenses		
Current Tax		
- For the year	135	577
- Mat Credit Entitlement	(352)	(627)
- Deferred Tax (Benefit)/Charge	380	(606)
- ( Excess ) Tax provision for the earlier years	<u>—</u>	<u>(7)</u>
Profit/(Loss) after tax for the year	505	3,510
Profit brought forward from previous year	<u>12,551</u>	<u>9,041</u>
Total profit available for appropriations	<u>13,056</u>	<u>12,551</u>
APPROPRIATIONS		
Balance Carried to Balance Sheet	<u>13,056</u>	<u>12,551</u>
	<u>13,056</u>	<u>12,551</u>

## SALES & PROFIT

During the year under report, the Gross Turnover (including income from Services & Other Sources) was Rs.1451.01 Crores as compared to Rs.1604.84 Crores during the previous year. The profit before taxation was Rs.6.68 Crores as compared to Rs.28.47 Crores during the previous year.

## DIVIDEND

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

## DIRECTORS

Mr. Arvind Behl and Mr. Surjit Singh Bawa ceased to be Directors of the Company during the period under review. Mr. Gautam Pal was appointed as an Additional Director of the Company on 2nd April, 2013 and ceased to be Director of the Company w.e.f. 30th May, 2013. The Board places on record, their appreciations for the services rendered by Mr. Arvind Behl, Mr. Surjit Singh Bawa and Mr. Gautam Pal during their tenure as Directors.

Mr. Peri Kameswara Sharma was appointed as an Additional Director of the Company on 30th May, 2013 by the Board of Directors, who holds office upto the date of this Annual General Meeting. The Company has received a notice in writing, under Section 257 of the Companies Act, 1956, from a member proposing his name as candidate for the office of Director.

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

## SUBSIDIARIES

During the year under review M/s Anjani Estates Limited and M/s. L. P. Investments Limited have become subsidiaries of the Company.

In terms of the General Circular No.2/2011, dated 8th February, 2011, issued by the Ministry of Corporate Affairs, the documents as prescribed under Section 212(1) of the Companies Act, 1956, in respect to the subsidiary companies viz. M/s Anjani Estates Limited , 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 are not being attached with the balance sheet of the

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Company. However, the consolidated financial statements of the Company and all its subsidiary companies duly audited by the Statutory Auditors are being presented in the Annual Report of the Company. We undertake that annual accounts of the subsidiary companies and the detailed information shall be made available to shareholders of the holding and subsidiary companies seeking such information at any point of time. The Annual Accounts of the subsidiary companies shall also be kept for inspection by any shareholder at the Registered Office of the Company and of the subsidiary companies concerned.

## **FIXED DEPOSITS**

As on 31st March, 2013, 322 persons whose Fixed Deposits/Loans with the Company amounting to Rs.116.98 Lacs had become due for payment during the year, did not claim or renew their Deposits/Loans. Out of these, Fixed Deposits/Loans of 78 persons amounting to Rs.39.60 Lacs have since been renewed/paid.

## **AUDITORS**

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

## **COST AUDITORS**

M/s. R. J. Goel & Co., Cost Accountants, Delhi have been reappointed as Cost Auditors to carry out the audit of the Company's cost records for the Financial year ending 31st March, 2014. The reports of Cost Auditors for the year ended on 31st March, 2013, will be submitted to the Central Government in due course.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

The Board of Directors hereby state that :

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

## **CORPORATE GOVERNANCE**

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

## **PARTICULARS OF EMPLOYEES**

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

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

The shares of your Company are listed at the Ludhiana, Delhi and Mumbai Stock Exchanges. The Listing fees for the financial year 2013-14 have been paid.

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

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

## **GENERAL**

The Notes on Accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Directors place on record their appreciation for the services rendered by the employees of the Company, banks and government officials.

For and on behalf of the Board  
Sd/-  
Narender Sapra  
Managing Director

Place : New Delhi  
Date : 30th May, 2013

**ANNEXURE TO THE DIRECTORS' REPORT 2012-13**
**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND  
FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2013.

**A. CONSERVATION OF ENERGY**
**(a) Energy Conservation Measures Taken**

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

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

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

**(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.**

With implementation of the above measures, energy consumption may reduce to a certain extent resulting in a marginal reduction of cost of production.

**(d) Total energy consumption as per prescribed Form A together with Comparative Figures for 2011-12 is as under (in respect of Dairy, Food Processing and Glass Units).**
**FORM A**
**CONSERVATION OF ENERGY**
**(A) Power & Fuel Consumption**

	2012-13	2011-12
<b>1. Electricity</b>		
(a) Purchases		
Units (KWH)	13,589,700	16,165,300
Total amount (Rs.)	71,881,150	73,734,016
Rate/Unit (Rs.)	5.29	4.56
(b) Own Generation		
(i) Through Diesel generator Units (KWH)	1,268,862	816,190
Units per litre of diesel oil (KWH)	3.41	3.14
Cost/Unit (Rs.)	11.91	12.10
(ii) Through Steam turbine/generator		
Units (KWH)	11,263,071	8,668,656
Units per kg. of steam (KWH)	0.74	0.74
Cost/Unit (Rs.)	1.21	1.11
<b>2. Furnace Oil</b>		
Quantity (Tonnes)	35	—
Total Amount (Rs.)	999,861	—
Average Rate (Rs.)	28,251	—
<b>3. Natural Gas</b>		
Quantity (Cubic Meters)	13,073,522	14,330,863
Total Cost (Rs.)	369,252,676	289,606,097
Rate/Cubic Meter (Rs.)	28.24	20.21
<b>4. LPG Gas</b>		
Quantity (Tonnes)	5	—
Total Cost (Rs.)	2,502,684	—
Rate/MT (Rs.)	544,062	—
<b>5. Others/Internal Generation</b>		
Husk		
Quantity (Tonnes)	40,474	39,216
Total Cost (Rs.)	182,152,937	158,035,995
Rate/Unit (Rs.)	4,500	4,030

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

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

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Complete information required under this head is shown in Note No. 29.3, 29.4, 29.5 and 45 of Financial Statements. Members are requested to please refer to these Notes for the relevant information.

# Directors' Report

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

### A. INDUSTRY OVERVIEW

Alcoholic Beverage industry in India comprises of Indian Made Foreign Liquor (IMFL) and Country Liquor. IMFL consists of Whisky, Brandy, Rum, Gin and Vodka etc.. Whisky comprises of large portion of IMFL market and accounts for nearly 60% of the market followed by Brandy at around 20% and Rum at around 15%. White spirits viz. Vodka, Gin and white Rum account for the balance of 5% only. The total IMFL industry in India is presently estimated at around 250 million cases growing @ 12-15% per annum. The increase rate is much higher in the low-priced segment as compared to the upper segment. Country Liquor segment is about 20 million cases per annum in the state of Punjab.

Your Company has a market share of around 8% of IMFL industry with ARISTOCRAT, ARISTOCRAT PREMIUM, AC BLACK, BONNIE SPECIAL, BINNIES and AC SEKC as the leading brands available across the Country. The Company has introduced two new brands in the market in the current year. While King Henry Scotch whisky has been introduced in the Bottled in India Scotch Whisky Segment, Ilce Vodka has been introduced in the premium Indian vodka range keeping in view the increasing market of Vodka in the Country. Country liquor is manufactured and sold in the State of Punjab and your Company has market share of around 12% in the state of Punjab.

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

The Industry experienced the effect of the recessionary trend during the previous years. However, the things have now started improving and also the prices of main raw materials viz. molasses, grains and spirit have stabilized. The increase of production of contributory brands will increase the margins leading to higher profitability.

Further, the outlook of the Liquor Industry appears to be promising. Vodka is the fastest growing IMFL segment in India growing @ around 15-20% per annum. The overall industry is growing @ 12-15% per annum and the growth is likely to continue in near future. The consumption of liquor in India has been in an uptrend in the past few years and is expected to improve further. The Glass Container industry has suffered a slowdown during the year due to the increase in natural gas prices and substantial increase of the capacity in north India.

### B. REGULATORY ENVIRONMENT

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

### C. OPPORTUNITIES AND THREATS

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

### D. OUTLOOK

After observing a regular increase of around 10% for past many years, the sales of Alcoholic Beverages (IMFL) remained stable during the year under review. However, the Company foresees the increasing trend inline with the industry in the current year and years to come. With the cost of raw materials remaining favourable and increasing sales turnover, your company is hopeful of posting better results in the current year and maintain the same in the coming years. The market scenario during the current year also appears to be encouraging and the demand of liquor is improving constantly. To meet its production requirements in IMFL, the Company has also entered into lease and bottling agreements to augment its production capacity. To further improve the market share and the profitability, the Company proposes to enter in the premium segment of Alcoholic Beverages. The Company has already launched King Henry Scotch whisky in Bottled in India Scotch Whisky Segment and iice Vodka in the premium Indian Vodka segment and both the products have been well accepted by the public.

The Company is also expecting increase in the volumes of the malted milkfood products. This will increase the profitability of the Company. The profitability of the glass division was adversely affected due to the increase in natural gas prices and substantial increase of the capacity in north India. The substantial increase in capacity is the result of cheap natural gas being supplied in the Firozabad area in Uttar Pradesh. The Company has temporarily stopped the production in the glass division.

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

### E. INTERNAL CONTROL SYSTEMS

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

## CORPORATE GOVERNANCE REPORT

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

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

### 2. Board of Directors

The Board of Directors Comprises of eminent persons who have the expertise and experience to guide and manage the Company. The Board presently consists of five members consisting of two executive and three non executive Directors.

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

Name of the Director	Category	No. of Board Meetings held during the tenure	No. of Board Meetings attended	No. of other Director-ships	No. of memberships/ Chairmanships in other Board Committees	Last Annual General Meeting attended
Mrs. Gita Bawa	Non-Executive Independent	8	8	—	—	Yes
Mr. Surjit Singh Bawa *	Non-Executive Independent	8	—	—	—	No
Mr. Narender Sapra	Executive	8	8	6	—	No
Mr. Arvind Behl **	Executive	3	1	6	—	No
Mr. Ravi Manchanda	Executive	8	6	7	—	No
Mrs. Kiran Kapur	Non-Executive Independent	8	8	2	—	No
Mr. Gautam Pal***	Non-Executive Independent	—	—	1	—	N/A
Mr. Peri Kameswara Sharma ****	Non-Executive Independent	—	—	2	—	N/A

\*Mr. Surjit Singh Bawa ceased to be Director of the Company w.e.f. 14th February, 2013.

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

\*\*\* Mr. Gautam Pal was appointed as an Additional Director of the Company on 2nd April, 2013 and ceased to be Director of the Company w.e.f. 30th May, 2013.

\*\*\*\* Mr. Peri Kameswara Sharma has been appointed as an Additional Director of the Company w.e.f. 30th May, 2013 and holds the office of the Director till the ensuing Annual General Meeting. The Company has received a notice from a shareholder proposing to appoint Mr. Peri Kameswara Sharma as a Director liable to retire by rotation.

Mr. Peri Kameswara Sharma aged about 63 years is a Graduate in Economics and holds post graduation diplomas in Marketing Management, Material Management and Import-Export Management and has around four decades of experience in the fields of marketing and project implementation. He is holding directorship in the following companies :

1. M/s Sterling Agro Industries Limited
2. M/s Farmgate Agro Milch Pvt. Ltd.

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

The Company held eight Board Meetings during the period under review i.e on 15th May, 2012, 6th June, 2012, 31st July, 2012, 14th August, 2012, 29th September, 2012, 14th November, 2012, 5th January, 2013 and 14th February, 2013.

Mrs. Gita Bawa, Director retires at the ensuing Annual General Meeting, is eligible and offers herself for re-appointment.

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

### 3. Audit Committee

The Audit Committee comprises of Mrs. Gita Bawa, Mrs. Kiran Kapur and Mr. Narender Sapra. Mrs. Gita Bawa is the Chairperson of the Audit Committee.

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

During the year under review the Audit Committee held five meetings i.e on 15th May, 2012, 31st July, 2012, 14th August, 2012, 14th November, 2012 and 14th February, 2013.

#### Attendance record of Audit Committee members

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

### 4. Remuneration Committee

The Remuneration Committee comprises of Mrs. Gita Bawa, Mrs. Kiran Kapur, Mr. Ravi Manchanda and Mr. Peri Kameswara Sharma. Mr. Gautam Pal was appointed as the member of the Remuneration Committee w.e.f 2nd April, 2013 and ceased to be the member of the Committee w.e.f. 30th May, 2013. Mr. Peri Kameswara Sharma has been appointed as members of the Committee w.e.f. 30th May, 2013. Mrs. Gita Bawa is the Chairperson of the Committee.

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

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

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

Name of the Directors	Salary (Rs.)	Perquisites & others (Rs.)	Total (Rs.)
Mr. Narender Sapra	56,40,000	27,14,002	83,54,002
Mr. Arvind Behl	3,70,968	5,15,681	8,86,649
Mr. Ravi Manchanda	13,80,000	18,13,193	31,93,193

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

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

Sl. No.	Name of the Directors	Total Sitting Fees Paid ( Rs.)
1.	Mrs. Gita Bawa	2,80,000
2.	Mrs. Kiran Kapur	2,60,000

During the year under review no meeting of the Remuneration Committee was held.

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

Sl. No.	Name of the Directors	No. of shares held
1.	Mrs. Gita Bawa	308
2.	Mrs. Kiran Kapur	100
3.	Mr. Peri Kameswara Sharma	100

## 5. Investors Grievance Committee

The Investors Grievance Committee comprises of Mrs. Gita Bawa, Mr. Narender Sapra and Mr. Ravi Manchanda. Mrs. Gita Bawa is the Chairperson of the committee. Mr. K. K. Kohli, Company Secretary, is the Compliance Officer.

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

The Company has not received any complaint from shareholders during the year ended 31st March, 2013.

No transfer was pending on 31st March, 2013 for more than 30 days of its receipt.

During the year under review the Investors Grievance Committee held one meeting i.e on 14th November, 2012.

### Attendance record of Investors Grievance Committee members

Sl. No.	Name of Members	No. of meetings held during the tenure	Meetings attended
1.	Mrs. Gita Bawa	1	1
2.	Mr. Narender Sapra	1	1
3.	Mr. Ravi Manchanda	1	1

## 6. General Body Meetings

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

Year	Date	Day	Time
2010	30.09.2010	Thursday	09.30 A. M
2011	29.09.2011	Thursday	09.30 A. M
2012	28.09.2012	Friday	09.30 A. M

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

## 7. Code Of Conduct

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

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

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

Sd/-

Place : New Delhi  
Date : 30th May, 2013

Narender Sapra  
Managing Director

## 8. Disclosures

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

## 9. Means of Communication

The Quarterly and the Annual financial results are submitted to the Stock Exchanges in accordance with the Listing Agreement and are published in newspapers in a widely circulated English daily and a Punjabi daily as required under the Listing Agreement. The results are displayed on the website of the Company [www.jagatjit.com](http://www.jagatjit.com) under the heading investors. The same are also forwarded to the shareholders on their request. Management Discussion and Analysis Report is enclosed and forms part of the Annual Report.

# Directors' Report

## 10. General Shareholders Information

### a) Annual General Meeting

Date : 30th September, 2013  
Time : 09.30 A. M.  
Venue : Registered Office

### b) Financial Calendar (2013-14)

(i) First Quarter Results : Mid of August, 2013  
(ii) Second quarter Results : Mid of November, 2013  
(iii) Third Quarter Results : Mid of February, 2014  
(iv) Annual Results : By 30th May, 2014

### c) Dates of Book Closure

The Register of Members and Share Transfer Books will remain closed from 27th September, 2013 to 30th September, 2013 (both days inclusive).

### d) Dividend Payment Date

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

### e) Listing on Stock Exchanges

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

Sl. No.	Name of Stock Exchanges Where Listed	Stock Code No.
1.	Ludhiana Stock Exchange Ltd.	JIND
2.	Delhi Stock Exchange Ltd.	10004
3.	BSE Limited	507155

The Listing Fees for the year 2013-14 have been paid.

### f) Stock Market Data

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

Month	High	Low	Sensex High	Sensex Low
April, 2012	66.90	56.00	17664.10	17010.16
May, 2012	63.00	51.80	17432.33	15809.71
June, 2012	62.50	49.65	17448.48	15748.98
July, 2012	57.35	50.00	17631.19	16598.48
August, 2012	55.25	50.15	17972.54	17026.97
September, 2012	60.90	50.05	18869.94	17250.80
October, 2012	70.00	57.65	19137.29	18393.42
November, 2012	73.45	59.15	19372.70	18255.69
December, 2012	74.90	65.75	19612.18	19149.03
January, 2013	74.95	66.00	20203.66	19508.93
February, 2013	71.50	53.05	19966.69	18793.97
March, 2013	58.00	47.70	19754.66	18568.43

### g) Registrar and Transfer Agent

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

### h) Share Transfer System

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

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



i) Distribution of Shareholding as on 31st March, 2013

Category (in Rs.)	No. of Shareholders	% of Share holders	No. of Shares held	% of Share holding
Upto - 5000	3265	78.66	457350	00.99
5001 - 10000	377	09.08	277835	00.60
10001 - 20000	215	05.18	321615	00.70
20001 - 30000	85	02.05	219270	00.48
30001 - 40000	46	01.11	158206	00.34
40001 - 50000	31	00.75	145615	00.32
50001 - 100000	75	01.81	528209	01.14
Above - 100000	57	01.37	44040012	95.43
<b>Total</b>	<b>4151</b>	<b>100.00</b>	<b>46148112</b>	<b>100.00</b>

Shareholding pattern as on 31st March, 2013

Sl. No.	Category	No. of Shares held	% of total Shareholding	% of Voting Rights
1.	Promoters' Holding	17434208	37.78	94.88
2.	Mutual Funds & UTI	1100	00.00	00.00
3.	Banks, Financial Institutions, Govt. Companies	1772	00.00	00.00
4.	Private Corporate Bodies	351985	00.77	00.52
5.	NRIs/FIIs (other than Promoters)	213155	00.46	00.31
6.	Indian Public	2935892	06.36	04.29
	<b>Total</b>	<b>20938112</b>	<b>45.37</b>	<b>100.00</b>
7.	GDRs (Underlying Shares)	25210000	54.63	-
	<b>Grand Total</b>	<b>46148112</b>	<b>100.00</b>	<b>100.00</b>

j) Dematerialisation of Shares and Liquidity.

As on 31st March, 2013, 16545414 equity shares being 35.85 % of the total paid-up Capital have been dematerialised. The shares of the Company are being actively traded at the BSE.

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

k) Outstanding GDRs.

The Company has issued 1260500 GDRs in overseas market representing 25210000 underlying equity shares. GDRs have not been converted into equity shares. GDRs do not carry voting rights.

l) Plants Location

The Company has following plants:

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

m) Address for Correspondence

Corporate office : Jagatjit Industries Limited, 4th Floor, Bhandari House, 91, Nehru Place, New Delhi-110 019.  
Tel: 011- 26432641-42, Fax: 011-26441850, E.mail: jil@jagatjit.com

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

Investor E. mail address : Investor@jagatjit.com

# Directors' Report

## CERTIFICATE OF COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

### To the Members of Jagatjit Industries Limited

We have examined the compliance of conditions of Corporate Governance by Jagatjit Industries Limited for the year ended on 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the Company entered with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

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

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

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

For Sharma Sarin & Associates  
Company Secretaries

Place : Chandigarh  
Date : 30th May, 2013

Sd/-  
P.D. Sharma  
Partner

# Financial Highlights



(Rs. in lacs or as indicated)

	2012-13*	2011-12*	2010-11*	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
<b>ASSETS</b>										
Fixed Assets (Net Block)	<b>34284</b>	32348	34450	37137	37658	33367	33881	32436	32128	33286
Investments (Current & Non Current)	<b>1318</b>	298	1203	1201	111	106	96	93	93	1559
Current and Non Current Assets	<b>48784</b>	48733	40453	31969	29540	27403	24103	19082	20051	18513
	<b>84386</b>	81379	76106	70307	67309	60876	58080	51611	52272	53358
<b>LIABILITIES</b>										
Loans, Liabilities and Provisions (Current & Non Current)	<b>47705</b>	44894	41955	37958	28670	21325	19716	14328	15025	15260
NET WORTH	<b>36681</b>	36485	34151	32349	38639	39551	38364	37283	37247	38098
<b>REPRESENTED BY</b>										
Equity Share Capital	<b>4615</b>	4615	4615	4615	5194	5194	5194	5194	5194	4944
Reserves and Surplus	<b>32066</b>	31870	29536	27734	33445	34357	33170	32089	32053	33154
TOTAL	<b>36681</b>	36485	34151	32349	38639	39551	38364	37283	37247	38098
<b>OPERATING PERFORMANCE</b>										
Revenue	<b>145101</b>	160484	141370	94297	84191	80042	63970	40775	39996	42941
Gross Profit Earnings	<b>2418</b>	5310	6382	2397	1390	4068	3201	1795	414	1296
Profit before Tax	<b>668</b>	2847	3507	463	(211)	2402	1996	657	(61)	1579
Profit after Tax	<b>505</b>	3510	2526	646	(450)	1762	1637	671	(85)	1103
Earning per Share (Rs.)	<b>1.16</b>	8.04	5.79	1.48	(0.91)	3.56	3.31	1.36	(0.17)	2.23
<b>DIVIDEND</b>										
Amount per Share (Rs.)	<b>0.00</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rate (%)	<b>0</b>	0	0	0	0	0	0	0	0	0
Book Value per Equity Share (Rs.)	<b>79.48</b>	79.06	74.00	70.10	74.39	76.15	73.86	71.78	71.71	77.06
<b>GROSS EARNINGS</b>										
As a percentage of Revenue	<b>1.7</b>	3.3	4.5	2.5	1.7	5.1	5.0	4.4	1.0	3.0
As a percentage of Fixed Assets	<b>7.1</b>	16.4	18.5	6.5	3.7	12.2	9.4	5.5	1.3	3.9
As a percentage of Capital Employed	<b>3.9</b>	9.2	11.3	4.8	2.7	8.6	6.9	4.2	1.0	2.9

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

# Independent Auditors' Report

TO THE MEMBERS OF JAGATJIT INDUSTRIES LIMITED

## Report on the Financial Statements

1. We have audited the accompanying financial statements of Jagatjit Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
4. An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2013;
  - (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
  - (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
  - (e) On the basis of the written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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 : 30th May, 2013

## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 7 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, 2013).

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

# Independent Auditors' Report

## Continued

- (ix) (a) The Company has been **generally** regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth-tax, Service tax, Custom duty, Excise duty, Cess and other material statutory dues with the appropriate authorities.
- (b) According to the information and explanations given to us, there were no undisputed dues in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth-tax, Service tax, Custom duty, Excise duty, Cess and other statutory dues which were outstanding, at the Balance Sheet date, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess as at March 31, 2013 which have not been deposited on account of a dispute, are as follows:-

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the Dispute is pending
<b>EXCISE DUTY</b>				
Central Excise Act, 1944	Demand of Excise duty on sale of Spent Grain	3,088,547	September 2001 to June 2005	CESTAT, New Delhi
Central Excise Act, 1944	Penalty in the above matter	2,690,619	September 2001 to June 2005	CESTAT, New Delhi
Central Excise Act, 1944	Demand of Cess on manufacturing of Corrugated Paper Board	22,772	December 2008 to October 2011	Commissioner (Appeals) Chandigarh - I
Central Excise Act, 1944	Penalty in the above matter	22,772	December 2008 to October 2011	Commissioner (Appeals) Chandigarh - I
<b>SERVICE TAX</b>				
The Finance Act, 1994	Wrong availment of Service Tax Cenvat Credit	13,127,235	October 2003 to September 2007	CESTAT, New Delhi
The Finance Act, 1994	Penalty in the above matter	13,127,235	October 2003 to September 2007	CESTAT, New Delhi
The Finance Act, 1994	Wrong availment of Service Tax Cenvat Credit	6,970,632	October 2007 to March 2008	CESTAT, New Delhi
The Finance Act, 1994	Penalty in the above matter	6,970,632	October 2007 to March 2008	CESTAT, New Delhi
The Finance Act, 1994	Demand of Service Tax on Tie-up Operations and Royalty	3,122,000	July 2003 to March 2004	CESTAT, New Delhi
The Finance Act, 1994	Penalty in the above matter	3,123,000	July 2003 to March 2004	CESTAT, New Delhi
The Finance Act, 1994	Demand of Service Tax on Tie-up Operations and Royalty	9,186,110	2007-2008	CESTAT, New Delhi
The Finance Act, 1994	Penalty in the above matter	18,373,220	2007-2008	CESTAT, New Delhi
<b>SALES-TAX</b>				
Punjab Haryana General Sales Tax Act	Purchase Tax	325,247	1999-2000	Deputy Excise & Taxation Commissioner (Appeals), Patiala
Sales Tax under Bihar Finance Act	Inclusion of excise duty to determine gross turnover	1,896,695	1984-1985	Commercial Tax Tribunal, Ranchi
Central Sales Tax Act	Liquor stock destroyed, reprocessed and resold	133,017	1988-89	Sales Tax Appellate Tribunal, Hyderabad
State and Central Sales Tax Acts	Sales tax on Sales of ENA and Spent Grain	7,300,201	2001-02 to 2002-03	Allahabad, High Court.
<b>INCOME TAX ACT*</b>				

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



- (x) The Company has no accumulated losses as at March 31, 2013 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (xi) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
- (xiv) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- (xv) In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- (xvii) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis, which have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- (xix) The Company has not issued any debentures accordingly, no securities has been created.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

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 : 30th May, 2013

# Balance Sheet

as at March 31, 2013

	Note	As at March 31 2013 (Rs. in lacs)	As at March 31 2012 (Rs. in lacs)
<b>Equity and Liabilities</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	4,615	4,615
Reserves and Surplus	3	32,066	31,870
<b>Non-Current Liabilities</b>			
Long Term Borrowings	4	10,499	6,084
Deferred Tax Liability (Net)	5	1,942	1,562
Long Term Provisions	6	2,399	2,320
Other Long Term Liabilities	7	404	879
<b>Current liabilities</b>			
Short Term Borrowings	8	7,208	8,750
Trade Payables	9	13,835	13,968
Other Current Liabilities	10	10,764	10,386
Short Term Provisions	11	654	945
		<b>84,386</b>	<b>81,379</b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	12	34,026	31,784
Intangible Assets	12	19	22
Capital Work-in-Progress		239	542
Non-current investments	13	1,295	275
Long-term loans and advances	14	4,195	4,348
Other non-current assets	15	1,561	914
<b>Current Assets</b>			
Current investments	16	23	23
Inventories	17	14,065	14,415
Trade receivables	18	22,308	19,904
Cash and Bank Balances	19	2,129	5,516
Short-term loans and advances	20	4,297	3,450
Other current assets	21	229	186
		<b>84,386</b>	<b>81,379</b>
Significant Accounting Policies	1		

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

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

**Nitin Chaudhry**

Partner

Membership No. F 91463

For and on behalf of  
MITTAL CHAUDHRY & CO.

Chartered Accountants

Firm Registration No.002336N

New Delhi  
30th May 2013

**K.K. Kohli**  
Company Secretary

**Anil Girotra**  
Finance Director

**Gita Bawa**  
**Kiran Kapur**  
**Narender Sapra**  
**Ravi Manchanda**  
Directors



# Statement of Profit and Loss

for the year ended March 31, 2013



	Note	For the year ended March 31 2013 (Rs. in lacs)	For the year ended March 31 2012 (Rs. in lacs)
<b>Income</b>			
Revenue from Operations (Gross)	22	144,432	151,937
Less: Excise Duty		45,092	44,270
		<u>99,340</u>	<u>107,667</u>
Other Income	23	669	8,547
Total Revenue		<u>100,009</u>	<u>116,214</u>
<b>Expenses</b>			
Cost of Materials Consumed	24	41,785	45,890
Purchases of Stock-in-Trade	25	7,971	6,988
Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	26	(1,113)	(1,534)
Employee Benefits Expense	27	7,223	7,961
Finance Costs	28	2,308	2,210
Depreciation and Amortisation Expenses	32	1,750	2,463
Other Expenses	29	40,704	48,565
<b>Total Expenses</b>		<u>100,628</u>	<u>112,543</u>
Profit/(Loss) before exceptional items and tax		(619)	3,671
Exceptional expenses/(incomes)	30	(1,287)	824
<b>Profit/(Loss) before Tax</b>		<b>668</b>	<b>2,847</b>
<b>Less: Tax Expenses</b>			
Current tax :			
- For the year		135	577
- MAT Credit Entitlement		(352)	(627)
Deferred Tax (benefit)/charge	5	380	(606)
(Excess) tax provision for earlier years		—	(7)
		<u>163</u>	<u>(663)</u>
<b>Profit/(Loss) after Tax</b>		<b>505</b>	<b>3,510</b>
Basic and Diluted Earnings per share (Rs.) (Face Value of Rs. 10 each)	41	1.16	8.04
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

**Nitin Chaudhry**

Partner

Membership No. F 91463

For and on behalf of

MITTAL CHAUDHRY & CO.

Chartered Accountants

Firm Registration No.002336N

New Delhi  
30th May 2013

**K.K. Kohli**  
Company Secretary

**Anil Girotra**  
Finance Director

**Gita Bawa**  
**Kiran Kapur**  
**Narender Sapra**  
**Ravi Manchanda**  
Directors

# Cash Flow Statement

for the year ended March 31, 2013

	2013 (Rs. in lacs)	2012 (Rs. in lacs)
<b>A. Cash Flow from Operating Activities:</b>		
Net Profit/(Loss) before tax	668	2,847
Adjustments for:		
Depreciation	1,750	2,463
Interest Expense	2,308	2,210
Interest Income	(269)	(411)
(Profit)/Loss on Fixed Assets sold (net)	(39)	(7,863)
Fixed Assets written off	5	53
Provisions for investment Written Back	—	(5)
Provisions for Advance to subsidiary Written Back	—	(81)
Debts / Advances/Stock written off	18	1,595
Provision for Bad & Doubtful Debts and Advances	—	35
Liability no longer required written back	(197)	(64)
Provision for Gratuity & Leave Encashment	(88)	312
Unrealised Foreign Exchange (gain)/loss (net)	(4)	5
Operating Profit before Working Capital Changes	4,152	1,096
Adjustments for changes in Working Capital :		
(Increase)/ Decrease in Trade Receivables	(2,592)	(4,211)
(Increase)/ Decrease in Short Term Loans & Advances	(847)	332
(Increase)/ Decrease in Long Term Loans & Advances	(69)	(670)
(Increase)/ Decrease in Other Current Assets	(210)	(137)
(Increase)/ Decrease in Inventories	341	(2,880)
Increase/ (Decrease) in Trade Payables	(89)	1,922
Increase/(Decrease) in other current liabilities	(1,282)	1,782
Increase/(Decrease) in Other Long Term Liabilities	(475)	822
Increase/(Decrease) in Long Term Provisions	(1)	(5)
Increase/(Decrease) in Short Term Provisions	—	(3)
Cash generated from operations	(1,072)	(1,952)
Taxes (Paid)/ Received (Net of TDS)	(93)	(185)
Exceptional items		
(Loss) / Profit on sales of investment	—	(824)
Provisions for investment Written Back	20	—
Provisions for Advance to subsidiary Written Back	1,267	—
Net Cash from/ (used) Operating Activities	(2,452)	(1,313)
<b>B. Cash flow from Investing Activities:</b>		
Purchase of Fixed Assets including Capital Work- in -Progress and Capital advances	(3,172)	(2,384)
Proceeds from Sale of Fixed Assets	84	8,141
Advances to Subsidiaries	(2)	122
Sales/(Purchase) of investments	—	86
Interest Received (Revenue)	228	339
Release/(Addition) of Cash (from)/for restrictive use	(60)	(30)
Net Cash from Investing Activities	(2,922)	6,274
<b>C. Cash Flow from Financing Activities:</b>		
Proceeds from Equity Share Premium	—	214
Proceeds from short term Borrowings (Net)	(1,542)	5,300
Proceeds from long term Borrowings (Net)	6,193	(6,675)
Interest Paid	(2,423)	(2,111)
Interest Paid - Capitalised	(241)	(27)
Dividend Paid	—	(2)
<b>Net cash used in Financing Activities</b>	<b>1,987</b>	<b>(3,301)</b>
Net Increase/ (Decrease) in Cash & Bank Balances	(3,387)	1,660
Cash and Cash equivalents at the beginning of the year	5,503	3,838
Other Bank Balance at the beginning of the year	13	18
Cash and Cash equivalents at the end of the year	2,113	5,503
Unclaimed Dividend Account	—	—
Fixed Deposits with Banks	4	1
Margin Money Account	12	12
Cash and Bank Balances at the end of the year	2,129	5,516
Cash and Bank Balances Comprise		
Cash, Cheques & Drafts (in hand) and Remittances in transit	274	301
Balance with Scheduled Banks	1,855	5,215
	<u>2,129</u>	<u>5,516</u>
Cash and Cash Bank Balances Include :		
Cash and Bank Balances	2,129	5,516
Unrealised gain on foreign currency	—	—
<b>Total Cash and Cash Equivalents</b>	<u><b>2,129</b></u>	<u><b>5,516</b></u>

## Notes :-

- The aforesaid Cash Flow Statement has been prepared under the "Indirect Method" and in accordance with Accounting Standard (AS)-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- Fixed Deposits with banks having maturity period of more than one year (including those pledged with statutory authorities) have been disclosed in other non current assets (Note 15) and do not form part of cash and bank balances.
- Figures in brackets indicate cash outgo.
- Previous year's figures have been regrouped and recast wherever necessary to conform to the current year classification.

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

Significant Accounting Policies and Notes to Accounts form an integral part of Cash Flow Statement

## Nitin Chaudhry

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

New Delhi  
30th May 2013

K.K. Kohli  
Company Secretary

Anil Girotra  
Finance Director

Gita Bawa  
Kiran Kapur  
Narender Sapra  
Ravi Manchanda  
Directors

## 1. SIGNIFICANT ACCOUNTING POLICIES:

### 1.1. BASIS FOR PREPARATION OF ACCOUNTS

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

### 1.2. USE OF ESTIMATES

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

### 1.3. FIXED ASSETS

#### a) Tangible:

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

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

#### b) Intangible:

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

### 1.4. DEPRECIATION / AMORTISATION

#### a) Tangible:

Principal Straight Line Method (SLM) rates, in the manner prescribed by Schedule XIV of the Companies Act, 1956, have been adopted for the purpose of calculation of depreciation except for the amount added on revaluation of certain assets which are depreciated on the estimate provided by the valuer of the remaining useful life of such assets. Leasehold land is amortised over the period of lease. Depreciation on the assets which have been impaired is provided on the basis stated in note 1.5 below.

#### 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 [Note 35].

### 1.6. INVESTMENTS

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

### 1.7. INVENTORIES

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

### 1.8. INCOME

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

b) Revenue from job work is recognised on the completion of a relevant job.

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

### 1.9. EMPLOYEE BENEFITS

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

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

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

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

### 1.10. FOREIGN CURRENCY TRANSACTIONS

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

### 1.11. INTEREST ON BORROWINGS

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

### 1.12. LEASE ACCOUNTING

Operating Lease payments are recognized as an expense in the Profit and Loss Account on straight-line basis over the lease term [Note 47].

### 1.13. TAXATION

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

### 1.14. PROVISIONS AND CONTINGENT LIABILITIES

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

# Notes

## Continued

		As at March 31 2013 (Rs. in lacs)	As at March 31 2012 (Rs. in lacs)
<b>2. Share Capital</b>			
2.1	Authorised Capital 75,000,000 (Previous year--75,000,000) Equity Shares of Rs.10 each	<u>7,500</u>	<u>7,500</u>
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.	<u>4,615</u>	<u>4,615</u>
2.3	Detail of Equity Shares Issued	<b>No. of Shares</b>	No. of Shares
	Original issue of Equity Shares	<b>500,000</b>	500,000
	Less : Equity Shares Forfeited due to non payment of calls	<u>170,492</u>	<u>170,492</u>
		<b>329,508</b>	329,508
	Add : Forfeited Equity Shares issued to existing share holders on pro-rata basis at Rs. 2.50 per share	<u>169,737</u>	<u>169,737</u>
		<b>499,245</b>	499,245
	Add : Total Bonus Equity Shares issued from 1970 to 1994-95	<b>23,732,979</b>	23,732,979
	Add : GDR issue (Note 2.7 b)	<b>25,210,000</b>	25,210,000
	Add : Preferential allotment (Note 2.7 c)	<b>2,500,000</b>	2,500,000
	Less : Shares repurchased (Buy- Back) (note 2.4)	<u>5,794,112</u>	<u>5,794,112</u>
	Total	<u><b>46,148,112</b></u>	<u>46,148,112</u>
2.4	Changes in Share Capital during last five years 5,794,112 Equity Shares of Rs. 10 each fully paid up were bought back by the company in FY 2009-10 as directed by the Hon'ble Company Law Board (CLB), vide their order dated 12.03.2009.		
2.5	Reconciliation of Number of Shares & Share Capital		
	Equity Shares	<b>As on 31.03.2013</b>	As on 31.03.2012
		<b>No. of Equity Shares</b>	No. of Equity Shares
		<b>Rs. in lacs</b>	Rs. in lacs
	At the beginning of the year	<b>46,148,112</b>	46,148,112
	Add : Issued during the year	—	—
	Less : Bought Back during the year	—	—
	Outstanding at the end of the year	<b>46,148,112</b>	46,148,112
2.6	Detail of Shareholders Holding more than 5% equity Shares of the Company #		
	Name of the Shareholders	<b>As on 31.03.2013</b>	As on 31.03.2012
		<b>No. of Equity Shares</b>	No. of Equity Shares
		<b>Percentage holding</b>	Percentage holding
	Equity Shares of Rs. 10/-each		
a)	The Bank of New York (the Depository) (Note 2.7 b)	<b>25,210,000</b>	25,210,000
b)	LPJ Holdings Pvt. Ltd.	<b>7,418,648</b>	7,418,648
c)	LPJ Holdings Pvt. Ltd. (Note 2.7 c)	<b>2,500,000</b>	2,500,000
	# As per the records of the Company, including its register of members.		
2.7	Terms/Rights attached to Equity Shares		
a)	18,438,112 shares referred to as equity shares are having face value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share and dividend, if declared.		
b)	25,210,000 underlying Equity Shares of Rs.10/- each fully paid up ranking pari-passu with existing shares were issued in the name of the Depository, The Bank of New York, representing the Global Depository Receipt (GDR) issue. GDRs do not carry any voting rights until they are converted into underlying equity shares.		
c)	2,500,000 Equity Shares of Rs 10/- each are held by LPJ Holdings Pvt. Ltd., fully paid up at a premium of Rs 20/- per share, as a special series with differential rights to dividend and voting, were issued during the financial year 2004-05. These shares have no right to the dividend and each share carries twenty voting rights per share as compared to one voting right per existing equity share and were under the lock-in-period of three years from the date of allotment.		
d)	The holders of all the above equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in event of liquidation of the Company.		

	As at March 31 2013 (Rs. in lacs)	As at March 31 2012 (Rs. in lacs)
<b>3. Reserves and Surplus</b>		
Capital Reserve		
Surplus on forfeited shares sold	0	0
Capital Redemption Reserve		
As per last Balance Sheet	580	580
Revaluation Reserve		
Revaluation Reserve as at the beginning of the year	12,587	13,977
Less : Adjusted during the year	0	907
Less : Transferred to Statement of Profit & Loss [Includes Impairment of Fixed Assets Rs. Nil (Previous year Rs. 123 lacs) (Refer Note 32, 35)]	309	483
	<u>12,278</u>	<u>12,587</u>
Securities Premium Account		
As per last Balance Sheet	3,697	3,483
Add : Securities Premium Received during the year	—	214
	<u>3,697</u>	<u>3,697</u>
General Reserve		
As per last Balance Sheet	2,455	2,455
Surplus as per Statement of Profit & Loss		
As per last Balance Sheet	12,551	9,041
Add : Profit for the year	505	3,510
	<u>13,056</u>	<u>12,551</u>
	<u>32,066</u>	<u>31,870</u>

3.1 Addition of Rs. 214 lacs in the Securities Premium Account during the previous year represents the amount received from M/s LPJ Holdings Pvt. Ltd. (Formerly known as M/s L.P. Jaiswal & Sons Pvt. Ltd.) against the compliance of Order/Letter No. CFD/DCR/SKM/TO/11587/2011 dated 6th April, 2011 of Securities and Exchange Board of India towards differential sum of Share Premium amounting to Rs. 8.56 per share on 2,500,000 equity shares of the Company issued and allotted during the Financial Year 2004-05.

<b>4. Long Term Borrowings</b>		
Secured		
From Banks		
- Term Loan	4,501	2,960
- Car Loans	53	171
From others		
- Car Loans	169	298
	<u>4,723</u>	<u>3,429</u>
Unsecured		
Fixed Deposits	4,568	2,096
Fixed Deposits guaranteed by Directors	1,149	500
Loans and advances from related parties	59	59
	<u>5,776</u>	<u>2,655</u>
	<u>10,499</u>	<u>6,084</u>

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

**Nature of Security**

- i. Term Loan amounting to Rs. Nil (Previous year Rs. 21 lacs) for Turbine is secured by all the machineries and accessories including Civil work related to Turbine installed at its works at Jagatjit Nagar, Distt Kapurthala.
- ii. Term Loan amounting to Rs.193 lacs (Previous year Rs. 308 lacs) for Malt Extract Extension is secured by all the machineries and accessories including Civil work related to Filter and instrumentation installed at its works at Jagatjit Nagar, Distt Kapurthala.
- iii. Term Loan amounting to Rs.1,214 lacs (Previous year Rs. 1,588 lacs) for installation of Water Pollution Control Equipments is secured by all the machineries and accessories including Civil work related to aforementioned equipments installed at its works at Jagatjit Nagar, Distt Kapurthala.

**Terms of Repayment**

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

Repayable in 20 equal quarterly installments commencing from June, 2009. Last installment due in March, 2014. Rate of Interest 13.25%: Previous year 13.75% p.a. as at year end.

Repayable in 28 equal quarterly installments commencing from September, 2009. Last installment Due in June, 2016. Rate of Interest 14.25% : Previous year 14.65% p.a. as at year end.

# Notes

## Continued

- |      |  |   |
|------|--|---|
| iv.  | Term Loan amounting to Rs.220 lacs (Previous year Rs. 447 lacs) for Malt Spirit Plant and Malted Milk Food Plant is secured by all the machineries and accessories including Civil work related to Plants installed at its works at Jagatjit Nagar, Distt Kapurthala.  | Repayable in 20 equal quarterly installments commencing from April, 2009. Last installment due on January 2014 Rate of interest 15.50%: Previous year 14.75% p.a. as at year end.   |
| v    | Term Loan amounting to Rs.444 lacs (Previous year Rs.582 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 14.25% p.a (Previous year 14.65%) as at year end. |
| vi   | Term Loan amounting to Rs.161 lacs (Previous year Rs. 342 lacs) for plant & machinery is secured by all the machineries and accessories including civil work related to aforementioned machinery installed at its works at Jagatjit Nagar, Distt Kapurthala.   | Repayable in 20 equal quarterly installments commencing from April, 2012. Last installment due on January 2017. Rate of interest 15.50% p.a (Previous year 15.25%) as at year end.  |
| vii  | Term Loan amounting to Rs.2,008 lacs (Previous year Rs. 664 lacs) for Boiler is secured by all the machineries and accessories including civil work related to the aforementioned machineries installed at its works at Jagatjit Nagar, Distt Kapurthala.  | Repayable in 20 equal quarterly installments commencing from April, 2013. Last installment due on January, 2018. Rate of interest 13.25% p.a (Previous year 13.75%) as at year end. |
| viii | Term Loan amounting to Rs.Nil (Previous year Rs. 50 lacs) for furnace is secured by land and building and all tangible and movable machineries and plant with spares, tools and accessories, both present & future, installed at its works at Site IV, Plot No.17 Sahibabad Industrial Area Sahibabad (U.P). | Repayable in 20 equal quarterly installments commencing from July, 2007. Last installment due on April, 2012. Rate of interest Nil : (Previous year 13.75% p.a.) as at year end.    |
| ix   | Term Loan amounting to Rs.2,640 lacs (Previous year Rs. Nil) for General Corporate purpose including strengthening of Net Working Capital and to meet normal capex of the company.   | Repayable in 25 equal Monthly installments commencing from January 2013. Last installment due on January 2015 Rate of interest 13.25% (Previous year Nil) as at year end.           |
| x    | Term Loan amounting to Rs.580 lacs (Previous year Rs. 89 lacs) for turbine is secured by all the machineries and accessories including civil work related to turbine installed at its works at Jagatjit Nagar, Distt Kapurthala.   | Repayable in 60 equal monthly installments commencing from April, 2013. Last installment due on March, 2018 Rate of interest 14.25% p.a (Previous year 14.65 p.a) as at year end.   |
| xi   | Car Loans are secured by hypothecation of the related cars.  | Repayable in 36-60 equal monthly installments. Rate of interest 8.25% to 11.25% p.a.  |
- 4.2 Terms of repayment for Long Term Unsecured Borrowings:**
- |    |   |  |
|----|---|--|
| i. | Unsecured Inter Corporate deposit Rs. 59 lacs (Previous year Rs.59 lacs) from related party (Fast Buck Investment and Trading Pvt. Ltd) . | Rate of Interest 8% on Rs. 24 lacs and 12% on Rs. 35 lacs; Previous year 8% on Rs. 24 lacs and 12% on Rs. 35 lacs. |
|----|---|--|

Note: Installments falling due in respect of all the above loans up to 31.3.2014 have been grouped under "Current maturity of long-term debt" (Refer Note 10).

		As at March 31 2013 (Rs. in lacs)	As at March 31 2012 (Rs. in lacs)
5.	<b>Deferred Tax Liability (Net)</b>		
	Deferred Tax Liability		
	Depreciation on Fixed Assets	2,977	2,654
	Total Deferred Tax Liabilities (A)	<u>2,977</u>	<u>2,654</u>
	Statutory Liabilities	160	208
	Employee Retirement Benefits	752	781
	Provision for Bad Debts	123	103
	Total Deferred Tax Assets (B)	<u>1,035</u>	<u>1,092</u>
	Net Deferred Tax liabilities (A-B)	<u>1,942</u>	<u>1,562</u>
	Deferred Tax benefit/(expense) for the year	(380)	606
	Note: Deferred tax asset created on deprecitaion on Fixed Asset as on 31st March, 2013 consists of Rs. Nil (Previous year Rs. 20 lacs) on account of impairment of Fixed Asset at Hamira unit (Dairy) (Refer Note 35).		
6.	<b>Long Term Provisions</b>		
	Provision for employee benefits		
	- Gratuity	1,364	1,245
	- Leave Encashment	324	360
	Provisions for Litigations		
	- Service Tax	402	402
	- Sales Tax	24	24
	- Excise Duty	78	78
	Provisions for Tax (Net of advance Tax)	206	209
	Provision for wealth Tax	1	2
		<u>2,399</u>	<u>2,320</u>
7.	<b>Other Long Term Liabilities</b>		
	Security Deposits	404	879
		<u>404</u>	<u>879</u>
8.	<b>Short Term Borrowings</b>		
	Secured		
	- Working Capital Loans from Banks	5,771	4,730
	Unsecured		
	- Fixed Deposits	1,236	2,753
	- Fixed Deposits guaranteed by Directors	201	1,267
		<u>7,208</u>	<u>8,750</u>
9.	<b>Trade Payables</b>		
	Micro, Small and Medium Enterprises	192	200
	Others	13,643	13,768
		<u>13,835</u>	<u>13,968</u>

9.1 This information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

# Notes

Continued

	As at March 31 2013 (Rs. in lacs)	As at March 31 2012 (Rs. in lacs)
Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006		
I The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year		
- Principal Amount Unpaid	192	200
- Interest due	3	3
II The amount of interest paid by the buyer in term of section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to suppliers beyond the appointed day during the year		
- Payment made beyond the Appointed date	803	1,088
- 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.	30	38
IV The amount of interest accrued and remaining unpaid at the end of the year	107	77
<b>10. Other Current Liabilities</b>		
Current maturities of long-term debt	3,280	1,502
Advances from Customers	645	1,211
Unclaimed matured deposits (Refer Note 39)	117	101
Interest accrued but not due	386	598
Interest accrued and due	121	24
Due to Directors	2	1
Security Deposits	706	406
Employee Benefits	953	1,683
Statutory Liabilities	3,485	3,758
Other Liabilities	1,069	1,102
	<b>10,764</b>	<b>10,386</b>
<b>11. Short Term Provisions</b>		
Provision for employee benefits		
- Gratuity	458	586
- Leave Encashment	173	215
Wealth Tax	23	23
Income Tax (Net of advance Tax)	—	121
	<b>654</b>	<b>945</b>

## 12. Fixed Assets

	(Rs. in lacs)											
	GROSS BLOCK - COST OR REVALUED VALUE					DEPRECIATION				NET BLOCK		
	As at April 1 2012	Added on Revaluation	Additions	Deletion/ Adjustments	As at March 31 2013	As at April 31 2012	For the Year	Impairment of Assets (Refer Note below)*	Deletion/ Adjustments	As at March 31 2013	As at March 31 2013	As at March 31 2013
<b>(i) Tangible Assets</b>												
Land												
-- Free Hold	4,276	—	—	—	4,276	—	—	—	—	—	4,276	4,276
-- Lease Hold	1,350	—	—	—	1,350	288	19	—	—	307	1,043	1,062
Buildings	18,834	—	974	1	19,807	5,926	150	—	—	6,076	13,731	12,908
Plant & Machinery	33,706	—	3,203	118	36,791	22,653	1,588	—	117	24,124	12,667	11,053
Furniture & Fixtures	827	—	8	—	835	440	40	—	—	480	355	387
Vehicles-Owned	2,311	—	123	93	2,341	612	217	—	50	779	1,562	1,699
Office Equipments	944	—	40	7	977	545	42	—	2	585	392	399
<b>Total Tangible Assets</b>	62,248	—	4,348	219	66,377	30,464	2,056 **	—	169	32,351	34,026	31,784
Previous Year	62,503	—	1,611	1,866	62,248	28,149	2,757 **	186 **	628	30,464		
<b>(ii) Intangible Assets</b>												
Patents, Trade Marks	29	—	—	—	29	7	3	—	—	10	19	22
<b>Total Intangible Assets</b>	29	—	—	—	29	7	3 **	—	—	10	19	22
Previous Year	29	—	—	—	29	4	3 **	—	—	7		

\* The Assets of the Company have been assessed for Impairment in accordance with Accounting Standard 28 "Impairment of Assets". Consequently, Impairment to the extent of Rs. NIL (Previous Year Rs. 63 lacs) has been charged in the accounts during the year for dairy plant situated at Jagatjit Nagar, Kapurthala and Rs. NIL (Previous year Rs. 123 lacs ) has been adjusted against revaluation reserve. (Refer Note 35)

\*\* Please refer Note 32



	As at March 31 2013 (Rs. in lacs)	As at March 31 2012 (Rs. in lacs)
<b>13. Non Current Investments</b>		
TRADE INVESTMENTS		
IN EQUITY SHARES		
UNQUOTED		
IN ASSOCIATES		
Hyderabad Distilleries & Wineries Pvt. Ltd.		
1,650 (Previous year-1,650) shares of Rs.100 each fully paid	2	2
OTHER-INVESTMENTS		
IN EQUITY SHARES		
QUOTED		
Mohan Meakin Limited		
281,961(Previous year-281,961) shares of Rs.5 each fully paid.	84	84
Milkfood Limited		
1,350 Shares of Rs .10 Each Fully paid	0	0
Punjab National Bank Limited		
993 (Previous year -993) shares of Rs.10 each fully paid	4	4
UNQUOTED		
Chic Interiors Private Limited		
3,352 (Previous year-3,352) 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-157,500) shares of Rs.10 each fully paid (Purchased During the year 10,000,000 shares of Rs.10 each fully paid) (Provision for permanent diminution in the value of investment Rs Nil; Previous Year Rs 16 lacs)	1,016	0
IN PREFERENCE SHARES		
UNQUOTED		
Qube Corporation Pvt. Ltd.		
1,800,000 (Previous year 1,800,000 Cumulative Redeemable preference shares of Rs. 10 each)	180	180
IN SUBSIDIARIES		
L.P. Investments Limited		
4,500 (Previous year-4,500) 9.5% Redeemable Cumulative shares of Rs.100 each fully paid (Provision for permanent diminution in the value of investment Rs Nil; Previous Year Rs 5 lacs)	4	0
IN GOVERNMENT SECURITIES		
UNQUOTED		
06 year National Saving Certificates (lodged with Govt. authorities)	2	2
	<b>1,295</b>	<b>275</b>
Aggregate Value of Unquoted Investments	<b>1,207</b>	187
Aggregate Value of Quoted Investments	<b>88</b>	88
Market Value/NAV of Quoted Investments	<b>412</b>	414

# Notes

Continued

		As at March 31 2013 (Rs. in lacs)	As at March 31 2012 (Rs. in lacs)
<b>14. Long Term Loans and Advances</b>	Capital Advances		
	Unsecured, considered good	103	586
		<u>103</u>	<u>586</u>
	Security Deposits		
	Unsecured, considered good	489	405
	Unsecured, considered doubtful	1	1
	Less: Provision for doubtful deposits	1	1
		<u>489</u>	<u>405</u>
	Loans and advances to related parties		
	Unsecured, considered good	3,243	2,975
	Unsecured, considered doubtful	—	1,266
		<u>3,243</u>	<u>4,241</u>
	Less: Provision for doubtful loans and advances	—	1,266
		<u>3,243</u>	<u>2,975</u>
Other loans and advances			
Unsecured, considered good			
Advance/claim recoverable in cash or in kind	358	379	
Unsecured, considered doubtful	54	58	
Less: Provision for doubtful loans and advances	54	58	
Balances with Statutory Authorities	2	3	
	<u>360</u>	<u>382</u>	
	<u>4,195</u>	<u>4,348</u>	
<b>15. Other Non-Current Assets</b>	MAT Credit Receivable	1,068	715
	Fixed Deposits with Bank (Pledged as security)	179	119
	Fixed Deposits with Banks having maturity period of more than one year	82	80
	Advance income tax (Net of Provision)	232	—
		<u>1,561</u>	<u>914</u>
<b>16. Current Investments</b>	IN MUTUAL FUND		
	Principal PNB Long Term Equity Fund - 3 year Plan - Series I & II	8	8
	Principal PNB Long Term Equity Fund - 3 year Plan - Principal Emerging Bluechip Fund-Growth	10	10
	Principal Mutual Fund		
	UTI Infrastructure Advantage Fund Series I	5	5
		<u>23</u>	<u>23</u>
	Aggregate Value of Quoted Investments/Mutual Funds	23	23
	Market Value/NAV of Quoted Investments/Mutual Funds	33	30

		As at <b>March 31 2013</b> (Rs. in lacs)	As at March 31 2012 (Rs. in lacs)
<b>17. Inventories</b>	Raw Materials and Packing Materials	3,223	4,484
	- In Transit	1,045	1,171
	<i>Less</i> : Provision for obsolete Inventory	23	36
		4,245	5,619
	Work-in-Progress	310	189
	Finished Goods	8,471	7,426
	Stock-in-Trade	174	227
	Store and Spares	820	845
	- In Transit	45	109
		14,065	14,415
	17.1 Details of Raw and Packaging Materials		
	Grains	647	1,420
	Molasses	166	227
	ENA	582	628
	Chemicals	45	65
	Colour & Essence	64	55
	Bottles	350	462
	Tins & Other Containers	170	172
	Labels	292	324
	Seals	508	572
	Others	399	559
		3,223	4,484
	17.2 Details of Work in Progress		
	Malt	10	25
	Glass	22	20
	Malt Extract	21	4
	Liquor	241	114
	Malted Milk Food	16	26
		310	189
	17.3 Details of Finished Goods		
	Malt	371	530
	Malt Extract	32	3
	Liquor	4,677	4,914
	Malted Milk Food	1	8
	Carbondioxide Gas	0	0
	Glass	3,321	1,876
	Containers	9	20
	Others	60	75
		8,471	7,426
	17.4 Details of Stock -in-trade		
	Petroleum and its Products	49	41
	Wine	121	135
	Liquor	4	51
		174	227

# Notes

Continued

		As at March 31 2013 (Rs. in lacs)	As at March 31 2012 (Rs. in lacs)
18. Trade Receivables	(a) Unsecured overdue for more than six months		
	Considered Good	2,352	1,550
	Considered Doubtful	311	315
	<i>Less: Provision for doubtful receivables</i>	311	315
	(b) Others		
	Considered Good	<u>19,956</u>	<u>18,354</u>
		<u>22,308</u>	<u>19,904</u>
19. Cash and Bank Balances	(i) Cash & Cash Equivalents		
	Cash on hand	131	225
	Cheques on hand	112	64
	Funds in transit	31	12
	Balances with Banks		
	- Current Accounts	528	652
	- Fixed Deposits (with Original maturity period of up to 3 months)	1,311	4,550
	(ii) Other Bank Balances		
	Fixed Deposits with Bank	4	1
	Margin Money Accounts	<u>12</u>	<u>12</u>
	<u>2,129</u>	<u>5,516</u>	
20. Short Term Loans and Advances	Unsecured--Considered Good		
	Others Loan and Advance		
	- Balance with Revenue authorities	1,697	1,577
	- Advances to Suppliers	1,318	513
	- Security Deposits	81	43
	- Others	1,201	1,317
	Unsecured--Considered Doubtful		
	- Others	13	13
	- <i>Less: Provision for Doubtful Advances</i>	13	13
		<u>4,297</u>	<u>3,450</u>
21. Other Current Assets	Interest Receivable	114	99
	Other Income Receivable	85	43
	Duty Drawback receivable	9	23
	Fixed Assets held for sale	<u>21</u>	<u>21</u>
		<u>229</u>	<u>186</u>

		<b>For the Year ended March 31 2013 (Rs. in lacs)</b>	For the Year ended March 31 2012 (Rs. in lacs)
<b>22. Revenue From Operations (Gross)</b>	Sale of Products		
	Manufactured Goods	<b>126,402</b>	138,102
	Traded Goods	<b>8,080</b>	6,886
	Less:- Other Discount & Allowances	<b>60</b>	308
		<b>134,422</b>	144,680
	Income from Services		
	Job Work (tax deducted at source Rs.96 lacs; Previous Year Rs. 77 lacs)	<b>4,961</b>	3,402
		<b>4,961</b>	3,402
	Other Operating Revenues		
	Rent (Tax deducted at source Rs.173 lacs; Previous year - Rs.187 lacs)	<b>1,770</b>	1,740
	Royalty (Tax Deducted at Source Rs 3 lacs; Previous year - Rs. NIL)	<b>1,120</b>	821
	Duty Drawbacks	<b>1</b>	17
	Scrap Sales	<b>318</b>	373
	Miscellaneous Income (Tax deducted at source Rs. 9 lacs; Previous year Rs.7 lacs)	<b>1,840</b>	904
		<b>5,049</b>	3,855
		<b>144,432</b>	151,937
	22.1 Details of Sale of Products (Net of discount)		
	(a) Manufactured Goods		
	Malt & Malt Extract	<b>3,418</b>	2,699
	Malted Milk Food	<b>606</b>	325
	Liquor	<b>116,400</b>	128,310
	Glass Bottles	<b>4,188</b>	5,011
	Carbondioxide Gas	<b>32</b>	45
	Others	<b>1,698</b>	1,404
		<b>126,342</b>	137,794
	(b) Traded Goods		
	Petroleum and its Products	<b>1,880</b>	1,949
	Wine	<b>20</b>	—
	Liquor	<b>6,134</b>	4,896
	Others	<b>46</b>	41
		<b>8,080</b>	6,886
	Total (a)+(b)	<b>134,422</b>	144,680
<b>23. Other Income</b>	Dividends		
	On Other Investments	<b>0</b>	0
	Interest		
	- Fixed Deposits -- Gross (Tax deducted at source Rs.25 lacs; Previous year Rs 18 lacs)	<b>259</b>	225
	- Others - Gross (Including interest on income tax Refund Rs Nil; Previous year Rs.Nil) (Tax deducted at source Rs.Nil; Previous year Rs.18 lacs)	<b>10</b>	186
	Profit on Sale of Fixed Assets (Refer Note 48)	<b>62</b>	7,968
	Insurance Claims	<b>61</b>	18
	Liabilities/provisions no longer required written back	<b>266</b>	150
	Foreign Exchange Fluctuation (Net)	<b>11</b>	—
		<b>669</b>	8,547

# Notes

Continued

		<b>For the Year ended March 31 2013 (Rs. in lacs)</b>	For the Year ended March 31 2012 (Rs. in lacs)
<b>24. Cost of Materials Consumed</b>	Opening Stocks	5,655	4,426
	<i>Add:</i> Purchases of raw and packing materials	<u>40,398</u>	<u>47,119</u>
		<b>46,053</b>	51,545
	<i>Less:</i> Closing Stocks	<u>4,268</u>	<u>5,655</u>
		<b>41,785</b>	<u>45,890</u>
	24.1 Details of Raw and Packaging Materials Consumed		
	Grains	3,250	6,668
	Molasses	5,216	4,290
	Soda Ash	1,512	1,818
	Sand	570	682
	ENA	8,549	7,410
	Bottles	6,357	7,585
	Tins & Other Containers	2,182	2,509
	Seals	3,695	3,986
	Cullet Outside Purchase	1,452	1,254
	Milk	1,516	1,170
	Packing Materials	3,208	3,859
	Others	<u>4,278</u>	<u>4,659</u>
		<b>41,785</b>	<u>45,890</u>
<b>25. Purchases of Stock-In-Trade</b>	Petroleum and its Products	1,840	1,897
	Liquor	6,087	5,048
	Others	44	43
		<u>7,971</u>	<u>6,988</u>
<b>26. Changes In Inventories of Finished Goods, Work In Progress And Stock-In-Trade</b>	Opening Stocks		
	Work-in-Progress	189	103
	Finished Goods	7,426	6,154
	Stock-in-Trade	227	51
		<u>7,842</u>	<u>6,308</u>
	Closing Stocks		
	Work-in-Progress	310	189
	Finished Goods	8,471	7,426
	Stock-in-Trade	174	227
		<u>8,955</u>	<u>7,842</u>
	Decrease/(Increase)	<u>(1,113)</u>	<u>(1,534)</u>
<b>27. Employee Benefits Expenses</b>	Salaries, Wages, Bonus and Gratuity	6,076	6,801
	Contribution to Provident, Family Pension and Superannuation Funds	669	733
	Employees' State Insurance	159	151
	Staff Welfare Expenses	319	276
		<u>7,223</u>	<u>7,961</u>
<b>28. Finance Cost</b>	On Fixed Loans	1,500	1,591
	Others	808	619
		<u>2,308</u>	<u>2,210</u>

	<b>For the Year ended March 31 2013 (Rs. in lacs)</b>	<b>For the Year ended March 31 2012 (Rs. in lacs)</b>
<b>29. Other Expenses</b>		
Manufacturing Expenses		
Consumption of Stores and Spare parts excluding charged to other revenue heads Rs.4,411 lacs (Previous year - Rs. 5,300 lacs)	866	499
Consumption of Moulds (Outside Purchase)	67	114
Power and Fuel	8,529	8,251
Repairs - Buildings	320	501
Plant and Machinery	640	1,698
Excise Duty*	998	1,629
Other Expenses	4,049	2,933
	<u>15,469</u>	<u>15,625</u>
*Excise Duty shown under expenditure represents the aggregate of excise duty borne by the Company and difference between excise duty on opening and closing stock of finished goods (Refer Note 40).		
Administration and Selling Expenses		
Rent (Net)	302	245
Lease Rental	274	292
Rates & Taxes	3,594	4,219
Insurance	311	258
Travelling Expenses	1,203	1,040
Repairs to Buildings	152	290
Other Repairs & Maintenance	285	321
Bad Debts, Advances and Stock written off	18	1,595
Provision for Doubtful Debts and advances	—	35
Provision for Inventory for obsolete stock	—	12
Investment Written off	—	0
Fixed Assets written off	5	53
Loss on sale of Fixed Assets	23	105
Reimbursement of Expenses to Directors	30	40
Directors Fee	6	6
Forwarding Charges	2,076	2,250
Advertisement, Publicity and Sales Promotion	14,092	19,224
Legal & Professional Expenses	931	1,014
Miscellaneous Expenses	1,933	1,941
	<u>25,235</u>	<u>32,940</u>
	<u>40,704</u>	<u>48,565</u>
29.1 Details of Payments to Auditors		
For Audit (including service tax)	17	15
For Tax Audit (including service tax)	5	4
For Other Services (including service tax)	4	7
Out of Pocket Expenses	1	1
	<u>27</u>	<u>27</u>
29.2 Prior Period Expenses/Income		
Other Expenses	4	8
Consumption of Material	0	—
	<u>4</u>	<u>8</u>
29.3 Value of Imports on C.I.F. Basis		
Raw Materials	3,856	4,447
Spare Parts including Stores	62	75
Capital Goods	—	848
29.4 Expenditure in Foreign Currency (On Cash Basis)		
Other Matters - Commission, Traveling etc.	98	51
29.5 Earnings in Foreign Exchange		
Export of goods calculated on FOB basis	576	380
(Including sales to Nepal in Rupee terms, Rs. 165 lacs; Previous year-Rs. 152 lacs)		
<b>30. Exceptional expenses/ (income)</b>		
Loss on sale of Investment	—	824
Provision for Doubtful Advances written back	(1,267)	—
Provision for permanent diminution in investment written back	(20)	—
	<u>(1,287)</u>	<u>824</u>

# Notes

## Continued

### 31. CONTINGENT LIABILITIES:

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

- 31.1 Particulars of various claims against the Company not acknowledged as debts Rs. 184 lacs (Previous year Rs. 173 lacs):
- Claim by Punjab Government in respect of amount paid to Mahalaxmi Sugar Mills pending before the 'The Court of Civil Judge (Senior Division), Kapurthala' Rs. 22 lacs (Previous year Rs. 22 lacs).
  - Claim in respect of case filed by ESI Corporation Rs. 6 lacs (Previous year 6 lacs)
  - Employees related claims Rs. 156 lacs (Previous year 145 lacs)
  - There are certain claims against the Company relating to usage of trade mark etc., which have not been acknowledged as debts. The outcome of such claims is not ascertainable at this stage.
- 31.2 Particulars of various Excise & Service Tax demands under dispute Rs. 902 lacs (Previous year Rs. 890 lacs) which have not been deposited on account of dispute:
- Demand of Service Tax and penalty in respect of wrong availment of Service Tax Cenvat Credit Rs. 247 lacs (Previous year Rs. 247 lacs).
  - Demand of Excise Duty in respect of reversal of Cenvat Credit on Turbine Rs. 74 lacs (Previous year Rs. 74 lacs).
  - Demand in respect of service tax, interest and penalty on income from Tie-up operations and royalty Rs. 569 lacs (Previous year Rs. 569 lacs).
  - Demand of cess and penalty under Central Excise Act on manufacturing of corrugated paper board Rs. 1 lac (Previous year Nil).
  - Demand of service tax on renting of immovable property Rs. 11 lacs (Previous year Nil).
- 31.3 Particulars of various Sales tax demands under dispute Rs.76 lacs (Previous year Rs. 78 lacs) :
- Demand of Sales Tax under Central Sales Tax Act on account of incomplete submission of sales tax forms Rs. 0 lac (Previous year Rs.3 lacs).
  - Demand of Sales Tax under UP Sales Tax Act & Central Sales Tax Act Rs. 74 lacs (Previous year 73 lacs).
  - Demand on account of non-submission of sales tax forms Rs 2 lacs (Previous year Rs. 2 lacs)
- 31.4 Certain matters relating to various assessment years of Income Tax are pending at the various levels of tax authorities and High Court. The financial impact, if any, on the outcome of these matters is not determinable at this stage.

32. Land, Building and Plant & Machinery at various locations have been revalued as on 31st March, 1998 by an independent approved valuer on a current replacement cost basis. The excess on revaluation of Rs. 4,832 lacs has been transferred to Revaluation Reserve.

	2012-13 (Rs. in lacs)	2011-12 (Rs. in lacs)
Depreciation for the year calculated in accordance with accounting policy mentioned [Refer Note 1.4 (a) and 12] on Tangible assets	2,056	2,943
Depreciation for the year calculated in accordance with accounting policy mentioned [Refer Note 1.4 (b) and 12] on Intangible assets	3	3
Less: Adjusted against Revaluation Reserve	309	483
Net depreciation for the year charged to Profit & Loss Account	<u>1,750</u>	<u>2,463</u>

33. The additions to fixed assets and work-in-progress includes interest on borrowing which has been capitalised amounting to Rs. 263 lacs (Previous year Rs. 3 lacs) and Rs.Nil (Previous year Rs.24 lacs) respectively.
34. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) Rs. 5 lacs (Previous year Rs. 1,142 lacs).
35. Company has reviewed the future earning of all its cash generating units in accordance with the accounting policy on impairment of assets [Notes 1.5 ]. Consequent to such review and due to change in market demand, during the previous year, the Company had impaired the carrying value of Dairy plant located at Jagatjit Nagar, Kapurthala being Rs. 228 lacs (Gross block Rs. 1,521 lacs and accumulated depreciation thereon, Rs. 1,293 lacs) to its estimated recoverable amount Rs. 42 lacs (being the estimated net value in use, determined on the basis of an independent valuation and estimated future cash Inflow as per AS-28). Out of impairment loss of Rs.186 lacs arising thereon, Rs. 123 lacs has been adjusted against Revaluation Reserve.
36. Maximum amount of advances due from Subsidiary companies, 'Anjani Estates Limited', 'S.R.K. Investments Pvt. Limited', 'JIL Trading Pvt. Ltd' and L.P Investments Limited at any time during the year is Rs. 4,244 lacs (Previous year Rs. 3,111 lacs).
37. Jagatjit Brown Forman (I) Limited (JBFL), a joint venture of the Company with Brown Forman Mauritius Limited (BFML) had been ordered to be wound up by the Hon'ble High Court of Delhi vide their order dated 30th September, 2011. The Official Liquidator was directed to make payment/create provisions towards the Government Fee, Audit Fee and liquidation expenses from the account of the company in liquidation and transfer the balance funds available, if any, to the Common Pool Fund maintained in the Office of the Official Liquidator, Delhi. As the Company stands wound up, the investment of 1,528,880 equity shares of Rs. 153 lacs against which provision of Rs. 153 lacs had been made in earlier years, has been written off during the previous year and no amount was received by the company against these shares from the Official Liquidator.
38. "In the earlier years, the company had given unsecured advances amounting to Rs. 122 lacs which was unrecoverable from its wholly owned subsidiary Anjani Estates Ltd. (formerly known as Binnies Estate Ltd.). Out of the aforesaid amount, a provision of Rs. 81 lacs had been made against the unsecured advance. During the previous financial year, the company has been able to recover the entire unsecured advance of Rs. 122 lacs from Anjani Estates Ltd. (AEL) therefore, necessitating write-back of earlier provision amount of Rs. 81 Lacs. There was also an investment amounting to Rs. 5 lacs (against which provision for diminution was made in earlier years) that the company had made in Anjani Estates Ltd. (AEL) which was sold during the previous financial year. Consequently, Anjani Estates Ltd (AEL) ceased to be a wholly owned subsidiary of the company as at last balance sheet date. AEL has again become the subsidiary of the company by virtue of the provisions of section 4 (3) (b) of the Companies Act, 1956 during the current financial year."
39. At the end of the year unclaimed deposits of Rs.117 lacs (previous year Rs. 101 lacs) disclosed under current liabilities are not required to be transferred to the Investor Education and Protection Fund (IEPF) in terms of section 205C of the Companies Act, 1956, as these deposits are unclaimed for less than 7 years from the date of their maturity. Additional unclaimed deposits of Rs. 0.68 lacs as on 31.3.2013 (Previous year 0.69 lacs) lying unclaimed for more than 7 years have been deposited in the IEPF on 15th April, 2013 (Previous year 18th April, 2012).
40. "In accordance with ASI 14 on 'Disclosure of Revenue from Sales Transactions' issued by Institute of Chartered Accountants of India, excise duty on turnover amounting to Rs. 45,092 lacs (Previous year Rs. 44,270 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. 998 lacs (Previous year Rs. 1,629 lacs) has been separately shown in Manufacturing Expenses under 'Other Expenses Schedule' (Refer Note 29)."
41. Earnings per share (EPS) : Numerators and denominators used to calculate basic and diluted earning per share

	For the Year ended 31.03.2013 (Rs. in lacs)	For the Year ended 31.03.2012 (Rs. in lacs)
Net Profit/(Loss) attributable to Shareholders	50,536,583	351,054,758
Number of equity shares in issue	43,648,112*	43,648,112*
Basic / Diluted Earnings per share of Rs.10 each (Rs.)	1.16	8.04

#### Notes:

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

\* The preferential allotment of 2,500,000 equity shares, having no right to dividend has not been considered in the above computation of EPS (Refer Note 2.7c).



#### 42. EMPLOYEE BENEFITS

The Company has classified various employee benefits as under:

##### 42.1 Defined Contribution Plans

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

	<b>For the Year ended 31.03.2013 (Rs. in lacs)</b>	For the Year ended 31.03.2012 (Rs. in lacs)
(i) Employers' Contribution to Superannuation Fund	171	239
(ii) Employers' Contribution to Provident Fund	498	492
(iii) Employers' Contribution to Employees' State Insurance	159	153

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

##### 42.2 Defined Benefit Plans

Valuation in respect of Gratuity and Leave Encashment have been carried out by independent actuary, as at 31st March, 2013, based on the following assumptions:

	<b>Leave Encashment (Unfunded) (Rs. in lacs)</b>	<b>Gratuity (Unfunded) (Rs. in lacs)</b>
(I) Assumptions		
(a) Discount Rate	8.00-8.25%	8.00-8.25%
(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)	8.74-17.92	8.74-17.92
(II) Change in the Present Value of Obligation		
(a) Present value of obligation as at April 1, 2012	575	1,831
(b) Interest cost	28	139
(c) Current service cost	112	113
(d) Benefit paid	(52)	(268)
(e) Actuarial (gain)/loss on obligations	(166)	7
(f) Present value of obligation as at March 31, 2013	497	1,822
(III) Amount recognised in the Balance Sheet		
(a) Present value of obligation as at March 31, 2013	497	1,822
(b) Fair Value of Plan Assets as at the year end	—	—
(c) (Asset)/Liability recognised in the Balance Sheet	497	1,822
(IV) Expenses recognised in the Statement of Profit and Loss		
(a) Current service cost	112	113
(b) Interest cost	28	139
(c) Expected Return on Plan Assets	—	—
(d) Settlement Cost/Credit	(52)	(268)
(e) Actuarial (gain)/loss recognised in period	(166)	7
(f) Total Expenses recognised in the Statement of Profit and Loss	(78)	(9)

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

(I) Assumptions		
(a) Discount Rate	8.65%	8.65%
(b) Rate of increase in Compensation Levels	5%	5%
(c) Rate of return of Plan Assets	N.A.	N.A.
(d) Expected Average remaining working lives of employees (in years)	13-31	13-31
(II) Change in the Present Value of Obligation		
(a) Present value of obligation as at April 1, 2011	492	1,601
(b) Interest cost	27	131
(c) Current service cost	212	109
(d) Benefit paid	(27)	(174)
(e) Actuarial (gain)/loss on obligations	(129)	164
(f) Present value of obligation as at March 31, 2012	575	1,831
(III) Amount recognised in the Balance Sheet		
(a) Present value of obligation as at March 31, 2012	575	1,831
(b) Fair Value of Plan Assets as at the year end	—	—
(c) (Asset)/Liability recognised in the Balance Sheet	575	1,831
(IV) Expenses recognised in the Statement of Profit and Loss		
(a) Current service cost	212	109
(b) Interest cost	27	131
(c) Expected Return on Plan Assets	—	—
(d) Settlement Cost/Credit	(27)	(174)
(e) Actuarial (gain)/loss recognised in period	(129)	164
(f) Total Expenses recognised in the Statement of Profit and Loss	83	230

#### 43. Segment Reporting

##### i) Primary Segment Reporting (by Business Segments)

Composition of Business Segments

Segments have been identified and reported taking into account, the nature of products and services, the differing risks and returns, the organisation structure, and the internal financial reporting systems. The Company's business segments are as under:

Beverages : Segment includes manufacturing and supply of Bottled Indian Made Foreign Liquor, Country Liquor, Industrial Alcohol and licensing use of its IMFL brands.

Food : Segment includes manufacturing and supplies of food products and providing services for manufacture of food products.

Packaging : Segment includes manufacturing and supplies of Glass to open market and for its captive consumption.

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

# Notes

## Continued

- ii) As part of Secondary reporting, revenues are attributed to geographical areas based on the location of the customers.  
 iii) Inter Segment Pricing - At cost plus margin.

### Information about Business Segment - Primary for the year 2012-13

(Rs. in lacs)

	Beverages	Food	Packaging	Others	Total
<b>REVENUE</b>					
Sales (Net of Excise duty), Services and Other income	83,330	10,197	3,812	1,936	99,275
Inter Segment Sales	58	—	6,534	—	6,592
Unallocated Income	—	—	—	—	1,752
<b>Total Revenue</b>	<b>83,388</b>	<b>10,197</b>	<b>10,346</b>	<b>1,936</b>	<b>107,619</b>
<b>RESULTS</b>					
Segment Results (Refer Note vii below)	4,172	1,024	(844)	24	4,376
Unallocated expenditure	—	—	—	—	(2,956)
Net of unallocated income	—	—	—	—	269
Interest Income	—	—	—	—	(2,308)
Interest Expense	—	—	—	—	(619)
Profit/(Loss) before exceptional items	—	—	—	—	(1,287)
Exceptional items	—	—	—	—	668
Profit/ (Loss) before tax	—	—	—	—	—
Less: Tax expense:	—	—	—	—	—
Current Tax :	—	—	—	—	135
- For the year	—	—	—	—	(352)
- MAT Credit Entitlement	—	—	—	—	380
Deferred Tax (benefit)/ charge	—	—	—	—	—
Provision for earlier year written back	—	—	—	—	505
Profit/ (Loss) after tax	—	—	—	—	—
<b>OTHER INFORMATION</b>					
Segment Assets (Refer Note ii below)	49,958	8,094	9,257	114	67,423
Unallocated Assets	—	—	—	—	16,963
Total Assets	—	—	—	—	84,386
Segment Liabilities	18,674	1,555	2,498	8	22,735
Unallocated Liabilities	—	—	—	—	24,971
Total Liabilities	—	—	—	—	47,706
Capital Expenditure	1,479	1,797	67	—	3,343
Unallocated Capital Expenditure	—	—	—	—	219
Total Capital Expenditure	—	—	—	—	3,562
Depreciation	590	424	526	5	1,545
Unallocated Depreciation	—	—	—	—	205
Total	—	—	—	—	1,750
Non - cash expenditure other than depreciation	13	—	—	—	13
Unallocable Non Cash expenditure	—	—	—	—	10
Total	—	—	—	—	23

### Information about Secondary Business Segments - Geographical by location of customers

	Domestic	Overseas	Total
Revenues (Net of Excise Duty)	100,442	585	101,027
Other information:	—	—	—
Carrying amount of segment assets by location of assets	84,386	—	84,386
Addition to Fixed Assets/Capital Work- in- Progress (including Capital Advances)	3,562	—	3,562

### Information about Business Segment - Primary for the year 2011-12

(Rs. in lacs)

	Beverages	Food	Packaging	Others	Total
<b>REVENUE</b>					
Sales (Net of Excise duty), Services and Other income	93,812	7,365	4,599	1,999	107,775
Inter Segment Sales	91	—	8,094	—	8,185
Unallocated Income	—	—	—	—	8,028
<b>Total Revenue</b>	<b>93,903</b>	<b>7,365</b>	<b>12,693</b>	<b>1,999</b>	<b>123,988</b>
<b>RESULTS</b>					
Segment Results (Refer Note vii below)	1,772	(708)	704	14	1,782
Unallocated expenditure	—	—	—	—	3,688
Net of unallocated income	—	—	—	—	411
Interest Income	—	—	—	—	(2,210)
Interest Expense	—	—	—	—	3,671
Profit/ (Loss) before exceptional items	—	—	—	—	824
Exceptional items	—	—	—	—	2,847
Profit/ (Loss) before tax	—	—	—	—	—
Less: Tax expense:	—	—	—	—	—
Current Tax :	—	—	—	—	577
- For the year	—	—	—	—	(627)
- MAT Credit Entitlement	—	—	—	—	(606)
Deferred Tax (benefit)/ charge	—	—	—	—	(7)
Provision for earlier year written back	—	—	—	—	3,510
Profit/ (Loss) after tax	—	—	—	—	—
<b>OTHER INFORMATION</b>					
Segment Assets (Refer Note ii below)	47,733	6,187	8,388	422	62,730
Unallocated Assets	—	—	—	—	18,649
Total Assets	—	—	—	—	81,379
Segment Liabilities	19,867	1,236	2,711	10	23,824
Unallocated Liabilities	—	—	—	—	21,070
Total Liabilities	—	—	—	—	44,894
Capital Expenditure	740	340	792	—	1,872
Unallocated Capital Expenditure	—	—	—	—	564
Total Capital Expenditure	—	—	—	—	2,436
Depreciation	1,218	483	529	5	2,235
Unallocated Depreciation	—	—	—	—	228
Total	—	—	—	—	2,463
Non - cash expenditure other than depreciation	1,204	7	201	—	1,412
Unallocable Non Cash expenditure	—	—	—	—	283
Total	—	—	—	—	1,695

Information about Secondary Business Segments - Geographical by location of customers

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

NOTES:

- The Company is focused on the segment of Beverages (including Liquor) in India. The commercial terms and conditions of Liquor sales being identical in India, there are no differential risks and return on the basis of such business segmentation. The Company's year to date export turnover being less than 1% of its total turnover (Previous year less than 1%), the commercial risks and returns involved on the basis of geographic segmentation are therefore considered insignificant and immaterial.
- Segment assets include Capital Work- in- Progress & Capital Advances aggregating to Rs.342 lacs (Previous year-Rs. 1,128 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. 1,602 lacs (Previous year Rs. 1,508 lacs) from the surplus properties of the Company.

44. Related Party Disclosures

In accordance with the requirements of "Accounting Standard 18" issued by The Institute of Chartered Accountants of India on the Related Party Disclosures, the transactions and Related Parties with whom transactions have taken place during the year are as follows:

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

Subsidiary Companies

JLL Trading Pvt. Ltd.  
S.R.K. Investments Pvt. Ltd  
Sea Bird Securities Pvt. Ltd.  
L.P. Investments Limited.  
Anjani Estates Limited

44.2 Enterprises over which Major shareholders, Key Management Personnel and their relatives

have significant influence / control :

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

44.3 Key Management Personnel (Directors) and their relatives :

Mr. Narender Sapra  
Mr. Arvind Behl  
Mr. Ravi Manchanda  
Mrs. Mansi Behl  
Mrs. Nimmi Manchanda

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

PARTICULARS OF TRANSACTIONS	For the Year ended March 31, 2013				For the Year ended March 31, 2012			
	With Persons Mentioned in Note 44.1	With Persons Mentioned in Note 44.2	With Persons Mentioned in Note 44.3	Total	With Persons Mentioned in Note 44.1	With Persons Mentioned in Note 44.2	With Persons Mentioned in Note 44.3	Total
	Sales of Goods (Hyderabad Distilleries & Wineries Pvt. Ltd.)	—	8	—	8	—	2	—
Sales of Fixed Assets (Milkfood Limited)	—	—	—	—	—	1	—	1
Job Work rendered (Milkfood Limited)	—	3	—	3	—	—	—	—
Royalty Received (Hyderabad Distilleries & Wineries Pvt. Ltd.)	—	2	—	2	—	1	—	1
Purchases of goods (Milkfood Limited)	—	62	—	62	—	8	—	8
Interest accrued (Refer Note 3 below)	—	6	—	6	—	6	—	6
Interest Received (Milkfood Limited)	—	—	—	—	—	17	—	17
Reimbursement of Payments Made on Behalf of Company (Refer Note 4 below)	—	108	—	108	—	152	—	152
Expenses paid by Company on Behalf of related party (Refer Note 5 below)	1	19	—	20	1	15	—	16
Rent received (Milkfood Limited)	—	4	—	4	—	4	—	4
Loans including interest repaid (Refer Note 6 below)	—	3	—	3	—	5	—	5
Managerial Remuneration (Refer Note 2 below)	—	—	124	124	—	—	119	119
Purchase of Shares (L.P. Investments Ltd)	1,000	—	—	1,000	—	—	—	—
Sale of shares (Sea Bird Securities Pvt. Ltd.)	—	—	—	—	81	—	—	81
Advance Given (Refer Note 8 below)	2	—	—	2	14	20	—	34
Refund of Advance Given (Refer Note 9 Below)	1,000	—	—	1,000	14	20	—	34
Bottling Charges paid (Hyderabad Distilleries & Wineries Pvt. Ltd.)	—	242	—	242	—	232	—	232
Lease Rent paid (Refer Note 7 below)	—	147	13	160	—	144	20	164
Provision for Permanent Diminution in value of Investments written Back (Refer Note 11 below)	20	—	—	20	5	—	—	5
Provision for Doubtful Advances written back (L. P. Investments Ltd.)	1,266	—	—	1,266	—	—	—	—
Receivable Written off (Refer Note 10 below)	—	—	—	—	—	558	—	558
Contribution to Superannuation Fund (Jagatjit Industries Limited Employees Superannuation Scheme)	—	172	—	172	—	240	—	240
BALANCES OUTSTANDING AT THE YEAR END								
Unsecured Advances (Note 12)	3,243	—	—	3,243	2,975	1,266	—	4,241
Provision for Unsecured Advances	—	—	—	—	—	1,266	—	1,266
Payable (Net of Receivable)	—	(371)	—	(371)	—	(151)	—	(151)
Unsecured Loans (Including interest accrued)	—	70	—	70	—	67	—	67
Investments (Note 13)	1,023	182	—	1,205	182	—	—	182
Provision for Permanent Diminution in value of Investments	—	—	—	—	—	20	—	20

Notes:

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

# Notes

## Continued

- 2) The above payments does not include expenses incurred by/reimbursed to directors during the course of performance of duty.
- 3) Interest Accrued is in respect of the following :  
Fast Buck Investments & Trading Pvt. Ltd. Rs. 6 lacs (Previous year Rs. 6 lacs)
- 4) Reimbursement of Payments made on behalf of the Company is in respect of the following :  
Milkfood Ltd. Rs. 92 lacs (Previous year Rs. 85 lacs)  
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 16 lacs (Previous year Rs.67 lacs)
- 5) Expenses paid by the Company on behalf of related parties is in respect of the following :  
Milkfood Ltd. Rs. 15 lacs (Previous year Rs. 11 lacs)  
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 4 lacs (Previous year Rs. 3 lacs)  
Anjani Estates Ltd. Rs. 1 lacs (Previous year Rs. 1 lacs )  
Grand Regency Hospitalities Pvt Ltd. Rs Nil (Previous Year Rs. 0 lacs)  
Fast Buck Investments & Trading Pvt. Ltd. Rs. Nil (Previous year Rs. 0 lacs)  
Jagatjit Spirits & Wine Ltd. Rs Nil (Previous year Rs. 0 lacs)
- 6) Loans including interest repaid is in respect of the following :  
Fast Buck Investments & Trading Pvt. Ltd. Rs. 3 lacs (Previous year Rs. 5 lacs)
- 7) Lease Rent paid  
Pashupati Properties & Estates Pvt. Limited Rs. 12 lacs (Previous year Rs. 12 lacs)  
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 135 lacs (Previous year Rs. 132 lacs)  
Mrs. Nimmi Manchanda Rs. 10 lacs (Previous year Rs. 10 lacs)  
Mrs. Mansi Behl Rs. 3 lacs (Previous year Rs. 10 lacs)
- 8) Advances Given  
Anjani Estates Ltd. Rs. Nil (Previous year Rs. 14 lacs)  
Milkfood Ltd. Rs. Nil (Previous year Rs. 20 lacs)  
JIL Trading Pvt. Ltd. Rs. 2 lacs (Previous year Rs. Nil)
- 9) Refund of Advance  
Anjani Estates Ltd. Rs. Nil (Previous year Rs. 14 lacs)  
Milkfood Ltd. Rs. Nil (Previous year Rs. 20 lacs)  
L.P. Investments Ltd. Rs. 1,000 lacs (Previous year Rs. Nil)
- 10) Receivable written off  
Hyderabad Distilleries & Wineries Pvt. Ltd Rs. Nil (Previous year Rs. 557 lacs)  
Jagatjit Marketing Ltd Rs.Nil lacs (Previous year Rs. 0 lacs)
- 11) Provision for Permanent Diminution in value of Investments written back  
Anjani Estates Ltd. Rs. Nil (Previous year Rs. 5 lacs)  
L.P. Investments Ltd. Rs. 20 lacs (Previous year Rs. Nil)
- 12) Unsecured Advances Outstanding  
S.R.K. Investments Pvt. Ltd. Rs. 2,975 lacs (Previous year Rs. 2,975 lacs)  
L.P. Investments Ltd. Rs. 266 lacs (Previous year Rs. 1,266 lacs)  
JIL Trading Pvt. Ltd. Rs. 2 lacs (Previous year Rs. Nil)
- 13) 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; Provision for permanent diminution in the value of investment 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)  
Qube Corporation Pvt. Ltd. Rs. 180 lacs (Previous year Rs. 180 lacs)  
Hyderabad Distilleries & Wineries Pvt. Ltd. (Associate) Rs. 2 lacs (Previous year Rs. 2 lacs)

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

	2012-13		2011-12	
	Value (Rs. in lacs)	%	Value (Rs. in lacs)	%
Raw and Packing Materials				
Imported	4,274	10.23	3,927	8.56
Indigenous	37,511	89.77	41,963	91.44
	<u>41,785</u>	<u>100.00</u>	<u>45,890</u>	<u>100.00</u>
Stores and Spare Parts				
Imported	44	0.83	79	1.36
Indigenous	5,233	99.17	5,720	98.64
	<u>5,277</u>	<u>100.00</u>	<u>5,799</u>	<u>100.00</u>

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

47. The Company normally acquires vehicles under operational lease with the respective underlying assets as security. Minimum lease payments outstanding as on March 31, 2013 in respect of these assets are as under:

	Total minimum lease payments outstanding as on March 31, 2013 (Rs. in lacs)	Total minimum lease payments outstanding as on March 31, 2012 (Rs. in lacs)
Due within one year	9	53
Due later than one year and not later than five years	—	9

Lease payments of Rs. 53 lacs (Previous year Rs. 86 lacs) have been recognised as an expense in the profit and loss account for the year ended March 31, 2013.

48. During the year, net profit amounting to Rs. Nil (Previous year Rs. 7,942 lacs) has been earned by the Company from sale of its idle residential property situated at B-69, G.K-1, New Delhi .

49. During the year, the company acquired 1 crore shares of M/s L.P. Investments Ltd, by conversion of outstanding loan of Rs. 10 crores. By virtue of this transaction M/s L.P. Investments Ltd. has become subsidiary of the company.

50. 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 BOARD OF DIRECTORS OF JAGATJIT INDUSTRIES LIMITED

### Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Jagatjit Industries Limited ("the Company") and its subsidiaries and associate company; hereinafter referred to as the 'Group' (refer Note 32 of the attached consolidated financial statements), which comprise the Consolidated Balance Sheet as at March 31, 2013, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
4. An audit involves performing procedures to obtain audit evidence about the amounts and 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 auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

6. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements and Accounting Standard (AS) 23 – Accounting for Investments in Associates in Consolidated Financial Statements notified under Section 211(3C) of the Companies Act, 1956.
7. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to above, and to best of our information and according to the explanations given to us, in our opinion, the attached consolidated financial statements give a true and fair view in conformity with accounting principles generally accepted in India:
  - (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
  - (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
  - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

### Other Matter

8. We did not audit the financial statements of five subsidiaries included in the consolidated financial statements, which constitute total assets of Rs. 3,220 lacs as at March 31, 2013, total revenue of Rs. 22 lacs, net profit of Rs. 8 lacs and net cash inflow amounting to Rs. 5 lacs for the year then ended and an associate company whose financial statements reflect the Group's share of profit upto March, 2013 amounting to Rs. 212 lacs and the Group's share of profit of Rs. 2 lacs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to extent they have been derived from such financial statements is based solely on the report of such other auditors.

Place : New Delhi  
Date : 30th May, 2013

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, 2013

	Note	As at March 31 2013 (Rs. in lacs)	As at March 31 2012 (Rs. in lacs)
<b>Equity and Liabilities</b>			
Shareholders' Funds			
Share Capital	2	4,615	4,615
Reserves and Surplus	3	32,260	31,996
Minority Interest		—	0
Non-Current Liabilities			
Long Term Borrowings	4	10,739	6,167
Deferred Tax Liability (Net)	5	1,942	1,562
Long Term Provisions	6	2,399	2,320
Other Long Term Liabilities	7	404	879
Current liabilities			
Short Term Borrowings	8	7,208	8,750
Trade Payables	9	13,835	13,968
Other Current Liabilities	10	10,771	10,385
Short Term Provisions	11	654	945
		<b>84,827</b>	<b>81,587</b>
<b>Assets</b>			
Non-Current Assets			
Fixed Assets			
Tangible Assets	12	34,140	31,784
Intangible Assets	12	1,298	22
Capital Work-in-Progress		239	542
Non-current investments	13	570	484
Long-term loans and advances	14	3,930	4,343
Other non-current assets	15	1,573	914
Current Assets			
Current investments	16	23	23
Inventories	17	14,065	14,415
Trade receivables	18	22,308	19,904
Cash and Bank Balances	19	2,155	5,520
Short-term loans and advances	20	4,297	3,450
Other current assets	21	229	186
		<b>84,827</b>	<b>81,587</b>
Significant Accounting Policies	1		

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

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

**Nitin Chaudhry**

Partner

Membership No. F 91463

For and on behalf of  
MITTAL CHAUDHRY & CO.

Chartered Accountants

Firm Registration No.002336N

New Delhi  
30th May 2013

**K.K. Kohli**  
Company Secretary

**Anil Girotra**  
Finance Director

**Gita Bawa**  
**Kiran Kapur**  
**Narender Sapra**  
**Ravi Manchanda**  
Directors

# Consolidated Profit and Loss Account

for the year ended March 31, 2013



			For the year ended March 31 2013 (Rs. in lacs)	For the year ended March 31 2012 (Rs. in lacs)
<b>Income</b>	Revenue from Operations (Gross)	22	144,432	151,937
	Less: Excise Duty		<u>45,092</u>	<u>44,270</u>
			99,340	107,667
	Other Income	23	<u>682</u>	<u>8,547</u>
	Total Revenue		<u>100,022</u>	<u>116,214</u>
<b>Expenses</b>	Cost of Materials Consumed	24	41,785	45,890
	Purchases of Stock-in-Trade	25	7,971	6,988
	Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	26	(1,113)	(1,534)
	Employee Benefits Expense	27	7,223	7,961
	Finance Costs	28	2,308	2,210
	Depreciation and Amortisation Expense	33	1,750	2,463
	Other Expenses	29	<u>40,709</u>	<u>48,567</u>
	Total Expenses		<u>100,633</u>	<u>112,545</u>
	Profit/(Loss) before exceptional items and tax		(611)	3,669
	Exceptional expenses/(incomes)	30	<u>(1,287)</u>	<u>824</u>
<b>Profit before Tax</b>			676	2,845
<b>Less: Tax Expenses</b>	Current tax :			
	- For the year		135	577
	- MAT Credit Entitlement		(352)	(627)
	Deferred Tax (benefit)/charge	5	380	(606)
	(Excess) tax provision for earlier years		<u>—</u>	<u>(7)</u>
			163	(663)
	Profit/(Loss) after Tax before share of results of associates and minority interest		513	3,508
	Less : Minority interest		0	0
	Add :- Share of Net Profit/(Loss) of Associates		<u>2</u>	<u>3</u>
<b>Profit/(Loss) after Tax and after share of results of associates and minority interests</b>			<u>515</u>	<u>3,511</u>
	Basic and Diluted Earnings per share (Rs.) (Face Value of Rs. 10 each)	40	1.18	8.04
	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 Statement of Profit and Loss

**Nitin Chaudhry**

Partner

Membership No. F 91463

For and on behalf of

MITTAL CHAUDHRY & CO.

Chartered Accountants

Firm Registration No.002336N

New Delhi  
30th May 2013

**K.K. Kohli**  
Company Secretary

**Anil Girotra**  
Finance Director

**Gita Bawa**  
**Kiran Kapur**  
**Narender Sapra**  
**Ravi Manchanda**  
Directors

# Consolidated Cash Flow Statement

for the year ended March 31, 2013

	2013 (Rs. in lacs)	2012 (Rs. in lacs)
<b>A. Cash Flow from Operating Activities:</b>		
Net Profit/(Loss) before tax	676	2,845
Adjustments for:		
Depreciation	1,750	2,463
Interest Expense	2,308	2,210
Interest Income	(269)	(411)
(Profit)/Loss on Fixed Assets sold (net)	(39)	(7,863)
Fixed Assets written off	5	53
Provisions for investment Written Back	—	(5)
Provisions for Advance to subsidiary Written Back	—	(81)
Debts / Advances/Stock written off	18	1,595
Provision for Bad & Doubtful Debts and Advances	—	35
Liability no longer required written back	(197)	(64)
Provision for Gratuity & Leave Encashment	(88)	312
Unrealised Foreign Exchange (gain)/loss (net)	(4)	5
Operating Profit before Working Capital Changes	4,160	1,094
Adjustments for changes in Working Capital :		
(Increase)/ Decrease in Trade Receivables	(2,592)	(4,211)
(Increase)/ Decrease in Short Term Loans & Advances	(847)	332
(Increase)/ Decrease in Long Term Loans & Advances	(69)	(670)
(Increase)/ Decrease in Other Current Assets	(210)	(135)
(Increase)/ Decrease in Inventories	341	(2,880)
Increase/ (Decrease) in Trade Payables	(89)	1,922
Increase/(Decrease) in other current liabilities	(1,280)	1,782
Increase/(Decrease) in Other Long Term Liabilities	(475)	822
Increase/(Decrease) in Long Term Provisions	(1)	(5)
Increase/(Decrease) in Short Term Provisions	—	(3)
Cash generated from operations	(1,062)	(1,952)
Taxes (Paid)/ Received (Net of TDS)	(95)	(185)
Exceptional items	—	—
(Loss) / Profit on sales of investment	—	(824)
Provisions for investment Written Back	20	—
Provisions for Advance to subsidiary Written Back	1,267	—
Net Cash from/ (used) Operating Activities	(2,444)	(1,313)
<b>B. Cash flow from Investing Activities:</b>		
Purchase of Fixed Assets including Capital Work- in -Progress and Capital advances	(3,172)	(2,384)
Proceeds from Sale of Fixed Assets	84	8,141
Advances to Subsidiaries	—	122
Advances from holding	—	—
Sales/(Purchase) of investments	(5)	5
Interest Received (Revenue)	228	339
Release/(Addition) of Cash (from)/for restrictive use	(60)	(30)
Net Cash from Investing Activities	(2,925)	6,193
<b>C. Cash Flow from Financing Activities:</b>		
Proceeds from Equity Share Premium	—	214
Proceeds from short term Borrowings (Net)	(1,542)	5,300
Proceeds from long term Borrowings (Net)	6,193	(6,594)
Interest Paid	(2,423)	(2,111)
Interest Paid - Capitalised	(241)	(27)
Dividend Paid	—	(2)
<b>Net cash used in Financing Activities</b>	<b>1,987</b>	<b>(3,220)</b>
Net Increase/ (Decrease) in Cash & Bank Balances	(3,382)	1,659
Cash and Cash equivalents at the beginning of the year	5,524	3,843
Other Bank Balance at the beginning of the year	13	18
Cash and Cash equivalents at the end of the year	2,139	5,507
Unclaimed Dividend Account	—	—
Fixed Deposits with Banks	4	1
Margin Money Account	12	12
Cash and Bank Balances at the end of the year	2,155	5,520
Cash and Bank Balances Comprise		
Cash, Cheques & Drafts (in hand) and Remittances in transit	275	301
Balance with Scheduled Banks	1,880	5,219
	<u>2,155</u>	<u>5,520</u>
Cash and Cash Bank Balances Include :		
Cash and Bank Balances	2,155	5,520
Unrealised gain on foreign currency	—	—
<b>Total Cash and Cash Equivalents</b>	<u>2,155</u>	<u>5,520</u>

#### Notes :-

- The aforesaid Cash Flow Statement has been prepared under the "Indirect Method" and in accordance with Accounting Standard (AS)-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- Fixed Deposits with banks having maturity period of more than one year (including those pledged with statutory authorities) have been disclosed in other non current assets (Note 15) and do not form part of cash and bank balance.
- Figures in brackets indicate cash outgo.
- Previous year's figures have been regrouped and recast wherever necessary to conform to the current year classification.

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

Significant Accounting Policies and Notes to Accounts form an integral part of Cash Flow Statement

#### Nitin Chaudhry

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

New Delhi  
30th May 2013

K.K. Kohli  
Company Secretary

Anil Girotra  
Finance Director

Gita Bawa  
Kiran Kapur  
Narender Sapra  
Ravi Manchanda  
Directors



# Notes on Consolidated

Financial Statements for the Year ended March 31, 2013



## 1: SIGNIFICANT ACCOUNTING POLICIES:

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

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

### B) BASIS OF CONSOLIDATION

The Financial Statements of the subsidiaries and associates used in the consolidation are drawn up to the same reporting date as that of the parent company i.e. year ended March 31, 2013.

### C) PRINCIPLE OF CONSOLIDATION

i) The financial statement of the parent company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenditure after eliminating intra group balances and intra group transactions.

ii) The financial statements of the parent company, its subsidiaries and associates have been consolidated using uniform accounting policies for like transactions and other events.

iii) The investment in associates have been accounted for using the equity method whereby the investment is initially recorded at cost and adjusted thereafter for the post acquisition changes in the Group's share of net assets.

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.

### 1.2. USE OF ESTIMATES

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

### 1.3. FIXED ASSETS

#### a) Tangible:

Fixed Assets are stated at cost of acquisition / revalued amounts less accumulated depreciation. Cost of acquisition includes taxes, duties, freight and other costs that are directly attributable to bringing assets to their working condition for their intended use. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Spares that can be used only with particular items of plant and machinery and such usage is expected to be irregular are capitalised.

#### b) Intangible:

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

### 1.4. DEPRECIATION / AMORTISATION

#### a) Tangible:

Principal Straight Line Method (SLM) rates, in the manner prescribed by Schedule XIV of the Companies Act, 1956, have been adopted for the purpose of calculation of depreciation except for the amount added on revaluation of certain assets which are depreciated on the estimate provided by the valuer of the remaining useful life of such assets. Leasehold land is amortised over the period of lease. Depreciation on the assets which have been impaired is provided on the basis stated in note 1.5 below.

#### 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 [Note 36].

### 1.6. INVESTMENTS

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

Current Investments are stated at lower of cost and fair value.

### 1.7. INVENTORIES

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

### 1.8. INCOME

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

b) Revenue from job work is recognised on the completion of a relevant job.

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

### 1.9. EMPLOYEE BENEFITS

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

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

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

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

### 1.10. FOREIGN CURRENCY TRANSACTIONS

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

### 1.11. INTEREST ON BORROWINGS

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

### 1.12. LEASE ACCOUNTING

Operating Lease payments are recognized as an expense in the Profit and Loss Account on straight-line basis over the lease term [Note 45].

### 1.13. TAXATION

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

### 1.14. PROVISIONS AND CONTINGENT LIABILITIES

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

# Notes on Consolidated

Continued

		As at March 31 2013 (Rs. in lacs)	As at March 31 2012 (Rs. in lacs)
<b>2. Share Capital</b>			
2.1	Authorised Capital 75,000,000 (Previous year--75,000,000) Equity Shares of Rs.10 each	<u>7,500</u>	<u>7,500</u>
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.	<u>4,615</u>	<u>4,615</u>
2.3	Detail of Equity Shares Issued	<b>No. of Shares</b>	No. of Shares
	Original issue of Equity Shares	<b>500,000</b>	500,000
	Less : Equity Shares Forfeited due to non payment of calls	<b>170,492</b>	170,492
		<b>329,508</b>	329,508
	<i>Add</i> : Forfeited Equity Shares issued to existing share holders on pro-rata basis at Rs. 2.50 per share	<b>169,737</b>	169,737
		<b>499,245</b>	499,245
	<i>Add</i> : Total Bonus Equity Shares issued from 1970 to 1994-95	<b>23,732,979</b>	23,732,979
	<i>Add</i> : GDR issue (Note 2.7 b)	<b>25,210,000</b>	25,210,000
	<i>Add</i> : Preferential allotment (Note 2.7 c)	<b>2,500,000</b>	2,500,000
	Less : Shares repurchased (Buy- Back) (Note 2.4)	<b>5,794,112</b>	5,794,112
	Total	<b>46,148,112</b>	46,148,112
2.4	Changes in Share Capital during last five years 5,794,112 Equity Shares of Rs. 10/- each fully paid up were bought back by the company in FY-2009-10 as directed by the Hon'ble Company Law Board (CLB), vide their order dated 12.03.2009.		
2.5	Reconciliation of number of Shares & Share Capital		
	Equity Shares	<b>As on 31.03.2013</b>	As on 31.03.2012
		<b>No. of Equity Shares</b>	No. of Equity Shares
		<b>Rs. in lacs</b>	Rs. in lacs
	At the beginning of the year	<b>46,148,112</b>	46,148,112
	<i>Add</i> : Issued during the year	—	—
	Less : Bought Back during the year	—	—
	Outstanding at the end of the year	<b>46,148,112</b>	46,148,112
2.6	Detail of Shareholders holding more than 5% equity shares of the Company #		
	Name of the Shareholders	<b>As on 31.03.2013</b>	As on 31.03.2012
		<b>No. of Equity Shares</b>	No. of Equity Shares
		<b>Percentage holding</b>	Percentage holding
	Equity Shares of Rs. 10/- each		
a)	The Bank of New York (the Depository) (Note 2.7 b)	<b>25,210,000</b>	25,210,000
		<b>54.63</b>	54.63
b)	LPJ Holdings Pvt. Ltd.	<b>7,418,648</b>	7,418,648
		<b>16.08</b>	16.08
c)	LPJ Holdings Pvt. Ltd. (Note 2.7 c)	<b>2,500,000</b>	2,500,000
		<b>5.42</b>	5.42
	# As per the records of the Company, including its register of members.		
2.7	Terms/rights attached to Equity Shares		
a)	18,438,112 shares referred to as equity shares are having face value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share and dividend, if declared.		
b)	25,210,000 underlying Equity Shares of Rs.10/- each fully paid up ranking pari-passu with existing shares were issued in the name of the Depository, The Bank of New York, representing the Global Depository Receipt (GDR) issue. GDRs do not carry any voting rights until they are converted into underlying equity shares.		
c)	2,500,000 Equity Shares of Rs 10/- each are held by LPJ Holdings Pvt. Ltd., fully paid up at a premium of Rs 20/- per share, as a special series with differential rights to dividend and voting, were issued during the financial year 2004-05. These shares have no right to the dividend and each share carries twenty voting rights per share as compared to one voting right per existing equity share and were under the lock-in-period of three years from the date of allotment.		
d)	The holders of all the above equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in event of liquidation of the Company.		

	As at March 31 2013 (Rs. in lacs)	As at March 31 2012 (Rs. in lacs)
<b>3. Reserves and Surplus</b>		
Capital Reserve		
Surplus on forfeited shares sold	0	0
Capital Redemption Reserve		
As per last Balance Sheet	580	580
Revaluation Reserve		
Revaluation Reserve as at the beginning of the year	12,587	13,977
Less : Adjusted during the year	—	907
Less : Transferred to Statement of Profit & Loss [Includes Impairment of Fixed Assets Rs. Nil (Previous year Rs. 123 lacs) (Refer Note 33 & 36)]	309	483
	<u>12,278</u>	<u>12,587</u>
Securities Premium Account		
As per last Balance Sheet	3,697	3,483
Add : Securities Premium Received during the year	—	214
	<u>3,697</u>	<u>3,697</u>
General Reserve		
As per last Balance Sheet	2,455	2,455
Add : opening share of General Reserve from the Associates	120	75
	<u>2,575</u>	<u>2,530</u>
Surplus as per Statement of Profit & Loss		
As per last Balance Sheet	12,545	9,038
Add : Opening share of profit from Associates	90	53
Add : Profit for the year	515	3,511
Less : Minority Interest	20	—
	<u>13,130</u>	<u>12,602</u>
	<u>32,260</u>	<u>31,996</u>
3.1 Addition of Rs. 214 lacs in the Securities Premium Account during the previous year represents the amount received from M/s LPJ Holdings Pvt. Ltd. (Formerly known as M/s L.P. Jaiswal & Sons Pvt. Ltd.) against the compliance of Order/Letter No. CFD/DCR/SKM/TO/11587/2011 dated 6th April, 2011 of Securities and Exchange Board of India towards differential sum of Share Premium amounting to Rs. 8.56 per share on 2,500,000 equity shares of the Company issued and allotted during the Financial Year 2004-05.		
<b>4. Long Term Borrowings</b>		
Secured		
From Banks		
-Term Loan	4,501	2,960
-Car Loans	53	171
From others		
-Car Loans	169	298
	<u>4,723</u>	<u>3,429</u>
Unsecured		
Fixed Deposits	4,568	2,096
Fixed Deposits guaranteed by Directors	1,149	500
Loans and advances from related parties	142	142
Others	157	—
	<u>6,016</u>	<u>2,738</u>
	<u>10,739</u>	<u>6,167</u>

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

**Nature of Security**

- i. Term Loan amounting to Rs. Nil (Previous year Rs. 21 lacs) for Turbine is secured by all the machineries and accessories including Civil work related to Turbine installed at its works at Jagatjit Nagar, Distt Kapurthala.
- ii. Term Loan amounting to Rs.193 lacs (Previous year Rs. 308 lacs) for Malt Extract Extension is secured by all the machineries and accessories including Civil work related to Filter and instrumentation installed at its works at Jagatjit Nagar, Distt Kapurthala.

**Terms of Repayment**

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

Repayable in 20 equal quarterly installments commencing from June, 2009. Last installment due in March, 2014. Rate of Interest 13.25%: Previous year 13.75% p.a. as at year end.

# Notes on Consolidated

Continued

- |       |   |   |
|-------|---|---|
| iii.  | Term Loan amounting to Rs.1,214 lacs (Previous year Rs. 1,588 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 14.25% : Previous year 14.65% p.a. as at year end. |
| iv.   | Term Loan amounting to Rs.220 lacs (Previous year Rs. 447 lacs) for Malt Spirit Plant and Malted Milk Food Plant is secured by all the machineries and accessories including Civil work related to Plants installed at its works at Jagatjit Nagar, Distt Kapurthala.   | Repayable in 20 equal quarterly installments commencing from April, 2009. Last installment due on January 2014. Rate of interest 15.50%: Previous year 14.75% p.a. as at year end.    |
| v.    | Term Loan amounting to Rs.444 lacs (Previous year Rs. 582 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 14.25% p.a (Previous year 14.65%) as at year end.  |
| vi.   | Term Loan amounting to Rs.161 lacs (Previous year Rs. 342 lacs) for plant & machinery is secured by all the machineries and accessories including civil work related to aforementioned machinery installed at its works at Jagatjit Nagar, Distt Kapurthala.  | Repayable in 20 equal quarterly installments commencing from April, 2012. Last installment due on January 2017. Rate of interest 15.50% p.a (Previous year 15.25%) as at year end.    |
| vii.  | Term Loan amounting to Rs.2,008 lacs (Previous year Rs. 664 lacs) for Boiler is secured by all the machineries and accessories including civil work related to the aforementioned machineries installed at its works at Jagatjit Nagar, Distt Kapurthala.   | Repayable in 20 equal quarterly installments commencing from April, 2013. Last installment due on January, 2018. Rate of interest 13.25% p.a (Previous year 13.75%) as at year end.   |
| viii. | Term Loan amounting to Rs.Nil (Previous year Rs. 50 lacs) for furnace is secured by land and building and all tangible and movable machineries and plant with spares, tools and accessories, both present & future, installed at its works at Site IV , Plot No.17 Sahibabad Industrial Area Sahibabad (U.P). | Repayable in 20 equal quarterly installments commencing from July, 2007. Last installment due on April, 2012. Rate of interest Nil : (Previous year 13.75% p.a.) as at year end.      |
| ix.   | Term Loan amounting to Rs.2,640 lacs (Previous year Rs. Nil) for General Corporate purpose including strengthening of Net Working Capital and to meet normal capex of the company.  | Repayable in 25 equal Monthly installments commencing from January 2013. Last installment due on January 2015 Rate of interest 13.25% (Previous year Nil) as at year end.             |
| x.    | Term Loan amounting to Rs.580 lacs (Previous year Rs. 89 lacs) for turbine is secured by all the machineries and accessories including civil work related to turbine installed at its works at Jagatjit Nagar, Distt Kapurthala.  | Repayable in 60 equal monthly installments commencing from April, 2013. Last installment due on March, 2018. Rate of interest 14.25% p.a (Previous year 14.65% p.a) as at year end.   |
| xi.   | Car Loans are secured by hypothecation of the related cars.   | Repayable in 36-60 equal monthly installments. Rate of interest 8.25% to 11.25% p.a.  |

#### 4.2 Terms of repayment for Long Term Unsecured Borrowings:

- |      |  |   |
|------|--|---|
| i.   | Unsecured Inter Corporate deposit Rs. 59 lacs (Previous year Rs. 59 lacs) from related party (Fast Buck Investment and Trading Pvt. Ltd.).   | Rate of Interest 8% on Rs. 24 lacs and 12% on Rs 35 lacs; Previous year 8% on Rs 24 lacs and 12% on Rs 35 lacs. |
| ii.  | Unsecured Inter Corporate deposit Rs. 83 lacs (Previous year Rs. 83 lacs) from related parties (Hybrid Holdings Pvt. Ltd. and Hyderabad Distilleries & Wineries Pvt. Ltd.).  | Rate of Interest Nil (Previous year Nil)  |
| iii. | Unsecured loan of Rs. 0 lacs (Previous year Rs.0 lacs) from director.  | Rate of Interest Nil (Previous year Nil)  |
| iv.  | Unsecured Inter Corporate deposit Rs. 157 lacs (Previous year Rs. Nil) from Acton Investments Pvt. Ltd., Amble Holdings Pvt. Ltd., Brace Investments Pvt. Ltd., Double Durable Investments Ltd., Quick Return Investment Co. Ltd. and Snowwhite Holdings Pvt. Ltd. | Rate of Interest Nil (Previous year Nil)  |

Note: Installments falling due in respect of all the above loans up to 31.3.2014 have been grouped under "Current maturity of long-term debt" (Refer Note 10).

		As at March 31 2013 (Rs. in lacs)	As at March 31 2012 (Rs. in lacs)
5. <b>Deferred Tax Liability (Net)</b>	Deferred Tax Liability		
	Depreciation on Fixed Assets	2,977	2,654
	Total Deferred Tax Liabilities (A)	<u>2,977</u>	<u>2,654</u>
	Statutory Liabilities	160	208
	Employee Retirement Benefits	752	781
	Provision for Bad Debts	123	103
	Total Deferred Tax Assets (B)	<u>1,035</u>	<u>1,092</u>
	Net Deferred Tax liabilities (A-B)	<u>1,942</u>	<u>1,562</u>
	Deferred Tax benefit/(Expense) for the year	(380)	606
		Note: Deferred tax asset created on depreciaiton on Fixed Asset as on 31st March, 2013 consists of Rs. Nil (Previous year Rs. 20 lacs) on account of impairment of Fixed Asset at Hamira unit (Dairy) (Refer Note 36).	
6. <b>Long Term Provisions</b>	Provision for employee benefits		
	-Gratuity	1,364	1,245
	-Leave Encashment	324	360
	Provisions for Litigations		
	-Service Tax	402	402
	-Sales Tax	24	24
	-Excise Duty	78	78
	Provisions for Tax (Net of advance Tax)	206	209
	Provision for wealth Tax	1	2
		<u>2,399</u>	<u>2,320</u>
7. <b>Other Long Term Liabilities</b>	Security Deposits	404	879
		<u>404</u>	<u>879</u>
8. <b>Short Term Borrowings</b>	Secured		
	- Working Capital Loans from Banks	5,771	4,730
	Unsecured		
	- Fixed Deposits	1,236	2,753
	201	1,267	
	<u>7,208</u>	<u>8,750</u>	
9. <b>Trade Payables</b>	Micro, Small and Medium Enterprises	192	200
	Others	13,643	13,768
	<u>13,835</u>	<u>13,968</u>	
	9.1 This information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.		
	Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006		
	I The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year		
	-Principal Amount Unpaid	192	200
	-Interest due	3	3
	II The amount of interest paid by the buyer in term of section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to suppliers beyond the appointed day during the year		
	-Payment made beyond the Appointed date	803	1,088
	-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.	30	38
	IV The amount of interest accrued and remaining unpaid at the end of the year	107	77
10. <b>Other Current Liabilities</b>	Current maturities of long-term debt	3,280	1,502
	Advances from Customers	649	1,211
	Unclaimed matured deposits (Refer Note 38)	117	101
	Interest accrued but not due	386	598
	Interest accrued and due	121	24
	Due to Directors	2	1
	Security Deposits	708	406
	Employee Benefits	953	1,683
	Statutory Liabilities	3,485	3,758
	Other Liabilities	1,070	1,101
	<u>10,771</u>	<u>10,385</u>	

# Notes on Consolidated

Continued

		As at March 31 2013 (Rs. in lacs)	As at March 31 2012 (Rs. in lacs)
<b>11. Short Term Provisions</b>	Provision for employee benefits		
	-Gratuity	458	586
	-Leave Encashment	173	215
	Wealth Tax	23	23
	Income Tax (Net of advance Tax)	—	121
		<b>654</b>	<b>945</b>

	GROSS BLOCK - COST OR REVALUED VALUE				DEPRECIATION				NET BLOCK		
	As at April 1 2012	Added on Revaluation	Additions	Deletion/ Adjustments	As at April 31 2012	For the Year	Impairment of Assets (Refer Note below)*	Deletion/ Adjustments	As at March 31 2013	As at March 31 2013	As at March 31 2012
				As at March 31 2013							
<b>(i) Tangible Assets</b>											
Land											
-- Free Hold	4,276	—	—	—	4,276	—	—	—	—	4,276	4,276
-- Lease Hold	1,350	—	—	—	1,350	288	19	—	—	307	1,062
Buildings	18,973	—	974	1	19,946	5,949	150	—	—	6,100	13,846
Plant & Machinery	33,706	—	3,203	118	36,791	22,653	1,588	—	117	24,125	12,666
Furniture & Fixtures	827	—	8	—	835	440	40	—	—	480	355
Vehicles-Owned	2,311	—	123	93	2,341	612	217	—	50	779	1,562
Office Equipments	944	—	40	7	977	545	42	—	2	585	392
<b>Total Tangible Assets</b>	<b>62,387</b>	<b>—</b>	<b>4,348</b>	<b>219</b>	<b>66,516</b>	<b>30,487</b>	<b>2,056 **</b>	<b>—</b>	<b>169</b>	<b>32,376</b>	<b>34,140</b>
Previous Year	62,626	—	1,611	1,989	62,248	28,171	2,757 **	186 **	650	30,464	31,784
<b>(ii) Intangible Assets</b>											
Goodwill	0	—	1,279	—	1,279	—	—	—	—	—	1,279
Patents, Trade Marks	29	—	—	—	29	7	3	—	—	10	19
<b>Total Intangible Assets</b>	<b>29</b>	<b>—</b>	<b>1,279</b>	<b>—</b>	<b>1,308</b>	<b>7</b>	<b>3 **</b>	<b>—</b>	<b>—</b>	<b>10</b>	<b>1,298</b>
Previous Year	29	—	—	—	29	4	3 **	—	—	7	22

\*The Assets of the Company have been assessed for Impairment in accordance with Accounting Standard 28 "Impairment of Assets". Consequently, Impairment to the extent of Rs. NIL (Previous Year Rs. 63 lacs) has been charged in the accounts during the year for dairy plant situated at Jagatjit Nagar, Kapurthala and Rs. NIL (Previous year Rs.123 lacs) has been adjusted against revaluation reserve. (Refer Note 36)

\*\*Please refer Note 33

<b>13. Non Current Investments</b>	<b>Trade Investments</b>		
	IN EQUITY SHARES		
	<b>Unquoted</b>		
	<b>In Associates</b>		
	Hyderabad Distilleries & Wineries Pvt. Ltd.		
	3,150 (Previous year-1,650) shares of Rs. 100 each fully paid up	4	2
	Cost of acquisition		
	Add : Group share of Profit/(Loss) up to 31.03.2013	<b>210</b>	131
		<b>214</b>	133
	<b>Other-Investments</b>		
	IN EQUITY SHARES		
	<b>Quoted</b>		
	Mohan Meakin Limited		
	281,961 (Previous year-281,961) shares of Rs.5 each fully paid.	84	84
	Milkfood Limited		
	1,350 Shares of Rs .10 each fully paid	0	0
	Punjab National Bank Limited		
	993 (Previous year -993) shares of Rs.10 each fully paid	4	4
	45 Equity shares (March 31, 2012 : 45) of Rs.10 each held in Aditya Birla Nuvo Limited	0	—
	1,500 Equity shares (March 31, 2012 : 1,500) of Rs. 2 each held in Alembic Limited	0	—
	1,500 Equity shares (March 31, 2012 : Nil) of Rs.2 each held in Alembic Pharmaceuticals Limited	0	—
	75 Equity shares (March 31, 2012 : 75) of Rs.10 each held in Arlem Breweries Limited	0	—
	50 Equity shares (March 31, 2012:50) of Rs.10 each held in Bannari Amman Sugars Limited	0	—
	4 Equity shares (March 31, 2012:16) of Rs.10 each held in Bell Ceramics Limited mow Orient Bell Ltd.	0	—
	825 Equity shares (March 31, 2012:825) of Rs.2 each held in Britannia Industries Limited	0	—
	350 Equity shares (March 31, 2012:350) of Rs.10 each held in Cadbury India Limited	0	—

	As at March 31 2013 (Rs. in lacs)	As at March 31 2012 (Rs. in lacs)
35 Equity shares (March 31, 2012:35) of Rs.10 each held in Ceat Limited	0	—
463 Equity shares (March 31, 2012:309) of Rs.10 each held in Clariant Chemicals (India) Limited	0	—
1,190 Equity shares (March 31, 2012:1,190) of Re.1 each held in Colgate-Palmolive Limited	0	—
1,330 Equity shares (March 31, 2012:1,330) of Rs.2 each held in Dalmia Bharat Sugar And Industries Limited	0	—
1,330 Equity shares (March 31, 2012:1,330) of Rs. 2 each held in Dalmia Bharat Limited	0	—
249 Equity shares (March 31, 2012:249) of Rs.10 each held in Dalmia Industries Limited	0	—
100 Equity shares (March 31, 2012:100) of Rs. 10 each held in Electronics Limited	0	—
921 Equity shares (March 31, 2012:921) of Rs. 10 each held in Escorts Limited	0	—
544 Equity shares (March 31, 2012:544) of Rs. 10 each held in GlaxoSmithKline Consumer Healthcare Limited	0	—
120 Equity shares (March 31, 2012:120) of Rs. 10 each held in GlaxoSmithKline Pharmaceuticals Limited	0	—
160 Equity shares (March 31, 2012:160) of Rs.10 each held in Golden Tobacco Limited	0	—
95 Equity shares (March 31, 2012:95) of Rs.10 each held in Grasim Industries Limited	0	—
4,000 Equity shares (March 31, 2012:4,000) of Re. 1 each held in Gujarat Flouro-Chemicals Limited	0	—
65 Equity shares (March 31, 2012:65) of Rs.10 each held in Haryana Breweries Limited	0	—
810 Equity shares (March 31, 2012:810) of Rs.2 each held in Hero MotoCorp Limited	0	—
2,840 Equity shares (March 31, 2012:2,840) of Re.1 each held in Hindustan Unilever Limited	0	—
100 Equity shares (March 31, 2012:100) of Rs.10 each held in Indage Vintners Limited	0	—
50 Equity shares (March 31, 2012:50) of Rs.10 each held in IST Limited	0	—
23,440 Equity shares (March 31, 2012:23,040) of Re.1 each held in ITC Limited	0	—
1,075 Equity shares (March 31, 2012:1,075) of Rs.10 each held in J.K.Satoh Agricultural Machine Limited	0	—
200 Equity shares (March 31, 2012:200) of Rs.10 each held in Jupiter Breweries Limited	0	—
400 Equity shares (March 31, 2012:400) of Re.1 each held in Khaitan Chemicals & Fertilizers Limited	0	—
50 Equity shares (March 31, 2012:50) of Rs.10 each held in Kothari Industrial Corporation Limited	0	—
100 Equity shares (March 31, 2012:100) of Rs. 10 each held in Lazard Credit- Capital Limited	0	—
104 Equity shares (March 31, 2012:104) of Rs.5 each held in Mahindra & Mahindra Limited	0	—
81 Equity shares (March 31, 2012:81) of Rs. 10 each held in McDowell Holdings Limited	0	—
120 Equity shares (March 31, 2012:120) of Rs.10 each held in Metal Box (India) Limited	0	—
122 Equity shares (March 31, 2012:122) of Rs. 10 each held in Modi Industries Limited	0	—
100 Equity shares (March 31, 2012:100) of Rs. 5 each held in Mohan Meakin Limited	0	—
2,874 Equity shares (March 31, 2012:2,874) of Rs. 10 each held in Nestle India Limited	0	—
206 Equity shares (March 31, 2012:206) of Rs. 10 each held in Novartis India Limited formerly in Sandoz (India) Ltd.	0	—
100 Equity shares (March 31, 2012:100) of Rs.10 each held in Pampasar Distillery Limited	0	—
150 Equity shares (March 31, 2012:150) of Rs. 10 each held in Pearl Polymers Limited	0	—
64 Equity shares (March 31, 2012:64) of Rs.10 each held in Pfizer Limited	0	—
130 Equity shares (March 31, 2012:130) of Re. 1 each held in Pharmax Corporation Limited	0	—
137 Equity shares (March 31, 2012:137) of Rs.10 each held in Poysha Industrial Co. Limited	0	—
594 Equity shares (March 31, 2012:594) of Rs.10 each held in Procter & Gamble Hygiene & Healthcare Limited	0	—
1,550 Equity shares (March 31, 2012:1550) of Rs. 2 each held in Radico Khaitan Limited	0	—
80 Equity shares (March 31, 2012:80) of Rs.10 each held in Rampur Fertilizers Limited	0	—
2,380 Equity shares (March 31, 2012:2,380) of Rs. 5 each held in Ranbaxy Laboratories Limited	0	—
50 Equity shares (March 31, 2012:50) of Rs. 10 each held in Raymond Limited	0	—
0 Equity shares (March 31, 2012:536) of Rs. 10 each held in Reckitt Benckiser (India) Limited	0	—
10,000 Equity shares (March 31, 2012:10,000) of Rs. 10 each held in Rodal Circaprint Electronics Limited	1	—
1000 Equity shares (March 31, 2012:1,000) of Rs. 2 each held in Ruchi Soya Industries Limited	0	—
12 Equity shares (March 31, 2012:6) of Rs.100 each held in Shreno Limited	0	—
500 Equity shares (March 31, 2012:500) of Rs.10 each held in Sirmour-Sudburg Auto Limited	0	—
103 Equity shares (March 31, 2012:103) of Rs. 10 each held in Skol Breweries Limited	0	—
50 Equity shares (March 31, 2012:50) of Rs. 10 each held in SRF Limited	0	—
75 Equity shares (March 31, 2012:75) of Rs. 10 each held in Surya Roshni Limited	0	—
100 Equity shares (March 31, 2012:100) of Rs. 10 each held in Tasty Bite Eatables Limited	0	—
2,500 Equity shares (March 31, 2012:2,500) of Rs. 10 each held in Taurus The Starshare	0	—
20,830 Equity shares (March 31, 2012:20,830) of Re.1 each held in Thomas Cook (India) Limited	0	—
140 Equity shares (March 31, 2012:140) of Re. 1 each held in Titan Industries Limited	0	—

# Notes on Consolidated

Continued

	As at March 31 2013 (Rs. in lacs)	As at March 31 2012 (Rs. in lacs)
330 Equity shares (March 31, 2012:330) of Re. 1 each held in Triveni Engineering & Industries Limited	0	—
50 Equity shares (March 31, 2012:50) of Rs. 10 each held in Tuticorin Alkali Chemical & Fertilisers Limited	0	—
55 Equity shares (March 31, 2012:55) of Rs. 10 each held in UltraTech Cement Limited	0	—
1,760 Equity shares (March 31, 2012:1,760) of Re. 1 each held in United Breweries Limited	0	—
528 Equity shares (March 31, 2012:528) of Rs.10 each held in United Breweries (Holdings) Limited	0	—
1,443 Equity shares (March 31, 2012:1,443) of Rs. 10 each held in United Spirits Limited	0	—
70 Equity shares (March 31, 2012:70) of Re. 1 each held in Voltas Limited	0	—
100 Equity shares (March 31, 2012:100) of Rs. 10 each held in Welga Foods Limited	0	—
708 Equity shares (March 31, 2012:708) of Rs. 10 each held in Whirlpool of India Limited	0	—
40 Equity shares (March 31, 2012:40) of Rs. 10 each held in Xerox Limited	0	—
Debentures (March 31, 2012:165)	0	—
<b>UNQUOTED</b>		
Chic Interiors Private Limited	0	0
3,352 (Previous year-3,352) 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, 2012:50) of Rs.100 each held in Janta Co-operative Sugar Mills Limited	0	0
2 Equity shares (March 31, 2012:2) of Rs.10 each held in Panipat Co-operative Sugar Mills Limited	0	0
1 Equity shares (March 31, 2012:1) of Rs. 4 each held in Traders Bank Limited	0	—
<b>IN ASSOCIATES</b>		
L.P. Investments Limited		
Nil (Previous year-157,500) shares of Rs.10 each fully paid	—	0
[(Cost Rs Nil (Previous Year Rs.16 lacs); provision for permanent diminution in value of Investment Rs Nil (Previous Year Rs.16 lacs)]		
<b>IN PREFERENCE SHARES</b>		
<b>UNQUOTED</b>		
Qube Corporation Pvt. Ltd	180	180
1,800,000 (Previous year 1,800,000 Cumulative Redeemable preference shares of Rs. 10 each)		
<b>IN ASSOCIATES</b>		
L.P. Investments Limited	—	0
Nil (Previous year-4,500) shares of Rs.10 each fully paid		
[(Cost Rs Nil (Previous Year Rs.5 lacs); provision for permanent diminution in value of Investment Rs Nil (Previous Year Rs.5 lacs)]		
<b>IN GOVERNMENT SECURITIES</b>		
<b>UNQUOTED</b>		
06 year National Saving Certificates (lodged with Govt. authorities)	<u>2</u>	<u>2</u>
	<u>570</u>	<u>484</u>
<b>Aggregate Value of Unquoted Investments</b>	<b>478</b>	<b>396</b>
<b>Aggregate Value of Quoted Investments</b>	<b>92</b>	<b>88</b>
<b>Market Value/NAV of Quoted Investments</b>	<b>796</b>	<b>414</b>



		As at March 31 2013 (Rs. in lacs)	As at March 31 2012 (Rs. in lacs)
<b>14. Long Term Loans and Advances</b>	Capital Advances		
	Unsecured, considered good	3,074	3,556
		<u>3,074</u>	<u>3,556</u>
	Security Deposits		
	Unsecured, considered good	489	405
	Unsecured, considered doubtful	1	1
	Less: Provision for doubtful deposits	1	1
		<u>489</u>	<u>405</u>
	Loans and advances to related parties		
	Unsecured, considered good	6	—
	Unsecured, considered doubtful	—	1,266
		<u>6</u>	<u>1,266</u>
	Less: Provision for doubtful loans and advances	—	1,266
		<u>6</u>	<u>—</u>
Other loans and advances			
Unsecured, considered good			
Advance/claim recoverable in cash or in kind	359	379	
Unsecured, considered doubtful	54	58	
Less: Provision for doubtful loans and advances	54	58	
Balances with Statutory Authorities	2	3	
	<u>361</u>	<u>382</u>	
	<u>3,930</u>	<u>4,343</u>	
<b>15. Other Non-Current Assets</b>	MAT Credit Receivable	1,068	715
	Unsecured, considered good		
	Fixed Deposits with Bank (Pledged as security)	179	119
	Fixed Deposits with Banks having maturity period of more than one year	82	80
	Advance income Tax (Net of Provision)	244	—
	<u>1,573</u>	<u>914</u>	
<b>16. Current Investments</b>	IN MUTUAL FUND		
	Principal PNB Long Term Equity Fund - 3 year Plan - Series I & II	8	8
	Principal PNB Long Term Equity Fund - 3 year Plan - Principal Emerging Bluechip Fund-Growth	10	10
	Principal Mutual Fund		
	UTI Infrastructure Advantage Fund Series I	5	5
		<u>23</u>	<u>23</u>
	Aggregate Value of Quoted Investments/Mutual Funds	23	23
	Market Value/NAV of Quoted Investments/Mutual Funds	33	30
<b>17. Inventories</b>	Raw Materials and Packing Materials	3,223	4,484
	-In Transit	1,045	1,171
	Less :- Provision for obsolete Inventory	23	36
		<u>4,245</u>	<u>5,619</u>
	Work-in-Progress	310	189
	Finished Goods	8,471	7,426
	Stock-in-Trade	174	227
	Store and Spares	820	845
	-In Transit	45	109
	<u>14,065</u>	<u>14,415</u>	

# Notes on Consolidated

Continued

	As at March 31 2013 (Rs. in lacs)	As at March 31 2012 (Rs. in lacs)
17.1 Details of Raw and Packaging Materials		
Grains	647	1,420
Molasses	166	227
ENA	582	628
Chemicals	45	65
Colour & Essence	64	55
Bottles	350	462
Tins & Other Containers	170	172
Labels	292	324
Seals	508	572
Others	399	559
	<u>3,223</u>	<u>4,484</u>
17.2 Details of Work in Progress		
Malt	10	25
Glass	22	20
Malt Extract	21	4
Liquor	241	114
Malted Milk Food	16	26
	<u>310</u>	<u>189</u>
17.3 Details of Finished Goods		
Malt	371	530
Malt Extract	32	3
Liquor	4,677	4,914
Malted Milk Food	1	8
Carbondioxide Gas	0	0
Glass	3,321	1,876
Containers	9	20
Others	60	75
	<u>8,471</u>	<u>7,426</u>
17.4 Details of Stock -in-trade		
Petroleum and its Products	49	41
Wine	121	135
Liquor	4	51
	<u>174</u>	<u>227</u>
18. Trade Receivables		
(a) Unsecured overdue for more than six months		
Considered Good	2,352	1,550
Considered Doubtful	311	315
Less: Provision for doubtful receivables	311	315
(b) Others		
Considered Good	19,956	18,354
	<u>22,308</u>	<u>19,904</u>

		As at March 31 2013 (Rs. in lacs)	As at March 31 2012 (Rs. in lacs)
19. Cash and Bank Balances	(i) Cash & Cash Equivalents		
	Cash on hand	132	225
	Cheques on hand	112	64
	Funds in transit	31	12
	Balances with Banks		
	- Current Accounts	553	656
	- Fixed Deposits	1,311	4,550
	(With Original maturity period of up to 3 months)		
	(ii) Other Bank Balances		
	- Fixed Deposits with Bank	4	1
- Margin Money Accounts	12	12	
	<u>2,155</u>	<u>5,520</u>	
20. Short Term Loans and Advances	Unsecured--Considered Good		
	Others Loan and Advance		
	- Balance with Revenue authorities	1,697	1,577
	- Advances to Suppliers	1,318	513
	- Security Deposits	81	43
	- Others	1,201	1,317
	Unsecured--Considered Doubtful		
	- Others	13	13
	Less: Provision for Doubtful Advances	13	13
		<u>4,297</u>	<u>3,450</u>
21. Other Current Assets	Interest Receivable	114	99
	Other Income Receivable	85	43
	Duty Drawback receivable	9	23
	Fixed Assets held for sale	21	21
		<u>229</u>	<u>186</u>
	<b>For the year ended March 31 2013 (Rs. in lacs)</b>	<b>For the year ended March 31 2012 (Rs. in lacs)</b>	
22. Revenue From Operations (Gross)	Sale of Products		
	Manufactured Goods	126,402	138,102
	Traded Goods	8,080	6,886
	Less: Other Discount & Allowances	60	308
		<u>134,422</u>	<u>144,680</u>
	Income from Services		
	Job Work (tax deducted at source Rs. 96 lacs; Previous Year Rs. 77 lacs)	4,961	3,402
		<u>4,961</u>	<u>3,402</u>
	Other Operating Revenues		
	Rent (Tax deducted at source Rs 173 lacs; Previous year - Rs.187 lacs)	1,770	1,740
	Royalty (Tax Deducted at Source Rs 3 lacs ; Previous year - Rs. NIL)	1,120	821
	Duty Drawbacks	1	17
	Scrap Sales	318	373
	Miscellaneous Income	1,840	904
	(Tax deducted at source Rs. 9 lacs ; Previous year Rs.7 lacs)		
	<u>5,049</u>	<u>3,855</u>	
	<u>144,432</u>	<u>151,937</u>	

# Notes on Consolidated

Continued

		For the year ended March 31 2013 (Rs. in lacs)	For the year ended March 31 2012 (Rs. in lacs)
	22.1 Details of Sale of Products (Net of discount)		
	(a) Manufactured Goods		
	Malt & Malt Extract	3,418	2,699
	Malted Milk Food	606	325
	Liquor	116,400	128,310
	Glass Bottles	4,188	5,011
	Carbondioxide Gas	32	45
	Others	1,698	1,404
		<u>126,342</u>	<u>137,794</u>
	(b) Traded Goods		
	Petroleum and its Products	1,880	1,949
	Wine	20	—
	Liquor	6,134	4,896
	others	46	41
		<u>8,080</u>	<u>6,886</u>
	Total (a)+(b)	<u>134,422</u>	<u>144,680</u>
23.	<b>Other Income</b>		
	Dividends		
	On Other Investments	13	0
	Interest		
	- Fixed Deposits -- Gross (Tax deducted at source Rs 15 lacs; Previous year Rs 18 lacs)	259	225
	- Others - Gross (Including interest on income tax Refund Rs Nil; Previous year Rs.Nil) (Tax deducted at source Rs. Nil; Previous year Rs.18 lacs)	10	186
	Profit on Sale of Fixed Assets (Refer Note 46)	62	7,968
	Insurance Claims	61	18
	Liabilities/provisions no longer required written back	266	150
	Foreign Exchange Fluctuation (Net)	11	—
		<u>682</u>	<u>8,547</u>
24.	<b>Cost of Materials Consumed</b>		
	Opening Stocks	5,655	4,426
	Add: Purchases of raw and packing materials	40,398	47,119
		<u>46,053</u>	<u>51,545</u>
	Less: Closing Stocks	4,268	5,655
		<u>41,785</u>	<u>45,890</u>
	24.1 Details of Raw and Packaging		
	Materials Consumed		
	Grains	3,250	6,668
	Molasses	5,216	4,290
	Soda Ash	1,512	1,818
	Sand	570	682
	ENA	8,549	7,410
	Bottles	6,357	7,585
	Tins & Other Containers	2,182	2,509
	Seals	3,695	3,986
	Cullet Outside Purchase	1,452	1,254
	Milk	1,516	1,170
	Packing Materials	3,208	3,859
	Others	4,278	4,659
		<u>41,785</u>	<u>45,890</u>
25.	<b>Purchases of Stock-in-Trade</b>		
	Petroleum and its Products	1,840	1,897
	Liquor	6,087	5,048
	Others	44	43
		<u>7,971</u>	<u>6,988</u>

		For the year ended March 31, 2013 (Rs. in lacs)	For the year ended March 31, 2012 (Rs. in lacs)	
26. Changes in Inventories of Finished Goods, Work in Progress and Stock-in-Trade	Opening Stocks			
	Work-in-Progress	189	103	
	Finished Goods	7,426	6,154	
	Stock-in-Trade	227	51	
		<u>7,842</u>	<u>6,308</u>	
	Closing Stocks			
	Work-in-Progress	310	189	
	Finished Goods	8,471	7,426	
	Stock-in-Trade	174	227	
		<u>8,955</u>	<u>7,842</u>	
	<u>(1,113)</u>	<u>(1,534)</u>		
27. Employee Benefits Expenses	Salaries, Wages, Bonus and Gratuity	6,076	6,801	
	Contribution to Provident, Family Pension and Superannuation Funds	669	733	
	Employees' State Insurance	159	151	
	Staff Welfare Expenses	319	276	
		<u>7,223</u>	<u>7,961</u>	
28. Finance Cost	On Fixed Loans	1,500	1,591	
	Others	808	619	
	<u>2,308</u>	<u>2,210</u>		
29. Other Expenses	Manufacturing Expenses			
	Consumption of Stores and Spare parts excluding charged to other revenue heads Rs. 4411 lacs (Previous year - Rs. 5,300 lacs)	866	499	
	Consumption of Moulds (Outside Purchase)	67	114	
	Power and Fuel	8,529	8,251	
	Repairs -- Buildings	320	501	
	Plant and Machinery	640	1,698	
	Excise Duty*	998	1,629	
	Other Expenses	4,049	2,933	
		<u>15,469</u>	<u>15,625</u>	
	*Excise Duty shown under expenditure represents the aggregate of excise duty borne by the Company and difference between excise duty on opening and closing stock of finished goods (Refer Note 39).			
	Administration and Selling Expenses			
	Rent (Net)	302	245	
	Lease Rental	274	292	
	Rates & Taxes	3,594	4,219	
	Insurance	311	258	
Travelling Expenses	1,203	1,040		
Repairs to Buildings	152	290		
Other Repairs & Maintenance	285	321		
Bad Debts, Advances and Stock written off	18	1,595		
Provision for Doubtful Debts and advances	—	35		
Provision for Inventory for obsolete stock	—	12		
Investment Written off	—	0		
Fixed Assets written off	5	53		
Loss on sale of Fixed Assets	23	105		
Reimbursement of Expenses to Directors	30	40		
Directors Fee	6	6		
Forwarding Charges	2,076	2,250		
Advertisement, Publicity and Sales Promotion	14,092	19,224		
Legal & Professional Expenses	932	1,014		
Miscellaneous Expenses	1,937	1,943		
	<u>25,240</u>	<u>32,942</u>		
	<u>40,709</u>	<u>48,567</u>		
29.1 Details of Payments to Auditors	For Audit (including service tax)	17	17	
	For Tax Audit (including service tax)	5	5	
	For Other Services (including service tax)	4	4	
	Out of Pocket Expenses	1	1	
		<u>27</u>	<u>27</u>	
29.2 Prior Period Expenses/Income	Consumption of Raw Material	0	—	
	Other Expenses	4	8	
		<u>4</u>	<u>8</u>	
30. Exceptional Expenses/ (Incomes)	Loss on sale of Investment	—	824	
	Provision for Doubtful Advances written back	(1,267)	—	
	Provision for permanent diminution in investment written back	(20)	—	
		<u>(1,287)</u>	<u>824</u>	

# Notes on Consolidated

## Continued

31. **CONTINGENT LIABILITIES:** The following are the details of Contingent liabilities the outflow of which is uncertain at this stage:
- 31.1 Particulars of various claims against the Company not acknowledged as debts Rs. 184 lacs (Previous year Rs. 173 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. 156 lacs (Previous year Rs. 145 lacs).
  - There are certain claims against the Company relating to usage of trade mark etc., which have not been acknowledged as debts. The outcome of such claims is not ascertainable at this stage.
- 31.2 Particulars of various Excise & Service Tax demands under dispute Rs. 902 lacs (Previous year Rs. 890 lacs) which have not been deposited on account of dispute:
- Demand of Service Tax and penalty in respect of wrong availment of Service Tax Cenvat Credit Rs. 247 lacs (Previous year Rs. 247 lacs).
  - Demand of Excise Duty in respect of reversal of Cenvat Credit on Turbine Rs. 74 lacs (Previous year Rs. 74 lacs).
  - Demand in respect of service tax, interest and penalty on income from Tie-up operations and royalty Rs. 569 lacs (Previous year Rs. 569 lacs).
  - Demand of cess and penalty under Central Excise Act on manufacturing of corrugated paper board Rs. 1 lac (Previous year Nil).
  - Demand of service tax on renting of imovable property Rs. 11 lacs (Previous year Nil).
- 31.3 Particulars of various Sales tax demands under dispute Rs.76 lacs (Previous year Rs. 78 lacs) :
- Demand of Sales Tax under Central Sales Tax Act on account of incomplete submission of sales tax forms Rs. 3 lacs (Previous year Rs.3 lacs).
  - Demand of Sales Tax under UP Sales Tax Act & Central Sales Tax Act Rs. 74 lacs (Previous year Rs. 73 lacs).
  - Demand on account of non-submission of sales tax forms Rs 2 lacs (Previous year Rs. 2 lacs).
- 31.4 Certain matters relating to various assessment years of Income Tax are pending at the various levels of tax authorities and High Court. The financial impact, if any, on the outcome of these matters is not determinable at this stage.

32. a) The company has consolidated the Balance Sheet & Profit and Loss Account of its following subsidiaries as on 31.03.2013 in its annual accounts.

S. No.	Name of the Associates	Country of Incorporation	Ownership Interest
i)	JIL Trading Pvt. Ltd	India	100%
ii)	S.R.K. Investments Pvt. Ltd.	India	100%
iii)	Sea Bird Securities Pvt. Ltd.	India	80%
iv)	L.P. Investments Ltd.	India	98%
v)	Anjani Estates Ltd.	India	63%

- b) The company has considered the Balance Sheet & Profit and Loss Account of its following Associates as on 31.03.2013 in its annual accounts.

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

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

33. Land, Building and Plant & Machinery at various locations have been revalued as on 31st March, 1998 by an independent approved valuer on a current replacement cost basis. The excess on revaluation of Rs. 4,832 lacs has been transferred to Revaluation Reserve.

	2012-13 (Rs. in lacs)	2011-12 (Rs. in lacs)
Depreciation for the year calculated in accordance with accounting policy mentioned [Refer Note 1.4 (a) and 12] on Tangible assets	2,056	2,943
Depreciation for the year calculated in accordance with accounting policy mentioned [Refer Note 1.4 (b) and 12] on Intangible assets	3	3
Less: Adjusted against Revaluation Reserve	309	483
Net depreciation for the year charged to Profit & Loss Account	1,750	2,463

34. The additions to fixed assets and work-in-progress includes interest on borrowing which has been capitalised amounting to Rs. 263 lacs (Previous year Rs. 3 lacs) and Rs.Nil (Previous year Rs.24 lacs) respectively.
35. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) Rs. 5 lacs (Previous year Rs. 1,142 lacs).
36. Company has reviewed the future earning of all its cash generating units in accordance with the accounting policy on impairment of assets [Notes 1.5]. Consequent to such review and due to change in market demand, during the previous year, the Company has impaired the carrying value of Dairy plant located at Jagatjit Nagar, Kapurthala being Rs. 228 lacs (Gross block Rs. 1,521 lacs and accumulated depreciation thereon, Rs. 1,293 lacs) to its estimated recoverable amount Rs. 42 lacs (being the estimated net value in use, determined on the basis of an independent valuation and estimated future cash Inflow as per AS-28). Out of impairment loss of Rs.186 lacs arising thereon, Rs. 123 lacs has been adjusted against Revaluation Reserve.
37. Jagatjit Brown Forman (I) Limited (JBFL), a joint venture of the Company with Brown Forman Mauritius Limited (BFML) had been ordered to be wound up by the Hon'ble High Court of Delhi vide their order dated 30th September, 2011. The Official Liquidator was directed to make payment/create provisions towards the Government Fee, Audit Fee and liquidation expenses from the account of the company in liquidation and transfer the balance funds available, if any, to the Common Pool Fund maintained in the Office of the Official Liquidator, Delhi. As the Company stands wound up, the investment of 1,528,880 equity shares of Rs. 153 lacs against which provision of Rs. 153 lacs had been made in earlier years, has been written off during the previous year and no amount was received by the company against these shares from the Official Liquidator.
38. At the end of the year unclaimed deposits of Rs.117 lacs (previous year Rs. 101 lacs) disclosed under current liabilities are not required to be transferred to the Investor Education and Protection Fund (IEPF) in terms of section 205C of the Companies Act, 1956, as these deposits are unclaimed for less than 7 years from the date of their maturity. Additional unclaimed deposits of Rs. 0.68 lacs as on 31.3.2013 (Previous year Rs. 0.69 lacs) lying unclaimed for more than 7 years have been deposited in the IEPF on 15th April, 2013 (Previous year 18th April, 2012).
39. In accordance with ASI 14 on 'Disclosure of Revenue from Sales Transactions' issued by Institute of Chartered Accountants of India, excise duty on turnover amounting to Rs. 45,092 lacs (Previous year Rs. 44,270 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. 998 lacs (Previous year Rs.1,629 lacs) has been separately shown in Manufacturing Expenses under 'Other Expenses Schedule' (Refer Note 29).
40. Earnings per share (EPS) : Numerators and denominators used to calculate basic and diluted earning per share

	Year ended 31.03.2013 Amount (Rs)	Year ended 31.03.2012 Amount (Rs)
Net Profit/(Loss) attributable to Shareholders	51,500,000	351,151,686
Number of equity shares in issue	43,648,112*	43,648,112*
Basic / Diluted Earnings per share of Rs.10 each (Rs.)	1.18	8.05

### Notes:

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

\* The preferential allotment of 2,500,000 equity shares, having no right to dividend has not been considered in the above computation of EPS (Refer Note 2.7c).

## 41. EMPLOYEE BENEFITS

The Company has classified various employee benefits as under:

### 41.1 Defined Contribution Plans

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

	Year ended 31.03.2013 (Rs. in lacs)	Year ended 31.03.2012 (Rs. in lacs)
(i) Employers' Contribution to Superannuation Fund	171	239
(ii) Employers' Contribution to Provident Fund	498	492
(iii) Employers' Contribution to Employees' State Insurance	159	153

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

#### 41.2 Defined Benefit Plans

Valuation in respect of Gratuity and Leave Encashment have been carried out by independent actuary, as at 31st March, 2013, based on the following assumptions:

	Leave Encashment (Unfunded) (Rs. in lacs)	Gratuity (Unfunded) (Rs. in lacs)
(I) Assumptions		
(a) Discount Rate	8.00-8.25%	8.00-8.25%
(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)	8.74-17.92	8.74-17.92
(II) Change in the Present Value of Obligation		
(a) Present value of obligation as at April 1, 2012	575	1,831
(b) Interest cost	28	139
(c) Current service cost	112	113
(d) Benefit paid	(52)	(268)
(e) Actuarial (gain)/loss on obligations	(166)	7
(f) Present value of obligation as at March 31, 2013	497	1,822
(III) Amount recognised in the Balance Sheet		
(a) Present value of obligation as at March 31, 2013	497	1,822
(b) Fair Value of Plan Assets as at the year end	—	—
(c) (Asset) / Liability recognised in the Balance Sheet	497	1,822
(IV) Expenses recognised in the Statement of Profit and Loss		
(a) Current service cost	112	113
(b) Interest cost	28	139
(c) Expected Return on Plan Assets	—	—
(d) Settlement Cost/Credit	(52)	(268)
(e) Actuarial (gain)/loss recognised in period	(166)	7
(f) Total Expenses recognised in the Statement of Profit and Loss	(78)	(9)

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

	Leave Encashment (Unfunded) (Rs. in lacs)	Gratuity (Unfunded) (Rs. in lacs)
(I) Assumptions		
(a) Discount Rate	8.65%	8.65%
(b) Rate of increase in Compensation Levels	5%	5%
(c) Rate of return of Plan Assets	N.A.	N.A.
(d) Expected Average remaining working lives of employees (in years)	13-31	13-31
(II) Change in the Present Value of Obligation		
(a) Present value of obligation as at April 1, 2011	492	1,601
(b) Interest cost	27	131
(c) Current service cost	212	109
(d) Benefit paid	(27)	(174)
(e) Actuarial (gain)/loss on obligations	(129)	164
(f) Present value of obligation as at March 31, 2012	575	1,831
(III) Amount recognised in the Balance Sheet		
(a) Present value of obligation as at March 31, 2012	575	1,831
(b) Fair Value of Plan Assets as at the year end	—	—
(c) (Asset) / Liability recognised in the Balance Sheet	575	1,831
(IV) Expenses recognised in the Statement of Profit and Loss		
(a) Current service cost	212	109
(b) Interest cost	27	131
(c) Expected Return on Plan Assets	—	—
(d) Settlement Cost/Credit	(27)	(174)
(e) Actuarial (gain)/loss recognised in period	(129)	164
(f) Total Expenses recognised in the Statement of Profit and Loss	83	230

#### 42. Segment Reporting

##### i) Primary Segment Reporting (by Business Segments)

###### Composition of Business Segments

Segments have been identified and reported taking into account, the nature of products and services, the differing risks and returns, the organisation structure, and the internal financial reporting systems. The Company's business segments are as under:

Beverages : Segment includes manufacturing and supply of Bottled Indian Made Foreign Liquor, Country Liquor, Industrial Alcohol and licensing use of its IMFL brands.

Food : Segment includes manufacturing and supplies of food products and providing services for manufacture of food products.

Packaging : Segment includes manufacturing and supplies of Glass to open market and for its captive consumption.

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

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

# Notes on Consolidated

## Continued

iii) Inter Segment Pricing - At cost plus margin.

Information about Business Segment - Primary for the year 2012-13					(Rs. in lacs)
	Beverages	Food	Packaging	Others	Total
<b>REVENUE</b>					
Sales (Net of Excise duty), Services and Other income	83,330	10,197	3,812	1,949	<b>99,288</b>
Inter Segment Sales	58	—	6,534	—	<b>6,592</b>
Unallocated Income	—	—	—	—	<b>1,752</b>
<b>Total Revenue</b>	<b>83,388</b>	<b>10,197</b>	<b>10,346</b>	<b>1,949</b>	<b>107,632</b>
<b>RESULTS</b>					
Segment Results (Refer Note vii below)	4,172	1,024	(844)	32	<b>4,384</b>
Unallocated expenditure	—	—	—	—	<b>(2,956)</b>
Net of unallocated income	—	—	—	—	<b>269</b>
Interest Income	—	—	—	—	<b>(2,308)</b>
Interest Expense	—	—	—	—	<b>(611)</b>
Profit/ (Loss) before exceptional items	—	—	—	—	<b>(1,287)</b>
Exceptional items	—	—	—	—	<b>676</b>
Profit/ (Loss) before tax	—	—	—	—	
Less: Tax expense:					
Current Tax :					
- For the year					<b>135</b>
- MAT Credit Entitlement					<b>(352)</b>
Deferred Tax (benefit)/ charge					<b>380</b>
Provision for earlier year written back					<b>—</b>
Profit/ (Loss) after tax					<b>513</b>
<b>OTHER INFORMATION</b>					
Segment Assets (Refer Note ii below)	49,958	8,094	9,257	4,821	<b>72,130</b>
Unallocated Assets	—	—	—	—	<b>12,697</b>
Total Assets					<b>84,827</b>
Segment Liabilities	18,674	1,555	2,498	254	<b>22,981</b>
Unallocated Liabilities	—	—	—	—	<b>24,971</b>
Total Liabilities					<b>47,952</b>
Capital Expenditure	1,479	1,797	67	—	<b>3,343</b>
Unallocated Capital Expenditure	—	—	—	—	<b>219</b>
Total Capital Expenditure					<b>3,562</b>
Depreciation	590	424	526	5	<b>1,545</b>
Unallocated Depreciation	—	—	—	—	<b>205</b>
Total					<b>1,750</b>
Non - cash expenditure other than depreciation	13	—	—	—	<b>13</b>
Unallocable Non Cash expenditure	—	—	—	—	<b>10</b>
Total					<b>23</b>

Information about Secondary Business Segments - Geographical by location of customers				(Rs. in lacs)
	Domestic	Overseas	Total	
Revenues (Net of Excise Duty)	100,455	585	101,040	
Other information:				
Carrying amount of segment assets by location of assets	84,827	—	84,827	
Addition to Fixed Assets/Capital Work- in- Progress (including Capital Advances)	3,562	—	3,562	

Information about Business Segment - Primary for the year 2011-12					(Rs. in lacs)
	Beverages	Food	Packaging	Others	Total
<b>REVENUE</b>					
Sales (Net of Excise duty), Services and Other income	93,812	7,365	4,599	1,999	107,775
Inter Segment Sales	91	—	8,094	—	8,185
Unallocated Income	—	—	—	—	8,028
<b>Total Revenue</b>	<b>93,903</b>	<b>7,365</b>	<b>12,693</b>	<b>1,999</b>	<b>123,988</b>
<b>RESULTS</b>					
Segment Results (Refer Note vii below)	1,772	(708)	704	12	1,780
Unallocated expenditure	—	—	—	—	3,688
Net of unallocated income	—	—	—	—	411
Interest Income	—	—	—	—	(2,210)
Interest Expense	—	—	—	—	3,669
Profit/ (Loss) before exceptional items	—	—	—	—	824
Exceptional items	—	—	—	—	2,845
Profit/ (Loss) before tax	—	—	—	—	
Less: Tax expense:					
Current Tax :					
- For the year					577
- MAT Credit Entitlement					(627)
Deferred Tax (benefit)/ charge					(606)
Provision for earlier year written back					(7)
Profit/ (Loss) after tax					3,508
<b>OTHER INFORMATION</b>					
Segment Assets (Refer Note ii below)	47,733	6,187	8,388	3,478	65,786
Unallocated Assets	—	—	—	—	15,801
Total Assets					81,587
Segment Liabilities	19,867	1,236	2,711	92	23,906
Unallocated Liabilities	—	—	—	—	21,070
Total Liabilities					44,976
Capital Expenditure	740	340	792	—	1,872
Unallocated Capital Expenditure	—	—	—	—	564
Total Capital Expenditure					2,436
Depreciation	1,218	483	529	5	2,235
Unallocated Depreciation	—	—	—	—	228
Total					2,463
Non - cash expenditure other than depreciation	1,204	7	201	—	1,412
Unallocable Non Cash expenditure	—	—	—	—	283
Total					1,695



Information about Secondary Business Segments - Geographical by location of customers

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

NOTES:

- The Company is focused on the segment of Beverages (including Liquor) in India. The commercial terms and conditions of Liquor sales being identical in India, there are no differential risks and return on the basis of such business segmentation. The Company's year to date export turnover being less than 1% of its total turnover (Previous year less than 1%), the commercial risks and returns involved on the basis of geographic segmentation are therefore considered insignificant and immaterial.
- Segment assets include Capital Work- in- Progress & Capital Advances aggregating to Rs.3,313 lacs (Previous year-Rs. 4,099 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. 1,602 lacs (Previous year Rs. 1,508 lacs) from the surplus properties of the Company.

43. Related Party Disclosures

In accordance with the requirements of "Accounting Standard 18" issued by The Institute of Chartered Accountants of India on the Related Party Disclosures, the transactions and Related Parties with whom transactions have taken place during the year.

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

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

43.2 Key Management Personnel (Directors) and their relatives :

Mr. Narender Sapra  
Mr. Arvind Behl  
Mr. Ravi Manchanda  
Mrs. Mansi Behl  
Mrs. Nimmi Manchanda

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

PARTICULARS OF TRANSACTIONS	For the Year ended March 31, 2013			For the Year ended March 31, 2012		
	With Persons Mentioned in Note 43.1	With Persons Mentioned in Note 43.2	Total	With Persons Mentioned in Note 43.1	With Persons Mentioned in Note 43.2	Total
Sales of Goods (Hyderabad Distilleries & Wineries Pvt. Ltd.)	8	—	8	2	—	2
Sales of Fixed Assets (Milkfood Limited)	—	—	—	1	—	1
Job Work rendered (Milkfood Limited)	3	—	3	—	—	—
Royalty Received (Hyderabad Distilleries & Wineries Pvt. Ltd.)	2	—	2	1	—	1
Purchases of goods (Milkfood Limited)	62	—	62	8	—	8
Interest accrued (Refer Note 3 below)	6	—	6	6	—	6
Interest Received (Milkfood Limited)	—	—	—	17	—	17
Reimbursement of Payments Made on Behalf of Company (Refer Note 4 below)	108	—	108	152	—	152
Expenses paid by Company on Behalf of related party (Refer Note 5 below)	19	—	19	15	—	15
Rent received (Milkfood Limited)	4	—	4	4	—	4
Loans including interest repaid (Refer Note 6 below)	3	—	3	5	—	5
Managerial Remuneration (Refer Note 2 below)	—	124	124	—	119	119
Unsecured loan taken (Hyderabad Distilleries & Wineries Pvt Ltd)	—	—	—	81	—	81
Advance Given (Refer Note 8 below)	—	—	—	20	—	20
Refund of Advance Given (Refer Note 9 Below)	—	—	—	20	—	20
Bottling Charges paid (Hyderabad Distilleries & Wineries Pvt. Ltd.)	242	—	242	232	—	232
Lease Rent paid (Refer Note 7 below)	147	13	160	144	20	164
Receivable Written off (Refer Note 10 below)	—	—	—	558	—	558
Contribution to Superannuation Fund (Jagatjit Industries Limited Employees Superannuation Scheme)	172	—	172	240	—	240
<b>BALANCES OUTSTANDING AT THE YEAR END</b>						
Unsecured Advances	—	—	—	1,266	—	1,266
Provision for Unsecured Advances	—	—	—	1,266	—	1,266
Payable (Net of Receivable)	(371)	—	(371)	(151)	—	(151)
Unsecured Loans (Including interest accrued) (Refer Note 11 below)	153	—	153	150	—	150
Investments (Refer Note 12 below)	184	—	184	202	—	202
Provision for Permanent Diminution in value of Investments	—	—	—	20	—	20

Notes:

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

# Notes on Consolidated

## Continued

- 2) The above payments does not include expenses incurred by / reimbursed to directors during the course of performance of duty.
- 3) Interest Accrued is in respect of the following :  
Fast Buck Investments & Trading Pvt. Ltd. Rs. 6 lacs (Previous year Rs. 6 lacs)
- 4) Reimbursement of Payments made on behalf of the Company is in respect of the following :  
Milkfood Ltd. Rs. 92 lacs (Previous year Rs. 85 lacs)  
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 16 lacs (Previous year Rs. 67 lacs)
- 5) Expenses paid by the Company on behalf of related parties is in respect of the following :  
Milkfood Ltd. Rs. 15 lacs (Previous year Rs. 11 lacs)  
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 4 lacs (Previous year Rs. 3 lacs)  
Grand Regency Hospitalities Pvt Ltd. Rs Nil (Previous Year Rs. 0 lacs)  
Fast Buck Investments & Trading Pvt. Ltd. Rs. Nil (Previous year Rs. 0 lacs)  
Jagatjit Spirits & Wine Ltd. Rs Nil (Previous year Rs. 0 lacs)
- 6) Loans including interest repaid is in respect of the following :  
Fast Buck Investments & Trading Pvt. Ltd. Rs. 3 lacs (Previous year Rs. 5 lacs)
- 7) Lease Rent paid  
Pashupati Properties & Estates Pvt. Limited Rs. 12 lacs (Previous year Rs. 12 lacs)  
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 135 lacs (Previous year Rs. 132 lacs)  
Mrs. Nimmi Manchanda Rs. 10 lacs (Previous year Rs. 10 lacs)  
Mrs. Mansi Behl Rs. 3 lacs (Previous year Rs. 10 lacs)
- 8) Advances Given  
Milkfood Ltd. Rs. Nil (Previous year Rs. 20 lacs)
- 9) Refund of Advance  
Milkfood Ltd. Rs. Nil (Previous year Rs. 20 lacs)
- 10) Receivable written off  
Jagatjit Marketing Ltd Rs. Nil (Previous year Rs. 0 lacs)  
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. Nil ( Previous Year Rs. 557 lacs)
- 11) Unsecured Loans (Including interest accrued)  
Fast Buck Investments & Trading Pvt. Ltd. Rs. 70 lacs (Previous year Rs. 67 lacs)  
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 81 lacs (Previous year Rs. 81 lacs)  
Hybrid Holdings Pvt. Ltd. Rs. 2 lacs (Previous year Rs. 2 lacs)
- 12) Investments  
Qube Corporation Pvt. Ltd. Rs. 180 lacs ( Previous year Rs. 180 lacs)  
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 4 lacs ( Previous year Rs. 2 lacs)  
L.P. Investments Ltd. Rs. Nil (Previous year Rs. 20 lacs)
44. Sundry Debtors, Sundry Creditors and Loans & Advances are subject to confirmation and are in the process of reconciliation.
45. The Company normally acquires vehicles under operational lease with the respective underlying assets as security. Minimum lease payments outstanding as on March 31, 2013 in respect of these assets are as under:

	<b>Total minimum lease payments outstanding as on March 31, 2013 (Rs. in lacs)</b>	Total minimum lease payments outstanding as on March 31, 2012 (Rs. in lacs)
Due within one year	9	53
Due later than one year and not later than five years	—	9

Lease payments of Rs. 53 lacs (Previous year Rs. 86 lacs) have been recognised as an expense in the profit and loss account for the year ended March 31, 2013.

46. During the year, net profit amounting to Rs. Nil (Previous year Rs. 7,942 lacs) has been earned by the Company from sale of its idle residential property situated at B-69, G.K-1, New Delhi.
47. Particulars regarding subsidiary companies, in accordance with General Circular No. 2/2011 dated 8th February, 2011 from the Ministry of corporate affairs.

	<b>JIL Trading Pvt. Ltd.</b>	<b>S.R.K. Investments Pvt. Ltd.</b>	<b>Sea Bird Securities Pvt. Ltd.</b>	<b>L.P. Investments Ltd.</b>	<b>Anjani Estates Ltd.</b>
Capital (Paid up)	1	1	1	1038	5
Reserves	(2)	(3)	(2)	(1262)	(47)
Total Assets	1	2974	81	42	121
Total Liabilities	1	2974	81	42	121
Investments (Except investment in subsidiaries)	0	1	81	8	0
Turnover/Income	0	(0)	(0)	13	9
Profit/(Loss) before tax	(1)	(0)	(0)	9	1
Provision for Tax	0	0	0	0	2
Profit/(loss) after Tax	(1)	(0)	(0)	9	(1)
Proposed Dividend	—	—	—	—	—

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

New Delhi  
30th May 2013

**K.K. Kohli**  
Company Secretary

**Anil Girotra**  
Finance Director

**Gita Bawa**  
**Kiran Kapur**  
**Narender Sapra**  
**Ravi Manchanda**  
Directors