we are CHANGING

JAGATJIT INDUSTRIES LIMITED

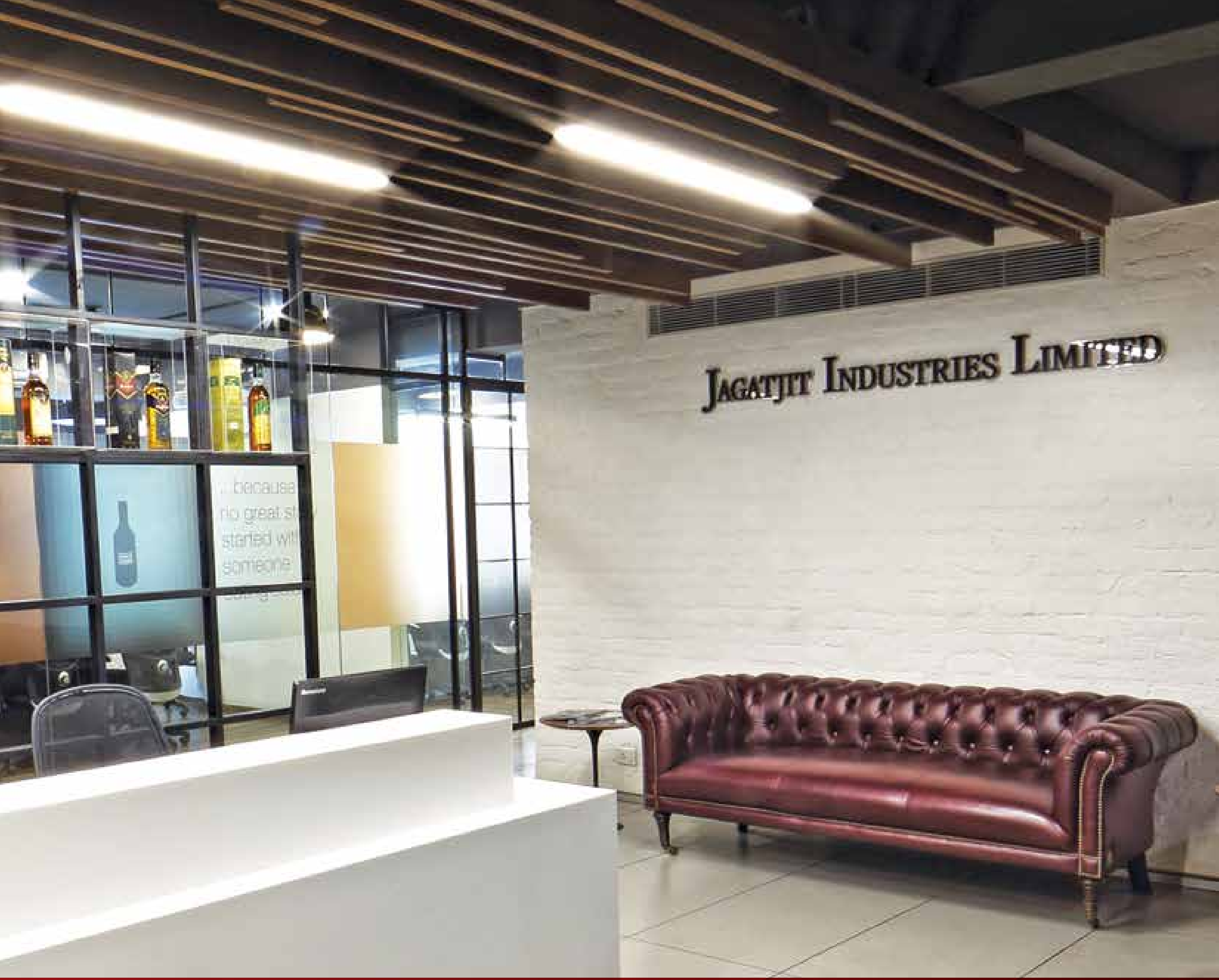
ANNUAL REPORT **2017-18**

Inside this report

View our 2017-18 Annual Report online: www.jagatjit.com

Forward-looking Statement

This report may contain some statements on the Company's business or financials which may be construed as forward-looking based on the management's plans and assumptions. The actual results may be materially different from these forward-looking statements although we believe we have been prudent in our assumptions.



WELCOME TO THE WORLD OF **JAGATJIT INDUSTRIES LIMITED**

> It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is the most adaptable to change.

CHARLES DARWIN
English Naturalist and Geologist

Every industry and business passes through challenging times as the operating landscapes change over time. What differentiates a successful business is their determination to overcome challenges by embracing the change.

At Jagatjit Industries Limited (JIL), we understand the importance of this. And so,

We decided to CHANGE

From manufacturing to manpower

From finance to franchisee

From operation to optimisation

From efficiency to execution

We have identified hindrances to growth and developed strategies and execution plans to overcome them.

Today, we are looking ahead with clarity, conviction and confidence.
Optimistic of a better future.
Determined to reinstate our position as India's leading alco-beverage and malted food manufacturers delivering *Superior Quality at Affordable Prices.*
We are passionate to preserve *Heritage of Quality.*

Because,

We are CHANGING...

Reigniting the **JAGATJIT BRAND**

At Jagatjit Industries, we have grown our reputation with several unique distinctions:

- From being one of Asia's largest integrated distilleries to having constructed India's first fully automated distillation, with in-house facilities for producing molasses and non-molasses based potable alcohol.
- From disrupting the mass segment with quality and affordable semi-premium products to emerging as the leading supplier of malted milk food and food extracts in the country.

Backed by a visionary management and seven decades of strong legacy, we are now undergoing an important change to drive the next phase of growth.

We are:

- Adopting a franchisee model to shift from being a pure manufacturing Company to an asset-light marketing Company.
- Revisiting people strategy to support this transition by hiring more women employees to bring in diversity and providing VRS (Voluntary Retirement Scheme) to surplus workers to become leaner.
- Modernising office space and manufacturing plants with better technologies to bring in more efficiencies.

OUR MANUFACTURING CAPACITIES

7.2 **million cases p.a.**
Indian Manufactured Foreign Liquor

4.2 **million cases p.a.**
Country Liquor

39,600 **MT p.a.**
Malted Milk Food

13,800 **MT p.a.**
Malted Extract

OUR REPUTATION

40
Total Liquor Brands

ISO **22000:2018**
Food Safety Standard Certified

CORPORATE PROFILE

Established in 1944 in the erstwhile state of Kapurthala, Punjab, JIL was founded by Late Mr. L.P. Jaiswal. The Company is driven by the promise of providing superior brands at affordable prices. It is listed on the BSE Ltd. The Company has an in-house R&D unit focussed on improving processes to ensure better product development and improving yields. It has 2 own manufacturing plants in the states of Rajasthan (Behror) and Punjab (Jagatjit Nagar, Kapurthala district), and collaboration with bottlers across India. Our products are exported to countries namely Guinea, Ghana, Togo, Burkina Faso, Angola, Cameroon, Nigeria, Sierra Leone, Liberia, Ivory Coast, the UAE, Oman, Italy, Kenya, Uganda, Rwanda, Ukraine to name a few.

VALUES

- Take ownership of the work we do
- Work collaboratively as a team to ensure success
- Respect and trust each other
- Don't cheat
- Encourage creativity and out of box thinking
- Never too old to learn
- Do more with less
- Treat women as equals
- Consistency and efficiency

Business **AREAS**

Indian Made Foreign Liquor (IMFL)

- Engaged in the production of Whisky, Rum, Gin, Vodka and Brandy.
- Operations in most states in India with exports to Africa and Middle East for semi-deluxe and below categories.

Country Liquor

- Engaged in manufacturing high-quality country liquor having same ENA as that used in IMFL.
- Operates in Punjab with a 13% market share.

Food - Malted Milk Food and Malt Extract

- Engaged in the production of high-quality food, distillery and brewery grade malt with best barley for internal requirements and external sales.
- Long-term contract with GlaxoSmithKline Consumer Healthcare to manufacture its product 'Boost'.

Real Estate

- Engaged in leasing of owned properties for rentals.
- Owns a 2,00,000 Sq. Ft. property in Gurugram spread across 4 acres and a 23,000 Sq. Ft. property in Ashoka Estate, Connaught Place, New Delhi.

Our strategies to succeed

One of the biggest challenges impacting our performance is the inability to reinvest in business to enhance capacities or acquire better technologies as most of our cash flows are directed towards servicing fixed obligations. This has led to a vicious cycle resulting in volume stagnancy and inefficiencies. Our strategy to succeed in this scenario will be:

Expanding in an asset-light manner

Revamping production-cum-distribution model
Until now, we expanded operations by investing in own manufacturing capacities and sales outlets. This involved significant capital outlay and manpower resources, resulting in surging fixed costs, which negatively impacted our working capital.

To counter this, we are shifting focus to contract manufacturing and franchisee-based distribution model. This will enable us to immediately boost production and sales and widen reach without the need for additional resources and capital. Thus, revenues shall grow, fixed costs per unit shall decline and there shall be steady cash flows.

Reducing working capital stress

Monetise land bank
We shall focus on monetising land bank and utilising cash surplus to discharge debts, reduce interest expenses and invest in operational efficiencies.

Provide VRS to permanent workers
We intend to retire permanent workers over a period of time by providing early VRS to minimise fixed costs.

Revamping product packaging

We intend to utilise additional funds generated from expansion towards brand building and creating brand traction. For this, we are undertaking various promotional activities and revamping the product packaging to make it more attractive, in line with changing trends and competitive scenarios.

In the Financial Year 2017-18, we relaunched IICE Vodka in frosted bottles and revamped the packaging of AC Neat Whisky, both of which had a good market reception.

We also launched AC Black Whisky in Rajasthan and priced it for the first time ever, in the semi-premium segment. The brand is slowly gaining traction.

A Message from
THE CHIEF RESTRUCTURING OFFICER

Roshini Sanah Jaiswal
Chief Restructuring Officer

Dear Shareholders,

Welcome to a changing Jagatjit Industries Limited!

I am delighted to share with you the Annual Report for the Financial Year 2017-18 encapsulating our strategy and plans for the future growth and expansion. As the title theme of this Annual Report says, 'We are changing,' I am excited to share with you an outline of this change, disruption and transformation to make this organisation sustainable in the long run.

Before I take you through how we are changing, it will be important to understand why we are changing. During the past few years, we have faced significant challenges, both due to external factors and internal issues.

While factors like demonetisation and various bans on the sale of alco-beverage impacted demand, low surplus funds after servicing high fixed costs prevented us from reinvesting in business to scale production, and invest in better technologies and branding. This also led to opportunity loss as stagnant production volumes were insufficient to meet the high latent demand for our products. Keeping the industry outside the purview of Goods and Services Tax (GST), a bold and disruptive indirect reform aimed at creating open market, further aggravated the scenario as there was no provision for manufacturers to be able to claim input credit set-off.

In addition to the industry challenges, we have also been facing some internal challenges. Rising costs, particularly fixed costs, have stressed our working capital. Other issues, like upgrading our plant and equipment with latest technology can be extremely gruelling on resources. While there is a strong latent demand for many of our products, our resource limitations have constrained our ability to manufacture and meet this demand. Our branding spends have also been under pressure.

And thus, it became necessary to deploy right strategies to overcome these challenges and turnaround operations.

The first step towards this will be to free-up working capital requirement by curbing fixed cost. And for this, we have started moving towards the franchisee model and are evolving from a manufacturing

Oracle E-Business Suite

Implemented ERP

₹265 **Crores**

Raised from IndiaBulls

IICE **Vodka**

Re-launched in frosted bottles

20

Countries of Export

to a marketing Company with a strong focus on brand building. It will allow us to scale-up production to meet demand without any proportional increase in costs. The released working capital shall be channelised towards marketing and branding. Our model is such, that we will be able to garner long term partnerships with associates, who have efficiencies and expertise at the local level. We, of course, bring the acumen of being a national player with erstwhile brands on our side.

Technology will be another focus area. We believe modernising our plants (for our Malted Milk Food operations) with latest equipment and technology will unlock new potential in terms of efficiency, productivity and cost optimisation. This will dovetail into higher revenues as well as improved margins. Technology will also unleash higher productivity at an organisational level. We have, already, implemented ERP and our subsidiary, Yoofy Computech Private Limited has prototyped a channel partner engagement platform in Rajasthan. As we go forward, we will increasingly

> Our exports business too, holds immense potential. We have a substantial footprint in multiple countries and are focussing on African countries like Nigeria and Kenya. Africa is particularly promising, as alcoholic beverages are treated as FMCG products there. We are also looking at expanding to Nepal and re-entering the UAE.

We continue to see strong momentum in our Malted Milk Food business as well. While a part of our production is captively consumed, the rest is sold to leading companies. Our long-term supply contract with GlaxoSmithKline Consumer Healthcare to manufacture Boost provides significant revenue visibility and steady cash flows.

deploy new-age technologies like Big Data and Artificial Intelligence to gain better insights and sharpen our strategy.

Another aspect that we are focussing on, is our financial efficiency. This year, we raised ₹ 265 Crores from IndiaBulls to retire the existing high-cost debt to the tune of ₹ 110 Crores. The additional funds are being utilised for business development requirements. We are also considering sale of our real-estate assets to raise additional funds. Our aim is to eventually become debt-free in the next three years.

As far as our products are concerned, we continue with our guiding policy - Heritage of Quality and our promise to offer Superior Brands at Affordable Prices to the mass segment, which is our key customer base. In line with this, we are set to launch two new brandies - one each in premium and mass category, in South India. We revamped our semi-premium whisky - AC Black and are set to revamp the Deluxe whisky - Aristocrat Premium. The IICE Vodka was relaunched in frosted bottles during the year. We have also started the process to make our packaging, a key element, towards being future-ready. We have tweaked our blends, delivering complete satisfaction and a delight to our existing and prospective consumers.

Our exports business too, holds immense potential. We have a substantial footprint in multiple countries and are focussing on African countries like Nigeria and Kenya. We are also looking at expanding to Nepal and re-entering the UAE.

We continue to see strong momentum in our Malted Milk Food business as well. While a part of our production is captively consumed, the rest is sold to leading companies. Our long-term supply contract with GlaxoSmithKline Consumer Healthcare to manufacture Boost provides significant revenue visibility and steady cash flows. This business continues to show a strong potential for future growth.

All in all, I believe these changes will enable us to regain our position as one of the leaders in the alco-beverage and malt food businesses in India.

Amidst these changes along with a tough operating environment during the year, I would say our performance has been reasonably steady. Our total revenues for the year declined by 33.09% to ₹ 56,710 Lacs, compared to ₹ 84,758 Lacs in the previous year. However, our concerted efforts towards reducing costs have contributed towards better bottomline performance. As a result, we reported a lower net loss of ₹ 7,433 Lacs in the current year, compared to ₹ 11,695 Lacs recorded in the previous year.

As I look ahead into the near and mid-term, I am quite positive and optimistic. The changes that are underway at JIL are all steps in the right direction. We are focussing on the right kind of manpower at certain levels within the organisation. We are looking at hiring more women employees in line with our belief that Diversity Promotes Growth. I have already laid out our strong focus on being asset-light with a powerful marketing orientation to widen our reach and propel production and enhance shares.

All in all, I believe these changes will enable us to regain our position as one of the leaders in the alco-beverage and malt food businesses in India.

I thank you all for your sustained cooperation and continued support to the Company's management, and assure you that we shall continue in our endeavour to create long-term value for all our stakeholders.

Yours sincerely,

Roshini Sanah Jaiswal
Chief Restructuring Officer

Visionaries
BEHIND THE BRAND LEGACY

Late Mr. L.P. Jaiswal

A self-made man and a first-generation entrepreneur, he belonged to a select group of industrialists from Northern India like HP Nanda, Bhai Mohan Singh and Karamchand Thapar from the pre-Independence era. Maharaja of Kapurthala HRH Jagatjit Singh was a noble patron of the Company. Having high regards for the Maharaja, Mr. L.P. Jaiswal named the Company Jagatjit Industries.

Roshini Sanah Jaiswal

A third-generation promoter and the Company's current managing promoter and Chief Restructuring Officer, she is the grand-daughter of Late Mr. L.P. Jaiswal taking over the reins of the Company since 2015. A Political Science and Economics graduate from New York University, she has over 10 years of experience and expertise in the food and beverage industry. She possesses innate understanding of liquor industry, having grown up in a family committed to the business for seven decades. Prior to this, she found and ran her own entrepreneurial venture.

She is deeply committed to the welfare and health of the Company and has joined with the intent of turning around its operations and revive profitability. She has been instrumental in finalising various funding deals, for which she even mortgaged personal assets, resulting in significant improvement in Company's balance sheet health with a decline in debt levels and interest costs. This is also a strong indication of her belief in the business model and the future of the Company.

KEY EXECUTIVES

The Company's key executives comprise Deepankar Barat - President, Ravi Manchanda - Managing Director, Anant S. Iyer - Chief Operating Officer, Anil Girotra - Chief Financial Officer, K. K. Kohli - Sr. Vice President, Legal & Company Secretary, Chandan Kashikar - Chief People Officer, Devender Gulia - Director Sales, Anchal Kaushal - Associate Director Marketing.

Having extensive experience in their respective fields, the key executives are responsible for co-ordinating and leading the Company, in cooperation with the Managing Director and the Chief Restructuring Officer, to whom they assist. They undertake regular business reviews, take charge of all decisions and submit various matters to the Board of Directors when their approval is required.

Deepankar Barat
President

Ravi Manchanda
Managing Director

Anant S. Iyer
Chief Operating Officer

Anil Girotra
Chief Financial Officer

K. K. Kohli
Sr. Vice President
Legal & Company Secretary

Chandan Kashikar
Chief People Officer

Devender Gulia
Director Sales

Anchal Kaushal
Associate Director Marketing

Performance
OVER THE YEARS

(₹ in Lacs or as indicated)

	2017-18***	2016-17***	2015-16***	2014-15**	2013-14*	2012-13*	2011-12*	2010-11*	2009-10	2008-09
ASSETS										
Fixed Assets (Net Block)	41,333	42,391	43,304	29,742	32,762	34,284	32,348	34,450	37,137	37,658
Investments (Current & Non Current)	3,055	3,107	3,118	1,183	1,229	1,318	298	1,203	1,201	111
Current and Non Current Assets	32,340	32,431	43,542	50,787	45,433	48,784	48,733	40,453	31,969	29,540
TOTAL	**76,728**	**77,929**	**89,964**	**81,712**	**79,424**	**84,386**	**81,379**	**76,106**	**70,307**	**67,309**
LIABILITIES										
Loans, Liabilities and Provisions (Current & Non Current)	60,556	54,225	54,565	54,888	47,559	47,705	44,894	41,955	37,958	28,670
NET WORTH	**16,172**	**23,704**	**35,399**	**26,824**	**31,865**	**36,681**	**36,485**	**34,151**	**32,349**	**38,639**
NET WORTH REPRESENTED BY										
Equity Share Capital	4,615	4,615	4,615	4,615	4,615	4,615	4,615	4,615	4,615	5,194
Reserves and Surplus	11,557	19,089	30,784	22,209	27,250	32,066	31,870	29,536	27,734	33,445
TOTAL	**16,172**	**23,704**	**35,399**	**26,824**	**31,865**	**36,681**	**36,485**	**34,151**	**32,349**	**38,639**
OPERATING PERFORMANCE										
Revenue	56,710	84,758	1,15,351	1,24,268	1,37,081	1,45,101	1,60,484	1,41,370	94,297	84,191
Gross Profit Earnings	(6,547)	(10,130)	(5,445)	(4,341)	(2,417)	2,418	5,310	6,382	2,397	1,390
Profit before Tax	(7,759)	(11,402)	(6,716)	(5,584)	(4,266)	668	2,847	3,507	463	(211)
Profit after Tax	(7,433)	(11,695)	(6,565)	(4,365)	(4,523)	505	3,510	2,526	646	(450)
Earnings Per Share (₹)	(16.97)	(26.18)	(15.04)	(10.00)	(10.36)	1.16	8.04	5.79	1.48	(0.91)
DIVIDEND										
Amount per Share (₹)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rate (%)	0	0	0	0	0	0	0	0	0	0
Book Value per Equity Share (₹)	35.04	51.36	76.70	58.12	69.05	79.48	79.06	74.00	70.10	74.39
GROSS EARNINGS										
As a percentage of Revenue	(11.5)	(12.0)	(4.7)	(3.5)	(1.8)	1.7	3.3	4.5	2.5	1.7
As a percentage of Fixed Assets	(15.8)	(23.9)	(12.6)	(14.6)	(7.4)	7.1	16.4	18.5	6.5	3.7
As a percentage of Capital Employed	(12.5)	(18.0)	(8.1)	(7.5)	(4.1)	3.9	9.2	11.3	4.8	2.7

* based on Revised Schedule VI of the Companies Act, 1956
** based upon Schedule III of the Companies Act, 2013
***based on IND AS

Marquee
BRANDS

Our brands have a broad appeal across geographies. While each of them carry a rich legacy, we continue to innovate to meet new and emerging needs of consumers. We have an outstanding breadth and depth of products across every price category, enabling us to target diverse customer segment.


Aristocrat Premium


Aristocrat Whisky


Aristocrat Old Reserve Whisky


AC Black Whisky


AC Neat Whisky


AC Sek C Whisky


Binnie's Fine Whisky


Bonnie Special Whisky

WHISKIES


Aristocrat XXX

RUM


Aristocrat Brandy

BRANDY


Aristocrat Vodka


IICE Vodka

VODKA


Aristocrat Dry Gin

GIN


King Henry VIII

SCOTCH

The Millionaire Club

Two of our IMFL brands – Aristocrat Premium Whisky and Binnie's Whisky – are in the millionaire club, having sales of over a million cases.

How Our Brands
CHANGED IN THE LAST FEW YEARS

Old IICE Vodka

New IICE Vodka

Old AC Neat Whisky

New AC Neat Whisky

Old AC Black Whisky

New AC Black Whisky

Corporate **INFORMATION**

Board of Directors

Mr. Ravi Manchanda
Managing Director

Mrs. Kiran Kapur
Non-executive Independent Director

Mrs. Anjali Varma
Non-executive Director

Ms. Sonya Jaiswal
Non-executive Independent Director

Mrs. Asha Saxena
Non-executive Independent Director

Mrs. Sushma Sagar
Non-executive Director

Auditors

M/s. Madan & Associates
Chartered Accountants
New Delhi
(Firm Registration Number 000185N)

Registered Office

Jagatjit Nagar,
Dist. Kapurthala - 144 802,
Punjab

Corporate Office

4th Floor, Bhandari House,
91, Nehru Place,
New Delhi - 110 019

Listed on

BSE Limited

Main Bankers

Canara Bank
Union Bank of India
Punjab National Bank
HDFC Bank

Board's Report

Dear Members,

Your Directors have pleasure in presenting the 73rd (Seventy Third) Annual Report on the business and operations of your Company along with the Audited Financial Statements for the Financial Year ended March 31, 2018.

Financial Summary

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

(₹ in Lacs)

	2017-18	2016-17
Profit/(Loss) for the year after charging all expenses excluding financing charges and depreciation	(642)	(3,469)
Deduct : Financing Charges	5,509	4,904
Cash Profit/(Loss)	**(6,151)**	**(8,373)**
Deduct: Depreciation/Amortisation	1,212	1,272
Profit/(Loss) for the year before taxation	**(7,363)**	**(9,645)**
Tax Expenses Current Tax		
-MAT Credit Reversal	-	99
-Previous Year Tax Adjustment	5	(447)
-Deferred Tax (Benefit)/Charge	(357)	372
-Profit/(Loss) after tax from discontinuing operations	(396)	(1,759)
Profit/(Loss) after tax for the year	**(7,407)**	**(11,428)**
Other Comprehensive Income		
- Re-Measurement (Gains)/Losses on defined Benefit Plans	39	406
- Tax Impact on Re-Measurement (Gains)/Losses on defined Benefit Plans	(13)	(139)
Total Comprehensive Income for the period	(7,433)	(11,695)

State of Company's Affairs

During the year under review, the Gross Turnover (including income from Services & Other Sources) was ₹ 56,710 Lacs as compared to ₹ 84,758 Lacs during the previous year. The Company incurred a loss before taxation of ₹ 7,363 Lacs as compared to loss before taxation of ₹ 9,645 Lacs during the previous year.

To meet its fund requirements, to dilute its high interest rate loans and to provide working capital, the Company has entered upon an agreement subject to permission of authorities, to sell for development and thereafter disposal of part of leasehold land of its Glass unit which is non-operational since April, 2013 situated at Plot No. 17, Site No. 4, Sahibabad Industrial Area, Sahibabad, Ghaziabad. The Company is hopeful of receipt of formal approval shortly.

Transfer to General Reserve

In view of losses, no amount has been transferred to General Reserve.

Dividend

In view of the losses incurred by the Company during the year under review, the Board of Directors of your Company do not recommend any dividend.

Material Changes and Commitments, if any, Affecting the Financial Position of the Company

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

Change in the Nature of Business, if any

During the year under review, there was no change in the nature of business of the Company.

Share Capital

During the year under review, there was no change in the Authorised or Paid-up share capital of the Company.

Fixed Deposits

During the year under review, the Company has not accepted any deposits, falling within the ambit of Section 73 of the Companies Act, 2013 ("the Act") and the Companies (Acceptance of Deposits) Rules, 2014.

As on March 31, 2018, 118 persons whose Fixed Deposits/Loans with the Company amounting to ₹ 71.42 Lacs had become due for payment during the year, did not claim their Deposits/Loans. Out of these, Fixed Deposits/Loans of 06 persons amounting to ₹ 4.30 Lacs have since been paid.

During the year under review, there has been no default in repayment of deposits or interest thereon.

Subsidiary and Associate Companies

During the year under review, M/s. JIL Trading Private Limited, M/s. L. P. Investments Limited, M/s. Sea Bird Securities Private Limited and M/s. S. R. K. Investments Private Limited continued to be the subsidiary companies of the Company. Further, during the year under review, M/s. Yoofy Computech Private Limited (formerly known as JILI Hotels & Resorts Private Limited) has been incorporated as a subsidiary of the Company with effect from May 15, 2017.

During the year under review, M/s. Hyderabad Distilleries & Wineries Private Limited continued to be an Associate Company of the Company.

Consolidated Financial Statements

The Consolidated Financial Statements of your Company for the Financial Year 2017-18 are prepared in compliance with the applicable provisions of the Act, Indian Accounting Standards ("Ind ASs") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ((SEBI (LODR) Regulations) which shall be placed before the members in their forthcoming Annual General Meeting (AGM).

In accordance with Section 129(3) of the Act, a statement containing the salient features of the financial statement of subsidiary / associate / joint venture companies is provided as Annexure in Form AOC – 1 to the consolidated financial statements of the Company and therefore not repeated to avoid duplication.

Directors and Key Managerial Personnel

Appointments

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors in its meeting held on March 15, 2018 has approved the appointment of Mrs. Asha Saxena (DIN: 08079652) [subject to the approval of Members by an ordinary resolution] as an Additional Non-executive Independent Director of the Company to hold office for a period of up to 5 (Five) years and of Mrs. Sushma Sagar (DIN: 02582144) as an Additional Non-Executive Director with effect from March 15, 2018.

Accordingly, Mrs. Asha Saxena and Mrs. Sushma Sagar would hold office up to the date of the ensuing AGM. In terms of relevant provisions of the Act, Mrs. Asha Saxena, being eligible and offering herself for appointment, is proposed to be appointed as an Independent Director for a term of up to 5 (Five) years with effect from March 15, 2018 and Mrs. Sushma Sagar, being eligible and offering herself for appointment, is proposed to be appointed as a Non-Executive Director of the Company. Notice(s) proposing their candidatures under Section 160 of the Act, have been received from Member(s) of the Company.

Your Company has received necessary declarations from Mrs. Asha Saxena that she meets the criteria of independence as laid down under the Act read with Schedule IV and Rules made thereunder, as well as SEBI (LODR) Regulations including any amendment thereof. The Board considered the independence of Mrs. Asha Saxena in terms of above provisions and is of the view that she fulfills / meets the criteria of independence.

The Board is of the opinion that it would be in the interest of the Company to avail services of Mrs. Asha Saxena and Mrs. Sushma Sagar as Directors of the Company and accordingly, recommends their appointment.

Retirement by Rotation

In accordance with the provisions of Section 152 of the Act and in terms of the Articles of Association of the Company, Mrs. Anjali Varma (DIN: 01250881), Non-Executive Director is liable to retire by rotation at the ensuing AGM and being eligible, offers herself for re-appointment. Your Board recommends her re-appointment.

Resignation

During the year under review, Mr. Varun Kapoor and Ms. Roshini Sanah Jaiswal resigned from the Board with effect from December 14, 2017 and February 1, 2018, respectively. The Board places on record its sincere appreciation for the valuable services rendered by Mr. Varun Kapoor and Ms. Roshini Sanah Jaiswal during their tenure as Directors of the Company.

Key Managerial Personnel

During the year under review, Mr. Anil Girotra, Chief Financial Officer and Mr. K. K. Kohli, Company Secretary and Compliance Officer continued to be the Key Managerial Personnel of your Company in accordance with the provisions of Section 2(51) and Section 203 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Mr. Ravi Manchanda was designated as Managing Director of the Company with effect from April 28, 2017. He continues to be the Managing Director, thereafter.

Meetings of the Board and its Committees

The number of meetings of the Board and various Committees thereof are set out in the Corporate Governance Report which forms part of this report. The intervening gap between the meetings was within the period prescribed under the Act and SEBI (LODR) Regulations, as applicable.

Directors' Responsibility Statement

Pursuant to Section 134(3)(c) read with Section 134(5) of the Act, the Directors state that:

(a) in the preparation of Annual Accounts for the year ended March 31, 2018, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

(b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

(c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors have prepared the annual accounts of the Company on a going concern basis;

(e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Declaration by Independent Directors

Your Company has received necessary declarations from each Independent Director that he / she meets the criteria of independence as laid down under the Act read with Schedule IV and Rules made thereunder, as well as SEBI (LODR) Regulations including any amendment thereof. The Board considered the independence of each of the Independent Directors in terms of above provisions and is of the view that they fulfill / meet the criteria of independence.

Nomination and Remuneration Policy of Directors, Key Managerial Personnel and other Employees

In accordance with the provisions of Section 178(1) of the Act read with Rules made thereunder and SEBI (LODR) Regulations, based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company have approved a policy on nomination and remuneration of Directors, Key Managerial Personnel and other employees including criteria for determining qualifications, positive attributes, independence of a director and other matters provided u/s 178(4). The broad parameters covered under the Policy are:

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

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

The above Annexure is not being sent along with this Report to the members of the Company in line with the provisions of Section 136 of the Act. The aforesaid Annexure is available for inspection by Members at the Registered Office of the Company up to the date of the ensuing AGM during the business hours on working days, except Saturdays. Members who are interested in obtaining these particulars, may write to the Company Secretary at the Registered Office of the Company.

Annual Performance Evaluation

Pursuant to the provisions of Section 134(3) (p) of the Act and the rules made thereunder, the Board was required to carry out the Annual Performance Evaluation of the Board, its Committees and individual Directors. Additionally, as per provision of Regulation 17(10) of SEBI (LODR) Regulations and Schedule IV of the Act, the performance evaluation of the independent directors was also to be done by the Board of Directors. Accordingly, the Board has carried out the annual evaluation of the Directors individually including the Independent Directors (wherein the concerned director being evaluated did not participate), Board as a whole, and following Committees of the Board of Directors;

i) Audit Committee;

ii) Nomination and Remuneration Committee;

iii) Stakeholders' Relationship Committee; and

iv) Corporate Social Responsibility Committee.

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

It was acknowledged that every Director and the Committee of the Board contributed its best in the overall performance of the Company.

Extract of Annual Return

In accordance with the provisions of Section 92 of the Act read with the Companies (Management and Administration) Rules, 2014, the extract of Annual Return of the Company in Form MGT-9 forms part of this Report and is annexed herewith as **Annexure - 1** and the same is available in the website of the Company at www.jagatjit.com

Auditors and Auditors' Report

The Members of the Company vide their resolution passed at the 72nd (Seventy Second) AGM read with their resolution passed through postal ballot on November 10, 2017 appointed M/s. Madan & Associates, Chartered Accountants (Firm Registration Number 000185N) as the Statutory Auditors of the Company who shall hold office of Statutory Auditors until the conclusion of 76th (Seventy Sixth) AGM of the Company to be held for the financial year 2020-21 subject to ratification by members at every AGM. However, in accordance with the Companies Amendment Act, 2017, notified on May 7, 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditors is now not required to be ratified at every AGM. M/s. Madan & Associates have confirmed their independence and eligibility under the provisions of the Act & SEBI (LODR) Regulations.

The Statutory Auditors in their report for the financial year ended March 31, 2018 have made certain qualifications / remarks which forms part of this Report alongwith Board's explanations and comments and is annexed herewith as **Annexure - 2**.

Other observations of the Statutory Auditors in their Report on standalone and consolidated financial statements for the year ended March 31, 2018 are self-explanatory and therefore do not call for any further comments.

Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Act read with corresponding Rules framed thereunder, M/s. Pranav Kumar & Associates, Company Secretaries were appointed as the Secretarial Auditors of the Company to carry out the Secretarial Audit of secretarial and related records of the Company for the Financial Year ended March 31, 2018.

A Secretarial Audit Report submitted by the Secretarial Auditors in Form No. MR-3 forms part of this report and is annexed herewith as **Annexure - 3**.

Cost Audit

In terms of Section 148 of the Act and the Companies (Cost Records and Audit) Rules, 2014 and any amendment thereto, Cost Audit is not applicable to the Company.

Internal Financial Controls

The Company generally has in place adequate Internal Financial Controls with reference to financial statements. During the year, such controls were tested, and the Auditors reported that the Company generally has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were generally operating effectively as at March 31, 2018, except in respect of trade receivable reconciliation and provision for bad and doubtful debts where controls were found to be ineffective. The Board's response with respect to the trade receivable reconciliation and provision for bad and doubtful debts is mentioned in **Annexure – 2** to this report. Further, the Auditors have stated that in some areas the controls were effective but need to be strengthened. The Company is taking necessary steps to further strengthen the same. The report on the Internal Financial Control issued by M/s. Madan & Associates, Chartered Accountants, the Statutory Auditors of the Company in view of the provisions under the Act is annexed to the Audit Report on the Financial Statements of the Company.

Particulars of Loans, Guarantees or Investments

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

Related Party Transactions

All contract / arrangement / transactions entered into by the Company with Related Parties, as defined under the Act and SEBI (LODR) Regulations, during the Financial Year 2017-18 were at arm's length basis and in the ordinary course of business. As per the provisions of Section 188 of the Act, and Rules made thereunder read with Regulation 23 of SEBI (LODR) Regulations, your Company has obtained necessary approval of the Audit Committee before entering into such transactions and the same has been reviewed periodically.

Your Company has framed a Policy on Related Party Transactions in accordance with SEBI (LODR) Regulations and as per the amended provisions of the Act. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties. The policy is uploaded at the website of the Company at www.jagatjit.com

During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the aforesaid Policy of the Company on Related Party Transactions.

None of the transactions with any of the related parties were in conflict with the interest of the Company. Rather, they synchronised and synergised with the Company's operations. Attention of Members is drawn to the disclosure of transactions with the related parties set out in Note no. 39 of the Standalone Financial Statements, forming part of the Annual Report.

Since all the transactions which were entered into during the Financial Year 2017-18 were on an arm's length basis and were in the ordinary course of business and there was no material related party transaction entered by the Company during the Financial Year 2017-18 as per Related Party Transactions Policy, hence no details are required to be provided in Form AOC-2 prescribed under Clause (h) of Sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Corporate Social Responsibility [CSR]

The composition, role, functions and powers of the Corporate Social Responsibility (CSR) Committee of the Company are in accordance with the requirements of the Act. Presently, the CSR Committee comprises of Mrs. Kiran Kapur (Independent Director); Mrs. Anjali Varma (Non-Executive Director) and Mr. Ravi Manchanda (Managing Director) as Members.

The CSR Policy of the Company as approved by the CSR Committee is also available on the website of the Company at www.jagatjit.com.

During the year under review, the Company did not meet the requirement of Section 135(5) of the Act, therefore, no such activities were required to be undertaken by the Company.

Risk Management

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

The Board of Directors has adopted a formal Risk Management Policy for the Company and the same is available at the website of the Company at www.jagatjit.com. The Policy outlines the parameters of identification, assessment, monitoring and mitigation of various risks which are key to business objectives.

Remuneration of Directors, Key Managerial Personnel and Particulars of Employees

The information required to be disclosed in the Board's Report pursuant to Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2018 is given in a separate Annexure to this report.

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

Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 forms part of this report and is annexed herewith as **Annexure - 4**.

Corporate Governance

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

Parameters of Statutory compliances evidencing the standards expected from a listed entity have been duly observed and a Report on Corporate Governance as well as the Certificate from a firm of Practicing Company Secretaries confirming compliance with the requirements of Regulation 34 read with Schedule-V of the SEBI (LODR) Regulations forms part of this report and is annexed herewith as **Annexure - 5 and 6** respectively.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report as stipulated under Regulation 34 read with Schedule-V of the SEBI (LODR) Regulations is presented in separate section forming part of the Annual Report.

Listing of Shares of the Company

The shares of your Company are listed on the BSE Limited. The Listing fees for the Financial Year 2018-19 has been paid to the BSE Limited.

Research And Development (R&D)

The Company takes regular steps for R&D in the manufacturing process and optimum utilisation of its resources.

No capital investment was made for R&D during the year under review.

Cautionary Statement

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward looking within the meaning of applicable security laws and Regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government Regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transaction on these items during the year under review:

- Issue of equity shares with differential voting rights as to dividend, voting or otherwise.
- The Managing Director of the Company does not receive any remuneration or commission from any of its subsidiaries.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- Sweat Equity Shares.
- No cases were filed pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- Further, the Board of Directors also confirm that the Company is in the regular compliance of applicable provisions of Secretarial Standards issued by the Institute of Company Secretaries of India.

Acknowledgement

The Directors wish to place on record their appreciation for the sincere services rendered by employees of the Company at all levels. Your Directors also wish to place on record their appreciation for the valuable co-operation and support received from the Government of India, State Governments, the Banks / Financial Institutions and other stakeholders such as, shareholders, customers and suppliers, among others. The Directors also commend the continuing commitment and dedication of the employees at all levels, which has been critical for the Company's success. The Directors look forward to their continued support in future.

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

Ravi Manchanda	**Kiran Kapur**
Managing Director	Director
(DIN: 00152760)	(DIN: 02491308)

September 20, 2018
New Delhi

Annexure - 1

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on March 31, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details

i)	CIN:	L15520PB1944PLC001970
ii)	Registration Date:	August 09, 1944
iii)	Name of the Company:	**Jagatjit Industries Limited**
iv)	Category / Sub Category of the Company:	Public Company / Limited by shares
v)	Address of the Registered Office and Contact details:	Jagatjit Nagar, Dist. Kapurthala, Punjab - 144 802, Tel. (0181) 2783112 Fax: (0181) 2783118
vi)	Whether listed company Yes / No:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any:	Shares registry work is done in-house.

II. Principal Business Activities of the Company

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Alcoholic Beverages	1101	71.88

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
1	JIL Trading Private Limited 4th Floor, Bhandari House, 91, Nehru Place, New Delhi - 110 019	U51109DL2010PTC207648	Subsidiary	100.00%	2(87)
2	L. P. Investments Limited Jagatjit Nagar, Dist. Kapurthala, Punjab - 144 802	U65921PB1974PLC003526	Subsidiary	98.26%	2(87)
3	Sea Bird Securities Private Limited Jagatjit Nagar, Dist. Kapurthala, Punjab - 144 802	U65993PB2006PTC030689	Subsidiary	80.00%	2(87)
4	S. R. K. Investments Private Limited 5th Floor, Bhandari House, 91, Nehru Place, New Delhi - 110 019	U65999DL2009PTC191718	Subsidiary	100.00%	2(87)
5	Yoofy Computech Private Limited (Formerly Known as JILI Hotels & Resorts Private Limited) 4th Floor, Bhandari House, 91, Nehru Place, New Delhi - 110 019	U74110DL2017PTC317426	Subsidiary	99.99%	2(87)
6	Hyderabad Distilleries & Wineries Private Limited 4th Floor, Bhandari House, 91, Nehru Place, New Delhi - 110 019	U15511DL1969PTC260186	Associate	32.88%	2(6)

IV. Share Holding Pattern

(Equity Share Capital Breakup as percentage of Total Equity)

i Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	6,06,696	100	6,06,796	1.31	6,06,696	100	6,06,796	1.31	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	1,15,34,769	25,00,000	1,40,34,769	30.41	1,15,34,769	25,00,000	1,40,34,769	30.41	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub - total (A) (1):	**1,21,41,465**	**25,00,100**	**1,46,41,565**	**31.72**	**1,21,41,465**	**25,00,100**	**1,46,41,565**	**31.72**	**-**
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	10,03,800	10,03,800	2.18	-	10,03,800	10,03,800	2.18	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub - total (A) (2):	**-**	**10,03,800**	**10,03,800**	**2.18**	**-**	**10,03,800**	**10,03,800**	**2.18**	**-**
Total shareholding of Promoter (A) = (A) (1) + (A) (2)	**1,21,41,465**	**35,03,900**	**1,56,45,365**	**33.90**	**1,21,41,465**	**35,03,900**	**1,56,45,365**	**33.90**	**-**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	400	700	1,100	-	400	700	1,100	-	-
b) Banks / FI	1,272	900	2,172	-	1,272	900	2,172	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	200	200	-	-	200	200	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	**1,672**	**1,800**	**3,472**	**0.01**	**1,672**	**1,800**	**3,472**	**0.01**	**-**
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	14,92,591	3,777	14,96,368	3.24	15,66,586	3,777	15,70,363	3.40	0.16
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	13,16,204	4,95,376	18,11,580	3.92	11,44,997	4,85,796	16,30,793	3.53	(0.36)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	15,37,461	2,22,610	17,60,071	3.81	16,48,256	2,22,610	18,70,866	4.05	0.22
c) Others (NRIs)	88,407	1,32,849	2,21,256	0.48	84,404	1,32,849	2,17,253	0.47	(0.01)
Sub-total (B)(2):	**44,34,663**	**8,54,612**	**52,89,275**	**11.46**	**44,44,243**	**8,45,032**	**52,89,275**	**11.46**	**-**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**44,36,335**	**8,56,412**	**52,92,747**	**11.47**	**44,45,915**	**8,46,832**	**52,92,747**	**11.47**	-
C. Shares held by Custodian for GDRs & ADRs	-	2,52,10,000	2,52,10,000	54.63	-	2,52,10,000	2,52,10,000	54.63	-
Grand Total (A+B+C)	**1,65,77,800**	**2,95,70,312**	**4,61,48,112**	**100.00**	**1,65,87,380**	**2,95,60,732**	**4,61,48,112**	**100.00**	**-**

ii Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	LPJ Holdings (P) Ltd.	74,18,648	16.08	-	74,18,648	16.08	-	-
2	LPJ Holdings (P) Ltd. (Special Series Shares)	25,00,000	5.42	-	25,00,000	5.42	-	-
3	Mr. Karamjit S. Jaiswal	5,31,780	1.15	-	5,31,780	1.15	-	-
4	Mr. Karamjit S. Jaiswal jointly with Mr. L.P. Jaiswal	100	0.00	-	100	0.00	-	-
5	K. S. J. Finance & Holdings (P) Ltd.	11,92,256	2.58	-	11,92,256	2.58	-	-
6	R. J. Shareholdings (P) Ltd.	5,76,000	1.25	-	5,76,000	1.25	-	-
7	S J Finance and Holdings (P) Ltd.	11,30,304	2.45	-	11,30,304	2.45	-	-
8	Quick Return Investment Company Ltd.	1,14,904	0.25	-	1,14,904	0.25	-	-
9	Double Durable Investments Ltd.	1,11,657	0.24	-	1,11,657	0.24	-	-
10	Fast Buck Investments & Trading (P) Ltd.	9,88,900	2.14	-	9,88,900	2.14	-	-
11	Snowhite Holdings (P) Ltd.	2,100	0.00	-	2,100	0.00	-	-
12	Mrs. Surjit Jaiswal	74,816	0.16	-	74,816	0.16	-	-
13	Mrs. Shakun Jaiswal	100	0.00	-	100	0.00	-	-
14	Orissa Holdings Ltd. (OCB)	10,03,800	2.18	-	10,03,800	2.18	-	-
	Total	**1,56,45,365**	**33.90**	**-**	**1,56,45,365**	**33.90**	-	-

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	1,56,45,365	33.90	1,56,45,365	33.90
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the end of the year	1,56,45,365	33.90	1,56,45,365	33.90

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

Particulars		Shareholding at the beginning of the year		Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)		At the end of the year (or on the date of separation, if separated during the year)	Cumulative Shareholding during the year	
Sl. No.	Name	No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Deepak Choudhry	5,69,404	1.23	09.03.2018	8,852		5,78,256	1.25
				16.03.2018	2,000		5,80,256	1.26
				31.03.2018	1,817	5,82,073	5,82,073	1.26
2	Oliver Investments (P) Ltd.	4,57,628	0.99	-	-	4,57,628	4,57,628	0.99
3	Dipender Bhardwaj Educare (P) Ltd.	4,21,537	0.91	-	-	4,21,537	4,21,537	0.91
4	Alaska Holdings (P) Ltd.	3,92,128	0.85	-	-	3,92,128	3,92,128	0.85
5	Surender Kumar Gupta	2,60,671	0.56	05.05.2017	2,000		2,62,671	0.57
				02.06.2017	4,867		2,67,538	0.58
				09.06.2017	100		2,67,638	0.58
				16.06.2017	400		2,68,038	0.58
				11.08.2017	2,000		2,70,038	0.59
				25.08.2017	1,120		2,71,158	0.59
				03.11.2017	(570)		2,70,588	0.59
				10.11.2017	(406)		2,70,182	0.59
				17.11.2017	(4,149)		2,66,033	0.58
				24.11.2017	(2,362)		2,63,671	0.57
				01.12.2017	(1,000)		2,62,671	0.57
				08.12.2017	(2,000)		2,60,671	0.56
				15.12.2017	(300)		2,60,371	0.56
				29.12.2017	(200)		2,60,171	0.56
				05.01.2018	(200)		2,59,971	0.56
				12.01.2018	729		2,60,700	0.56
				19.01.2018	(1,000)		2,59,700	0.56
				16.02.2018	300		2,60,000	0.56
				02.03.2018	1,675		2,61,675	0.57
				09.03.2018	(11,024)		2,50,651	0.54
				16.03.2018	(3,407)		2,47,244	0.54
				23.03.2018	(872)		2,46,372	0.53
				30.03.2018	1,826	2,48,198	2,48,198	0.54
6	R N Rubesh	2,17,135	0.47	-	-	2,17,135	2,17,135	0.47
7	Vibgyor Investors and Developers (P) Ltd.	-	-	12.01.2018	43,305		43,305	0.09
				19.01.2018	22,093		65,398	0.14
				26.01.2018	16,370		81,768	0.18
				02.02.2018	6,196		87,964	0.19
				31.03.2018	12,036	1,00,000	1,00,000	0.22
8	Harshvardhan Mansukhlal Vora	99,904	0.22	12.01.2018	(100)		99,804	0.22
				30.03.2018	(500)	99,304	99,304	0.22
9	Kailash Kumari Aggarwal	50,000	0.11	08.12.2017	8,818		58,818	0.13
				15.12.2017	24,834		83,652	0.18
				22.12.2017	9,295		92,947	0.20
				29.12.2017	10,795		1,03,742	0.22
				05.01.2018	1,140		1,04,882	0.23
				12.01.2018	28,124	1,33,006	1,33,006	0.29
10	Shiv Lal Verma	81,632	0.18	-	-	81,632	81,632	0.18

Notes: 1. Shareholding of members under multiple folios have been clubbed, wherever information is available.

2. The reason of all increase / decrease in the shareholding of the shareholders is due to the transfer (+/-) of the shares.

v Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Director / KMP	Shareholding at the beginning of the year: No. of shares	Shareholding at the beginning of the year: % of total shares of the Company	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	At the end of the year	Cumulative Shareholding during the year: No. of shares	Cumulative Shareholding during the year: % of total shares of the Company
1	Mrs. Kiran Kapur	Director	100	0.00	-	100	100	-
2	Mrs. Anjali Varma	Director	100	0.00	-	100	100	-
3	Ms. Sonya Jaiswal	Director	3,586	0.01	-	3,586	3,586	0.01
4	Mr. Ravi Manchanda	MD	100	0.00	-	100	100	-
5	*Mrs. Asha Saxena	Director	NA	NA	-	-	-	-
6	*Mrs. Sushma Sagar	Director	NA	NA	-	1,300	1,300	-
7	Mr. Anil Girotra	CFO	140	0.00	-	140	140	-
8	Mr. K. K. Kohli	CS	140	0.00	-	140	140	-

*Mrs. Asha Saxena and Sushma Sagar were appointed as a Director of the Company w.e.f. March 15, 2018

V Indebtedness

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

(Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,68,01,02,992	1,10,00,00,000	7,33,08,000	2,85,34,10,992
ii) Interest due but not paid	82,89,670	13,17,47,248	21,29,267	14,21,66,185
iii) Interest accrued but not due	1,26,53,601	2,40,278	81,50,000	2,10,43,879
Total (i+ii+iii)	**1,70,10,46,263**	**1,23,19,87,526**	**8,35,87,267**	**3,01,66,21,056**
Change in Indebtedness during the financial year				
* Addition	2,65,85,00,000	-	-	2,65,85,00,000
* Reduction	1,08,88,04,957	1,23,19,87,526	4,07,27,155	2,36,15,19,638
Net Change	**1,56,96,95,043**	**(1,23,19,87,526)**	**(4,07,27,155)**	**29,69,80,362**
Indebtedness at the end of the financial year				
i) Principal Amount	3,23,04,83,889	-	3,70,75,000	3,26,75,58,889
ii) Interest due but not paid	88,32,592	-	16,57,829	1,04,90,421
iii) Interest accrued but not due	3,14,24,824	-	41,27,283	3,55,52,107
Total (i+ii+iii)	**3,27,07,41,305**	**-**	**4,28,60,112**	**3,31,36,01,417**

VI Remuneration of Directors and Key Managerial Personnel

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total
		Ms. Roshini Sanah Jaiswal (WTD)*	Mr. Ravi Manchanda (MD)**	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	82,84,932	27,46,200	1,10,31,132
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	18,23,028	11,38,243	29,61,271
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
5	Others, please specify	-	-	-
	Total (A)	**1,01,07,960**	**38,84,443**	**1,39,92,403**
	Ceiling as per the Act	As per Part II of Schedule V of the Companies Act, 2013.		

*Ms. Roshini Sanah Jaiswal was appointed on the Board effective April 28, 2017 and resigned from the Board effective February 01, 2018

**designated as Managing Director of the Company effective April 28, 2017

B Remuneration to other directors (sitting fee)

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors						Total
		Mr. Varun Kapoor	Mrs. Kiran Kapur	Mrs. Anjali Varma	Ms. Sonya Jaiswal	Mrs. Sushma Sagar	Mrs. Asha Saxena	
1	Independent Directors							
	Fee for attending Board / Committee meetings	-	4,20,000		4,00,000		-	8,20,000
	Commission							-
	Others, please specify							-
	Total (1)	-	4,20,000		4,00,000		-	8,20,000
2	Other Non-Executive Directors							
	Fee for attending Board / Committee meetings			2,60,000		-		2,60,000
	Commission							-
	Others, please specify							-
	Total (2)		-	2,60,000		-		2,60,000
	Total (B)=(1+2)	**-**	**4,20,000**	**2,60,000**	**4,00,000**	**-**	**-**	**10,80,000**
	Total Managerial Remuneration**							
	Overall Ceiling as per the Act	₹ 1 Lakh for each Director as sitting fee for attending each meeting of the Board or its Committee.						

**Total Managerial Remuneration to MD/WTD (being the total of A).

C Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Anil Girotra, Chief Financial Officer	Mr. K.K. Kohli, Company Secretary	Total
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	74,40,000	8,54,963	82,94,963
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	71,69,862	15,25,341	86,95,203
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
5	Others, please specify	-	-	-
	Total	**1,46,09,862**	**23,80,304**	**1,69,90,166**

VII Penalties / Punishment/ Compounding of Offences

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

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

Ravi Manchanda
Managing Director
(DIN: 00152760)

Kiran Kapur
Director
(DIN: 02491308)

September 20, 2018
New Delhi

Annexure - 2

The remarks made by the Statutory Auditors in their Independent Audit Report are as follows

Point No. 1

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

During the financial year ended March 31, 2018 confirmatory letters had been sent to the sundry creditors, suppliers and Trade Receivables requesting them to confirm and reconcile the account balances as on March 31, 2018. A significant number of parties have not yet confirmed/reconciled the balances as on the date of signing of the financial statements. Company has a policy of providing for (a) all debts outstanding beyond 3 years or (b) where recovery is considered doubtful irrespective of the fact that legal action has been initiated or not. However non - moving debts outstanding beyond 1 year are to the extent of ₹ 750 Lacs for which confirmations and reconciliations are not available and have not been provided for. The system of obtaining confirmations and reconciliation need to be strengthened.

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

The Company is in the process of reconciliations of its accounts with trade receivables / payables and other advances in the ordinary course of business. Any differences which result out of reconciliations are resolved / adjusted in the accounts. The Company always takes necessary steps for speedy recovery of the receivables outstandings. The Management is of the view that the Trade receivables /payables and other Advances as shown in the Statement of Accounts are debts considered good and recoverable in due course of time.

Point No. 2

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

The Company's Management, based on internal assessments and evaluations, have represented that the balance outstanding advances are recoverable and that no accrual for diminution of advances is necessary as at balance sheet date. The Company has received confirmation from the aforementioned subsidiary on March 31, 2018.

The Company has not created a provision against this advance in its books of accounts. In our opinion, there is significant uncertainty and doubt about the recovery of this advance from the subsidiary, as considerable period of time has elapsed from grant of advance and therefore, a provision for doubtful advance should have been accounted for in the financial statements for the year ended March 31, 2018.

Consequently, the loss for the year ended March 31, 2018 is understated and reserves and surplus (other equity) as at March 31, 2018 are overstated to the extent of ₹ 3,727 Lacs. It may be noted that modified opinion was given in respect of the above two matters by the previous Auditors on the financial statements for the period ended March 31, 2017. We have also given modified opinion vide report (dated May 30, 2018) in pursuance of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

During the Financial Year 2010-11, the Company advanced an amount of ₹ 2,977 lacs to its wholly owned subsidiary company M/s S.R.K. Investments Private Limited (SRK) for purchase of an apartment in Mumbai. SRK has advanced the amount to the builder towards part payment of the purchase of the apartment. As per the agreement the possession was to be handed over by September 2012.

The Company is informed by SRK that SRK alongwith the other purchasers of apartments in the building have initiated legal action against the builder in the Hon'ble Bombay High Court in respect of the apartments agreed to be sold and to obtain an order from the Court for permission to construct the apartments at their own cost or alternatively for refund of the amount paid to the builder.

Management is of the view that constructed apartment or money outstanding is recoverable, and no provision is required to be made in the accounts of the Company for the year 2017-18.

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

Ravi Manchanda	**Kiran Kapur**
Managing Director	Director
(DIN: 00152760)	(DIN: 02491308)

September 20, 2018
New Delhi

Annexure - 3

FORM NO. MR - 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

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

To,

The Members**,**
Jagatjit Industries Limited,
Jagatjit Nagar, District Kapurthala,
Punjab - 144 802

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Jagatjit Industries Limited** (hereinafter called "the Company") for the audit period covering the financial year ended on March 31, 2018 ("Audit Period"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period under consideration complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018, according to the provisions of:

(i) The Companies Act, 2013 (the 'Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings**;**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable to the Company during the Audit Period**);

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the Audit Period)**;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period)**;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**;

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period)**; and

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(j) We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof the Company has complied with the laws applicable specifically to the Company.

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

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

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

During the audit period, there were no major events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

For **Pranav Kumar & Associates**
Company Secretaries

Arpita Saxena
Partner
ACS : 23822; CP No.: 11962

June 22, 2018
Ghaziabad

Annexure - 4

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

The information under section 134(3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2018 is given below and forms part of the Board's Report.

A. Conservation of Energy

i. Stepping towards Company's commitment for energy conservation, various steps have been taken in this regard by adopting latest technology, up-gradation of existing systems and by system modifications. The highlights of these steps are as under:

- Implementation of various recommendations made during the detailed steam and power energy audit of Hamira unit by M/s. Inventum Power Private Limited, Delhi to optimize the use of available energy resources.
- Reduction in power consumption by installing Variable Frequency Drives (VFD) for PA Fan No-2 of Boiler No-5, Air handling unit MMF Plant No-3, Hanger conveyor MMF No-1, Chain Conveyor of MMF plant No-3.
- Waste heat recovery at Ejectors of MMF Plant No-2 & 3 by installing heat exchanger.
- Replacement of steam traps in steam distribution networks to prevent excess bleeding of steam and to improve collection of steam condensate.
- Replacement of old inefficient motors with new energy efficient motors of class IE-3 in MMF Plants.
- Replacement of old inefficient slip ring motors with new squirrel cage induction motors at Mex Plant & Drier plant.
- Use of LED lights for street lighting and in guest houses.
- Replacement of old conventional fluorescent/GLS lights with LED fittings at residential colony.
- Replacement of 40 W fluorescent tube lights with 18 W LED battens.

ii. In line with Company's efforts towards utilising alternative source of energy, the Company enhanced its self-generation from Biomass (Rice husk, wooden chips etc.) to reduce load on state power utility which is generating power from fossil fuels (Coal).

iii. The Capital investment on energy conservation equipment is ₹ 50 Lacs.

B. Technology Absorption

i. The Efforts made by the Company towards technology absorption, during the year are as under :

- Installation of Auto Labeling Machine in CL Bottling thereby replacing the manual labeling leading to manpower saving and quality improvement.
- Installation of online printers in CL Bottling for manpower saving and quality improvement.
- Installation of Auto Carton Sealing machines thereby ensuring better productivity and quality in CL Bottling.
- Installation of Fully Automatic 120BPM bottling line for 375ml bottles for productivity and quality improvement in CL Bottling.
- Installation of online monitoring system for conductivity of returned condensate from plants to ensure the quality of condensate before utilising it in boilers (2nd phase).
- Installation of door limit switches to control the switching of air curtains.
- Implemented latest LED trend in lighting used 100 % LED lights for Mex plants.
- Up-gradation of steam monitoring system by incorporating all steam flows at DCS along with historical graphs (2nd phase).
- Installation of IR sensors to detect the temperature of product trays to ensure that only recommended temperature trays can enter in scraping sets. This improves the product quality of finished goods.
- Control of temperature and vacuum in evaporators of all MMF plants to ensure proper heating of product under appropriate vacuum conditions.
- Heavy and high rating old ceiling fans replaced with light weight and low rating ceiling fans for saving energy.
- Oven Automation with new light indication system installed for controlling process time and improve product quality (2nd phase).
- Latest load cell weighing system installed for Mex lot tank for accurate measurement in place of old level gauge system.

- Automatic control system for controlling temperature and humidly installed at MMF Plant No-3 Air Handling Unit to save air conditioning and electrical load.
- New level control system installed for 7 MW Turbine condensate tank to save electrical energy and to improve condensate recovery.

ii In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - NA

iii. The expenditure incurred on research and development.
The Company takes regular steps for R&D in the manufacturing process and optimum utilisation of its resources.

No capital investment was made for R&D during the year under review.

C. Foreign Exchange Earning and Outgo

(₹ in Lacs)

S. No.	Particulars	As at March 31, 2018	As at March 31, 2017
1	Earnings in Foreign Currency	488	644
2	Expenditure in Foreign Currency	1,102	2,157

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

Ravi Manchanda
Managing Director
(DIN: 00152760)

Kiran Kapur
Director
(DIN: 02491308)

September 20, 2018
New Delhi

Annexure - 5

CORPORATE GOVERNANCE REPORT

In accordance with Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations"], the report containing the details of Corporate Governance of Jagatjit Industries Limited ("the Company" / "JIL") are as follows:

1. Company's Philosophy on Corporate Governance

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

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

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

2. Board of Directors

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

The Board as on March 31, 2018 comprises of six Directors consisting of one executive and five non-executive Directors including three independent directors.

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

All the Independent Directors have declared that they meet the criteria of 'Independence' mentioned under Regulation 16 (b) of SEBI (LODR) Regulations and Section 149 of the Companies Act, 2013 ("Act") including any amendment thereof.

The Details of Board of Directors (composition and category), attendance of each director at the meeting of the Board held during the Financial Year 2017-18 and at the last Annual General Meeting (AGM); and also their other Directorships and Committee Memberships / Chairpersonship are given below:

Name of the Director	Category	No. of Board Meetings held during the tenure	No. of Board Meetings attended	No. of other Directorships held as on March 31, 2018	Committee Membership / Chairmanship in other Companies as on March 31, 2018	Attendance in Last AGM
*Mr. Ravi Manchanda	Executive	11	9	7	-	No
**Ms. Roshini Sanah Jaiswal	Executive	8	7	NA	NA	No
***Mr. Varun Kapoor	Non-Executive Independent	3	-	NA	NA	No
Mrs. Kiran Kapur	Non-Executive Independent	11	11	-	-	Yes
Mrs. Anjali Varma	Non-Executive Non-Independent	11	11	2	-	No
Ms. Sonya Jaiswal	Non-Executive Independent	11	10	1	-	No

Name of the Director	Category	No. of Board Meetings held during the tenure	No. of Board Meetings attended	No. of other Directorships held as on March 31, 2018	Committee Membership / Chairmanship in other Companies as on March 31, 2018	Attendance in Last AGM
****Mrs. Sushma Sagar	Non-Executive Non-Independent	-	-	-	-	NA
****Mrs. Asha Saxena	Non-Executive Independent	-	-	-	-	NA

*designated as Managing Director of the Company effective April 28, 2017

**appointed on the Board effective April 28, 2017 and resigned from the Board effective February 1, 2018

***appointed on the Board effective August 1, 2017 and resigned from the Board effective December 14, 2017

****appointed on the Board effective March 15, 2018

Board Meetings

The Board of Directors held eleven Board Meetings during the period under review i.e. on April 28, 2017; May 5, 2017; May 30, 2017; August 1, 2017; August 28, 2017; September 14, 2017; September 29, 2017; December 14, 2017; January 16, 2018; February 14, 2018 and March 15, 2018.

Inter-se Relationship Among Directors

None of the Directors has any relation inter-se.

Details of Shareholding of Non-Executive Directors

Sr. No.	Name of Director	No. of Equity shares held as on March 31, 2018
1.	Mrs. Kiran Kapur	100
2.	Mrs. Anjali Varma	100
3.	Ms. Sonya Jaiswal	3,586
4.	Mrs. Asha Saxena	Nil
5.	Mrs. Sushma Sagar	1,300

Directors' Induction and Familiarisation

The provision of an appropriate induction programme for new Directors and ongoing training for existing Directors is a major contributor to the maintenance of high Corporate Governance standards of the Company. The Managing Director and the Company Secretary are jointly responsible for ensuring such induction and such training programmes are provided to the Directors on need basis. The management provides such information and training either at the meeting of Board of Directors or otherwise. The details of such familiarisation programmes for Independent Directors are posted on the website and can be accessed from below link: http://jagatjit.com/pdf/Familaristion%20Programme.pdf

Selection of Independent Directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field / profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as Independent Directors on the Board. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of directorships and memberships held in various committees of other companies by such persons in accordance with the Company's Policy for selection of Directors and determining Directors' independence. The Board considers the Committee's recommendation and takes appropriate decision. Every Independent Director, at the first meeting of the Board in which he / she participates as a Director and thereafter at the first meeting of the Board in every Financial Year, gives a declaration that he / she meets the criteria of independence as provided under law.

Your Company has also issued formal appointment letters to all the Independent Directors in the manner provided under the Act. Terms and Conditions for appointment of Independent Directors are available on the website of the Company and can be accessed through the following link:
http://jagatjit.com/pdf/Terms%20and%20conditions%20of%20the%20appointment%20of%20Independent%20Directors.pdf

Maximum Tenure of Independent Directors

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

Brief Profile of Directors being appointed at the ensuing Annual General Meeting (AGM)

Brief profile of Directors being appointed at the ensuing AGM forms part of the Notice calling the 73rd (Seventy Third) AGM and the same are not being repeated for the sake of brevity.

Board Evaluation

The process of Board Evaluation has been mentioned in the Board's Report.

Internal Audits and Compliance management

At the recommendations of the Audit Committee, the Board in its meeting held on December 14, 2017 has appointed M/s. Lalit Kumar & Co., Chartered Accountants as Internal Auditors of the Company for a period of 3 (Three) years, who Audit and review the internal controls and operating systems and procedures of the Company. The report on findings of Internal Auditors is submitted to the Audit Committee periodically.

Separate Meeting of the Independent Directors

In terms of the provisions of Schedule IV of the Act read with regulation 25 of SEBI (LODR) Regulations, the Independent Directors are required to meet at least once in a year without the presence of Executive Directors and Management representatives.

During the Financial Year 2017-18 the Independent Directors met on December 4, 2017 and *inter alia* discussed:

- The performance of non-Independent Directors and the Board as a whole
- The quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

  In addition to formal meetings, interactions outside the Board Meetings also take place between the Managing Director and Independent Directors.

3. Audit Committee

As on March 31, 2018 the Audit Committee comprised of Mrs. Kiran Kapur, Mr. Ravi Manchanda and Ms. Sonya Jaiswal. Mrs. Kiran Kapur is the Chairperson of the Audit Committee.

After the close of the Financial Year 2017-18, the Audit Committee was re-constituted with effect from August 01, 2018. Now the Committee comprises of Mrs. Kiran Kapur as Chairperson, Mr. Ravi Manchanda, Ms. Soniya Jaiswal and Mrs. Asha Saxena as Members of the Committee.

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

During the year under review the Audit Committee held seven meetings i.e on April 28, 2017; May 30, 2017; August 1, 2017; August 28, 2017; September 14, 2017; December 14, 2017 and February 14, 2018.

Attendance record of Audit Committee members

Sr. No.	Name of Members	No. of meetings held during the Financial Year 2017-18	Meetings attended
1	Mrs. Kiran Kapur	7	7
2	Mr. Ravi Manchanda	7	7
3	Ms. Sonya Jaiswal	7	7

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of Mrs. Kiran Kapur, Mrs. Anjali Varma and Ms. Sonya Jaiswal. Mrs. Kiran Kapur is the Chairperson of the Nomination and Remuneration Committee.

The functions and terms of reference of the Committee are as prescribed under Section 178 of the Act and Regulation 19 of the SEBI (LODR) Regulations. The Committee identifies the persons, who are qualified to become Directors of the Company / who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall also specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and reviews its implementation and compliance. The Committee also formulates the criteria for determining qualifications, positive attributes, independence of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

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

During the year under review, the Nomination and Remuneration Committee held two meetings i.e. on April 28, 2017 and March 5, 2018.

Attendance record of Nomination and Remuneration Committee members

Sr. No.	Name of Members	No. of meetings held during the Financial Year 2017-18	Meetings attended
1	Mrs. Kiran Kapur	2	2
2	Mrs. Anjali Varma	2	2
3	Ms. Sonya Jaiswal	2	2

Performance evaluation criteria for Independent Directors

The Nomination and Remuneration Policy of the Company lays down the criteria for Directors' / Key Managerial Personnel's appointment and remuneration including criteria for determining qualification, positive attributes, independence of Directors, criteria for performance evaluation of Executive and Non-Executive Directors (including Independent Directors) and other matters as prescribed under the provisions of the Act and the SEBI (LODR) Regulations as well as the performance evaluation criteria for Independent Directors is determined by the Nomination and Remuneration Committee. An indicative list of factors that may be evaluated include participation and contribution by a Director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgment.

5. Remuneration of Directors

Payment to Non-Executive Directors including all pecuniary relationship or transactions of Non-Executive Directors

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

Sl. No.	Name of the Directors	Total Sitting Fees Paid (₹)
1.	Mrs. Kiran Kapur	4,20,000
2.	Mrs. Anjali Varma	2,60,000
3.	Ms. Sonya Jaiswal	4,00,000
4.	Mrs. Asha Saxena	Nil
5.	Mrs. Sushma Sagar	Nil

There has been no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company during the year except the sitting fees paid to them as detailed above.

Payment to Executive Directors

During the period under review, Ms. Roshini Sanah Jaiswal and Mr. Ravi Manchanda, Directors were paid remuneration as under:

Sr. No.	Name of the Directors	Salary (₹)	*Perquisites & others (₹)	Total (₹)
1	Ms. Roshini Sanah Jaiswal**	82,84,932	18,23,028	**1,01,07,960**
2	Mr. Ravi Manchanda	27,46,200	11,38,243	**38,84,443**

*include contribution to Funds and other allowances

**appointed on the Board effective April 28, 2017 and resigned from the Board effective February 1, 2018

Service contract, severance fee and notice period of the Executive Director

The appointment of the Managing Director is governed by Resolution passed by the Shareholders of the Company, which cover the terms and conditions of such appointment, read with the service rules of the Company. No separate Service Contract is entered into by the Company with its Managing Director. No notice period or severance fee is payable to any Director.

6. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee comprises of Mrs. Kiran Kapur, Mr. Ravi Manchanda and Ms. Sonya Jaiswal. Mrs. Kiran Kapur, Independent Director is the Chairperson of the Stakeholders' Relationship Committee. Mr. K. K. Kohli, Company Secretary is the Compliance Officer.

The functioning and terms of reference of the Committee are as prescribed under Section 178 of the Act and Regulation 20 of the SEBI (LODR) Regulations. The Committee focuses primarily on monitoring expeditious redressal of investors' / stakeholders' grievances and also functions in an efficient manner that all issues / concerns of the stakeholders are addressed / resolved promptly.

The Company has not received any complaint from shareholders during the Financial Year ended March 31, 2018.

No transfer was pending on March 31, 2018 for more than 15 days of its receipt.

During the year under review the Stakeholders' Relationship Committee held one meeting on February 14, 2018.

Attendance Record of Stakeholders' Relationship Committee members

Sr. No.	Name of Members	No. of meetings held during the Financial Year 2017-18	Meetings attended
1.	Mrs. Kiran Kapur	1	1
2.	Mr. Ravi Manchanda	1	1
3.	Ms. Sonya Jaiswal	1	1

Prohibition of Insider Trading

With a view to regulate trading in securities by the Directors and designated employees on the basis of Unpublished Price Sensitive Information available to them by virtue of their position in the Company, the Company has adopted a Code of Conduct for Prohibition of Insider Trading as per SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company has also adopted a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information for adhering to the principles of Fair Disclosure as per the SEBI (Prohibition of

Insider Trading) Regulations, 2015, which is available at the website of the Company at http://jagatjit.com/pdf/Code%20for%20fair%20disclosure%20under%20SEBI%20(Insider%20Trading).pdf

7. General Body Meetings

The last three AGMs of the Company were held at the Registered Office of the Company at Jagatjit Nagar, Dist. Kapurthala - 144 802, Punjab at the following dates and times, wherein the following special resolutions were passed:

Sr. No.	Year	Date	Day	Time	Brief Description of Special Resolutions passed
1.	2015	November 27, 2015	Friday	09.30 a.m.	– re-appointment of Mr. Narender Sapra as Managing Director of the Company for a period of three years and payment of remuneration – payment of remuneration to Ms. Roshini Sanah Jaiswal, as Director, during the period from August 14, 2014 to September 30, 2014 – revision of remuneration to Mr. Ravi Manchanda, Whole-time Director of the Company – replacement of existing Articles of Association (AoA) with a new set of AoA – approval to mortgage or create charge on the properties of the Company for an amount not exceeding ₹ 500 Crore – approval to borrow monies for an amount not exceeding ₹ 500 Crore
2.	2016	November 30, 2016	Wednesday	09.30 a.m.	– further issue and allotment of shares
3.	2017	September 27, 2017	Wednesday	09.30 a.m.	– appointment and payment of remuneration to Ms. Roshini Sanah Jaiswal as Director of the Company – appointment and payment of remuneration to Mr. Ravi Manchanda as Managing Director of the Company

Extraordinary General Meeting(s)

Apart from the AGM, no other General Meetings were held during the Financial Year 2017-18.

Postal Ballot

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

(i) During the Financial Year 2017-18, the Company through Postal Ballot on November 10, 2017 has sought the approval of members on resolutions mentioned below. Mr. Subhash Saini of M/s. S. Saini & Co., Company Secretaries in practice was appointed as Scrutinizer for conducting Postal Ballot in a fair and transparent manner. He submitted his report to the Board for declaration of results.

Summary of the resolutions and the voting details are given below:

Details of Agenda	No. of Valid Votes	Votes cast in favor of the resolution (no and % age)	Votes cast against the resolution (no and % age)
To give loan, give guarantee, provide security and acquisition of securities in excess of limits prescribed under section 186 of the Act as a Special Resolution.	6,26,78,639	6,26,73,439 (99.992%)	5,200 (0.008%)
To appoint M/s. Madan & Associates, Chartered Accountants, as Statutory Auditors of the Company in casual vacancy as an Ordinary Resolution	6,26,76,527	6,26,72,927 (99.994%)	3,600 (0.006%)

(ii) During the Financial Year 2017-18 the Company through Postal Ballot on March 8, 2018 has sought the approval of members on resolutions mentioned below. Mr. Mohd Saqib, Proprietor of M/s. Saqib & Associates, Company Secretaries in practice was appointed as Scrutinizer for conducting Postal Ballot in a fair and transparent manner. He submitted his report to the Managing Director for declaration of results.

Summary of the resolutions and the voting details are given below:

Details of Agenda	No. of Valid Votes	Votes cast in favor of the resolution (no and % age)	Votes cast against the resolution (no and % age)
To cancel and revoke previous resolution(s) passed by the members of the Company under Sections 180(1)(a) and 180(1)(c) of the Act as a Special Resolution	6,35,53,397	6,35,53,397 (100.000%)	Nil (0.000%)
Approval under Section 180(1)(a) of the Act as a Special Resolution	6,35,53,397	6,35,53,397 (100.000%)	Nil (0.000%)
To borrow in excess of the limit specified under Section 180(1)(c) of the Act as a Special Resolution	6,35,53,397	6,35,53,397 (100.000%)	Nil (0.000%)
To enter into material related party transactions as an Ordinary Resolution	27,00,143	27,00,143 (100.000%)	Nil (0.000%)

None of the businesses proposed to be transacted in the ensuing AGM require special resolution through postal ballot.

Further, Resolutions, if required, shall be passed by Postal Ballot as per the prescribed procedure under the Act and SEBI (LODR) Regulations.

8. Means of Communication

The Quarterly and Annual Financial Results of the Company are submitted to the Stock Exchange and are published in the newspapers as required under the SEBI (LODR) Regulations. The results are also displayed on the website of the Company www.jagatjit.com under the heading “Investors”. The same are also forwarded to the Shareholders on their request.

9. General Shareholders Information

a) Annual General Meeting

Date	:	December 27, 2018
Time	:	09.30 a.m.
Venue	:	Jagatjit Nagar, Dist. Kapurthala - 144 802, Punjab
Annual Book Closure	:	Friday, December 21, 2018 to Thursday, December 27, 2018 (both days inclusive)

b) Financial Year : April 01, 2017 to March 31, 2018

c) Financial Calendar (2018-19) (tentative)

(i)	First Quarter Results	:	Mid of August, 2018
(ii)	Second Quarter Results	:	Mid of November, 2018
(iii)	Third Quarter Results	:	Mid of February, 2019
(iv)	Annual Results for the year ending March 31, 2019	:	By May 30, 2019

d) Dividend Payment Date

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

e) Listing on Stock Exchange

Sr. No.	Name and Address of the Stock Exchange	Stock code
1	BSE Limited, 1st Floor, New Trading Ring, Rotunda Building, P J Towers, Dalal Street, Fort, Mumbai - 400 001	507155

The Annual Listing Fees for the Financial Year 2018-19 have been paid to the BSE Limited.

f) Stock Market Data for the period April 01, 2017 to March 31, 2018 at the BSE Limited

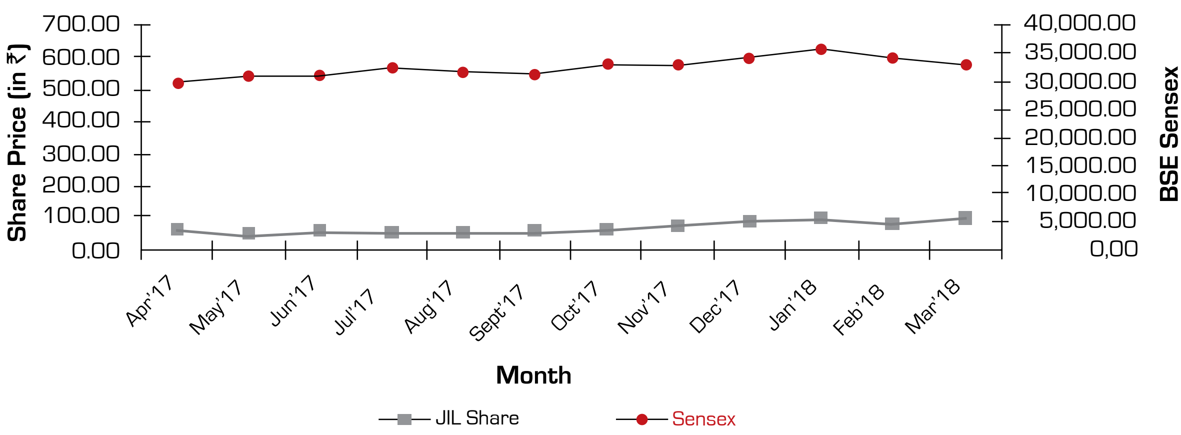
The monthly high and low share prices of the Company in ₹ and the Sensex during the last financial year at the BSE are as follows:

Month	High	Low	Sensex High	Sensex Low
April, 2017	63.50	55.55	30,184.22	29,241.48
May, 2017	59.40	45.00	31,255.28	29,804.12
June, 2017	58.55	44.55	31,522.87	30,680.66
July, 2017	59.00	51.15	32,672.66	31,017.11
August, 2017	54.10	48.50	32,686.48	31,128.02
September, 2017	57.75	45.90	32,524.11	31,081.83
October, 2017	58.40	52.00	33,340.17	31,440.48
November, 2017	71.40	56.15	33,865.95	32,683.59
December, 2017	88.05	67.50	34,137.97	32,565.16
January, 2018	127.80	92.45	36,443.98	33,703.37
February, 2018	97.05	75.60	36,256.83	33,482.81
March, 2018	110.00	83.00	34,278.63	32,483.84

Performance in comparison to broad - based indices Performance on BSE

Comparison of closing share price of the Company has been made with BSE Sensex.

Stock Price Performance: JIL Vs BSE Sensex



	Apr'17	May'17	Jun'17	July'17	Aug'17	Sept'17	Oct'17	Nov'17	Dec'17	Jan'18	Feb'18	Mar'18
JIL Share	59.00	45.00	55.50	53.00	51.50	55.05	58.40	71.00	88.05	94.65	80.00	94.55
Sensex	29,918.40	31,145.80	30,921.61	32,514.94	31,730.49	31,283.72	33,213.13	33,149.35	34,056.83	35,965.02	34,184.04	32,968.68

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 SEBI (LODR) Regulations.

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

i) Distribution of Shareholding as on March 31, 2018

Category (in ₹)	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto - 5000	2,847	78.67	3,62,908	0.79
5001 - 10000	315	8.70	2,26,037	0.49
10001 - 20000	195	5.39	2,92,436	0.63
20001 - 30000	67	1.85	1,69,663	0.37
30001 - 40000	44	1.21	1,53,211	0.33
40001 - 50000	26	0.72	1,23,365	0.27
50001 - 100000	65	1.80	4,53,004	0.98
Above - 100000	60	1.66	4,43,67,488	96.14
Total	**3,619**	**100.00**	**4,61,48,112**	**100.00**

j) Shareholding pattern as on March 31, 2018

Sr. No.	Category	No. of Shares held	% of total shareholding	% of Voting Rights
1.	Promoters' Holding	1,56,45,365	33.90	92.27
2.	Mutual Funds & UTI	1,100	0.00	0.00
3.	Banks, Financial Institutions, Govt. Companies	2,172	0.00	0.00
4.	Private Corporate Bodies	15,70,363	3.40	2.29
5.	NRIs/FIIs (other than Promoters)	2,17,453	0.47	0.32
6.	Indian Public	35,01,659	7.59	5.12
	Total	**2,09,38,112**	**45.37**	**100.00**
7.	GDRs (Underlying Shares)	2,52,10,000	54.63	-
	Grand Total	**4,61,48,112**	**100.00**	**100.00**

k) Outstanding GDRs

The Company has issued 12,60,500 GDRs in overseas market representing 2,52,10,000 underlying equity shares. GDRs have not been converted into equity shares. GDRs do not carry voting rights.

l) Dematerialisation of Shares and Liquidity

As on March 31, 2018, 1,65,87,380 equity shares being 35.94% of the total paid-up Capital have been dematerialised.

m) Plants Location

The Company has following plants:

Sr. No.	Location
1.	Jagatjit Nagar, Dist. Kapurthala - 144 802, Punjab
2.	Plot Nos. 4A-1/1 & 1/2, Sikandrabad Industrial Area, Sikandrabad - 203 205, Uttar Pradesh
3.	Plot No. SP 1-3, Sotanala, RIICO Industrial Area, Behror, Dist. Alwar - 301 701, Rajasthan

n) Commodity price risk or foreign exchange risk and hedging risk

The details for the same have been provided in the Notes to Financial Statements of the Company for the Financial Year 2017-18.

o) Address for Correspondence

Registered Office: Jagatjit Industries Limited
Jagatjit Nagar, Dist. Kapurthala - 144 802, Punjab
Tel: 0181 - 278 3112-16 Fax: 0181 - 278 3118
E.mail: hamira@jagatjit.com

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

Investor E. mail address: Investor@jagatjit.com

10. Other Disclosures

(i) Related Party Transactions: Please refer the Board's Report for details on Related Party Transactions and Materially Significant Related Party Transactions that may have potential conflict with the interests of Company at large, during the year ended March 31, 2018.

(ii) There has not been any non-compliance, penalty or stricture imposed on the Company by any Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years, except that, the BSE Limited (Bombay Stock Exchange) has levied a penalty of ₹ 27,96,394/- for delay in submission and publication of Financial Results for the quarters and years ended on March 31, 2014 and March 31, 2015 and for the quarters ended on June 30, 2015 and December 31, 2015. The Company has approached the Stock Exchange for waiver of the penalty levied.

(iii) Further, there has been delay in submission and publication of Financial Results for the quarters and years ended on March 31, 2016 and March 31, 2017 and for the quarters ended on June 30, 2016 and December 31, 2016. The BSE Limited has levied a penalty which has been paid by the Company.

(iv) Whistle Blower Policy: In compliance with Section 177 of the Act and the SEBI (LODR) Regulations, the Company has formulated a Whistle Blower Policy for employees which has been uploaded on the website of the Company at www.jagatjit.com.

Under the Vigil Mechanism Policy, the protected disclosures can be made by a victim through an e-mail or a letter to the Vigilance Officer or to the Chairperson of the Audit Committee.

The Policy provides for adequate safeguards against victimisation of employees and directors who avail of the vigil mechanism and also provides for direct access to the Vigilance Officer or the Chairperson of the Audit Committee, in exceptional cases. No personnel of the Company has been denied access to the Audit Committee. The main objective of this policy is to provide a platform to Directors and employees to raise concerns regarding any irregularity, misconduct or unethical matters / dealings within the Company which have a negative bearing on the organisation either financially or otherwise.

This policy provides an additional channel to the normal management hierarchy for employees to raise concerns about any such breaches of the Company's Values or instances of Company's Code of Conduct violations. Therefore, it is in line with the Company's commitment to open communication and to highlight any such matters which may not be getting addressed in a proper manner. During the year under Report, no Complaint was received.

(v) Policy for Determination of Material Subsidiary can be accessed at http://jagatjit.com/pdf/Policy%20on%20Material%20subsidiaries.pdf

(vi) Policy on Related Party Transactions can be accessed at http://jagatjit.com/pdf/Related%20Party%20Transaction.pdf

(vii) The Company has followed all the mandatory requirements prescribed under SEBI (LODR) Regulations.

11. Disclosure of Compliance with Corporate Governance Requirements specified in Regulation 17 to 27 and Regulation 46 of SEBI (LODR) Regulations

The Company has complied with the applicable provisions of SEBI (LODR) Regulations including Regulation 17 to 27 and Regulation 46 of SEBI (LODR) Regulations.

The Company submits a quarterly compliance report on corporate governance signed by Compliance Officer to the Stock Exchange within 15 (fifteen) days from the close of every quarter. Such quarterly compliance reports on corporate governance are also posted on the Company's website.

Compliance of the Conditions of Corporate Governance has also been audited by a firm of Practicing Company Secretaries. After being satisfied of the above compliances, they have issued a compliance certificate in this respect. The said certificate is annexed to this report.

12. Code of Conduct

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

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

	Ravi Manchanda	**Kiran Kapur**
September 20, 2018	Managing Director	Director
New Delhi	(DIN: 00152760)	(DIN: 02491308)

Declaration as required under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

I, Ravi Manchanda, Managing Director hereby declare that as per the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Code of Conduct adopted by the Company for its Board and Senior Management Personnel has been duly complied by all the Board Members and Senior Management Personnel of the Company during the year under review.

Ravi Manchanda
Managing Director
DIN: 00152760

September 20, 2018
New Delhi

Annexure – 6

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,

The Members,
Jagatjit Industries Limited,
Jagatjit Nagar, Dist. Kapurthala - 144 802
Punjab

1. We have examined the compliance of conditions of Corporate Governance by JAGATJIT INDUSTRIES LIMITED ("the Company"), for the year ended on March 31, 2018, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

3. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the year ended March 31, 2018.

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

For **Pranav Kumar & Associates**
Company Secretaries

Arpita Saxena
Partner
ACS: 23822; CP No.: 11962

Date: June 22, 2018
Place: Ghaziabad

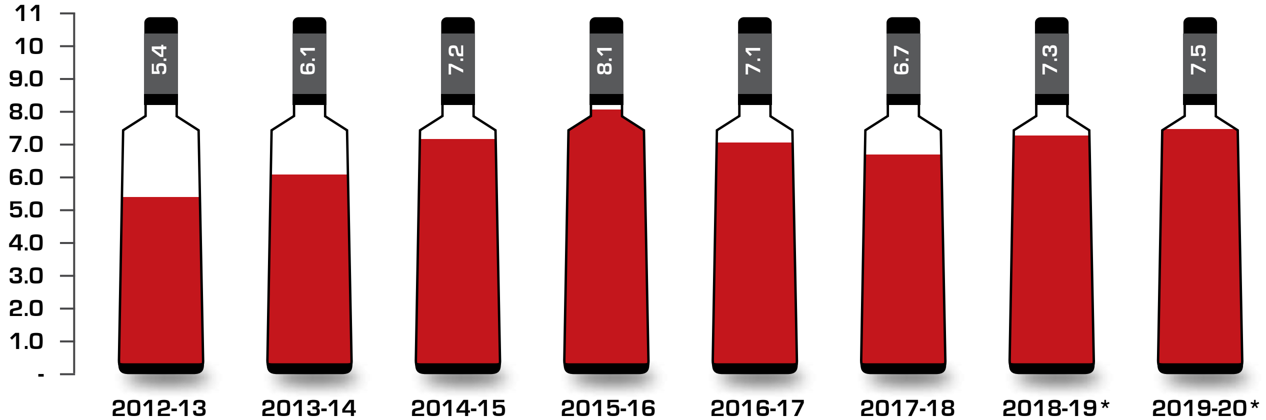
Management Discussion & Analysis

Economic Review

Acceleration in manufacturing, rising sales growth, a pick-up in capacity utilisation, strong activity in the services sector and a record agricultural harvest helped the Indian economy to post strong growth in the Financial Year 2017-18. As per the provisional estimates issued by the Central Statistics Organisation (CSO), Indian GDP grew 6.7% at constant prices in the Financial Year 2017-18 versus 7.1% in the Financial Year 2016-17. Make in India, Digital India, Skill India, Rural Electrification Drive, Smart Cities Mission, impetus on infrastructure, rising disposable income, low inflationary pressures, implementation of the Seventh Pay Commission, recovery in exports and private investments have led to significant boost in India's position on the global platform. With a GDP of US$ 2.6 trillion at the end of 2017, India became the world's sixth biggest economy, pushing France into the seventh place, according to the updated World Bank figures for 2017.

(Source: http://databank.worldbank.org/data/download/GDP.pdf)

India's GDP growth (%)



* *are projections by IMF*

(Source: CSO, IMF)

Indian economy is consolidating the gains from the recent reforms and is moving in the right direction. Improved domestic macro-economic conditions, gradual revival in rural sector and small-scale businesses, and increased push towards infrastructure projects are providing strong impetus to growth. Revival in rural demand, increased infrastructure spending and high optimism in domestic consumption is likely to drive India's consumption growth. As per IMF, India is expected to grow at 7.3% in the Financial Year 2018-19 and 7.5% in the Financial Year 2019-20, leaving its nearest rival China behind.

(Source: CSO, IMF)

Industry Overview

India is expected to be the third largest consumer economy with consumption expected to triple to US$ 4 trillion by 2025, led by shift in consumer behaviour and expenditure pattern. Alco-beverage is also expected to see a significant boost in consumption led by growing working age population, rising disposable income, increasing exposure to western culture and growing acceptance of social drinking. The alco-beverage industry mainly comprises IMFL (Indian Made Foreign Liquor), Country Liquor (CL), wine, beer and imported alco-beverage.

An estimated 308 million cases of spirits were sold in 2017. Led by Government Regulations, the alco-beverage witnessed two consecutive years' sales decline of 0.4% and 2.0% in 2016 and 2017, respectively. The 2017 sales decline was led by ban on sale of alco-beverage near highways by the Hon'ble Supreme Court and distribution changes in certain states. The industry was earlier growing at more than 12% CAGR starting 2001, making India one of the fastest growing liquor /alco-beverage markets in the world. As per Euro Monitor International, the alco-beverage industry is expected to grow in value terms by 2.9% CAGR between 2016 and 2021, slower than 6.6% CAGR witnessed between 2011 and 2016. Growth in 2018 is expected to be robust led by the opening of distribution in Uttar Pradesh, healthy economies in key southern states, price increases in certain states and continued premiumisation trend.

Key Government policies / initiatives

Both the Central and State governments imposed a slew of restrictions on production, movement and sales of alco-beverage in the country. Alco-beverage is also governed by various national laws and regulatory bodies, such as the Food Safety and Standards Authority of India (FSSAI). Direct advertising of alco-beverage is banned. Alco-beverage has also been kept out of the purview of GST which leads to loss of input credit to the industry players apart from being subject to various taxes by Central and State governments. High inter-state duties continue to prevail. Players operating in the alco-beverage production have owned or contract manufacturing setups in every state. Licenses are required to produce, bottle, store, distribute or retail all liquor products. Distribution is also highly controlled, both at the wholesale and retail levels.

During the Financial Year 2017-18, a few states changed their distribution policy which impacted growth and is also likely to impact the performance in the next financial year. The West Bengal Government changed the distribution model to corporation. The change in the route-to-market model will lead to a temporary drop in sales as existing institutions selling liquor are closing and new stores are slowly established. In Maharashtra and Uttar Pradesh, the licence fee was increased by 10% and 15%, respectively, which will impact margin. Andhra Pradesh and Telangana, which are price-controlled states, allowed price increases in alco-beverage which will help boost growth for alco-beverage players.

(Source: https://www.hindustantimes.com/lucknow/up-excise-department-to-step-up-raids-on-outlets-serving-liquor-without-licence/story-lxyHGvPnCez5CdGr9OeBIN.html)

Key Growth drivers

Low per capita consumption: The per capita consumption of alco-beverage being low in India at 5.1 litres in 2018 as compared to the regional average of 20.9 litres amongst Asian countries portends huge growth potential for the Indian alco-beverage industry.

Favourable demographic: With India's working-age population expected to cross the 1 billion mark by 2030, Indian alco-beverage industry is likely to see a boost in consumption. Higher disposable income, rapid urbanisation, robust GDP growth, favourable demographics with a median age of 27.9 years and growing social acceptability of liquor consumption are the primary factors that are expected to boost liquor sales in India.

Premiumisation: Alco-beverage consumption is witnessing continuous upgradation among consumers which increasingly prefer premium and super-premium offerings. This has led to constant endeavour by players to innovate in flavours and forms.

Increased exposure to foreign culture: Increased globalisation, improvement in standards of living, increasing exposure to foreign drinking culture and a growing culture of social drinking also work in favour of increased alco-beverage consumption.

Business Overview

Jagatjit Industries Limited (the Company or Jagatjit) was set up in 1944 in Punjab. Its business units comprise Indian Made Foreign Liquor (IMFL), Country Liquor (CL), Malted Milk Food (MMF) & Malt Extract (MEX) and Real Estate. Its flagship business is IMFL which accounts for approximately 65% of total revenues. The Company has a rich IMFL portfolio including whiskies, gins, rums, brandies and vodkas. Two of the Company's IMFL brands are in the Millionaires' Club – selling more than a million cases each, namely, Aristocrat Premium Whisky and Binnies Whisky. In India, the Company has strong presence in North, Andhra Pradesh, Telangana, Odisha and Meghalaya. Internationally, its products are available in Guinea, Ghana, Togo, Burkina Faso, Angola, Cameroon, Nigeria, Sierra Leone, Liberia, Ivory Coast, the UAE, Oman, Italy, Kenya, Uganda, Rwanda and Ukraine.

Operational overview

A) Liquor

The Company's primary focus of business is in manufacturing, distributing and selling IMFL brands with intent to provide superior brands at affordable prices. In the Financial Year 2017-18, the Company sold 5.73 million cases of alco-beverage.

The Company is also engaged in manufacturing Country Liquor in Punjab only. The CL segment is highly controlled by the State Government in terms of pricing and quantity. Jagatjit enjoys 13% market share in Punjab. It sold a volume of about 1.27 million cases in the Financial Year 2017-18. In the Financial Year 2017-18, the Company lost volumes due to monopoly syndicates in key markets in Punjab.

During the year under review, the Company re-introduced AC Black Whisky with a complete image makeover. The brand was upgraded to the semi-premium segment as against Deluxe. IICE Vodka was also re-introduced with frosted bottle. Jagatjit is looking to introduce brandies in the premium and semi-premium segment in key South markets in the near future.

B) Malted Milk Foods And Dairy Products

The Company has a food division with its own malt house, malt extract plant, a modern dairy and a malted milk food manufacturing unit. The malted milk food division has two units with a capacity to manufacture 120 MT per day of high quality malted milk food.

The modern malt house produces malt from the best barley sourced after strict inspection and quality control processes from selected farms in Punjab. This malt is used for own requirements in both the malted milk food division and the distillery division. Jagatjit makes three malt grades – food, distillery & brewery grade, which are sold in domestic market and are also exported.

The Company owns two leading brands in the malt foods segment namely, Champion and Compleat, which are also widely sold in international markets. Jagatjit also supplies its malt to a number of well-known brands including Kraft Foods, Cadbury, GlaxoSmithKline Consumer Healthcare, Kellogg India, AB Foods (Thailand) etc.

C) International Brand Portfolio

In the international market, Jagatjit customises its product portfolio according to the demand and future growth potential of the respective product categories.The Company is engaged in contract manufacturing/bottling of third-party brands of the International customers.The Company expects to triple sales volumes of its exports in the next couple of years. To expand reach and to strengthen its competitive footing in terms of pricing, Jagatjit is looking to enter into strategic partnerships for bottling its brands with local companies in Africa and SAARC.

D) Real Estate

Jagatjit has two properties, one in Gurugram and the other in New Delhi, which it has leased out to earn rental income. The Gurugram property comprising approximately 2,00,000 Sq. Ft. is spread over 4 acres of land size with current valuation of close to ₹ 175 Crores. The Connaught Place, New Delhi property comprises two floors of Ashoka Estate of approximately 23,000 Sq. Ft. with a current valuation of close to ₹ 85 Crores. Total annual rent from the two properties is close to ₹ 20 Crores.

Financial review

During the Financial Year 2017-18, the sale of alco-beverages by Jagatjit decreased by around 36.36% in terms of volume. The total income (including income from services and other sources) stood at ₹ 567.10 Crores as compared to ₹ 847.59 Crores during the previous year.

Jagatjit's beverage segment clocked revenue net of excise duty of ₹ 238.72 Crores as compared to ₹ 369.51 Crores during the previous year. The food segment clocked revenue net of excise duty of ₹ 121.42 Crores as compared to ₹ 107.10 Crores during the previous year. The rental income (including maintenance) stood at ₹ 24.99 Crores as compared to ₹ 26.95 Crores during the previous year.

Financial details for the Financial Year 2016-17 and 2017-18 are as follows:

(₹ in Crores)

	2017-18	2016-17
Total income	567.10	847.59
Material consumption	175.39	258.97
Excise duty	169.93	328.25
Staff costs	76.50	72.41
Others	151.71	222.66
EBITDA	(6.43)	(34.70)
Finance cost	55.09	49.04
Depreciation	12.12	12.72
Profit before tax	(73.64)	(96.46)
Tax	(3.52)	0.24
Profit after tax from continuing operations	(70.12)	(96.70)
Total comprehensive profit after tax	(74.33)	(116.95)

The total Material Consumption decreased to ₹ 175.39 Crores as compared to ₹ 258.97 Crores during the previous year. Excise duty decreased to ₹ 169.93 Crores as compared to ₹ 328.25 Crores during the previous year. Employee costs increased to ₹ 76.50 Crores as compared to ₹ 72.41 Crores during the previous year. At EBITDA level, the Company incurred a loss of ₹ 6.41 Crores as compared to ₹ 34.70 Crores during the previous year.

Jagatjit incurred a loss before taxation of ₹ 73.64 Crores, from continuing operations, as compared to loss before taxation of ₹ 96.46 Crores during the previous year. The net loss of the Company during the year was ₹ 74.33 Crores as compared to net loss of ₹ 116.95 Crores during the previous year.

Outlook

Jagatjit has a constant endeavour to embrace modernisation, to keep up with the changing trends with technological upgradation. The Company has successfully undergone a massive restructuring, encompassing upgradation of technology and enhanced automation to increase efficiencies, and revamping of culture and office structure. Going forward, the Company is focussed on enhancing sales, managing costs, and being focussed on providing value to our customers.

Jagatjit has been incurring operational losses primarily due to decline in sales. However, it is committed to return to profitability by streamlining its brand portfolio, investing in higher-contribution brands, widen geographical reach, developing export markets and improving operational efficiencies. Jagatjit is committed to improve its sales turnover and exercise stricter costs controls. It constantly endeavours to improvise on its product range with innovation and renovation of existing brands. The Company also remains committed to drive manufacturing excellence in the malted milkfood contract manufacturing business and is working to increase throughput in this segment. All cost rationalisation exercises coupled with enhanced marketing and technological investments and efforts to boost sales are expected to rejuvenate the Company's financial health in the foreseeable future.

Risks & Concerns

Regulatory risk: Jagatjit operates in a sector which is highly exposed to the risk of changing regulations.

Mitigation measure: Jagatjit closely monitors the regulatory environment and prepares for any foreseeable changes. In addition, its team of expert and experienced professionals allows prompt and appropriate modification to meet changes in regulatory framework. At all times, the Company ensures strict adherence to laws and policies.

Raw material risk: Jagatjit runs the risk of issue in availability of raw materials and fluctuation in raw material prices.

Mitigation measure: The Company's longstanding relationships with most suppliers ensures steady availability of raw materials at competitive prices. Jagatjit is also striving to reduce costs by value engineering in dry and wet goods and using standardised packaging material popular and medium segments.

Innovation risk: Innovation in ensuring sustainable growth in a market where there are restrictions of advertisement of alco-beverage products.

Mitigation measure: The Company is always looking to innovate and renovate to provide high quality products to its customers at an affordable price.

Economic risk: The performance of the Company is dependent on robust consumption led by rising income levels. This in turn is dependent on robust economic growth.

Mitigation measure: The Indian economy is one of the fastest growing economies in the world and is poised for strong growth in the coming years aptly supported by various Government initiatives like Make in India, Digital India, Skill India, Rural Electrification Drive, Smart Cities Mission etc. In addition, Jagatjit has strong presence in several international markets. Exposure to international markets reduces dependence on economic growth in India.

Internal Controls

Jagatjit's policies, guidelines and procedures are designed keeping in mind the nature, size and complexity of business operations. The Company maintains a proper and adequate system of internal controls which provide for automatic checks and balances. The Company's resilience and focus is driven to a large extent by its strong internal control systems for financial reporting supported by a strong set of Management Information Systems.

Jagatjit's internal audits by professional firms closely oversee the business operations and ensure strict adherence to policies, safeguarding of its assets and the timely preparation of reliable financial documents and reports. Any deviations are prompted to the management. Timely and adequate measures are undertaken to ensure undisrupted functioning of the business. The Company has invested in implementing an Oracle EBS to further strengthen controls, processes and aid business decision-making.

Human Resources

Human capital is one of the key resources for Jagatjit which ensures business continuity and sustainable growth. The Company continually strives to attract, retain and develop the best talent required for the business to grow. The Company provides periodic skill and personnel development training to enhance employee productivity and maintain high motivational levels. The Company ensures a safe, conducive and productive work environment across all plants and offices. High employee satisfaction levels are achieved led by strong focus on transparent and engaging work culture. Jagatjit boasts of well-defined HR policies which ensure alignment of personal goals with professional growth. The Company's human capital stands at around 1,930 employees including permanent factory workmen. During the fiscal year, the relations with the industrial workforce remained generally harmonious.

Cautionary statement

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

Independent Auditors' Report

To the Members of Jagatjit Industries Limited
Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Jagatjit Industries Limited** ('the Company'), which comprise the balance sheet as at March 31, 2018, the statement of profit and loss and the cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Basis for qualified opinion

(1) *In the opinion of the management, Trade Receivable and Loans and Advances have a value on realisation in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet.*

During the financial year ended March 31, 2018 confirmatory letters had been sent to the sundry creditors, suppliers and Trade Receivables requesting them to confirm and reconcile the account balances as on March 31, 2018. A significant number of parties have not yet confirmed/reconciled the balances as on the date of signing of the financial statements. Company has a policy of providing for (a) all debts outstanding beyond 3 years or (b) where recovery is considered doubtful irrespective of the fact that legal action has been initiated or not. However non - moving debts outstanding beyond 1 year are to the extent of ₹ 750 Lacs for which confirmations and reconciliations are not available and have not been provided for. The system of obtaining confirmations and reconciliation need to be strengthened.

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

The Company's management, based on internal assessments and evaluations, have represented that the balance outstanding advances are recoverable and that no accrual for diminution of advances is necessary as at balance sheet date. The Company has received confirmation from the aforementioned subsidiary on March 31, 2018.

The Company has not created a provision against this advance in its books of accounts. In our opinion, there is significant uncertainty and doubt about the recovery of this advance from the subsidiary, as considerable period of time has elapsed from grant of advance and therefore, a provision for doubtful advance should have been accounted for in the financial statements for the year ended March 31, 2018.

Consequently, the loss for the year ended March 31, 2018 is understated and reserves and surplus (other equity) as at March 31, 2018 are overstated to the extent of ₹ 3,727 Lacs. It may be noted that modified opinion was given in respect of the above two matters by the previous Auditors on the financial statements for the period ended 31st March 2017. We have also given modified opinion vide report (dated 30th May, 2018) in pursuance of Regulation 33 of SEBI (listing obligations)

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, subject to matters described in basis for qualified opinion paragraph above, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018 and its loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Emphasis of Matter

- Attention is drawn to Note No. 4(vi) regarding fair value of investment properties; Note No. 5 (iii) regarding nil diminution in the value of investment of ₹ 1,016 Lacs in the subsidiary company, Note No. 6 (i) and 6 (ii) regarding loan to related parties and employees Note No. 8 (i) regarding MAT credit and Note No. 8 (iii) regarding interest free security deposits, Note No. 8(iv) & Note 39 (iii) regarding provision made for advance to director in earlier year, Note No. 13 (i) regarding security deposits and loans and advances to employees, Note No. 14 (i) regarding commercial advance of ₹ 132 Lacs to a group company, Note No. 15 regarding advances given to associate company; Note No 16 regarding assets held for sale, Note No. 23 (i) and 24(ii) regarding bills payable; Note No. 24 (iii) regarding claim of GAIL (India) Ltd., Note No. 35B(i) regarding deferred tax, Note No. 44 regarding various risks, Note No. 45 regarding borrowings not shown at amortised cost.
- Without qualifying our opinion, we draw attention to Note 2.3 in the financial statements which indicates that the Company incurred a net loss of ₹ 7,433 Lacs during the year ended March 31, 2018 and, as of that date, the company's current liabilities exceeding the total assets by ₹ 7,620 Lacs. These conditions along with other matters as set forth in Note 2.3, indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. Company has disclosed the mitigating factors vide the said Note and we have relied upon the same.
- We draw attention to Note 46 (iv), the Company has published the standalone and consolidated Financial results for the year ended March 2018 and we have issued the report dated May 30, 2018 in pursuance of regulation 33 of SEBI (listing obligations and Disclosure Requirements) Regulations 2015. After publishing the results, certain adjusting events have occurred, which has resulted in confirmation of contingent liability of ₹ 320 Lacs, estimated at ₹ 9,933 Lacs till contract year 2016 and disclosed vide note no. 7 of the published results. Therefore in accordance with IND AS – 10, financial statements to that extent are amended. Impact of the adjusting event is that contingent liabilities of ₹ 9,933 Lacs are reduced and confirmed liability of ₹ 320 Lacs is provided resulting in increase of loss of the year by ₹ 320 Lacs; decrease in retained earnings by ₹ 320 Lacs and corresponding increase in the current liability of ₹ 320 Lacs. Company has taken Legal opinion that it is neither required to adopt revised Financial Results for the period ended March 31, 2018 under Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 nor the Company is required to revise the Financial Statements for the said period under section 131 of the Companies Act, 2013. We have relied upon the legal opinion.
- The Internal Audit system of the company needs to be substantially strengthened in scope, coverage and compliance in respect of Hamira Plant and Head Office operations.

  Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure A"**, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
   (a) we have sought, and except for the matters described in Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) except for possible effects of the matters described in Basis for Qualified Opinion paragraph, in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) the balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and the statement of cash flow dealt with by this Report are in agreement with the books of account;

(d) except for possible effects of the matters described in Basis for Qualified Opinion paragraph, in our opinion, the aforesaid standalone financial statements substantially comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015;

(e) the matters described in Basis for Qualified Opinion paragraph, and the matter described in Emphasis of matter paragraph, in our opinion, may have an adverse effect on functioning of the Company:

(f) on the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

(g) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion;

(h) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”; and

(i) with respect to the other matters to be included in the Auditors’ Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;

ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

for **Madan & Associates**
Chartered Accountants
Firm’s registration number: 000185N

M. K. Madan
Proprietor
Membership number: 082214

Date: September 20, 2018
Place: New Delhi

Annexure A to The Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Jagatjit Industries Limited on the standalone financial statements for the year ended March 31, 2018, we report that:

(i) In respect of fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a programme of verification of fixed assets to cover all the items in a phased manner 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 said programme, certain fixed assets were physically verified by the Management during the year. However physical verification report and reconciliation of the same with financial records/books is in progress and discrepancies if any will be adjusted on completion of exercise.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company and certificate provided by the Company, the title deeds of immovable properties are held in the name of the Company except in respect of Immovable property (4th and 5th Floor, Bhandari House, Nehru Place, Delhi) having gross book value of ₹ 103 Lacs (Original Cost) and Net book value of ₹ 93 Lacs.

Title deeds in respect of Immovable Properties as mentioned in Note No. 19 are held by the lenders as Equitable Mortgage against the borrowing. Confirmations from the banks are awaited.

Company has provided photocopies of the title deeds/ lease deeds in respect of Leasehold Land situated at Sikandrabad (U.P.) and Sahibabad (U.P.) as the originals are held by Uttar Pradesh State Industrial Development Corporation (UPSIDC).

(ii) In respect of its inventories:

(a) As explained to us, inventories have been physically verified during the year by the Management at reasonable intervals, other than stock lying with third parties where certificates confirming physical inventory have been received.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iii) (a) According to Information and explanation given to us, the Company has granted loan to its subsidiary and advance to associate company covered in register maintained u/s 189 of the Companies Act, 2013 in earlier years The Company has given interest bearing advance of ₹ 265 Lacs during the year and ₹ 75 Lacs towards expense reimbursements (interest free) arising out of commercial and contractual obligations.

(b) In respect above advances, no terms and conditions and stipulation regarding payment of principal amount or interest have been laid out. Accordingly no repayments have been received. Regarding recovery of principal amount and interest it is informed that associate company has more than adequate amount of immovable property and the amount will be recovered through sale of immovable property in due course. Regarding advance of ₹ 2,977 Lacs given to another subsidiary company, the matter has been qualified by us vide paragraph 2 of basis for qualified opinion of our audit report.

(iv) (a) Company had given loan of ₹ 339 Lacs (Interest free amount is ₹ 214 Lacs and interest bearing amount is ₹ 125 Lacs) to an employee in the earlier years who became Additional Director w.e.f. April 28, 2017 and ceased to be director w.e.f. February 1, 2018. It has been informed that during the year, Company further advanced ₹ 45 Lacs (42.92 Lacs given during the tenure of Directorship) to the Director and received back the same during the year. Total amount outstanding at the year end is ₹ 295 Lacs (Interest free amount is ₹ 170 Lacs and interest bearing amount is ₹ 125 Lacs). Company has taken Legal opinion that it is has not contravened the provisions of Section 185 of the Companies Act, 2013 by extending loan during the tenure as Whole Time Director commencing from April 28, 2017 till January 31, 2018

(b) Company has represented before us that provision of section 185/186 are not applicable for advances given prior to Companies Act 2013 and are still outstanding. Similarly it has been represented that advance to associate company during the year (as described in para (iii)(a)) are on account of commercial and contractual obligations and are therefore not covered within the meaning of Section 185/186.

(v) According to the information and explanation given to us, the company has not accepted any deposits during the year. Company is of the view that provision of Section 74(1)(b) of the Act are complied with in pursuance of Rule 19 of the Acceptance of Deposits Rules, 2014. It is also confirmed by the company that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

(vi) According to the information and explanations given to us and certified by the management, provision of Section 148(1) of the Companies Act, 2013 for maintenance of Cost records are not applicable as products manufactured by the company as specified in Table A/Table B under rule 3 of Companies (Cost Records & Audit Rules), 2014 represents a by-product and no cost is incurred for the same.

(vii) In respect of statutory dues:

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has generally been regular in depositing undisputed statutory dues, including provident Fund, Employees State insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of the aforesaid statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess which have not been deposited as at March 31, 2018 on account of any dispute except as follows:

Sr. No.	Name of Statute	Nature of Dues	Amount (₹)	Period for which the amount relates	Forum where dispute is pending.
EXCISE DUTY					
1	Central Excise Act, 1944	Demand of Cess on manufacturing of Corrugated Paper Board	58,736	November 2012 to September 2015	Commissioner (Appeals) Chandigarh – I
2	Central Excise Act, 1944	Penalty in the above matter	58,736	November 2012 to September 2015	Commissioner (Appeals) Chandigarh – I
3	Central Excise Act, 1944	Demand of Cess on manufacturing of Corrugated Paper Board	1,468	October 2015 to June 2017	Commissioner (Appeals) Ludhiana
4	Central Excise Act, 1944	Penalty in the above matter	1,468	October 2015 to June 2017	Commissioner (Appeals) Ludhiana
5	Central Excise Act, 1944	Demand for clearance of Broken glass generated during the handling of Bottles used for IMFL and Country liquor	13,10,346	June 2013 to Oct 2015	Assistant Commissioner, CE & ST, Jalandhar
6	Central Excise Act, 1944	Demand for clearance of Broken glass generated during the handling of Bottles used for IMFL and Country liquor	3,63,094	Nov 15 to June 2017	Assistant Commissioner, CE & ST, Jalandhar
SERVICE TAX					
7	The Finance Act, 1994	Wrong availment of Service Tax Cenvat Credit	53,82,166.35	October 2003 to September 2007	CESTAT, Chandigarh
8	The Finance Act, 1994	Penalty in the above matter	53,82,166.35	October 2003 to September 2007	CESTAT, Chandigarh
9	The Finance Act, 1994	Wrong availment of Service Tax Cenvat Credit	69,70,632	October 2007 to March 2008	CESTAT, Chandigarh
10	The Finance Act, 1994	Penalty in the above matter	69,70,632	October 2007 to March 2008	CESTAT, Chandigarh
11	The Finance Act, 1994	Demand and Penalty towards Management maintenance and Repair Services	17,97,534	June, 2005	CESTAT, Chandigarh
12	The Finance Act, 1994	Demand and Penalty towards conversion charge for SMP & Ghee under category of Supply of Tangible Goods	62,21,720	May 2008 to April 2010	CESTAT, Chandigarh
13	The Finance Act, 1994	Penalty in the above matter	62,21,720	May 2008 to April 2010	CESTAT, Chandigarh
SALES TAX					
14	Sales Tax under Telangana VAT Act	Demand and Penalty on account of VAT on Royalty Income	1,03,00,000	2012 – 13 to November 2014	Appellate Deputy Commissioner, Hyderabad
15	Sales Tax under Punjab VAT Act & Central Sales Tax Act	Demand and Penalty on account of disallowance of VAT input credit on Rice Husk	2,19,67,703	2010 – 11	Deputy Excise and Taxation Commissioner (Appeals), Jalandhar
16	Sales Tax under Haryana VAT Act	Demand and Penalty on account of disallowance of VAT input credit on Rice Husk	39,69,900	2011 – 12	Joint Excise & Taxation Commissioner (A), Rohtak
17	Sales Tax under Jharkhand VAT Act	Demand in respect to VAT assessment	20,32,974	2013 – 2014	Commissioner (Appeals), Ranchi
18	Sales Tax under Punjab VAT Act & Central Sales Tax Act	Disallowance of ITC on purchase of Rice Flour	1,07,54,088	2011 – 2013	VAT Appellate Tribunal

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government during the year.

(ix) In our opinion and according to the information and explanation given to us, the term loans have been applied by the company during the year for the purposes for which they were obtained.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and on the basis of Legal opinion (regarding maintenance charges of ₹ 194 lacs paid to corporate facility management) [refer Note No. 39B(d)] obtained by the company and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for **Madan & Associates**
Chartered Accountants
Firm's registration number: 000185N

M. K. Madan
Proprietor
Membership number: 082214

Date: September 20, 2018
Place: New Delhi

Annexure B to The Independent Auditors' Report

(Referred to in Paragraph 2 (f) 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, 2018)

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

We have audited the internal financial controls over financial reporting of Jagatjit Industries Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company generally has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were generally operating effectively as at March 31, 2018, *except in respect of trade receivable reconciliation and provision for bad and doubtful debts where controls were found to be ineffective and in respect of various areas namely Capitalisation of Fixed Assets (Hamira), Classification of an asset to an asset group in Fixed Asset Register (Hamira), Accounts payable process (Head office & Hamira), Debit notes (Head office & Hamira), Bank reconciliation process (Head office & Hamira), Cash Management (Hamira), TDS Payment compliance, Prepaid Expenses, Goods & Service Tax, Reconciliation with Contract Manufacturing Units, Foreign Exchange management (Head office), Contracts for Rental Income (Head Office), Revenue recognition of Royalty Income from Franchise operation (Head office & Hamira), TDS Return Compliance (Behror) where controls were effective but need to be strengthened* based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **Madan & Associates**
Chartered Accountants
Firm's registration number: 000185N

M. K. Madan
Proprietor
Membership number: 082214

Date: September 20, 2018
Place: New Delhi

Balance Sheet

as at March 31, 2018

(₹ in Lacs)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
ASSETS				
1 Non-current assets				
a) Property, plant and equipment	3A	41,296	42,327	43,245
b) Other intangible assets	3B	4	7	10
c) Capital work-in-progress	3C	33	57	49
d) Investment Properties	4	1,764	1,802	1,840
e) Financial assets				
i) Investments	5	1,291	1,290	1,263
ii) Loans	6	3,477	3,454	3,418
iii) Other financial assets	7	732	771	1,109
f) Other non-current assets	8	2,437	1,216	1,557
Total Non-current assets		**51,034**	**50,924**	**52,491**
2 Current assets				
a) Inventories	9	5,611	7,917	10,354
b) Financial assets				
i) Investments	10	-	15	15
ii) Trade receivables	11	13,452	14,066	18,811
iii) Cash and Cash Equivalents	12	1,321	786	1,050
iv) Loans	13	880	1,248	908
v) Other financial assets	14	455	248	384
c) Other current assets	15	3,930	2,680	3,309
d) Assets classified as held for sale	16	45	45	2,642
Total Current assets		**25,694**	**27,005**	**37,473**
TOTAL- ASSETS		**76,728**	**77,929**	**89,964**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	17	4,615	4,615	4,615
Other Equity	18	11,557	19,089	30,784
Total Equity		**16,172**	**23,704**	**35,399**
LIABILITIES				
1 Non-current liabilities				
a) Financial liabilities				
i) Borrowings	19A	23,802	22,010	14,901
ii) Other financial liabilities	20	706	735	298
b) Other long term liabilities	21	66	121	46
c) Provisions	22A	2,169	2,302	1,983
d) Deferred Tax	35B	499	869	633
Total Non - current liabilities		**27,242**	**26,037**	**17,861**
2 Current liabilities				
a) Financial liabilities				
i) Borrowings	19B	3,233	3,063	10,396
ii) Trade Payables	23	11,906	12,971	12,392
iii) Other financial liabilities	24	12,727	9,119	10,663
b) Other current liabilities	25	4,972	2,561	2,801
c) Provisions	22B	476	474	452
Total Current Liabilities		**33,314**	**28,188**	**36,704**
Total Liabilities		**60,556**	**54,225**	**54,565**
TOTAL EQUITY AND LIABILITIES		**76,728**	**77,929**	**89,964**
Summary of significant accounting policies	2			
The accompanying notes are an integral part of the financial statements				

As per our report of even date
For **Madan & Associates**
Chartered Accountants
FRN: 000185N

M. K. Madan
Proprietor
Membership No.: 082214

September 20, 2018
New Delhi

For and on behalf of the Board of Directors of
JAGATJIT INDUSTRIES LIMITED

Ravi Manchanda
Managing Director
DIN: 00152760

Kiran Kapur
Director
DIN: 02491308

Anjali Varma
Director
DIN: 01250881

Sonya Jaiswal
Director
DIN: 02626750

Asha Saxena
Director
DIN: 08079652

Sushma Sagar
Director
DIN: 02582144

Anil Girotra
Chief Financial Officer

K. K. Kohli
Company Secretary

Statement of Profit and Loss

for the year ended on March 31, 2018

(₹ in Lacs)

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
1 Income			
a) Revenue from Operations	26	53,386	81,312
b) Other Income	27	3,324	3,446
Total Income		**56,710**	**84,758**
2 Expenses			
a) Cost of Material Consumed	28	15,695	23,189
b) Purchases of Stock-in-trade	29	1,374	1,613
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	470	1,095
d) Excise Duty		16,993	32,825
e) Employee Benefit Expenses	31	7,650	7,241
f) Finance cost	32	5,509	4,904
g) Depreciation and amortisation expenses	33	1,212	1,272
h) Other Expenses	34	15,170	22,264
Total expenses		**64,073**	**94,403**
3 Profit / (Loss) Before Tax		**(7,363)**	**(9,645)**
4 Tax expense:			
Current tax	35A	-	**99**
Income Tax adjustment related to earlier years		5	**(447)**
Deferred Tax (credit) / charge	35B	(357)	**372**
Total tax expenses		**(352)**	**24**
5 Profit / (Loss) for the period from Continuing Operations		**(7,011)**	**(9,669)**
6 Profit / (Loss) for the period from Discontinuing Operations	41	**(396)**	**(1,756)**
Tax Expenses from Discontinuing Operations	35B	**-**	**3**
7 Profit / (Loss) for the period		**(7,407)**	**(11,428)**
8 Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurement (gains) / losses on defined benefit plans		39	406
Tax impact on re-measurement (gain) / loss on defined benefit plans		(13)	(139)
Total Other Comprehensive Income		**26**	**267**
9 Total Comprehensive Income for the period (7 - 8) (Comprising Profit / (Loss) and Other Comprehensive Income for the period)		**(7,433)**	**(11,695)**
10 Earning Per Share:	36		
(Basic & Diluted)			
(1) Continuing Operations		(16.06)	(22.15)
(2) Earning Per Share (Basic & Diluted)		(16.97)	(26.18)
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date
For **Madan & Associates**
Chartered Accountants
FRN: 000185N

For and on behalf of the Board of Directors of
JAGATJIT INDUSTRIES LIMITED

Ravi Manchanda
Managing Director
DIN: 00152760

Kiran Kapur
Director
DIN: 02491308

Anjali Varma
Director
DIN: 01250881

M. K. Madan
Proprietor
Membership No.: 082214

Sonya Jaiswal
Director
DIN: 02626750

Asha Saxena
Director
DIN: 08079652

Sushma Sagar
Director
DIN: 02582144

September 20, 2018
New Delhi

Anil Girotra
Chief Financial Officer

K. K. Kohli
Company Secretary

Cash Flow Statement

for the year ended March 31, 2018

(₹ in Lacs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash Flow from Operating Activities		
Net Profit / (Loss) before tax	(7,759)	(11,401)
Adjustments for:		
(Profit) / Loss on Fair Valuation of Financial Instruments	(5)	95
Prior Period Adjustment	(99)	
Rent from Investment Properties	(1,972)	(1,810)
Depreciation	1,212	1,272
Interest Expense	5,413	4,728
Interest Income	(109)	(102)
(Profit) / Loss on sale of Property, plant and equipment (net)	(62)	1,632
Property, plant and equipment written off	-	25
Debts / Advances / Inventories written-off	8	326
Provision for Bad & Doubtful Debts and Advances	868	1,841
Provision for obsolete / damaged inventory	339	979
Liability no longer required written back	(593)	(600)
Provision for Gratuity & Leave Encashment	(131)	341
Unrealised Foreign Exchange (gain) / loss (net)	-	3
Operating Profit before Working Capital Changes	(2,890)	(2,671)
Adjustment for		
Trade receivables	(263)	3,352
Loans, other financial assets and other assets	(2,171)	(386)
Inventories	1,968	1,457
Trade Payables	(1,065)	1,217
Financial liabilites, other liabilities and provisions	5,085	(2,533)
	3,554	**3,107**
Cash generated from operations	664	436
Taxes (Paid) / Received (Net of TDS)	(0)	539
Net Cash from / (used) Operating Activities (A)	**664**	**975**
Cash flow from Investing Activities		
Purchase of property, plant and equipment, intangibles etc. (including capital work- in		
progress and capital advances)	(140)	(250)
Proceeds from sale of Property, plant and equipment	94	990
Purchase of investments	-	-
Sale of investments	15	-
Advances to Subsidiaries	(4)	-
Interest Received (Revenue)	31	216
Income from Investment properties	1,972	1,810
Release / (Addition) of Cash (from) / for restrictive use	75	266
Net Cash from Investing Activities (B)	**2,043**	**3,032**

Cash Flow Statement (Cont.)

for the year ended March 31, 2018

(₹ in Lacs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash Flow from Financing Activities		
Proceeds from current borrowings (net)	2,620	(7,331)
Proceeds from non - current borrowings (net)	1,792	6,858
Interest Paid	(6,584)	(3,799)
Net cash used in Financing Activities (C)	**(2,172)**	**(4,272)**
Net Increase / (Decrease) in Cash & Cash Equivalents (A + B + C)	**535**	**(265)**
Cash and Cash Equivalents		
Cash and Cash Equivalents at the beginning of the year	566	1,032
Other Bank Balance at the beginning of the year	220	19
Sub total (i)	786	1,051
Cash and Cash Equivalents at the end of the year	1,196	566
Fixed Deposits with Banks	103	200
Margin Money Account	22	20
Sub total (ii)	1,321	786
Net Increase / (Decrease) in Cash and Cash Equivalents (ii) - (i)	**535**	**(265)**
Cash and Bank Balances comprise		
Cash, Cheques & Drafts (in hand) and Remittances in-transit	43	48
Balance with Scheduled Banks	1,278	738
	1,321	786
Cash and Cash Bank Balances Include :		
Cash and Bank Balances	1,321	786
Unrealised gain on foreign currency	-	-
Total Cash and Cash Equivalents	**1,321**	**786**

Notes:-

1 The aforesaid Cash Flow Statement has been prepared under the "Indirect Method" and in accordance with Ind AS - 7 on Cash Flow Statements.

2 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 and do not form part of Cash and Cash Equivalents.

3 Figures in brackets indicate cash outgo.

4 Previous year's figures have been regrouped and recast, wherever necessary, to confirm to the current year classification.

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

For **Madan & Associates**
Chartered Accountants
FRN: 000185N

M. K. Madan
Proprietor
Membership No.: 082214

September 20, 2018
New Delhi

Significant Accounting Policies and Notes to Accounts form an integral part of the financial statements

For and on behalf of the Board of Directors of
JAGATJIT INDUSTRIES LIMITED

Ravi Manchanda
Managing Director
DIN: 00152760

Kiran Kapur
Director
DIN: 02491308

Anjali Varma
Director
DIN: 01250881

Sonya Jaiswal
Director
DIN: 02626750

Asha Saxena
Director
DIN: 08079652

Sushma Sagar
Director
DIN: 02582144

Anil Girotra
Chief Financial Officer

K. K. Kohli
Company Secretary

Statement of Changes in Equity

for the year ended March 31, 2018

A. EQUITY SHARE CAPITAL

Issued, subscribed and fully paid-up (Share of ₹ 10 each)	No. of shares	Amount in ₹
At April 01, 2016	46,148,112	461,481,120
Increase / (Decrease) during the year	-	-
At March 31, 2017	46,148,112	461,481,120
Increase / (Decrease) during the year	-	-
At March 31, 2018	**46,148,112**	**461,481,120**

B. OTHER EQUITY

(₹ In Lacs)

Particulars	Reserve & Surplus				Other Comprehensive Income	Total
	General Reserve	Capital Redemption	Securities Premium	Retained Earnings	Remeasurement of defined benefit obligations	
Balance as at April 01, 2016	**2,016**	**580**	**3,697**	**24,491**	**-**	**30,784**
Changes in accounting policy / prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	2,016	580	3,697	24,491	-	30,784
Profit for the year	-	-	-	(11,428)	-	(11,428)
Other Comprehensive Income for the year	-	-	-	-	(267)	(267)
Balance as at March 31, 2017	**2,016**	**580**	**3,697**	**13,063**	**(267)**	**19,089**
Prior period expenses	-		-	(99)		(99)
Restated balance at the beginning of the reporting period	**2,016**	**580**	**3,697**	**12,964**	**(267)**	**18990**
Profit / (Loss) for the year	-		-	(7,407)	-	(7,407)
Other Comprehensive Income for the year	-		-	-	(26)	(26)
Balance as at March 31, 2018	**2,016**	**580**	**3,697**	**5,557**	**(293)**	**11,557**

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For **Madan & Associates**
Chartered Accountants
FRN: 000185N

M. K. Madan
Proprietor
Membership No.: 082214

September 20, 2018
New Delhi

For and on behalf of the Board of Directors of
JAGATJIT INDUSTRIES LIMITED

Ravi Manchanda
Managing Director
DIN: 00152760

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Sushma Sagar
Director
DIN: 02582144

Anil Girotra
Chief Financial Officer

K. K. Kohli
Company Secretary

Notes on Financial Statements

for the year ended March 31, 2018

SIGNIFICANT ACCOUNTING POLICIES

1. CORPORATE INFORMATION

Jagatjit Industries Limited ("the Company") is a public limited Company domiciled in India and incorporated under the provisions of the Indian Companies Act, 1913. The registered office of the Company is located at Jagatjit Nagar, Distt. Kapurthala - 144802, Punjab, India. Its shares are listed on the BSE Limited. The Company is primarily engaged in the manufacture and sale of Liquor products and job work for food products. The Company has manufacturing plants at Kapurthala (Punjab), Sahibabad (U.P.), Sikandrabad (U.P.) and Behror (Rajasthan).

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and compliance with Ind AS

(i) For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards (Previous GAAP) as notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, to the extent applicable, and the presentation requirements of the Companies Act, 2013. In accordance with the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Rule 4A of the Companies (Indian Accounting Standards) Rules, 2015, as amended, and the relevant provisions of the Companies Act, 2013 (collectively, "Ind ASs") with effect from April 01, 2017 and has prepared its financial statements in accordance with Ind ASs for the year ended March 31, 2018. These financial statements as at and for the year ended March 31, 2018 (the "Ind AS Financial Statements") are the first financial statements, prepared in accordance with Ind AS.

(ii) The Company had prepared a separate set of financial statements for the year ended March 31, 2017 and March 31, 2016 in accordance with the Accounting Standards referred to in section 133 of the Companies Act, 2013 (the "Audited Previous GAAP Financial Statements"), which were approved by the Board of Directors of the Company on August 01, 2017 and September 02, 2016 respectively. The management of the Company has compiled the Special Purpose Comparative Ind AS Financial Statements using the Audited Previous GAAP Financial Statements and made required Ind AS adjustments. The Audited Previous GAAP Financial Statements, and the Special Purpose Comparative Ind AS Financial Statements, do not reflect the effects of events that occurred subsequent to the respective dates of approval of the Audited Previous GAAP Financial Statements.

(iii) These financial statements were approved for issue by the Board of Directors on September 20, 2018.

(iv) Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.2 Current versus non-current classification

All Assets and Liabilities have been classified as current or non-current considering the operating cycle of 12 months.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

2.3 Basis of measurement

The Accounts have been prepared on Going Concern Basis. The Company has been suffering losses for the last three years and the net working capital of the Company is negative. The turnover of the Company has also declined. During the year Company suffered net loss of ₹ 7,433 Lacs and as on March 31, 2018, the Current Liabilities exceeded the Current Assets by ₹ 7,620 Lacs. In the opinion of Management, the Company has sufficient resources to survive and curb the losses incurred in past and there is no intention of management to liquidate the entity. The Company is undertaking following steps in order to curtail the losses and to make the working capital positive:

(i) The Company has three lines of income i.e Liquor, Food and Rental. While Food and Rental are profitable, Liquor

Notes on Financial Statements

for the year ended March 31, 2018

division is incurring losses. The Management does not intend to cease its Liquor operations. Rather the Company is entering into new business model through third party business operations in different states in order to curb the losses and boost its business profits.

(ii) The Company has initiated the process of monetising its surplus immovable property at Sahibabad (UP) and Sikanderabad (UP) to repay debts / reduce Finance Cost and enhance its working capital.

(iii) Promoters / Promoters' Companies have provided its security of personal / its assets to obtain working capital. Further the promoters are also contemplating to infuse funds.

(iv) The Company has put in place a time bound plan for reduction of overheads and non-essential expenditures.

The above steps have helped the Company to:

a) Prevent default in meeting any financial commitments to Banks / Financial Institutions.

b) Improve its Credit Rating which is currently at B+ (with Stable outlook) from previous B - (with Negative Outlook).

As per the assessment of the management the Going Concern assumption is not affected and no material uncertainty exists in this regards in view of the above mentioned factors.

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities, including derivative financial instruments which have been measured at fair value as described below and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind AS.

2.4 Fair value measurement:

Fair value is the price that would be received to sell assets or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value for measurement and / or disclosed in these financial statement is determined on such basis.

All Assets and Liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, which are described as follows; Level I - III

Level I input

Level I input are quoted price in active market for identical assets or liabilities that the entity can access at the measurement date, a quoted price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exception. If an entity holds a position in a single assets or liabilities and the assets or liabilities is traded in an active market, the fair value of assets or liabilities held by the entity, even if the market normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level II input

Level II inputs are those inputs other than quoted market prices included within Level I that are observable for the assets or liabilities either directly or indirectly.

Level II inputs include

- Quoted price for similar assets or liabilities in active market.
- Quoted price for identical or similar assets or liabilities in market that are not active.
- Input other than quoted prices that are observable for the assets or liabilities.
- Interest rate and yield curve observable at commonly quoted interval.
- Implied volatilise.
- Credit spreads.
- Inputs that are derived principally or from corroborated market data co-relation or other means ('market corroborated inputs').

Level III input

Level III inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's

Notes on Financial Statements

for the year ended March 31, 2018

own data, taking into account all information about market participant assumptions that is reasonably available.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.5 Functional and presentation currency

These Ind AS Financial Statements are prepared in Indian Rupee which is the Company's functional currency. All financial information presented in Rupees has been rounded to the nearest lacs.

2.6 Property, plant and equipment

(i) Property, plant and equipment

The Company has applied Ind AS 16 with retrospective effect for all of its properties, plants and equipments as at the transition date, viz., April 01, 2016. On April 01, 2016 the Company has carried out fresh revaluation of Land owned by the Company as PPE. The revaluation has been carried out by an independent valuer on fair market value basis. Consequently, the revaluation reserve amounting to ₹ 26,779 lacs has been transferred to retained earnings.

Company has been granted leasehold lands for the period of 99 years and accordingly, the same is treated as finance lease. In view of no reasonable certainty regarding vesting of ownership with the Company at the determination of lease, depreciation is being charged on the revalued figure of Land on straight line basis over the period of lease.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, attributable borrowing cost and any other directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the present value of the expected cost for the decommissioning and removing of an asset and restoring the site after its use, if the recognition criteria for a provision are met.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the Statements of Profit and Loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalised if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if considered appropriate.

When an item of property, plant and equipment is scrapped or otherwise disposed off, the cost and related deprecation are removed from the books of account and resultant profit or loss, if any, is reflected in Statement of Profit and Loss.

(ii) Capital work in progress

Assets in the course of construction are capitalised in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised when the asset is available for use but incapable of operating at normal levels until the period of commissioning has been completed. Cost includes financing cost relating to borrowed funds attributable to construction.

(iii) Depreciation

The Company depreciates property, plant and equipment over the useful life as prescribed in schedule II of the Companies Act, 2013 on the straight-line method from the date the assets are ready for intended use. Assets in the course of construction and freehold land are not depreciated. In respect of following assets, different useful life is taken than those prescribed in schedule II:

Notes on Financial Statements

for the year ended March 31, 2018

Particulars	Depreciation
Boiler No-5	Over its useful life as technically assessed (35 Years)
Turbine 7MW	Over its useful life as technically assessed (35 Years)
Evaporator Spent Wash	Over its useful life as technically assessed (35 Years)
MMF Plant (III shift)	Over its useful life as technically assessed (15 Years)

Leasehold land is amortised on straight line basis over the period of lease. Leasehold Improvements are amortised on straight line basis over the useful life of the asset and the remaining period of lease.

2.7 Intangible Assets

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either definite or indefinite. Currently Company does not have any intangible assets with indefinite useful life. Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication to the same effect. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. Generally intangible assets are amortised @ 10% per annum as SLM basis.

2.8 Impairment of Assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the recoverable amount of the asset or cash generating unit is estimated in order to determine the extent of impairment loss (if any). When it is not possible to estimate the recoverable amount of the cash generating unit to which the asset belong recoverable amount is the higher of fair value less cost of disposal and value in use. In assessing the value in use, the estimated future cash flow is discounted at their present value using the pre-tax discount rate that reflects current market assessment of time value of money and the risks specific to the assets for which the estimates of future cash flow have not been adjusted.

If the recoverable amount of an assets (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the assets (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss recognised immediately in the Statement of Profit and Loss.

2.9 Cash and Cash equivalent

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

2.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Initial recognition and measurement

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets or issue of financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Notes on Financial Statements

for the year ended March 31, 2018

(ii) Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in four categories and measured as under:

(a) Debt instruments at amortised cost.

(b) Debt instruments at Fair Value through Other Comprehensive Income (FVTOCI).

(c) Debt instruments, derivatives and equity instruments at Fair Value through Profit or Loss (FVTPL).

(d) Equity instruments measured at Fair Value through Other Comprehensive Income (FVTOCI).

(a) A 'debt instrument' is measured at the amortised cost, if both the following conditions are met:

(i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

(ii) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

(b) A 'debt instrument' is classified as FVTOCI, if both of the following criteria are met:

(i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and

(ii) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in OCI. However, the Company recognizes interest income, impairment losses and foreign exchange gain or loss in the profit or loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

(c) FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

(d) All equity investments in scope of Ind AS 109 are measured at fair value. Equity Instruments which are held for trading are classified as at FVTPL. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

Investment in subsidiaries and associate

Investments in subsidiaries and associate are carried at cost less provision for impairment, if any.

(iii) De-recognition of financial assets

The Company derecognizes a financial asset when and only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in Other Comprehensive Income and accumulated in equity is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset.

Notes on Financial Statements

for the year ended March 31, 2018

(iv) Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets. The Company follows 'simplified approach' for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

(v) Subsequent measurement of financial liabilities

All the financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at fair value through profit and loss. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

(vi) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such on exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

2.11 Inventories

Inventories are valued at the lower of cost and net realisable value except scrap and by-products which are valued at net realisable value. Costs comprises as follow:

(i) Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

(ii) Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average basis.

(iii) Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(iv) Obsolete inventories are identified and written down to net realisable value. Slow moving and defective inventories are identified and provision for the same is made. Inventories are valued on lower of cost or net realizable value. In pursuance of IND AS-2 indirect production overheads (estimated by the Management) have been allocated for ascertainment of cost of finished goods.

2.12 Retirement Benefits

Company follows IND AS-19 as detailed below:

(a) Short-term benefits are recognised as expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

(b) Company provides bonus to eligible employees as per the Bonus Act, 1965 and accordingly liability is provided on actual cost at the end of the year.

(c) Provident Fund: The eligible employees of the Company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both employees and the Company make monthly contributions at a specified percentage of the covered employee's salary. The contributions as specified under the law are paid to the respective Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension Scheme.

(d) The Company has an obligation towards gratuity a defined benefit retirement plan covering all employees. The plan provides for a lumpsum payment to employees at retirement/determination of service on the basis of 15 days terminal salary for each completed year of service subject to maximum amount of ₹ 20 Lacs.

Company's liability towards gratuity and compensated absences is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income (OCI) in the period in which they occur. Re-measurement recognised in the Other Comprehensive Income is reflected immediately

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for the year ended March 31, 2018

in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

2.13 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being received. Revenue is measured at the fair value of the consideration received or receivable taking into account contractually defined terms of payment excluding other taxes or duties collected on behalf of the government. Specific recognition criteria described below must also be met before revenue is recognised.

(a) Revenue from the sale of products is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue from the sale of products is measured at the fair value of the consideration received or receivable, inclusive of excise duty and net of returns and allowances, trade discounts and volume rebates.

(b) Sales include goods sold by contract manufacturers (CMU) on behalf of the Company, since risk and reward belong to the Company in accordance with the terms of the relevant contract manufacturing agreements. The related cost of sales is also recognised by the Company, as and when incurred by the CMU.

(c) Sales through State Corporation: Revenue is recognised at the time of dispatch/delivery to the Corporation as significant risk & rewards associated with ownership are transferred to the Corporation along with the transfer of the property in goods. The Company has complete physical control over the goods and the liquor manufacturer does not have any right to take back or have lien on such goods.

(d) Job Work: Revenue from job work is recognised when the performance of the agreed contractual task has been completed.

(e) Rent: Rental Income is accounted on accrual basis.

(f) 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.

(g) Royalty income is accounted on an accrual basis in accordance with terms specified in the relevant agreements.

(h) Interest Income is recorded on time proportion basis using the Effective Rate of Interest (EIR).

2.14 Manufacturing policy

The main raw material of the Company is ENA, which is used to produce Indian Made Foreign Liquor (IMFL) and Country Liquor (CL). Manufacturing policy of the Indian alcoholic spirit market is highly regulated by the States who control the alcoholic beverage industry. The India liquor industry has been experiencing challenges such as state policies with respect to import & export from one state to the other, production constraints with respect to the pack sizes and type of packaging, price control and increasing state levies & duties.

2.15 Taxation

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in Other Comprehensive Income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets

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for the year ended March 31, 2018

and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except when it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in Other Comprehensive Income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales/ Value Added Taxes paid on acquisition of assets or on incurring expenses.

Expenses and assets are recognised net of the amount of Sales/ Value Added Taxes paid, except:

When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

When receivables and payables are stated with the amount of tax included, the net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

2.16 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.17 Foreign Currency Transactions

Foreign Currency Transactions involving export sales are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the customs rate on the date of dispatch of goods. The difference between the rates recorded and the rates on the date of actual realisation is transferred to difference in exchange fluctuation account. At the year end, the balances are converted at the year end rate and difference if any between the book balance and converted amount are transferred to the exchange fluctuation account. The premium or discount arising at the inception of a forward exchange contract is amortised as expenses / income over the life of the contract. Any profit or loss arising on cancellation or renewal of such a forward contract is recognised as income / expenses for the period. Non-monetary items that are measured in historical cost in a foreign currency are not retranslated.

2.18 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic

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benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of the provisions to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.19 Earning Per Share

The Company presents basic and diluted Earning Per Share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit and loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit and loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

2.20 Segment Reporting

(a) Segment assets and liabilities

All Segment assets and liabilities are directly attributable to the segment. Segment assets include all operating assets used by the segment and consist principally of PPE, inventories, trade receivable, financial assets and operating cash and bank balances. Segment assets and liabilities do not include inter-corporate deposits, share capital, reserves and surplus, borrowings, and income tax (both current and deferred).

(b) Segment revenue and expenses

Segment revenue and expenses are directly attributable to segment. It does not include interest income on inter-corporate deposits, interest expense and income tax.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue/expenses/assets/liabilities".

2.21 Cash Flow Statement

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information

2.22 Leases

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalised at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognised as an expense on a straight-line basis in the Statement of Profit and Loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

2.23 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the standalone Ind AS financial statements.

2.24 Use of estimates and judgments

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of 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 it is known / materialised.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

(i) Property, plant and equipments

(ii) Intangible assets

(iii) Taxes on income

(iv) Retirement and other employee benefits

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for the year ended March 31, 2018

3A. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lacs)

	Particulars	Land Free Hold	Land Lease Hold	Building	Furniture & Fixtures	Plant & Machinery	Other Equipment	Vehicles	Total
(I)	Gross block								
	As at April 01, 2016	23,789	3,133	5,961	183	9,419	120	640	**43,245**
	Additions	-	-	202	64	51	46	-	**363**
	Disposals			-	(20)	(409)	(29)	(92)	**(550)**
	As at March 31, 2017	**23,789**	**3,133**	**6,163**	**227**	**9,061**	**137**	**548**	**43,058**
	Additions	-	-	17	12	66	54	26	**175**
	Disposals	-	-	-	-	(73)	(1)	(126)	**(200)**
	As at March 31, 2018	**23,789**	**3,133**	**6,180**	**239**	**9,054**	**190**	**448**	**43,033**
(II)	Accumulated depreciation								
	As at April 01, 2016	**-**	**-**	**-**	-	-	-	-	**-**
	Charge for the year	-	44	268	36	621	50	208	**1,227**
	Deductions / Adjustments	-	-	-	(19)	(384)	(28)	(65)	**(496)**
	As at March 31, 2017	**-**	**44**	**268**	**17**	**237**	**22**	**143**	**731**
	Charge for the year	-	44	267	38	610	39	173	**1,171**
	Deductions	-	-	-	-	(66)	0	(99)	**(165)**
	As at March 31, 2018		**88**	**535**	**55**	**781**	**61**	**217**	**1,737**
(III)	Net block								
	As at April 01, 2016	23,789	3,133	5,961	183	9,419	120	640	**43,245**
	As at March 31, 2017	**23,789**	**3,089**	**5,895**	**210**	**8824**	**115**	**405**	**42,327**
	As at March 31, 2018	**23,789**	**3,045**	**5,645**	**184**	**8,273**	**129**	**231**	**41,296**

3B. OTHER INTANGIBLE ASSETS

(₹ in Lacs)

Particulars	Patent Trade Mark
(I) Gross block	
As at April 01, 2016	10
As at March 31, 2017	**10**
As at March 31, 2018	**10**
(II) Accumulated depreciation	
As at April 01, 2016	-
Amortisation for the year	3
As at March 31, 2017	**3**
Amortisation for the year	3
As at March 31, 2018	**6**
(III) Net block	
As at April 01, 2016	**10**
As at March 31, 2017	**7**
As at March 31, 2018	**4**

Notes on Financial Statements

for the year ended March 31, 2018

3C. CAPITAL WORK - IN - PROGRESS (REFER FOOTNOTE (III))

(₹ in Lacs)

Particulars	Patent Trade Mark
As at April 01, 2016	49
As at March 31, 2017	57
As at March 31, 2018	33

Footnote(s):

(i) For details of Property, plant and equipment charged as security for borrowings refer Note 19.

(ii) The Company has elected to measure items of property, plant and equipment and intangible assets at its carrying value as deemed cost at the transition date except for certain class of assets which are measured at fair value as deemed cost. As a result accumulated depreciation on April 01, 2016 is shown at NIL.

(iii) Estimated amount of capital contracts remaining to be executed is ₹ 2 Lacs (Financial year 2016-17 ₹ 3 Lacs, Financial year 2015-16 ₹ 5 Lacs)

(iv) Land at various locations have been revalued as on April 01, 2016 by an independent approved valuer on a fair market value basis. (Refer footnote(s) (i) to Note No. 45)

(v) For leasehold land refer note 2.6 regarding Significant Accounting Policy.

4. INVESTMENT PROPERTIES

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Opening gross carrying amount	2,407	2,407	2,407
Additions during the year	-	-	-
Closing gross carrying amount	**2,407**	**2,407**	**2,407**
Opening accumulated depreciation	605	567	528
Depreciation charged during the year	38	38	39
Closing accumulated depreciation	**643**	**605**	**567**
Net carrying amount	1,764	1,802	1,840

Footnote(s):

(i) Amounts recognised in profit or loss for investment properties

Particulars	As at March 31, 2018	As at March 31, 2017
Rental income	2,499	2,695
Direct operating expenses from property that generated rental income	494	700
Direct operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation	**2,005**	**1,995**
Depreciation	38	38
Profit from investment properties	**1,967**	**1,957**

(ii) Future minimum lease payments are not given as subject leases are not non-cancellable operating leases.

(iii) Contingent rents recognised as income - Nil.

(iv) Company has entered upon lease agreements on different dates for a period of maximum 3 years with varying rents with passage of time. The lease(s) can be terminated at the option of lessor / lessee with notice period of three months.

Notes on Financial Statements

for the year ended March 31, 2018

(v) Fair Value

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Investment Properties	21,353	21,353	21,353

(vi) **Estimation of Fair Value**

The Company obtained independent valuations for its investment properties on April 01, 2016. The best evidence of fair value is current prices in an active market for similar properties.

All resulting fair value estimates for investment properties are included in level 2. Company is of view that there is no significant change in fair value as on March 31, 2018.

(vii) For details of investment property charged as security of borrowings refer note 19 (iii), (iv) & (vi).

5. NON-CURRENT INVESTMENTS (REFER FOOTNOTE(S) 45(II))

(₹ in Lacs)

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(A)	**Equity instruments (fully paid-up)**			
(i)	**Quoted**			
	Mohan Meakin Ltd. (refer footnote (ii))			
	281,961(Previous year : 281,961) shares of ₹ 5 each fully paid.	117	117	95
	Milkfood Ltd.			
	1,350 (Previous year : 1,350) Shares of ₹ 10 Each Fully paid	6	3	2
	Punjab National Bank			
	4,965 (Previous year : 4,965) shares of ₹ 2 each fully paid	5	8	4
(ii)	**Unquoted**			
	In subsidiary companies			
	S.R.K. Investments Pvt. Ltd.	1	1	1
	10,000 (Previous year : 10,000) Shares of ₹ 10 each fully paid			
	Sea Bird Securities Pvt. Ltd.	1	1	1
	8,000 (Previous year : 8,000) Shares of ₹ 10 each fully paid			
	JIL Trading Pvt. Ltd.	1	1	1
	10,000 (Previous year : 10,000) Shares of ₹ 10 each fully paid			
	L.P. Investments Ltd. (refer footnote (iii))	1,016	1,016	1,016
	10,157,500 (Previous year : 10,157,500) shares of ₹10 each fully paid			
	Yoofy Computech Pvt. Ltd.	1	-	-
	9,999 Shares of ₹10 each fully paid (Acquired during the year)			
(iii)	**Unquoted**			
	In associates			
	Hyderabad Distilleries & Wineries Pvt. Ltd.			
	1,650 (Previous year : 1,650) shares of ₹100 each fully paid	2	2	2
(iv)	**Unquoted**			
	In others			
	Chic Interiors Pvt. Ltd.			
	1,752 (Previous year : 1,752) shares of ₹ 10 each fully paid	0	0	0
	(Sold during the year Nil (Previous year : 1600 Shares) of ₹ 10 each fully paid)			

Notes on Financial Statements

for the year ended March 31, 2018

(₹ in Lacs)

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(B)	**Investment in preference shares (fully paid-up)**			
(i)	**Qube Corporation Pvt. Ltd.**	135	135	135
	13,50,000 (Previous year : 13,50,000) Cumulative Redeemable Preference Shares of ₹ 10 each)			
(ii)	**In subsidiary Company**			
	L.P. Investments Ltd.	5	5	5
	4,500 (Previous year : 4,500) 9.5% Cumulative Redeemable Preference Shares of ₹ 100 each fully paid			
(C)	**Investment in government securities**			
	6 year National Saving Certificates (lodged with Government Authorities)	1	1	1
	TOTAL	**1,291**	**1,290**	**1,263**

Footnote(s):

(i) Cost of investment

Mohan Meakin Ltd.	84
Milkfood Ltd.	1
Punjab National Bank	4

(ii) Quoted on April 01, 2016, delisted in 2016-17 and has been relisted in Kolkata Stock Exchange. However quoted price as on March 31, 2018 is not available.

(iii) Management is of the view that there is no permanent diminution in the value of investment in subsidiary in view of value of enterprise as a whole.

6. LOANS

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good			
Loan to subsidiary company (refer note 39, and footnote (i))	3,170	3,166	3,166
Loan to employees (refer footnote(ii))	307	288	252
Unsecured-Considered Doubtful			
Loan to employee	45	45	45
Less: Provision for Doubtful Advances	(45)	(45)	(45)
Total	**3,477**	**3,454**	**3,418**

Footnote(s):

(i) Management considers that amounts due from subsidiary are good for recovery in view of later's investment in the Real Estate.

(ii) Considered good by the Management.

7. OTHER FINANCIAL ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Security Deposits			
Unsecured, considered good	407	373	445
Unsecured, considered doubtful	2	2	2
Less: Provision for doubtful deposits	(2)	(2)	(2)
Fixed Deposits with Bank	325	398	664
(Refer footnote-(i))			
Total	**732**	**771**	**1,109**

Footnote(s):

(i) Pledged with IFCI for security against interest payment. (Also refer note no 19(v))

Notes on Financial Statements

for the year ended March 31, 2018

8. OTHER NON-CURRENT ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Capital advances	1	12	171
MAT credit (Refer footnote (i))	968	968	1,068
Advance wealth tax (Net of Provision)	-	5	5
Advance income tax (Net of Provision)	-	1	131
Prepaid expenses (Refer footnote (ii))	1,215	226	145
Others (Refer footnote (iii))	253	4	37
Unsecured - Considered Doubtful			
Advances to suppliers (Refer foot note (iv))	1,525	1,523	1,043
Others	42	123	15
Less: Provision for Doubtful Advances	(1,567)	(1,646)	(1,058)
(Refer foot note (iv))			
Total	**2,437**	**1,216**	**1,557**

Footnote(s):

(i) Management is of view that credit will be adjusted within the prescribed period of fifteen years u/s 115JAA(3) of the Income Tax Act, 1961.

(ii) Includes advance interest of ₹ 507 Lacs (Previous year : Nil) paid to Indiabulls and loan processing fee of ₹ 698 Lacs (Previous year : Nil).

(iii) Company has entered into agreement for taking on rent the premises from December 2018 and has paid interest free security deposit of ₹ 240 Lacs (Previous year : Nil) to its group Company. Company is of view that rent payable is most competitive as compared to the prevalent market rate.

(iv) Includes ₹ 37 lacs (given in earlier years and provided for) from Director of the Company.

9. INVENTORIES

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Raw Materials	855	1,384	1,774
Packaging Materials	788	1,651	2,600
In-transit (Raw Materials & Packaging Materials)	381	749	364
Work-in-Progress	578	860	205
Finished Goods	2,413	2,575	4,390
Stock-in-Trade	38	63	65
Store and Spares [including in-transit ₹ Nil (April 01, 2016 : ₹ 118 Lacs)]	558	635	956
TOTAL	**5,611**	**7,917**	**10,354**

Footnote(s):

Net of provision for obsolete inventory of ₹ 876 Lacs (March 31, 2017: ₹ 1001 Lacs, April 1, 2016: ₹ 21 Lacs).

10. CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Quoted			
Canara Rebco Mutual Fund-Short Term Fund (Growth Plan)	-	15	15
Total	-	**15**	**15**

Notes on Financial Statements

for the year ended March 31, 2018

11. TRADE RECEIVABLES

(₹ in Lacs)

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a)	**Trade receivables (exceeding six months)**			
	Unsecured, considered good	4,508	3,813	3,358
	Doubtful	3,416	2,765	1,546
		7,924	**6,578**	**4,904**
	Less: Allowance for expected credit loss	3,416	2,765	1,546
		4,508	**3,813**	**3,358**
(b)	**Other trade receivable**			
	Unsecured, considered good	8,944	10,253	15,453
	Current	**13,452**	**14,066**	**18,811**
	Non-Current	**-**	**-**	**-**

Footnote(s):

(i) No debts are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Also, no debts are due from firms or private companies, respectively, in which any director is a partner or a director or a member.

12. CASH AND CASH EQUIVALENTS

(₹ in Lacs)

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(A)	**Cash & Cash Equivalents**			
	Cash in hand	43	46	52
	Cheques in hand	-	2	27
	Funds in-transit	-	-	123
	Balances with banks			
	-Current accounts	1,153	518	525
	-Fixed deposits	-	-	304
	(With original maturity period of upto 3 months)			
		1,196	**566**	**1,031**
(B)	**Other bank balances**			
	Fixed deposits with bank	103	200	2
	Margin money accounts (Refer footnote(i))	22	20	17
		125	**220**	**19**
	Total (A) + (B)	**1321**	**786**	**1050**

Footnote(s):

(i) Towards Bank Guarantee against performance of contractual obligations.

13. CURRENT LOANS

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Security deposits (refer footenote (i))	192	216	73
Loan to employees (refer footenote (i))	688	1032	835
	880	**1,248**	**908**

Footnote(s):

(i) These balances are considered good for recovery within 12 months of reporting date as certified by the Management.

Notes on Financial Statements

for the year ended March 31, 2018

14. OTHER FINANCIAL ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Interest receivable	193	115	111
Other income receivable	1	0	140
Others (refer footnote (i))	261	133	133
	455	**248**	**384**

Footnote(s):

(i) Includes ₹ 129 Lacs (Previous year : Nil) on account of tax deducted at source on interest payment and commercial advance of ₹ 132 Lacs (March 31, 2017: ₹ 132 Lacs, April 01, 2016: ₹ 132 Lacs) to Vinayaka Liquor Pvt Ltd. Management has certified that this amount will be recovered / adjusted within 12 months of the reporting date.

15. OTHER CURRENT ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Balance with excise / revenue authorities	243	502	693
Advance tax	510	356	-
Advances to suppliers	1,349	961	2,090
Prepaid expenses	1,231	371	274
Others (refer footnote (i))	597	490	252
	3,930	**2,680**	**3,309**

Footnote(s):

(i) Includes an amount of ₹ 265 Lacs (Interest bearing) given to an associate to fulfil commercial obligations towards payment made by the associate to labour, deployed in course of contract and manufacturing agreement and an amount of ₹ 307 Lacs represents advance given against contractual agreement in earlier years. Amount is certified by the Management to be recoverable within 12 months of date of reporting.

16. ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Fixed Assets held for sale	45	45	2,642
(Valued at the lower of the estimated net realisable value & carrying amount)			
	45	**45**	**2,642**

Footnote(s):

(i) In the Financial year 2016-17, assets of Glass Division were treated as held for sale due to discontinuity of operations of Glass unit at Sahibabad and accordingly these were valued at lower of estimated net realisable value and carrying amount. During the year Company has entered upon an agreement to sale for development and thereafter disposal of part of leasedhold land subject to permission of authorities. Company has received a sum of ₹ 25 Crores towards part performance of agreement. However pending receipt of formal approval from the lessor i.e. statutory authority same is treated as advance from customer (refer note 25). Management is hopeful for receipt of formal approval within 12 months of the reporting date.

Notes on Financial Statements

for the year ended March 31, 2018

17. EQUITY SHARE CAPITAL

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised			
75,000,000 (March 31, 2017: 75,000,000) Equity Shares of ₹10 each	7,500	7,500	7,500
Issued, subscribed and fully paid-up			
46,148,112 (March 31, 2017: 46,148,112) Equity Shares of ₹10 each	4,615	4,615	4,615

Footnote(s):

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	Number	Amount (₹)
Equity Shares		
Issued, subscribed and fully paid-up		
As at April 01, 2016	46,148,112	461,481,120
Increase / (Decrease) during the year	-	-
As at March 31, 2017	**46,148,112**	**461,481,120**
Increase / (Decrease) during the year	-	-
As at March 31, 2018	**46,148,112**	**461,481,120**

(ii) Terms / rights attached to Equity Shares

(a) 18,438,112 shares referred to as Equity Shares are having face value of ₹ 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 ₹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 Receipts (GDR) issue. GDRs do not carry any voting rights until they are converted into Equity Shares.

(c) 2,500,000 Equity Shares of ₹10 each held by LPJ Holdings Pvt. Ltd., fully paid-up at a premium of ₹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 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.

(iii) Details of shareholders holding more than 5% Equity Shares in the Company:

Name of the shareholder	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Number	Percentage	Number	Percentage	Number	Percentage
(a) The Bank of New York (the Depository) (Footnote (ii) b)	25,210,000	54.63	25,210,000	54.63	25,210,000	54.63
(b) LPJ Holdings Pvt. Ltd. [footnote (ii)(a)]	7,418,648	16.08	7,418,648	16.08	7,418,648	16.08
(c) LPJ Holdings Pvt. Ltd. [footnote (ii)(c)]	2,500,000	5.42	2,500,000	5.42	2,500,000	5.42

Notes on Financial Statements

for the year ended March 31, 2018

18. OTHER EQUITY

(₹ in Lacs)

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a)	Capital Redemption Reserve	580	580	580
(b)	Securities Premium Reserve	3,697	3,697	3,697
(c)	General Reserve	2,016	2,016	2,016
(d)	Retained Earning (refer footnote (iv))	5,557	13,063	24,491
(e)	Other Comprehensive Income	(293)	(267)	-
	Balance as at the end of reporting period	**11,557**	**19,089**	**30,784**

Footnote(s):

(i) Capital Redemption Reserve:

Capital Redemption Reserve was created pursuant to redemption of preference shares issued in earlier years. The Capital Redemption Reserve amount may be applied by the Company, in paying up unissued share of the Company to be issued to shareholders of the Company as fully paid bonus shares.

(ii) Securities Premium Reserve

Where the Company issues shares at premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to "Securities Premium Account". The Company may issue fully paid-up bonus shares to its members out of balance lying in the Securites Premium Account and the Company can also use this reserve for buy-back of shares.

(iii) General Reserve

General Reserve is created out of profit earned by the Company by way of transfer from surplus in the Statement of Profit and Loss. The Company can use this reserve for payment for dividend and issue of fully paid-up shares.

(iv) As detailed in footnote (i) to note 45 retained earnings were increased on account of revaluation of certain PPE. Thereafter, the Company has suffered losses and figures are gross of revalued amount and net of losses.

(v) The disaggregation of changes in each type of reserve, retained earnings and Other Comprehensive Income are disclosed in Statement of Changes in Equity.

19. BORROWINGS

A Non Current Borrowings

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Secured			
From banks			
Term loan (refer footnote (i), (ii), (iii), (iv) & (v))	-	7,636	9,132
Car loans	-	24	94
From others			
NBFC (refer footnote (vi))	23,785	3,013	4,773
Car loans (refer footnote (vii))	17	36	182
Unsecured			
Fixed Deposits	-	301	661
NBFC (refer footnote (viii))	-	11,000	-
From related parties	-	-	59
Total	**23,802**	**22,010**	**14,901**

Notes on Financial Statements

for the year ended March 31, 2018

B Current Borrowings (₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Secured			
Working capital loans from banks (refer footnote (ix))	2,934	2,724	5,768
Unsecured			
Fixed Deposits	299	339	500
Fixed Deposits guaranteed by directors	-	-	628
Working capital loan from bank	-	-	3,500
Total	**3,233**	**3,063**	**10,396**

Footnote(s):

	Nature of Security	Terms of Repayment
(i)	Term Loan amounting to ₹ Nil (Previous year : ₹ 264 Lacs) for Boiler is secured by all the Machineries and Accessories including civil work related to the aforementioned Machineries installed at the Company's works at Jagatjit Nagar, Distt Kapurthala.	Repayable in 20 equal quarterly installments commencing from April, 2013. Amount repaid in Jan 2018. During the year the rate of interest charged was 12.50% p.a (Previous year : 12.50% p.a)
(ii)	Term Loan amounting to ₹ Nil (Previous year : ₹ 116 Lacs) for Turbine is secured by all the Machineries and Accessories including civil work related to Turbine installed at the Company's works at Jagatjit Nagar, Distt Kapurthala.	Repayable in 60 equal monthly installments commencing from April, 2013. Last installment paid in March 2018. During the year rate of interest charged was 13.30% p.a (Previous year : 13.30% p.a).
(iii)	Term Loan amounting to ₹ Nil (Previous year : ₹ 1,390 Lacs) for expansion of Malted Milk Food Plants secured against exclusive first charge on Plant & Machinery of the new Malted Milk Food Plant including instrumentation etc. at its works at Jagatjit Nagar, Distt Kapurthala and extension of mortgage on Plot No. 78, Institutional Area, Sector-18, Gurgaon, Haryana and negative lien on the property of 9th and 10th floor, Ashoka Estate, 24 Barakhamba Road, New Delhi.	Repayable in 60 monthly equal installments commencing from June, 2015. Last installment due on May 2021. However the entire amount has been repaid. During the year the rate of interest charged was 12.30% p.a. (Previous year : 12.30 % p.a).
(iv)	Term Loan amounting to ₹ Nil (Previous year : ₹ 7,268 Lacs) is secured against lease rent receivables of leased space at Plot No. 78 Institutional area, Sector-18, Gurgaon, Haryana and 9th and 10th floor, Ashoka Estate, 24 Barakhamba Road, New Delhi for purpose of working Capital needs of the Company	Repayable in 120 structured monthly installments commencing from April, 2015 . Last installment due on March, 2025. However the entire amount has been repaid. Rate of interest 11.30% p.a. (Previous year : 11.30%).
(v)	Term Loan amounting to ₹ 3,000 Lacs (Previous year : ₹ 4,773 Lacs) for General Corporate Purpose is secured by exclusive charge by way of mortgage on Land & Building situated at Jagatjit Nagar, Distt Kapurthala and lien on fixed deposit in favour of IFCI.	Repayable in 18 structured quarterly installments commencing from August, 2015 . Last installment due on November, 2019. Rate of interest 13.50% p.a. (Previous year : 13.55%).
(vi)	Term loan amounting to ₹ 26,585 Lacs (Previous year: Nil) is secured against:- (a) office space at Plot No. 78, Institutional Area, Sector-18, Gurgaon, Haryana and 9th and 10th floor, Ashoka Estate, 24 Barakhamba Road, New Delhi (b) Land at Plot No 78, Sector 18, Institutional Area, Gurgaon, Haryana.	Repayable in 144 monthly installments from the date of disbursement of the loan. Rate of interest is 10% for first two years and is progressive in the event of non payment of specified amounts by specified date(s).
(vii)	Car Loans of ₹ 56 lacs (Previous year : ₹ 265 lacs) are secured by hypothecation of the related cars.	Repayable in 36-60 equal monthly installments. Rate of interest 8.25% to 8.75% p.a.
(viii)	Unsecured borrowing facility ₹ Nil (Previous year : 11,000 Lacs) from KKR Financial Services Pvt Ltd. (NBFC). This facility was secured by collaterals provided by promoters and other third parties. During the year entire amount has been swapped by borrowing from Indiabulls Ltd. (refer footnote (v) above)	Repayable after 3 years from the date of disbursement of tranche - I which occurred on May 26, 2016. Rate of Interest equivalent to Internal Rate of Return (IRR) of 17.25% (Previous year : 17.25%) to the lender.
(ix)	Cash Credit limits and Letter of Credit are part of working capital facilities availed from consortium banks.	These consortium limits are secured by first pari passu charge on stock and trade receivables and by equitable mortgage of leasehold land situated at Behror (Rajasthan) in favour of Canara Bank (Lead Bank).

Notes on Financial Statements

for the year ended March 31, 2018

20. OTHER FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Security Deposits	706	735	298
Total	**706**	**735**	**298**

21. OTHER LONG TERM LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance rental income (refer footnote (i))	66	121	46
Total	**66**	**121**	**46**

Footnote(s):

(i) Represent difference in fair value and carrying value of security deposit received in respect of investment properties.

22. PROVISIONS

A Non - current

(₹ in Lacs)

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a)	Provision for employee benefits			
	-Gratuity	1,481	1616	1275
	-Compensated Absences	263	260	282
(b)	Provisions for Litigations			
	-Service Tax / Sales Tax	425	426	426
		2169	**2302**	**1983**

B Current

(₹ in Lacs)

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a)	Provision for employee benefits			
	-Gratuity	288	266	221
	-Compensated Absences	188	208	231
		476	**474**	**452**

Footnote(s):

Provision for Gratuity and compensated absences has been made in terms of IND AS-19. Gratuity and compensated absences have been determined by actuary as on March 31, 2018 (for detail refer note 38).

23. TRADE PAYABLES

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Total outstanding dues of Micro Enterprises and Small Enterprises	20	137	105
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	11,886	12,834	12,287
Total Trade Payables	**11,906**	**12,971**	**12,392**

Footnote(s):

(i) 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 on Financial Statements

for the year ended March 31, 2018

(₹ in Lacs)

(ii)

Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year			
-Principal Amount Unpaid	20	137	105
-Interest due	2	6	7
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to suppliers beyond the Appointed Date during the year			
-Payment made beyond the Appointed Date	118	349	367
-Interest paid beyond the Appointed Date	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the Appointed Date during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	6	26	18
The amount of interest accrued and remaining unpaid at the end of the year (included in bills payable in note 24)	216	210	184

24. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current Maturities of Long-Term Debt (refer note 19)	5,839	3,368	3,619
Unclaimed Matured Deposits (refer footnote (i))	71	93	163
Interest accrued but not due	182	1,400	279
Interest accrued and due	279	232	248
Security Deposits	4,246	2,886	4,188
Employee Benefits	854	913	904
Other Liabilities (refer footnote (ii) & (iii))	1,256	227	1,262
Total	**12,727**	**9,119**	**10,663**

Footnote(s):

(i) Unclaimed Matured Deposits are not required to be transferred to the Investor Education and Protection Fund (IEPF) in terms of section 125 of the Companies Act, 2013, as these deposits are unclaimed for less than 7 years from the date of their maturity. Additional unclaimed deposits of ₹ Nil as on March 31, 2018 (Previous year : ₹ 1 lac) lying unclaimed for more than 7 years have been deposited in the IEPF.

(ii) Includes bills payable(s) of ₹ 707 Lacs (including interest amount of ₹ 216 Lacs payable to SME) as certified by the Management.

(iii) Includes ₹ 320 Lacs towards one time payment to GAIL (India) Limited, a Government of India undertaking in pursuance of Memorandum of Indenture dated July 02, 2018 for termination of the Gas Sales Agreement (GSA) dated December 27, 2008. Refer footnote (v)(b) to note 37.

25. OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advances from customers (refer footnote (i))	2,981	626	638
Statutory liabilities	1,892	1,846	2,133
Other liabilities (refer footnote (ii))	99	89	30
Total	**4,972**	**2,561**	**2,801**

Footnote(s):

(i) Includes ₹ 2500 Lacs (Previous year : Nil) received towards part performance of agreement for sub-division and thereafter sale of part of land situated at Sahibabad (U.P.) pending approval from Lessor.

(ii) Represent difference in fair value and carrying value of security deposit received in respect of investment properties.

Notes on Financial Statements
for the year ended March 31, 2018

26. REVENUE FROM OPERATIONS

(₹ in Lacs)

	Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
(a)	Sale of products (gross of excise duty) (refer note (i))		42,398	72,411
(b)	Sale of services (Job work)		8,428	7,034
(c)	Other operating revenues (refer note (ii))		2,560	1,867
	Total revenue from operations		**53,386**	**81,312**

Footnote(s):

(i)	Sale of products comprises			
	(a)	Manufactured goods		
		Malt & malt extract	2,618	2,996
		Processed milk	798	656
		Liquor	36,750	66,562
		Other	640	550
			40,806	**70,764**
	(b)	Traded goods		
		Petroleum and its products	962	1,393
		Liquor	579	234
		Others	51	20
			1,592	1,647
			42,398	72,411
(ii)	Other operating revenues comprises			
	Royalty		1,555	1,080
	Duty drawbacks		78	3
	Scrap sales		402	320
	Bottling charges income		46	12
	Miscellaneous income		479	452
			2,560	**1,867**

27. OTHER INCOME

(₹ in Lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income	146	128
Rental maintenance income	425	643
Profit on sale of fixed assets	72	16
Rent other	6	4
Rent from investment properties	1,972	1,960
Gain on financial instruments at fair value through profit or loss	102	118
Insurance claims	9	4
Liabilities / provisions no longer required written back	592	573
Total other income	**3,324**	**3,446**

Notes on Financial Statements
for the year ended March 31, 2018

28. COST OF MATERIAL CONSUMED

(₹ in Lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening stock	4,785	4,737
Add: Purchases of Raw and Packaging Materials	13,809	23,237
	18,594	27,974
Less : Closing stock	2,899	4,785
Total	**15,695**	**23,189**

Footnote(s):

(i)	(a)	Details of Raw Material Consumed		
		Grains	4,693	2,315
		Molasses	-	103
		ENA	3,933	9,902
		Milk	760	668
			9,386	12,988
	(b)	Details of Packaging Material Consumed		
		Bottles	3,845	6,211
		Tins & Other Containers	676	1,099
		Seals	751	1,595
		Packing Materials	570	970
		Others	467	326
			6,309	**10,201**
	Total		**15,695**	**23,189**

29. PURCHASES OF STOCK-IN-TRADE

(₹ in Lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Petroleum and its products	908	1,374
Liquor	447	219
Others	19	20
Total	**1,374**	**1,613**

30. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventories at the beginning of the year:		
Work-in-progress	860	188
Finished goods	2,575	4,396
Stock-in-trade	64	10
	3,499	**4,594**
Inventories at the end of the year:		
Work-in-progress	578	860
Finished goods	2,413	2,575
Stock-in-trade	38	64
	3,029	**3,499**
Decrease / (Increase)	**470**	**1,095**

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for the year ended March 31, 2018

31. EMPLOYEE BENEFIT EXPENSES

(₹ in Lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, Wages, Bonus and Gratuity (refer footnote (i))	6,887	6,539
Contribution to Provident, Family Pension	379	399
Employees' State Insurance	149	144
Staff welfare expenses	235	159
Total	**7,650**	**7,241**

Footnote(s):

(i) includes ₹ 391 Lacs (Previous year : Nil) towards Voluntary Retirement Scheme (VRS) payments.

32. FINANCE COST

(₹ in Lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest expenses on		
Borrowings	4,231	3,914
Security Deposit received	227	290
Other	365	145
Other borrowing cost (Refer note (i))	686	555
Total	**5,509**	**4,904**

Footnote(s):

(i) Includes loan redemption charges of ₹ 362 Lacs (Previous year : Nil).

33. DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation of property, plant & equipment	1,171	1,231
Depreciation of investment property	38	38
Amortisation of intangible assets	3	3
Total	**1,212**	**1,272**

34. OTHER EXPENSE

(₹ in Lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Manufacturing expenses:		
Consumption of Stores and Spare parts	353	188
Power and Fuel	2,811	2,305
Repairs - Buildings	181	131
Plant and machinery	476	404
Excise Duty (refer footnote (i))	-	(511)
Other expenses	1,522	1,844
Administrative & Selling expenses:		
Rent (net)	212	274
Lease rental	-	20
Rates & Taxes	1,700	2,538
Insurance	170	207
Travelling expenses	682	724
Repairs to building	18	46
Other repairs & maintenance	95	72

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for the year ended March 31, 2018

(₹ in Lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Bad debts, advances and stock written off	8	326
Provision for doubtful debts and advances	868	1,841
Provision for inventory for obsolete stock	338	979
Fixed assets written off	-	25
Loss on sale of fixed assets	10	5
Reimbursement of expenses to directors	3	12
Directors' fee	11	7
Forwarding charges	681	1,131
Advertisement, publicity and sales promotion	2,598	6,385
Auditors' remuneration (refer footnote (ii))	53	31
Legal & professional expenses	1,113	1,442
Miscellaneous expenses (refer footnote (iii) to note 24)	1,267	1,838
	15,170	**22,264**

Footnote(s):

(i) Represents the difference between excise duty on valuation opening and closing inventory of finished goods.

(ii) Payment to auditor

(₹ in Lacs)

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
	As auditor		
	For Audit	20	20
	For Tax Audit	5	5
	For Limited Review	8	3
	For Tax representation	20	2
	Out of Pocket Expenses	-	1
		53	**31**

35A. TAX EXPENSES

(₹ in Lacs)

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
	Income Tax related to items charged or credited to Statement of Profit and Loss during the year:		
(a)	**Statement of Profit and Loss**		
	Current tax	-	99
	Income Tax adjustment	5	(447)
	Deferred Tax credit	(357)	372
	Total	**(352)**	**24**
(b)	**Tax Expenses on discontinued Business**	**-**	**3**
(c)	**Other Comprehensive Income**		
	Deferred Tax charge / (credit) on		
	Re-measurement of defined benefit plan	(13)	(139)
	Total	**(365)**	**(112)**
	Reconciliation of tax expense with accounting profit multiplied by statutory income tax rate:		
	Accounting profit before income tax	(7,759)	(11,401)
	Applicable tax rate	34.608%	33.063%
	Computed tax expenses	(2,685)	(3,770)
	Deferred Tax assets not considered on unused losses / unabsorbed depreciation (refer footnote (i) to note 35B))	(2,320)	(3,658)
	Income Tax expense reported in Statement of Profit and Loss Account	**(365)**	**(112)**

Notes on Financial Statements
for the year ended March 31, 2018

35B. Deferred Tax

(₹ in Lacs)

Particulars	For the year ended March 31, 2018			
	As at March 31, 2017	Recognised in		As at March 31, 2018
		Profit & Loss	OCI	
Tax effect of items constituting Deferred Tax Liability				
Property, plant and equipment	2,873	(94)	-	2,779
Others	-	-	-	-
(A)	**2,873**	**(94)**	**-**	**2,779**
Tax effect of items constituting Deferred Tax Assets (refer foot note)				
Statutory Liabilities	234	96	-	330
Employee retirement benefits	813	(58)	13	768
Provision for doubtful debts and advances	957	225	-	1,182
(B)	**2,004**	**263**	**13**	**2,280**
Deferred Tax liability (net)	**869**	**(357)**	**(13)**	**499**

Particulars	For the year ended March 31, 2017			
	As at April 01, 2016	Recognised in		As at March 31, 2017
		Profit & Loss	OCI	
Tax effect of items constituting Deferred Tax Liability				
Property, plant and equipment	2,246	627	-	2,873
Others	-	-	-	-
(A)	**2,246**	**627**	**-**	**2,873**
Tax effect of items constituting Deferred Tax Assets (refer foot note)				
Statutory Liabilities	174	60	-	234
Employee retirement benefits	620	54	139	813
Provision for doubtful debts and advances	819	138	-	957
(B)	**1,613**	**252**	**139**	**2,004**
Deferred Tax liability (net)	**633**	**375**	**(139)**	**869**

Footnote(s):

(i) No deferred tax asset is recognised in respect of unused tax losses / unabsorbed depreciation as a matter of prudence. However in respect of other temporary differences as stated, deferred tax asset is recognised under Ind AS 12 on the probability that future profits would be available against which temporary differences can be utilised.

36. EARNINGS PER SHARE (EPS)

(₹ in Lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Net Profit / (Loss) attributable to Shareholders	(7,407)	(11,428)
Weighted Average Number of Equity Shares in issue (Nos)	43,648,112*	43,648,112*
Basic / Diluted Earning Per Share of ₹10 each (₹)	(16.97)	(26.18)
Net Profit / (Loss) attributable to Shareholders from continuing operation	**(7,011)**	(9,669)
Basic / Diluted Earning Per Share of ₹ 10 each (₹) from continuing operation	(16.06)	(22.15)

Footnote(s):

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 footnote 17 (ii)c).

Notes on Financial Statements

for the year ended March 31, 2018

37. CONTINGENT LIABILITIES

(₹ in Lacs)

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a)	Claim against the Company not acknowledged as debt :			
	Service Tax (refer footnote (i))	389	777	1,067
	Sales Tax / VAT (refer footnote (ii))	491	368	370
	Excise Duty (refer footnote (iii))	18	76	88
	Employee State Insurance / Others (refer footnote (iv))	175	191	200
	Others (refer footnote (v))	22	9,955	7,037
	Total	**1,095**	**11,367**	**8,762**

Footnote(s):

(i) Service Tax

(a) Demand of Service Tax and penalty in respect of wrong availment of Service Tax Cenvat Credit ₹ 247 lacs (Previous year : ₹ 261 lacs).

(b) Demand in respect of service tax, interest and penalty on income from Tie-up operations and royalty ₹ Nil (Previous year : ₹ 231 lacs).

(c) Demand of service tax on renting of immovable property ₹ Nil (Previous year : ₹ 113 lacs).

(d) Demand of service tax under service or supply of tangible goods ₹ 124 lacs (Previous year : ₹ 124 lacs).

(e) Demand of service tax and penalty under Management, maintenance and repair services ₹ 18 lacs (Previous year : ₹ 48 lacs).

(ii) Sales Tax/ VAT

(a) Demand of Sales Tax under Central Sales Tax Act on account of incomplete submission of sales tax forms ₹ Nil (Previous year : ₹ 4 lacs).

(b) Demand of Sales Tax & Penalty under Telangana VAT Act on account of VAT on Royalty ₹103 lacs (Previous year : ₹ 103 lacs).

(c) Demand of Sales Tax & penalty under Punjab VAT Act on account of input VAT credit denied on rice husk ₹ 220 lacs (Previous year : ₹ 221 lacs).

(d) Demand of Sales Tax under Haryana VAT Act on account of disallowance of credit of excess VAT deposited due to rate difference ₹ 40 lacs (Previous year : ₹ 40 lacs.)

(e) Demand of Sales Tax under Ranchi VAT Act Assessment for Financial year 2013-14 ₹ 20 lacs (Previous year : ₹ Nil)

(f) Demand for disallowance of ITC on purchase of Rice Flour ₹ 108 lacs (Previous year : ₹ Nil)

(iii) Excise Duty

(a) Demand of Excise Duty in respect of reversal of Cenvat Credit on Turbine ₹ Nil (Previous year : ₹ 74 lacs).

(b) Demand of cess and penalty under Central Excise Act on manufacturing of corrugated paper board ₹ 1 lac (Previous year : ₹ 2 lac).

(c) Demand of Excise Duty in respect of clearence of broken glass generated during the handling of bottles used for IMFL and Country Liquor ₹ 17 lac (Previous year : Nil)

(iv) Employee State Insurance / Employee related

(a) Claim in respect of case filed by ESI Corporation ₹ 6 lacs (Previous year : ₹ 6 lacs)

(b) Employees related claims ₹ 169 lacs (Previous year : ₹ 185 lacs)

(v) Others

(a) Claim by Punjab Government in respect of amount paid to Mahalaxmi Sugar Mills pending before 'The Court of Civil Judge (Senior Division), Kapurthala ₹ 22 lacs (Previous year : ₹ 22 lacs).

(b) In terms of Gas Sales Agreement dated December 27, 2008 between GAIL (India) Limited (Supplier) and the Company, for the supply of RLNG by former, the Company has not utilised the minimum stipulated quantity of RLNG, due to closure of Glass unit situated at Sahibabad (UP). The Supplier has raised demand towards Annual Take or Pay deficiency basis for contract year 2014, amounting to ₹ 1,746 Lacs and for contract year 2015, amounting to ₹ 5,269 Lacs and for contract year 2016, amounting to ₹ 2,918 Lacs and for contract year 2017, amounting to ₹ 3,402 lacs, aggregating to ₹13,335 Lacs. Company and GAIL mutually settled the dispute vide Memorandum of Indenture dated July 02, 2018 vide which the Company accepted one time liability of ₹ 320 Lacs in full and final settlement of the above mentioned claim.

Notes on Financial Statements

for the year ended March 31, 2018

(c) 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.

(vi) Certain matters relating to various assessment years of Income Tax are pending at 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.The Company is contesting these demands and the Management, based on advise of its advisors, believes that its position will likely be upheld in the appellate process. No expense has been accrued in the standalone financial statements for these demands raised. The Management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations. The Company does not expect any reimbursements in respect of the above contingent liabilities.

(vii) In addition, the Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's Management reasonably does not expect that these legal actions, when ultimately concluded and determined, will have material effect on the Company's results of operations or financial condition.

38. EMPLOYEE BENEFITS

The Company has classified various employee benefits as under:

(A) Defined Contribution Plan

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

(₹ in Lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(i) Employers' Contribution to Provident Fund	379	402
(ii) Employers' Contribution to Employees' State Insurance	149	144

Included in Contribution to Provident, Family Pension and Employees' State Insurance (Refer Note 31)

(B) Defined Benefit Plans

The Company operates one defined benefit plan i.e., gratuity for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service.

The following table summarises the components of net benefit expenses and the provision status for respective plans:

(₹ in Lacs)

		Year ended March 31, 2018		Year ended March 31, 2017	
		Compensated absence	Gratuity	Compensated absence	Gratuity
(i)	Assumptions				
	(a) Discount Rate	7.70%	7.70%	7.30%	7.30%
	(b) Rate of increase in Compensation Levels	5%	5%	5%	5%
	(c) Rate of return of Plan Assets	N.A.	N.A.	N.A.	N.A.
	(d) Expected Average remaining working lives of employees (in years)	17.17	17.17	5.17-17.01	5.17-17.01
(ii)	Change in the Present Value of Obligation				
	(a) Present value of obligation as at beginning of the year	468	1,882	513	1496
	(b) Interest cost	32	122	18	107
	(c) Current / Past service cost	131	121	132	122
	(d) Benefit paid	(52)	(394)	(66)	(249)
	(e) Actuarial (gain) / loss on obligations	(128)	39	(129)	406
	(f) Present value of obligation as at end of the year	451	1,769	468	1882

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for the year ended March 31, 2018

(₹ in Lacs)

		Year ended March 31, 2018		Year ended March 31, 2017	
		Compensated absence	Gratuity	Compensated absence	Gratuity
(iii)	**Amount recognised in the Balance Sheet**				
	(a) Present value of obligation as at March 31, 2018	451	1,769	468	1882
	(b) Fair Value of Plan Assets as at the year end	-	-	-	0
	(c) (Asset) / Liability recognised in the Balance Sheet	451	1,769	468	1882
	Net liabilities recognised in the Balance Sheet accounted for as below:				
	Provision non - current (Refer Note 22 A)	263	1,481	260	1616
	Provision current (Refer Note 22 B)	188	288	208	266
(iv)	**Expenses recognised in the Statement of Profit and Loss**				
	(a) Under Profit & Loss				
	Current / Past service cost	131	121	132	122
	Interest cost	32	122	18	107
	Actuarial (gain) / loss on obligations	(128)	-	(129)	-
		35	**243**	**21**	**229**
	(b) Under Other Comprehensive Income (OCI)	**-**	**39**	**-**	**406**
	(c) Total Expense (a + b)	**35**	**282**	**21**	**635**

(v) Sensitivity analysis

(₹ in Lacs)

	For the year ended March 31, 2018			
	Compensated absences		Gratuity	
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	(8)	9	(92)	103
Salary increase rate	10	(9)	104	(95)
Employee attrition rate	2	(2)	16	(15)

	For the year ended March 31, 2017			
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	(10)	11	(102)	114
Salary increase rate	11	(10)	115	(105)
Employee turnover	2	(2)	14	(14)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable change in key assumptions occurring at the end of the reporting period.

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39. RELATED PARTY DISCLOSURES

In accordance with the requirements of "IND-AS 24" on the Related Party Disclosures, the transactions and Related Parties with whom transactions have taken place during the year are as follows:

(A) Detail of related parties with whom the Company had transaction during the year.

Description of relationship	Names of related parties
Subsidiary Companies	JIL Trading Pvt. Ltd.
	S.R.K. Investments Pvt. Ltd
	Sea Bird Securities Pvt. Ltd.
	L.P. Investments Ltd.
	Yoofy Computech Pvt. Ltd
Associates	Hyderabad Distilleries & Wineries Pvt. Ltd.
Key Management Personnel (KMP) and their relatives:	Mr. Ravi Manchanda (Managing Director)
	Mr. Anil Girotra (CFO)
	Mr. Kewal Krishan Kohli (Sr. Vice President - Legal & Company Secretary)
	Ms. Roshini Sanah Jaiswal (Director from April 28, 2017 to January 31, 2018)
	Mrs. Anjali Varma (Director)
	Mr. Varun Kapoor (Additional Director from August 01, 2017 to December 14, 2017)
	Mr. Karamjit Singh Jaiswal
	Mrs. Shakun Jaiswal
Enterprises over which major shareholders, Key Management Personnel and their relatives have significant influence / control :	Milkfood Ltd.
	Fast Buck Investments & Trading Pvt. Ltd.
	Pashupati Properties & Estates Pvt. Ltd.
	Qube Corporation Pvt. Ltd.
	Corporate Facility Management
	Oody Design LLP

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

(₹ in Lacs)

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(i)	**Subsidiary Companies**		
	JIL Trading Pvt. Ltd.		
	Reimbursement of payments made on behalf of Company	8	9
(ii)	**Associates**		
	Hyderabad Distilleries & Wineries Pvt. Ltd.		
	Reimbursement of payments made on behalf of Company	75	13
	Advance given	265	306
	Interest Receivables	36	0
	Refund of advance	-	278
	Lease rent paid	-	8
	Bottling charges paid	-	153
(iii)	**Key Management Personnel and their relatives**		
(a)	**Mr. Ravi Manchanda**		
	Remuneration	39	39
	Refund of advance	2	2
(b)	**Mr. Anil Girotra**		
	Remuneration	146	147
	Refund of advance	12	12

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for the year ended March 31, 2018

(₹ in Lacs)

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(c)	**Mr. Kewal Krishan Kohli**		
	Remuneration	24	20
	Refund of advance	2	2
(d)	**Ms. Roshini Sanah Jaiswal**		
	Remuneration	125	-
	Advance given	41	100
	Interest receivables on advance	32	22
	Refund of advance	100	-
	Payment on behalf of related party	4	-
(e)	**Mr. Karamjit Singh Jaiswal**		
	Remuneration	256	-
	Advance given		100
	Refund of advance	100	-
(f)	**Mrs. Shakun Jaiswal**		
	Gratuity paid	10	-
	Refund of advance	50	
(iv)	**Enterprises over which Major shareholders, Key Management Personnel and their relatives have significant influence / control**		
(a)	**Milkfood Ltd.**		
	Reimbursement of payments made on behalf of Company	11	13
	Rent Received	4	4
	Advance given	100	-
	Refund of advance	100	-
(b)	**Fast Buck Investments & Trading Pvt. Ltd.**		
	Interest accrued	-	6
(c)	**Pashupati Properties & Estates Pvt. Ltd.**		
	Lease rent paid	12	12
(d)	**Corporate Facilities Management**		
	Maintenance charges paid	194	147
(e)	**Oody Design LLP (KMP - Varun Kapoor)**		
	Website Development & Maintenance Charges	8	-

(C) Outstanding balances as at end of the year

(₹ in Lacs)

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(i)	**Subsidiary Companies**		
(a)	**JIL Trading Pvt. Ltd.**		
	Receivable	8	4
(b)	**S.R.K. Investments Pvt. Ltd.**		
	Receivable	2977	2977
(c)	**L.P. Investments Ltd.**		
	Receivable	185	185
(ii)	**Associates**		
	Hyderabad Distilleries & Wineries Pvt. Ltd.		
	Receivable	608	231

Notes on Financial Statements

for the year ended March 31, 2018

(₹ in Lacs)

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(iii)	**Key Management Personnel and their relatives**		
	Mr. Ravi Manchanda		
	Receivable	42	44
	Mr. Anil Girotra		
	Receivable	263	275
	Mr. Kewal Krishan Kohli		
	Receivable	1	3
	Mrs. Anjali Varma		
	Receivable	37	37
	Mr. Karamjit Singh Jaiswal		
	Receivable	0	100
	Mrs.Shakun Jaiswal		
	Receivable	40	100
	Ms. Roshini Sanah Jaiswal		
	Receivable	295	339
(iv)	**Enterprises over which Major shareholders, Key Management Personnel and their relatives have significant influence / control**		
	Oody Design LLP (KMP - Varun Kapoor)		
	Payable	2	1

Footnote(s):

(i) Related parties have been identified by the Management.

(ii) Key Management Personnel remuneration does not include provision for gratuity and compensated absences which is determined for the Company as a whole.

(iii) No amounts have been written off / provided for or written back during the year in respect of amounts receivable from or payable to related parties except case disclosed in Note 8(iv).

(iv) Remuneration paid to KMP excludes expenses incurred in the course of performance of duty.

40. SEGMENT INFORMATION

The Company's operating segments are established on the basis of those components of the group that are evaluated regularly by the Chief Operating Officer (the 'Chief Operating Decision Maker' as define in Ind As 108 -'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business 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.

Rent: Rental income from letting of investment properties.

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.

The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting.

(a) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as 'Unallocable'.

(b) Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as 'Unallocable'.

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for the year ended March 31, 2018

A Primary segment information

(₹ in Lacs)

		Beverages		Food		Rental Income		Others		Total	
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
(i)	**Segment revenue**										
	Sales, Services and Other income	**40,765**	69,444	**12,242**	11,042	**2,499**	2,695	**981**	1,448	**56,487**	84,629
	Less : Excise Duty	(16,893)	(32,493)	(100)	(332)	-	-	-	-	(16,993)	(32,825)
	Inter Segment Sales	-	-	-	-	-	-	-	-	-	-
	Unallocated Income	-	-	-	-	-	-	-	-	-	-
	Total Revenue	**23,872**	**36,951**	**12,142**	**10,710**	**2,499**	**2,695**	**981**	**1,448**	**39,494**	**51,804**
(ii)	**Segment results**										
	Segment Results	(2,108)	(4,272)	1,897	1,298	2,006	1,995	11	25	**1,806**	(954)
	Unallocated expenditure	-	-	-	-	-	-	-	-	**-**	-
	Net of unallocated income (Included losses of discontinuing operations)	-	-	-	-	-	-	-	-	**4,241**	6,080
	Interest Income	-	-	-	-	-	-	-	-	**146**	128
	Interest Expense	-	-	-	-	-	-	-	-	**5,509**	4,904
	Profit / (Loss) before exceptional items	-	-	-	-	-	-	-	-	**(7,798)**	**(11,810)**
	Exceptional items	-	-	-	-	-	-	-	-	**-**	0
	Profit / (Loss) Before Tax	-	-	-	-	-	-	-	-	**(7,798)**	**(11,810)**
	Less: Tax expense:										
	Current Tax :										
	- For the year	-	-	-	-	-	-	-	-	**5**	(447)
	- MAT Credit Entitlement	-	-	-	-	-	-	-	-	**-**	99
	Deferred Tax (benefit) / charge	-	-	-	-	-	-	-	-	**(370)**	233
	previous year Tax adjustment	-	-	-	-	-	-	-	-	**-**	0
	Profit / (Loss) after tax									**(7,433)**	**(11,695)**
	Other information										
	Segment Assets (Refer footnote (i) below)	29,435	33,234	9,820	10,010	1,873	1,867	-	-	**41,128**	45,111
	Unallocated Assets	-	-	-	-	-	-	-	-	**35,600**	32,818
	Total Assets	-	-	-	-	-	-	-	-	**76,728**	**77,929**
	Segment Liabilities	16,645	17,939	2,272	1,652	108	102	-	-	**19,025**	19,693
	Unallocated Liabilities	-	-	-	-	-	-	-	-	**41,530**	34,532
	Total Liabilities	-	-	-	-	-	-	-	-	**60,555**	**54,225**
	Capital Expenditure	49	105	34	18	-	-	10	-	**93**	123
	Unallocated Capital Expenditure	-	-	-	-	-	-	-	-	**61**	89
	Total Capital Expenditure	-	-	-	-	-	-	-	-	**154**	212
	Depreciation	406	251	514	564	38	38	-	-	**958**	853
	Unallocated Depreciation	-	-	-	-	-	-	-	-	**254**	376
	Total	-	-	-	-	-	-	-	-	**1,212**	1,229
	Non - cash expenditure	1,215	3,074	-	-	-	-	-	-	1,215	3,074
	other than depreciation	-	-	-	-	-	-	-	-	-	
	Unallocable Non Cash expenditure	-	-	-	-	-	-	-	-	-	97
	Total	-	-	-	-	-	-	-	-	**1,215**	**3,171**

Notes on Financial Statements

for the year ended March 31, 2018

(B) Secondary segment information

(₹ in Lacs)

		2017-18	2016-17
(i)	**Segment revenue**		
	Within India	39,006	51,160
	Outside India	488	644
	Total	**39,494**	**51,804**
(ii)	**Other information**		
	Carrying amount of segment assets by location of assets		
	Within India	76,728	77,572
	Outside India	-	-
	Addition to Property, plant and equipment / capital work- in- progress		
	(including Capital Advances)	154	212

Footnote(s):

(i) The Company is focused on the segment of Liquor beverages in India. The commercial terms and conditions of liquor sales being identical in india, there are no differential risks and return on the basis of such business segmentation. The Company's year to date export turnover being less than 2% of its total turnover (previous year less than 2%), the commercial risks and returns involved on the basis of geographic segmentation are therefore considered insignificant and immaterial.

(ii) Segment assets include Capital Work- in- Progress & Capital Advances aggregating to ₹ 34 lacs (Previous year : ₹ 69 lacs). While most assets are directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis.

(iii) Capital expenditure pertains to additions made to property, plant and equipment / Capital Work-in-Progress (including Capital Advances) during the year.

(iv) Unallocated assets includes land, administration building and cash & bank balances etc. at Jagatjit Nagar, Dist. Kapurthala, Punjab.

(v) Unallocated liabilities include interest bearing liabilities and tax provisions and deferred tax liability.

(vi) Non cash items includes bad debts, advances and inventory written off, provision for doubtful debts & advances and property, plant and equipment written off.

41. The Company has discontinued its operation for Packaging Division with effect from April 01, 2014. The disclosures as required under Indian Accounting Standard - 105 are given below

(₹ in Lacs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue		
Sales	-	-
Miscellaneous Income	5	35
Liabilities / provisions no longer required written back	1	26
Total Revenue	**6**	**61**
Expenses		
Changes in inventories of Finished Goods,		
Work-in-progress and Stock- in -trade	-	66
Employee Benefits Expenses		
Salaries, Wages, Bonus and Gratuity	34	47
Contribution to Provident Fund, Family Pension fund		
and Superannuation Funds	-	3
Staff Welfare Expenses		2
	34	52
Finance Cost		
Interest	-	1

Notes on Financial Statements

for the year ended March 31, 2018

(₹ in Lacs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
	-	1
Other Expenses		
Power and Fuel	**3**	11
Excise Duty	-	(14)
Rates & Taxes	**6**	4
Insurance	-	2
Travelling Expenses	**6**	6
Other Repairs & Maintenance	**13**	15
Loss on sale of Fixed Assets	-	1,642
Legal & Professional Expenses	**4**	10
Miscellaneous Expenses (refer footnote (v) (b) to note 37)	**336**	22
	368	1,698
Total Expenses	**402**	**1,817**
Profit / (Loss) for the year	**(396)**	**(1,756)**
Less: Tax Expense	-	**3**
Profit / (Loss) after Tax for the year	**(396)**	**(1,759)**
Total Assets	**2,499**	**1,656**
Total Liabilities	**2,895**	**100**
Cash Flow from discontinuing operations included in above		
- Operating activities	**(2,517)**	**105**
- Investing activities	**2,500**	**955**
- Financing activities	-	**(31)**

42. FAIR VALUE

Fair value measurement:

(i) All the financial assets and financial liabilities of the Company are carried at amortised cost except investment and borrowings.

(ii) The Management assessed that the carrying values of trade and other receivables, deposit, cash and short term deposits, other assets, borrowings, trade and other payables reasonably approximate their fair values because these instruments have short-term maturities.

43. CAPITAL MANAGEMENT

For the purpose of the Company's capital Management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the Equity Shareholders. The primary objective of the Company's capital Management is to ensure that it maintains a good credit rating and capital ratios in order to support its business and maximise shareholder value.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company includes within net debt, all non-current and current borrowings reduced by Cash and Cash Equivalents and other bank balances.

(₹ in Lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current borrowings	23,802	22,010	14,901
Current maturities of non-current borrowings	6,371	5,093	4,310
Current borrowings	3,233	3,063	10,396
Less: Cash and Cash Equivalents	1,196	566	1,031
Less: Other bank balances	125	220	19
Net debt	**32,085**	**29,380**	**28,557**
Equity Share Capital	4,615	4,615	4,615
Other Equity	11,557	19,089	30,784
Total capital	**16,172**	**23,704**	**35,399**
Gearing ratio	**198%**	**124%**	**81%**

Notes on Financial Statements

for the year ended March 31, 2018

In order to achieve this overall objective, the Company's capital Management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements. The breaches in meeting the financial covenants would permit the bank to immediately call borrowings. There have been no breaches in the financial covenants of any interest-bearing borrowings in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, trade and other receivables, Cash and Cash Equivalents, bank balances and security deposits that are out of regular business operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior Management oversees the Management of these risks.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument that will fluctuate because of changes in market prices. Market risk comprises three types of risk i.e. interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include borrowings, trade payables.

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's borrowings with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in Lacs)

	March 31, 2018		March 31, 2017	
	1% increase	1% decrease	1% increase	1% decrease
Impact on profit before tax	(368)	368	(324)	324

ii. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. There does not seem to be any significant risk as transaction in foreign currency are very few.

As there is no significant foreign currency risk, sensitivity analysis showing impact on profit is not calculated.

iii. Commodity price risk

The Company is affected by the price volatility of certain commodities. The Company's long standing relationships with most suppliers ensure steady availability of raw materials at competitive prices. Company is also trying to reduce cost by value engineering in dry and wet goods and using standardized packing material in popular and medium segment.

(B) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty default on its obligations. The Company's exposure to credit risk arises majorly from loan, advances, trade and other receivables. Other financial assets like security deposits and bank deposits are mostly with government authorities and nationalised banks and hence, the Company does not expect any credit risk with respect to these financial assets. With respect to trade receivables, some portion includes dues from state government corporations, risk is limited and considered insignificant by the Management. In respect of sale made to other than state government corporation, Company provides Expected Credit Loss (ECL) on the basis of ageing of trade receivable instead of method of ECL as prescribed in Ind AS 109. With regard to advance to subsidiaries & associates, Company does not expect any risk with reference to ultimate recovery considering the value of enterprise as a whole.

(C) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings. The table below summarises the maturity profile of the Company's financial liabilities:

Notes on Financial Statements

for the year ended March 31, 2018

(₹ in Lacs)

	Maturities			
	Upto 1 year	1-2 years	2-3 years	Total
March 31, 2018				
Non-current borrowings	–	1,375	1,003	2,378
Current borrowings	3,233	–	–	3,233
Trade Payables	11,906	–	–	11,906
Other financial liabilities	12,727	-	–	12,727
Total	**27,866**	**1,375**	**1,003**	**30,244**
March 31, 2017				
Non-current borrowings	–	3,308	13,451	16,759
Current borrowings	3,063	–	–	3,063
Trade Payables	12,971	–	–	12,971
Other financial liabilities	9,119	–	–	9,119
Total	**25,153**	**3,308**	**13,451**	**41,912**
April 01, 2016				
Non-current borrowings	–	3,890	3,308	7,198
Current borrowings	10,396	–	–	10,396
Trade Payables	12,392	–	–	12,392
Other financial liabilities	10,663	–	–	10,663
Total	**33,451**	**3,890**	**3,308**	**40,649**

45. FIRST TIME ADOPTION OF IND AS

The Company has prepared financial statements which comply with Ind AS applicable for period ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017 as described in summary of significant accounting policies. In preparing these financial statement the Company's opening Balance Sheet was prepared as per Ind AS as of April 01, 2016 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets and liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognized assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company (as per Ind AS 101) as detailed below:

(a) Mandatory exceptions

(i) Accounting estimates

The Company's estimates in accordance with Ind AS at the date of transition are consistent with previous GAAP (after adjustments to reflect any difference in accounting policies) or are required under Ind AS but not under previous GAAP.

(ii) De-recognition of financial assets and financial liabilities

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 01, 2016 (the transition date).

(iii) Classification and measurement of financial assets

The Company has determined the classification and measurement of financial assets in terms of whether they meet the amortised cost criteria or the fair value criteria or the fair value criteria based on the facts and circumstances that existed as on the transition date and considering the material impact.

(b) Optional Exemptions

(i) Deemed cost for property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to measure fair value of property, plant and equipment and use that its deemed cost at the date of transition to Ind AS.

(ii) When an entity prepares separate financial statements, Ind AS 27 requires it to account for its investments in subsidiaries, joint ventures and associates either at cost or in accordance with Ind AS 109. A first-time adopter may choose either fair value at the entity's date of transition to Ind AS in its separate financial statements or Previous GAAP carrying amount at that date, to measure its investment in subsidiary that it elects to measure using a deemed cost. Accordingly, the Company has elected to measure its investment in subsidiary using the previous GAAP carrying amount as deemed cost.

The note below explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the Balance Sheet as at April 01, 2016 and the Financial Statements as at and for the year ended 31 March, 2017 w.r.t. optional exemptions as stated in (i) & (ii) above.

Notes on Financial Statements

for the year ended March 31, 2018

(A) Reconciliation of Equity as at April 01, 2016 and March 31, 2017

(₹ in Lacs)

Particulars	As at April 01, 2016			As at March 31, 2017		
	IGAAP	Effect of Ind AS	Ind AS	IGAAP	Effect of Ind AS	Ind AS
Non-current assets						
Property, plant and equipment (Footnote (i))	26,802	16,443	43,245	42,327	-	42,327
Capital work - in - progress	49	-	49	57	-	57
Other Intangible Assets	10	-	10	7	-	7
Investment Properties	1,840	-	1,840	1,802	-	1,802
Financial assets						-
Investment (Footnote (ii))	1,250	13	1,263	1,250	40	1,290
Loans (Footnote (iii))	3,530	(112)	3,418	3,532	(78)	3,454
Other Financial Assets	1,109	-	1,109	771	-	771
Other non-current assets (Footnote (iii), (iv))	1,412	145	1,557	990	226	1,216
Total non-current assets	**36,002**	**16,489**	**52,491**	**50,736**	**188**	**50,924**
Current assets						
Inventories	10,354	-	10,354	7,917	-	7,917
Financial assets						
Investments	15	-	15	15	-	15
- Trade receivables	18,811	-	18,811	14,066	-	14,066
- Loans	908	-	908	1,248	-	1,248
- Cash and Cash Equivalents	1,050	-	1,050	786	-	786
- Other Financial Assets	384	-	384	248	-	248
Other current assets (Footnote (iii), (iv))	3,250	59	3,309	2,510	170	2,680
Assets held for sale (Footnote (v))	3,764	(1,122)	2,642	45	-	45
Total current assets	**38,536**	(1,063)	**37,473**	**26,835**	**170**	**27,005**
Total assets	**74,538**	**15,426**	**89,964**	**77,571**	**358**	**77,929**
Equity and liabilities						
Equity						
Equity Share Capital	4,615	-	4,615	4,615	-	4,615
Other Equity (Refer reconciliation given below)	15,355	15,429	30,784	18,724	365	19,089
Total equity	**19,970**	**15,429**	**35,399**	**23,339**	**365**	**23,704**
Non-current liabilities						
Financial liabilities						
- Borrowings	14,901	-	14,901	22,010	-	22,010
- Other Financial Liabilities	298	-	298	735	-	735
Other Long Term Liabilities (Footnote (vi))	-	46	46	-	121	121
Provisions	1,983	-	1,983	2,302	-	2,302
Deferred Tax Liabilities	633	-	633	869	-	869
Total non-current liabilities	**17,815**	46	**17,861**	**25,916**	**121**	**26,037**
Current liabilities						
Financial liabilities						
Borrowings	10,396	-	10,396	3,063	-	3,063
Trade Payables	12,392	-	12,392	12,971	-	12,971
Other financial liabilities (Footnote (vi))	10,742	(79)	10,663	9,336	(217)	9,119
Other current liabilities (Footnote (vi))	2,771	30	2,801	2,472	89	2,561
Provisions	452	-	452	474	-	474
Total current liabilities	**36,753**	**(49)**	**36,704**	**28,316**	**(128)**	**28,188**
Total equity and liabilities	**74,538**	**15,426**	**89,964**	**77,571**	**358**	**77,929**

Notes on Financial Statements

for the year ended March 31, 2018

(B) Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended March 31, 2017

(₹ in Lacs)

Particulars	IGAAP	Effect of Ind AS	IND AS
Revenue from Operations	81,312	-	81,312
Other Income (Footnote (ii), (iii), (vi))	3,328	118	3,446
Total Income	**84,640**	**118**	**84,758**
Expenses			
Cost of Material Consumed	23,189	-	23,189
Purchases of Stock - in - trade	1,613	-	1,613
(Increase) / Decrease in inventories of finished goods and stock - in - trade	1,095	-	1,095
Excise Duty	32,825	-	32,825
Employee benefits expense (Footnote (iii), (vii))	7,610	(369)	7,241
Finance cost (Footnote (iv), (vi))	5,080	(176)	4,904
Depreciation and amortisation expense (refer foot note (viii))	1,229	43	1,272
Other expenses	22,264	-	22,264
Total expenses	**94,905**	**(502)**	**94,403**
Profit / (Loss) before exceptional items and tax	(10,265)	620	(9,645)
Tax expense:			
Current tax	99	-	99
Income Tax adjustment related to earlier years	(447)	-	(447)
Deferred Tax (credit) / charge	233	139	372
Total tax expenses	**(115)**	**139**	**24**
Profit / (Loss) for the period from Continuing Operations	(10,150)	481	(9,669)
Profit / (Loss) for the period from Discontinuing operations	(1,756)	-	(1,756)
Tax Expenses from Discontinuing Operations	3	-	3
Profit / (Loss) for the period	(11,909)	481	(11,428)
Other Comprehensive Income			
- Items that will not be reclassified to profit or loss			
Re-measurement (gains) / losses on defined benefit plans	-	406	406
Tax impact on re-measurement (gain) / loss on defined benefit plans	-	(139)	(139)
Total Comprehensive Income for the period (Comprising Profit / (Loss) and Other Comprehensive Income for the period)	**(11,909)**	**214**	**(11,695)**

(C) Reconciliation of total equity

(₹ in Lacs)

Particluars	As at April 01, 2016	As at March 31, 2017
As per IGAAP	19,970	23,339
Ind AS Adjustments:		
Adjustment on account of Fair valuation of PPE (Land) (Footnote (i))	16,443	-
Adjustment with Assets Held for Sale (Footnote (v))	(1,122)	-
Adjustment on account of Fair Value of financial instrument (Footnote (ii), (iv),(vi))	108	365
As per Ind AS	35,399	23,704

Notes on Financial Statements

for the year ended March 31, 2018

(D) Reconciliation of total comprehensive income for the year ended March 31, 2017 (Latest period presented under previous GAAP)

(₹ in Lacs)

Particulars	As at March 31, 2017
Net Profit for the year ended previous GAAP	**(11,909)**
Ind AS: Adjustment increased / decreased	
Interest income on account of fair valuation (footnote (iii))	33
Rental income on account of fair valuation (footnote (vi))	58
Income on account of fair valuation of investment (footnote (ii))	27
Actuarial gain on employees defined benefits plan recognised (footnote (vii))	406
Employee cost on account of fair valuation of employee loan (footnote (iii))	(37)
Processing fee re-stated (footnote (iv))	176
Depreciation on revalued assets reinstated in books (footnote (i))	(43)
Impact on deferred tax of above adjustment (footnote(vii))	(139)
Net loss for the year under Ind AS	(11,428)
Other Comprehensive Loss (net of taxes) (footnote (vii))	(267)
Total Comprehensive Income for the year under Ind AS	**(11,695)**

Note: Under previous GAAP, total comprehensive income was not reported, therefore the above reconciliation starts with loss under the previous GAAP.

Footnote(s):

(i) Under previous GAAP, PPE was shown at historical cost. Ind AS 101 permits a first-time adopter to elect to continue with the carrying value of its property, plant and equipment under previous GAAP and use that as its deemed cost or to measure fair value of class assets of its property, plant and equipment as on the date of transition to Ind AS, and use that as its deemed cost as at the date of transition.

The Company has elected to measure item of property, plant and equipment and intangible assets at its carrying value at the transition date except for certain class of assets (Land) which are measured at fair value as deemed cost.

As a result amount of ₹10,336 Lacs (Land ₹ 4,321 Lacs, Building ₹ 5,697 Lacs and Plant & Machinery ₹ 318 Lacs) towards revaluation reserve created in earlier year was reversed and fair value (increased by ₹ 26,779 Lacs) of land was taken as deemed cost. Net impact on PPE of ₹ 16,443 Lacs credited to retained earnings on April 01, 2016.

Value of leasehold land is amortized over the period of life of lease. As a result depreciation of 2016-17 is increased by ₹ 43 lacs.

(ii) Under previous GAAP, non - current investment were carried at cost. Under Ind AS these investment other than investment in subsidiary and associate are to be measured at FVTPL and have accordingly been measured.

The effect of these changes are addition of ₹ 13 Lacs in investment and retained earning as at April 01, 2016. In Financial year 2016-17, investment and other income have been increased by ₹ 40 Lacs (including ₹ 13 Lacs on transition date) and ₹ 27 Lacs, respectively.

(iii) Under previous GAAP, interest free loan to employees were carried at undiscounted amount. Under Ind AS loans are to be measured initially at discounted amounts and differential amount debited to prepayment employee cost as non financial assets, if the effect of time value is material. After initial recognition, loans are measured at amortised cost. Interest has been recognised under the effective rate method as part of interest income. The prepayments are charged to Statement of Profit and Loss on the straight line basis over the duration of loan.

The effect of changes has resulted in reduction in loan balances of ₹ 112 Lacs with corresponding increase in prepayment under non - current and other current assets by ₹ 74 Lacs and ₹ 38 Lacs, respectively as at April 01, 2016.

In Financial year 2016-17, effect is reduction in loan balances of ₹ 78 Lacs and corresponding increase in prepayment under non - current assets ₹ 37 Lacs and other current assets of ₹ 37 Lacs, respectively in Balance Sheet. In respect of Statement of Profit and Loss, there is increase in interest income of ₹ 33 Lacs under other income with corresponding increase in employee benefit cost of ₹ 37 Lacs. The net effect in TCI is ₹ 4 Lacs.

Notes on Financial Statements

for the year ended March 31, 2018

(iv) Under previous GAAP, upfront fee and processing fee / other charges paid were charged off to the Statement of Profit and Loss. Under the Ind AS such borrowings are to be recorded net of the aforesaid charges. Accordingly, existing borrowings as at reporting dates have been re-stated by computing the revised interest charge using the effective interest rate method. However, Company has re-stated aforesaid charges as non - financial assets and amortised the same on straight line basis instead of using effective interest rate. Management is of the view that there is no significant effect on this account.

The effect of these changes have resulted in increase in prepayment amount of ₹ 92 lacs (Non - current ₹ 71 Lacs and current ₹ 21 Lacs) and corresponding retained earning by ₹ 92 Lacs as on April 01, 2016.

In Financial year 2016-17 the effect of these changes have resulted in increase in prepayment of ₹ 321 Lacs (Non - current ₹188 Lacs and current ₹ 133 Lacs) in Balance Sheet. In respect of Statement of Profit and Loss, there is reduction in finance cost of ₹ 230 Lacs.

(v) Under previous GAAP, assets held for sale were carried at revalued amount. Under Ind AS this is to be shown at lower of NRV and net book value.

As a result amount of ₹1,121 Lacs has been reduced from value of assets held for sale as on April 01, 2016. In Financial year 2016-17, there is Nil impact.

(vi) Under previous GAAP, interest free security received were carried at undiscounted amount. Under Ind AS security received are to be measured initially at discounted amounts and differential amount credited to advance rent received under non financial liabilities, if the effect of time value is material. After initial recognition, security deposits are measured at amortised value. Interest has been calculated under the effective rate method and treated as part of interest expenses. The advance rent is recognised in Statement of Profit and Loss on the straight line basis over the duration of deposits.

The net effect of these changes are reduction of deposits balances by ₹ 79 Lacs and corresponding increase in advance rental income by ₹ 76 Lacs (under other non - current liabilities ₹ 46 Lacs and other current liabilities ₹ 30 Lacs) and ₹ 3 Lacs in retained earnings as on April 01, 2016.

In Financial year 2016-17 net effect of these changes are reduction in security deposits balances by ₹ 217 Lacs (including ₹ 3 Lacs transferred to retained earning at transition date) and corresponding increase in advance rental income under other non - current liabilities and current liabilities by ₹ 121 Lacs and ₹ 89 Lacs, respectively in Balance Sheet. In respect of Statement of Profit and Loss, there is increase in rental income by ₹ 58 Lacs and corresponding increase in interest cost by ₹ 53 Lacs. The net effect in TCI is ₹ 4 Lacs (income).

(vii) Under previous GAAP, there is no concept of Other Comprehensive Income (OCI). Under Ind AS specified items of income expenses, gain and loss are required to be presented in OCI.

Both under Previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gains and losses, were charged to profit or loss. Under Ind AS, re-measurement (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the Balance Sheet with corresponding debit or credit to retained earnings through Other Comprehensive Income.

As a result, employee benefit cost for the year ended March 31, 2017 have been reduced by ₹ 406 Lacs and re-measurement losses of ₹ 267 Lacs, (net of deferred tax income of ₹ 139 Lacs) on defined benefit plans has been recognised in the Other Comprehensive Income.

(viii) Value of leasehold land is amortized over the period of life of lease. As a result, depreciation of 2016-17 is increased by ₹ 43 lacs.

(ix) The transition from Previous GAAP to Ind AS did not have a material impact on statement of cash flows.

46. ADDITIONAL

(i) The comparative financial information of the Company for the year ended March 31, 2017 prepared in accordance with Ind AS included in this Financial Statements is based on Financial Statements audited under Indian GAAP by the previous auditor Mittal Chaudhary & Co, Chartered accountants vide their report dated August 01, 2017.

(ii) Previous GAAP figures have been reclassified / regrouped, wherever necessary, to confirm with Financial Statements prepared under Ind AS.

(iii) Ind AS 115 was notified on March 28, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after April 01, 2018. The Company will adopt the new standard on the required effective date using the modified retrospective method. The Company has established an implementation team to implement

Notes on Financial Statements

for the year ended March 31, 2018

Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary. A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the implementation project has been completed.

(iv) Company has published the standalone and consolidated Financial Results for the Financial year ended March 31, 2018 and auditors have issued the report dated May 30, 2018 in pursuance of regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. After publishing the results, certain adjusting events have occurred, which has resulted in confirmation of contingent liability of ₹ 320 Lacs, estimated at ₹ 9,933 Lacs and disclosed vide note no. 7 of the published results. Therefore, in accordance with Ind AS – 10, Financial Statements to that extent are amended. Impact of the adjusting event is that contingent liabilities of ₹ 9,933 Lacs are reduced. Confirmed liability of ₹ 320 Lacs is provided resulting in increase of loss of the year by ₹ 320 Lacs; decrease in retained earnings by ₹ 320 Lacs and corresponding increase in the current liability of ₹ 320 Lacs. Company has reclassified the amount of ₹ 50 Lacs included in Note 14 (Other Financial Assets) to Note 13 (Current Loan) and amount of ₹ 783 Lacs from Note 15 (Other Current Assets) to Note 8 (Other Non Current Assets) representing prepaid expenses, ₹ 19 Lacs from Note 24 (Other Financial Liabilities) to Note 19B (Current Borrowings).

Independent Auditors' Report

To The Members of Jagatjit Industries Limited
Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Jagatjit Industries Limited** (hereinafter referred to as "the Holding Company") and its subsidiary companies (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the Consolidated Statement of changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Basis for qualified opinion

(1) *In the opinion of the management of Holding Company, Trade Receivable and Loans and Advances have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet.*

During the financial year ended March 31, 2018 confirmatory letters had been sent to the sundry creditors, suppliers and Trade Receivables requesting them to confirm and reconcile the account balances as on March 31, 2018. A significant number of parties have not yet confirmed/reconciled the balances as on the date of *signing of the financial statements. Company has a policy of providing for (a) all debts outstanding beyond 3 years or (b) where recovery is considered doubtful irrespective of the fact that legal action has been initiated or not. However non - moving debts outstanding beyond 1 year are to the extent of ₹ 750 Lacs for which confirmations and reconciliations are not available and have not been provided for. The system of obtaining confirmations and reconciliation need to be strengthened.*

(2) *An amount of ₹ 2,970 Lacs is outstanding in consolidated books of accounts, being an advance to third party through its wholly owned subsidiary M/s S.R.K. Investments Pvt. Ltd., since 2010-11. No recovery of this amount has been made since disbursal of advance, by the subsidiary to the third party.*

The Holding company's management, based on internal assessments and evaluations, have represented that the balance outstanding advances are recoverable and that no accrual for diminution of advances is necessary as at balance sheet date.

The Holding company has not created a provision against this advance in accounts. In our opinion, there is significant uncertainty and doubt about the recovery of this advance from the third party, as considerable period of time has elapsed from grant of advance and therefore, a provision for doubtful advance should have been accounted for in the consolidated financial statements for the year ended March 31, 2018.

Consequently, the loss for the year ended March 31, 2018 is understated and reserves and surplus (other equity) as at March 31, 2018 are overstated to the extent of ₹ 3720 Lacs. It may be noted that modified opinion was given in respect of the above two matters by the previous Auditors on the financial statements for the period ended March 31, 2017. We have also given modified opinion vide report (dated May 30, 2018) in pursuance of Regulation 33 of SEBI (listing obligations)

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the basis for qualified opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2018 and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

- Attention is drawn to Note No. 4(vi) regarding fair value of investment properties; Note No. 5 (iii) regarding nil diminution in the value of investment of ₹ 1,016 Lacs in the subsidiary company, Note No. 6 (i) regarding loan to employees, Note No. 8 (i) regarding MAT credit and Note No. 8(iii) regarding interest free security deposits, Note No. 8(iv) & Note 39 (iii) regarding provision made for advance to director in earlier year, Note No. 13 (i) regarding security deposits and loans and advances to employees, Note No. 14 (i) regarding commercial advance of ₹ 132 Lacs to a group company, Note No. 15 (i) regarding advances given to associate company; Note No 16 (i) regarding assets held for sale, Note No. 23 (i) and 24(ii) regarding bills payable; Note No. 24(iii) regarding claim of GAIL (India) Ltd., Note No. 35B(i) regarding deferred tax, Note No. 44 regarding various risks, Note No. 45 regarding borrowings not shown at amortized cost.
- Without qualifying our opinion, we draw attention to Note 2.3 in the financial statements which indicates that the Holding Company incurred a net loss of ₹ 7,433 Lacs during the year ended March 31, 2018 and, as of that date, the Holding Company current liabilities exceeding the total current assets by ₹ 7,620 Lacs. These conditions along with other matters as set forth in Note 2.3, indicate the existence of a material uncertainty that may cast significant doubt about the Holding Company ability to continue as a going concern. Group has disclosed the mitigating factors vide the said Note and we have relied upon the same.
- We draw attention to Note 46 (vii), the Holding Company has published the standalone and consolidated Financial results for the year ended March 31, 2018 and we have issued the report dated May 30, 2018 in pursuance of regulation 33 of SEBI (listing obligations and Disclosure Requirements) Regulations 2015. After publishing the results, certain adjusting events have occurred, which has resulted in confirmation of contingent liability of ₹ 320 Lacs, estimated at ₹ 9,933 Lacs till contract year 2016 and disclosed vide note no. 7 of the published results. Therefore in accordance with IND AS – 10, financial statements to that extent are amended. Impact of the adjusting event is that contingent liabilities of ₹ 9,933 Lacs are reduced and confirmed liability of ₹ 320 Lacs is provided resulting in increase of loss of the year by ₹ 320 Lacs; decrease in retained earnings by ₹ 320 Lacs and corresponding increase in the current liability of ₹ 320 Lacs. Company has taken Legal opinion that it is neither required to adopt revised Financial Results for the period ended March 31, 2018 under Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 nor the Company is required to revise the Financial Statements for the said period under section 131 of the Companies Act, 2013. We have relied upon the legal opinion.
- The Internal Audit system of the Holding Company needs to be substantially strengthened in scope, coverage and compliance in respect of Hamira Plant and Head Office operations.

Our opinion is not qualified in respect of these matters.

Other Matters

We did not audit the financial statements / financial information of four subsidiary companies, whose financial statements / financial information reflect total assets of ₹ 3,076 Lacs as at March 31, 2018, total revenues of ₹ NIL and net cash outflows amounting to ₹ NIL for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors, whose report has been furnished to us by the management and our opinion on consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors except in case of loan given by SRK investment Pvt. Ltd. of value of ₹ 2970 Lacs which has been qualified by us as mentioned in paragraph 2 of Basis of Qualified opinion (Supra).

The consolidated financial statement includes the Group's share (Holding & Subsidiary companies) of net loss of ₹ 48 Lacs for the year ended March 31, 2018, in respect of an associates company, whose financial statements have not been audited by us. These financial statements of the associate company has been audited by other auditors, whose report has been furnished to us by the management and our opinion on consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate company is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report to the extent applicable, that:

    (a) We have sought, and except for the matters described in Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    (b) Except for the possible effects of the matters described in the basis of qualified opinion paragraph above, in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Group so far as it appears from our examination of those books and the reports of the other auditors;

    (c) the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated statement of profit and loss and the consolidated cash flow statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statement;

    (d) Except for the possible effects of the matters described in the basis of qualified opinion paragraph above in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015;

    (e) the matters described in Basis for Qualified Opinion paragraph, and the matter described in Emphasis of matter paragraph, in our opinion, may have an adverse effect on functioning of the Company;

    (f) on the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of statutory auditor of its subsidiary company incorporated in India, none of the directors of these entities is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

    (g) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion;

    (h) with respect to the adequacy of the internal financial controls over financial reporting of the Group and the associate company and operating effectiveness of such controls, refer to our separate report in **"Annexure A",** which is based on the auditors reports of the Holding Company, Subsidiary Company and Associates Company; and

    (i) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. The consolidated financial statements has disclosed the impact of pending litigations on financial position of the Group;

        ii. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;

        iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Group.

for **Madan & Associates**
Chartered Accountants
Firm's registration number: 000185N

M. K. Madan
Proprietor
Membership number: 082214

Date: September 20, 2018
Place: New Delhi

ANNEXURE A

Report on the Internal Financial Controls Over Financial Reporting Under Clause (i) of Subsection 3 of Section 143 of The Companies Act, 2013 ("The Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Jagatjit Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies (the Holding Company and its subsidiary together referred to as "the Group"), its associate company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies and associate company which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these entities, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company, its subsidiaries and associate's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by us and the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company, its subsidiaries and associate's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to explanations given to us and based on the consideration of reports of other auditors, as referred to Other Matters Paragraph, the Holding Company, its subsidiary companies and associate company generally have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were generally operating effectively as at March 31, 2018, *except in respect of trade receivable reconciliation and provision for bad and doubtful debts of Holding Company where controls were found to be ineffective and in respect of various areas of Holding Company e.g. Capitalization of Fixed Assets (Hamira), Classification of an asset to an asset group in Fixed Asset Register (Hamira), Accounts payable process (Head office & Hamira), Debit notes (Head office & Hamira), Bank reconciliation process (Head office & Hamira), Cash Management (Hamira), TDS Payment compliance, Prepaid Expenses, Goods & Service Tax, Reconciliation with Contract Manufacturing Units, Foreign Exchange management (Head office), Contracts for Rental Income (Head Office), Revenue recognition of Royalty Income from Franchise operation (Head office & Hamira), TDS Return Compliance (Behror) where controls were effective but need to be strengthened* based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

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

for **Madan & Associates**
Chartered Accountants
Firm's registration number: 000185N

M. K. Madan
Proprietor
Membership number: 082214

Date: September 20, 2018
Place: New Delhi

Consolidated Balance Sheet

as at March 31, 2018

(₹ in Lacs)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
ASSETS				
1 Non-current assets				
a) Property, plant and equipment	3A	41,296	42,327	43,245
b) Other intangible assets	3B	1,253	1,256	1,259
c) Capital work-in-progress	3C	33	57	49
d) Investment Properties	4	1,764	1,802	1,840
e) Financial assets				
i) Investments	5	346	393	516
ii) Loans	6	317	298	262
iii) Other financial assets	7	732	771	1,109
f) Other non-current assets	8	5,419	4,198	4,539
Total Non-current assets		**51,160**	**51,102**	**52,819**
2 Current assets				
a) Inventories	9	5,611	7,917	10,354
b) Financial assets				
i) Investments	10	-	15	15
ii) Trade receivables	11	13,452	14,066	18,811
iii) Cash and Cash Equivalents	12	1,324	788	1,053
iv) Loans	13	880	1,248	908
v) Other financial assets	14	455	248	384
c) Other current assets	15	3,930	2,680	3,309
d) Assets classified as held for sale	16	45	45	2,642
Total Current assets		**25,697**	**27,007**	**37,476**
TOTAL- ASSETS		**76,857**	**78,109**	**90,295**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	17	4,615	4,615	4,615
Other Equity	18	11,605	19,186	31,030
Non Controlling Interest		(4)	(4)	(3)
Total Equity		**16,216**	**23,797**	**35,642**
LIABILITIES				
1 Non-current liabilities				
a) Financial liabilities				
i) Borrowings	19A	23,886	22,094	14,984
ii) Other financial liabilities	20	706	735	298
b) Other long term liabilities	21	66	121	46
c) Provisions	22A	2,169	2,302	1,983
d) Deferred Tax	35B	499	869	633
Total Non - current liabilities		**27,326**	**26,121**	**17,944**
3 Current liabilities				
a) Financial liabilities				
i) Borrowings	19B	3,233	3,063	10,396
ii) Trade Payables	23	11,906	12,971	12,392
iii) Other financial liabilities	24	12,727	9,119	10,663
b) Other current liabilities	25	4,973	2,564	2,806
c) Provisions	22B	476	474	452
Total Current Liabilities		**33,315**	**28,191**	**36,709**
Total Liabilities		**60,641**	**54,312**	**54,653**
TOTAL EQUITY AND LIABILITIES		**76,857**	**78,109**	**90,295**
Summary of significant accounting policies	2			
The accompanying notes are an integral part of the financial statements				

As per our report of even date
For **Madan & Associates**
Chartered Accountants
FRN: 000185N

M. K. Madan
Proprietor
Membership No.: 082214

September 20, 2018
New Delhi

For and on behalf of the Board of Directors of
JAGATJIT INDUSTRIES LIMITED

Ravi Manchanda
Managing Director
DIN: 00152760

Kiran Kapur
Director
DIN: 02491308

Anjali Varma
Director
DIN: 01250881

Sonya Jaiswal
Director
DIN: 02626750

Asha Saxena
Director
DIN: 08079652

Sushma Sagar
Director
DIN: 02582144

Anil Girotra
Chief Financial Officer

K. K. Kohli
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended on March 31, 2018

(₹ in Lacs)

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
1 Income			
a) Revenue from Operations	26	53,386	81,313
b) Other Income	27	3,324	3,446
Total Income		**56,710**	**84,759**
2 Expenses			
a) Cost of Material Consumed	28	15,695	23,189
b) Purchases of Stock-in-trade	29	1,374	1,613
c) Changes in inventories of finished goods, Work-in-Progress and stock-in-trade	30	470	1,095
d) Excise Duty		16,993	32,825
e) Employee Benefit Expenses	31	7,650	7,241
f) Finance cost	32	5,509	4,904
g) Depreciation and amortisation expenses	33	1,212	1,272
h) Other Expenses	34	15,171	22,266
Total expenses		**64,074**	**94,405**
3 Profit / (Loss) Before Tax		**(7,364)**	**(9,646)**
4 Tax expense			
Current tax	35A	-	**99**
Income Tax adjustment related to earlier years		5	**(447)**
Deferred Tax (credit) / charge	35B	(357)	**372**
Total tax expenses		**(352)**	**24**
5 Profit / (Loss) for the period from Continuing Operations		**(7,012)**	**(9,670)**
Less : Minority Interest		**(0)**	**(0)**
Add : Share of Net Profit / (Loss) of Associates		**(48)**	**(148)**
6 Profit/(Loss) after Tax after share of Assiciates & Minority Interest for the year from Continuing operations		**(7,060)**	**(9,818)**
7 Profit / (Loss) for the period from Discontinuing Operations	41	(396)	(1,756)
Tax Expenses from Discontinuing Operations	35A	-	3
8 Profit / (Loss) for the period		(7,456)	(11,577)
9 Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurement (gains) / losses on defined benefit plans		39	406
Tax impact on re-measurement (gain) / loss on defined benefit plans		(13)	(139)
Total Other Comprehensive Income		26	267
10 Total Comprehensive Income for the period (8- 9) (Comprising Profit / (Loss) and Other Comprehensive Income for the period)		**(7,482)**	**(11,844)**
11 Earning Per Share	36		
(Basic & Diluted)			
(1) Continuing Operations		(16.17)	(22.49)
(2) Earning Per Share (Basic & Diluted)		(17.08)	(26.52)
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date
For **Madan & Associates**
Chartered Accountants
FRN: 000185N

M. K. Madan
Proprietor
Membership No.: 082214

September 20, 2018
New Delhi

For and on behalf of the Board of Directors of
JAGATJIT INDUSTRIES LIMITED

Ravi Manchanda
Managing Director
DIN: 00152760

Kiran Kapur
Director
DIN: 02491308

Anjali Varma
Director
DIN: 01250881

Sonya Jaiswal
Director
DIN: 02626750

Asha Saxena
Director
DIN: 08079652

Sushma Sagar
Director
DIN: 02582144

Anil Girotra
Chief Financial Officer

K. K. Kohli
Company Secretary

Consolidated Cash Flow Statement

for the Year ended March 31, 2018

(₹ in Lacs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash Flow from Operating Activities		
Net Profit / (Loss) Before Tax	(7,760)	(11,402)
Adjustments for		
(Profit) / Loss on Fair Valuation of Financial Instruments	(5)	95
Prior Period Adjustment	(99)	
Rent from Investment Properties	(1,972)	(1,810)
Depreciation	1,212	1,272
Interest Expense	5,413	4,728
Interest Income	(109)	(102)
(Profit) / Loss on sale of Property, plant and equipment (net)	(62)	1,632
Property, plant and equipment written off	-	25
Debts / Advances / Inventories written off	8	326
Provision for Bad & Doubtful Debts and Advances	868	1,841
Provision for obsolete / damaged inventory	339	979
Liability no longer required written back	(593)	(600)
Provision for Gratuity & Leave Encashment	(131)	341
Unrealised Foreign Exchange (gain) / loss (net)	-	3
Operating Profit before Working Capital Changes	**(2,891)**	**(2,672)**
Adjustment for		
Trade receivables	(263)	3,352
Loans, other financial assets and other assets	(2,170)	(386)
Inventories	1,968	1,457
Trade payables	(1,065)	1,217
Financial liabilites, other liabilities and provisions	5,086	(2,533)
	3,556	**3,107**
Cash generated from operations	665	435
Taxes (Paid) / Received (Net of TDS)	(0)	539
Net Cash from / (used) Operating Activities (A)	**665**	**974**
Cash flow from Investing Activities		
Purchase of Property, plant and equipment, intangibles etc. (including capital work-in-		
progress and capital advances)	(140)	(250)
Proceeds from sale of Property, plant and equipment	94	990
Purchase of Investments	-	-
Sale of Investments	15	-
Advances to Subsidiaries	(4)	-
Interest Received (Revenue)	31	216
Income from Investment Properties	1,972	1,810

Consolidated Cash Flow Statement (Cont.)

for the Year ended March 31, 2018

(₹ in Lacs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Release / (Addition) of Cash (from) / for restrictive use	75	266
Net Cash from Investing Activities (B)	**2,043**	**3,032**
Cash Flow from Financing Activities		
Proceeds from current borrowings (net)	2,620	(7,331)
Proceeds from non-current borrowings (net)	1,792	6,859
Interest Paid	(6,584)	(3,799)
Net Cash used in Financing Activities (C)	**(2,172)**	**(4,271)**
Net Increase / (Decrease) in Cash & Cash Equivalents (A + B + C)	**536**	**(265)**
Cash & Cash Equivalents		
Cash & Cash Equivalents at the beginning of the year	568	1,034
Other Bank Balance at the beginning of the year	220	19
Sub total (i)	788	1,053
Cash & Cash Equivalents at the end of the year	1,199	568
Fixed Deposits with Banks	103	200
Margin Money Account	22	20
Sub total (ii)	1,324	788
Net Increase / (Decrease) in Cash & Cash Equivalents (ii) - (i)	**536**	**(265)**
Cash and Bank Balances comprise		
Cash, Cheques & Drafts (in hand) and Remittances in-transit	44	48
Balance with Scheduled Banks	1,280	740
	1,324	788
Cash and Bank Balances Include		
Cash and Bank Balances	1,324	788
Unrealised gain on foreign currency	-	-
Total Cash & Cash Equivalents	1,324	788

Notes:-

1 The aforesaid Cash Flow Statement has been prepared under the “Indirect Method” and in accordance with Ind AS - 7 on Cash Flow Statements.

2 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 and do not form part of Cash & Cash Equivalents.

3 Figures in brackets indicate Cash outgo.

4 Previous year’s figures have been regrouped and recast wherever necessary to confirm to the current year classification.

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

For **Madan & Associates**
Chartered Accountants
FRN: 000185N

M. K. Madan
Proprietor
Membership No.: 082214

September 20, 2018
New Delhi

Significant Accounting Policies and Notes to Accounts form an integral part of the financial statements

For and on behalf of the Board of Directors of
JAGATJIT INDUSTRIES LIMITED

Ravi Manchanda
Managing Director
DIN: 00152760

Kiran Kapur
Director
DIN: 02491308

Anjali Varma
Director
DIN: 01250881

Sonya Jaiswal
Director
DIN: 02626750

Asha Saxena
Director
DIN: 08079652

Sushma Sagar
Director
DIN: 02582144

Anil Girotra
Chief Financial Officer

K. K. Kohli
Company Secretary

Consolidated Statement of Changes in Equity

for the Year ended March 31, 2018

A. EQUITY SHARE CAPITAL

Issued, subscribed and fully paid-up (Share of ₹ 10 each)	No. of Shares	Amount in ₹
At April 01, 2016	46,148,112	461,481,120
Increase / (Decrease) during the year	-	-
At March 31, 2017	46,148,112	461,481,120
Increase / (Decrease) during the year	-	-
At March 31, 2018	**46,148,112**	**461,481,120**

B. OTHER EQUITY

(₹ in Lacs)

Particulars	Reserve & Surplus				Other Comprehensive Income	Total
	General Reserve	Capital Redemption	Securities Premium	Retained Earnings	Remeasurement of defined benefit obligations	
Balance as at April 01, 2016	**2,136**	**580**	**3,697**	**24,617**	**-**	**31,030**
Changes in accounting policy / prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	2,136	580	3,697	24,617	-	31,030
Profit for the year	-	-	-	(11,577)	-	(11,577)
Other Comprehensive Income for the year	-	-	-	-	(267)	(267)
Balance as at March 31, 2017	**2,136**	**580**	**3,697**	**13,040**	**(267)**	**19,186**
Prior period expenses	-		-	(99)		(99)
Restated balance at the beginning of the reporting period	**2,136**	**580**	**3,697**	**12,941**	**(267)**	**19087**
Profit / (Loss) for the year	-		-	(7,456)	-	(7,456)
Other Comprehensive Income for the year	-		-	-	(26)	(26)
Balance as at March 31, 2018	**2,136**	**580**	**3,697**	**5,485**	**(293)**	**11,605**
The accompanying notes are an integral part of the financial statements.						

As per our report of even date
For **Madan & Associates**
Chartered Accountants
FRN: 000185N

M. K. Madan
Proprietor
Membership No.: 082214

September 20, 2018
New Delhi

For and on behalf of the Board of Directors of
JAGATJIT INDUSTRIES LIMITED

Ravi Manchanda
Managing Director
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Anil Girotra
Chief Financial Officer

K. K. Kohli
Company Secretary

Notes on Consolidated Financial Statements

for the Year ended March 31, 2018

SIGNIFICANT ACCOUNTING POLICIES

1. CORPORATE INFORMATION

Jagatjit Industries Limited ("the Company") is a public limited company domiciled in India and incorporated under the provisions of the erstwhile Companies Act 1956. The registered office of the Company is located at Jagatjit Nagar, Dist. Kapurthala - 144802, (Punjab) India. Its shares are listed on Bombay Stock Exchange (BSE). The Company is primarily engaged in the manufacture and sale of Liquor products and job work for food products. The company has manufacturing plants at Kapurthala (Punjab), Sahibabad (U.P.), Sikandrabad (U.P.) and Behror (Rajasthan).

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 (A) Basis of preparation and compliance with Ind AS

(i) For all periods up to and including the year ended March 31, 2017, the Group (the Holding Company and its subsidiary together referred to as "the Group") prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards (Previous GAAP) as notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, to the extent applicable, and the presentation requirements of the Companies Act, 2013. In accordance with the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Group has adopted Indian Accounting Standards (Ind AS) notified under Section 133 read with Rule 4A of Companies (Indian Accounting Standards) Rules, 2015, as amended, and the relevant provisions of the Companies Act, 2013 (collectively, "Ind ASs") with effect from April 1, 2017 and has prepared its financial statements in accordance with Ind ASs for the year ended March 31, 2018. These financial statements as and for the year ended March 31, 2018 (the "Ind AS Financial Statements") are the first financial statements, prepared in accordance with Ind AS.

(ii) The Group had prepared a separate set of financial statements for the year ended March 31, 2017 and March 31, 2016 in accordance with the Accounting Standards referred to in section 133 of the Companies Act, 2013 (the "Audited Previous GAAP Financial Statements"), which were approved by the Board of Directors of the Company on August 1, 2017 and September 02, 2016 respectively. The management of the Company has compiled the Special Purpose Comparative Ind AS Financial Statements using the Audited Previous GAAP Financial Statements and made required Ind AS adjustments. The Audited Previous GAAP Financial Statements, and the Special purpose Comparative Ind AS Financial Statements, do not reflect the effects of events that occurred subsequent to the respective dates of approval of the Audited Previous GAAP Financial Statements.

(iii) These financial statements were approved for issue by the Board of Directors on September 20, 2018.

(iv) Transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(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, 2018.

(C) Principles of Consolidation

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

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

(iii) The Consolidated Financial Statements include the share of profit of the associate company which has been accounted for using equity method as per Indian Accounting Standard 110 - Consolidated Financial

Notes on Consolidated Financial Statements

for the Year ended March 31, 2018

Statements. Accordingly, the share of profit/loss from the associate company has been added/ deducted to the cost of Investments.

(iv) Goodwill represents the difference between the company's share in net worth and cost of acquisition of subsidiary at each stage of acquisition of investment. Goodwill arising on consolidation is not amortised but is tested for impairment on annual basis.

(v) Non Controlling Interest in the net assets of the consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit/loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit/loss after tax of the Group in order to arrive at the income attributable to shareholders of the Company.

2.2 Current versus non-current classification

All assets and Liabilities have been classified as current or non-current considering the operating cycle of 12 months. Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

2.3 Basis of measurement

The Accounts have been prepared on Going Concern Basis. The Company has been suffering losses for the last three years and the net working capital of the Company is negative. The turnover of the Company has also declined. During the year Company suffered net loss of ₹ 7,433 Lacs and as on March 31, 2018, the Current Liabilities exceeded the Current Assets by ₹ 7,620 Lacs. In the opinion of Management, the Company has sufficient resources to survive and curb the losses incurred in past and there is no intention of management to liquidate the entity. The Company is undertaking following steps in order to curtail the losses and to make the working capital positive:

(i) The Company has three lines of income i.e. Liquor, Food and Rental. While Food and Rental are profitable, Liquor division is incurring losses. The Management does not intend to cease its Liquor operations. Rather the Company is entering into new business model through third party business operations in different states in order to curb the losses and boost its business profits.

(ii) The Company has initiated the process of monetising its surplus immovable property at Sahibabad (UP) and Sikanderabad (UP) to repay debts / reduce Finance Cost and enhance its working capital.

(iii) Promoters / Promoters' Companies have provided its security of personal / its assets to obtain working capital. Further the promoters are also contemplating to infuse funds.

(iv) The Company has put in place a time bound plan for reduction of overheads and non-essential expenditures.

The above steps have helped the Company to:

a) Prevent default in meeting any financial commitments to Banks / Financial Institutions.

b) Improve its Credit Rating which is currently at B+ (with Stable outlook) from previous B - (with Negative Outlook).

As per the assessment of the management the Going Concern assumption is not affected and no material uncertainty exists in this regards in view of the above mentioned factors.

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities, including derivative financial instruments which have been measured at fair value as described below and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind AS.

2.4 Fair value measurement

Fair value is the price that would be received to sell assets or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value for measurement and / or disclosed in these financial statement is determined on such a basis.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, which are described as follows; level I - III

Level I input

Level I input are quoted price in active market for identical assets or liabilities that the entity can access at the measurement date, A quoted price in an active market provides the most reliable evidence of fair value and is used without adjustment to

Notes on Consolidated Financial Statements

for the Year ended March 31, 2018

measure fair value whenever available, with limited exception. If an entity hold a position in a single assets or liabilities and the assets or liabilities is traded in an active market, the fair value of assets or liabilities held by the entity, even if the market normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level II input

Level II input are input other than quoted market prices included within level I that are observable for the assets or liabilities either directly or indirectly.

Level II inputs include:

- quoted price for similarly assets or liabilities in active market.
- quoted price for identical or similar assets or liabilities in market that are not active.
- Input other than quoted prices that are observable for the assets or liabilities.
- interest rate and yield curve observable at commonly quoted interval.
- implied volatilise.
- credit spreads.
- input that are derived principally from or corroborated market data correlation or other means ('market corroborated inputs').

Level III input

Level III inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.5 Functional and presentation currency

These Ind AS Financial Statements are prepared in Indian Rupee which is the Company's functional currency. All financial information presented in Rupees has been rounded to the nearest lacs

2.6 Property, Plant and Equipment

(i) Property, plant and equipment

The Company has applied Ind AS 16 with retrospective effect for all of its property, plant and equipment as at the transition date, viz., April 1, 2016. On April 1, 2016 the company has carried out fresh revaluation of Land owned by the company as PPE. The revaluation has been carried out by an independent valuer on fair market value basis. Consequently the revaluation reserve amounting to ₹ 26,779 lacs has been transferred to retained earnings.

Company has been granted leasehold lands for the period of 99 years and accordingly the same is treated as finance lease. In view of no reasonable certainty regarding vesting of ownership with the company at the determination of lease, depreciation is being charged on the revalued figure of Land on straight line basis over the period of lease.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, attributable borrowing cost and any other directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the present value of the expected cost for the decommissioning and removing of an asset and restoring the site after its use, if the recognition criteria for a provision are met.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statements of profit and loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalised if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is

Notes on Consolidated Financial Statements
for the Year ended March 31, 2018

performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if considered appropriate.

When an item of property, plant and equipment is scrapped or otherwise disposed off, the cost and related deprecation are removed from the books of account and resultant profit or loss, if any, is reflected in statement of Profit & Loss.

(ii) Capital work in progress

Assets in the course of construction are capitalised in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised when the asset is available for use but incapable of operating at normal levels until the period of commissioning has been completed. Cost includes financing cost relating to borrowed funds attributable to construction.

(iii) Depreciation

The Company depreciates property, plant and equipment over the useful life as prescribed in schedule II of the Companies Act 2013 on the straight-line method from the date the assets are ready for intended use. Assets in the course of construction and freehold land are not depreciated. In respect of following assets, different useful life is taken than those prescribed in schedule II:

Particulars	Depreciation
Boiler No-5	Over its useful life as technically assessed (35 Years)
Turbine 7MW	Over its useful life as technically assessed (35 Years)
Evaporator Spent Wash	Over its useful life as technically assessed (35 Years)
MMF Plant (III shift)	Over its useful life as technically assessed (15 Years)

Leasehold land is amortised on straight line basis over the period of lease. Leasehold Improvements are amortised on straight line basis over the useful life of the asset and the remaining period of lease.

2.7 Intangible Assets

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. Currently company does not have any intangible assets with indefinite useful life. Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication to the same effect. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. Generally intangible assets are amortised @ 10% per annum as SLM basis.

2.8 Impairment of Assets

At the end of each reporting period, the Company assesses whether there is any indication that an assets or a group of assets (cash generating unit) may be impaired. If any such indication exists, the recoverable amount of the asset or cash generating unit is estimated in order to determine the extent of impairment loss (if any). When it is not possible to estimate the recoverable amount of the cash generating unit to which the assets belongs.

Recoverable amount is the higher of fair value less cost of disposal and value in use. In assessing the value in use, the estimated future cash flow are discounted at their present value using the pre-tax discount rate that reflects current market assessment of time value of money and the risks specific to the assets for which the estimates of future cash flow have not been adjusted.

If the recoverable amount of an assets (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the assets (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of Profit & Loss.

Notes on Consolidated Financial Statements

for the Year ended March 31, 2018

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss recognised immediately in the statement of Profit & Loss.

2.9 Cash and Cash equivalent

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

2.10 Financial instruments

A financial instrument is any contact that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Initial recognition and measurement

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets or issue of financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and Loss.

(ii) Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in four categories and measured as under:

(a) Debt instruments at amortised cost.

(b) Debt instruments at fair value through other comprehensive income (FVTOCI).

(c) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL).

(d) Equity instruments measured at fair value through other comprehensive income (FVTOCI).

(a) A 'debt instrument' is measured at the amortised cost, if both the following conditions are met:

(i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

(b) A 'debt instrument' is classified as FVTOCI, if both of the following criteria are met:

(i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and

(ii) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in OCI. However, the Company recognizes interest income, impairment losses and foreign exchange gain or loss in the profit or loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

(c) FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the

Notes on Consolidated Financial Statements

for the Year ended March 31, 2018

FVTPL category are measured at fair value with all changes recognised in the profit or loss.

(d) All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

Investment in subsidiary and associate

Investments in subsidiary and associate are carried at cost less provision for impairment, if any.

(iii) Derecognition of financial assets

The Company derecognises a financial asset when and only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Statement of Profit and loss on disposal of that financial asset.

(iv) Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets. The Company follows 'simplified approach' for recognition of impairment loss allowance, The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

(v) Subsequent measurement of financial liabilities

All the financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at fair value through profit and loss. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

(vi) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such on exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

2.11 Inventories

Inventories are valued at the lower of cost and net realisable value except scrap and by products which are valued at net realisable value. Costs comprises as follow:

(i) Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

(ii) Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

(iii) Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(iv) Obsolete inventories are identified and written down to net realisable value. Slow moving and defective inventories are identified and provision for the same is made. Inventories are valued on lower of cost or net realizable value. In pursuance of IND AS-2 indirect production overheads (estimated by the Management) have been allocated for ascertainment of cost of finished goods.

Notes on Consolidated Financial Statements

for the Year ended March 31, 2018

2.12 Retirement Benefits

Company follows IND AS-19 as detailed below:

(a) Short-term benefits are recognised as expense at the undiscounted amount in the Statement of Profit & Loss of the year in which the related service is rendered.

(b) Company provides bonus to eligible employees as per Bonus Act 1965 and accordingly liability is provided on actual cost at the end of the year.

(c) Provident Fund: The eligible employees of the company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both employees and the company make monthly contributions at a specified percentage of the covered employee's salary. The contributions as specified under the law are paid to the respective Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension Scheme.

(d) The Company has an obligation towards gratuity a defined benefit retirement plan covering all employees. The plan provides for a lump sum payment to employees at retirement/determination of service on the basis of 15 days terminal salary for each completed year of service subject to maximum amount of ₹ 20 Lacs.

Company's liability towards gratuity and compensated absences is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income (OCI) in the period in which they occur. Re-measurement recognised in the other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

2.13 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being received. Revenue is measured at the fair value of the consideration received or receivable taking in to account contractually defined terms of payment excluding others taxes or duties collected on behalf of the government. Specific recognition criteria described below must also be met before revenue is recognised.

(a) Revenue from the sale of products is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue from the sale of products is measured at the fair value of the consideration received or receivable, inclusive of excise duty and net of returns and allowances, trade discounts and volume rebates.

(b) Sales include goods sold by contract manufacturers (CMU) on behalf of the Company, since risk and reward belong to the company in accordance with the terms of the relevant contract manufacturing agreements. The related cost of sales is also recognised by the Company, as and when incurred by the CMU.

(c) Sales through State Corporation: Revenue is recognised at the time of dispatch/delivery to the Corporation as significant risk & rewards associated with ownership are transferred to the corporation along with the transfer of the property in goods. The Corporations have complete physical control over the goods and the liquor manufacturer does not have any right to take back or have lien on such goods.

(d) Job Work: Revenue from job work is recognised when the performance of the agreed contractual task has been completed.

(e) Rent: Rental Income is accounted on accrual basis.

(f) 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.

Notes on Consolidated Financial Statements

for the Year ended March 31, 2018

(g) Royalty income is accounted on an accrual basis in accordance with terms specified in the relevant agreements.

(h) Interest Income is recorded on time proportion basis using the effective rate of Interest (EIR).

2.14 Manufacturing policy

The main raw material of the company is ENA, which is used to produce Indian Made Foreign Liquor (IMFL) and Country Liquor (CL). Manufacturing policy of the Indian alcoholic spirit market is highly regulated by the States who control the alcoholic beverage industry. The India liquor industry has been experiencing challenges such as state policies import & export from one state to the other, production constraints with respect to the pack sizes and type of packaging, price control and increasing state levies & duties.

2.15 Taxation

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except when it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales/ value added taxes paid on acquisition of assets or on incurring expenses.

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

When receivables and payables are stated with the amount of tax included, the net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an

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for the Year ended March 31, 2018

asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

2.16 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.17 Foreign Currency Transactions

Foreign Currency Transactions involving export sales are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the customs rate on the date of dispatch of goods. The difference between the rates recorded and the rates on the date of actual realisation is transferred to difference in exchange fluctuation account. At the year end, the balances are converted at the year end rate and difference if any between the book balance and converted amount are transferred to the exchange fluctuation account. The premium or discount arising at the inception of a forward exchange contract is amortised as expenses / income over the life of the contract. Any profit or loss arising on cancellation or renewal of such a forward contract is recognised as income / expenses for the period. Non-monetary items that are measured in historical cost in a foreign currency are not retranslated.

2.18 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.19 Earning per shares

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit and loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit and loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares

2.20 Segment Reporting

(a) Segment assets and liabilities

All Segment assets and liabilities are directly attributable to the segment. Segment assets include all operating assets used by the segment and consist principally of PPE, inventories, trade receivable, financial assets and operating cash and bank balances. Segment assets and liabilities do not include inter-corporate deposits, share capital, reserves and surplus, borrowings, and income tax (both current and deferred).

(b) Segment revenue and expenses

Segment revenue and expenses are directly attributable to segment. It does not include interest income on inter-corporate deposits, interest expense and income tax.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue/expenses/assets/liabilities".

2.21 Cash Flow Statement

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

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for the Year ended March 31, 2018

2.22 Leases

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalised at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognised as an expense on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

2.23 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the standalone Ind AS financial statements.

2.24 Use of estimates and judgments

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of 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 is known / materialised.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

(i) Property, Plant and Equipments

(ii) Intangible assets

(iii) Taxes on income

(iv) Retirement and other employee benefits

Notes on Consolidated Financial Statements

for the Year ended March 31, 2018

3A. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lacs)

	Particulars	Land Free Hold	Land Lease Hold	Building	Furniture & Fixtures	Plant & Machinery	Other Equipment	Vehicles	Total
(I)	Gross block								
	As at April 01, 2016	23,789	3,133	5,961	183	9,419	120	640	**43,245**
	Additions	-	-	202	64	51	46	-	**363**
	Disposals			-	(20)	(409)	(29)	(92)	**(550)**
	As at March 31, 2017	**23,789**	**3,133**	**6,163**	**227**	**9,061**	**137**	**548**	**43,058**
	Additions	-	-	17	12	66	54	26	**175**
	Disposals	-	-	-	-	(73)	(1)	(126)	**(200)**
	As at March 31, 2018	**23,789**	**3,133**	**6,180**	**239**	**9,054**	**190**	**448**	**43,033**
(II)	Accumulated depreciation								
	As at April 01, 2016	**-**	**-**	**-**	-	-	-	-	**-**
	Charge for the year	-	44	268	36	621	50	208	**1,227**
	Deductions / Adjustments	-	-	-	(19)	(384)	(28)	(65)	**(496)**
	As at March 31, 2017	**-**	**44**	**268**	**17**	**237**	**22**	**143**	**731**
	Charge for the year	-	44	267	38	610	39	173	**1,171**
	Deductions	-	-	-	-	(66)	0	(99)	**(165)**
	As at March 31, 2018		**88**	**535**	**55**	**781**	**61**	**217**	**1,737**
(III)	Net block								
	As at April 01, 2016	23,789	3,133	5,961	183	9,419	120	640	**43,245**
	As at March 31, 2017	**23,789**	**3,089**	**5,895**	**210**	**8824**	**115**	**405**	**42,327**
	As at March 31, 2018	**23,789**	**3,045**	**5,645**	**184**	**8,273**	**129**	**231**	**41,296**

3B. OTHER INTANGIBLE ASSETS

(₹ in Lacs)

	Particulars	Patent Trade Mark	Goodwill	Total
(I)	Gross block			
	As at April 01, 2016	10	1,249	1,259
	As at March 31, 2017	**10**	**1,249**	**1,259**
	As at March 31, 2018	**10**	**1,249**	**1,259**
(II)	Accumulated depreciation			
	As at April 01, 2016	-	-	-
	Amortisation for the year	3	-	3
	As at March 31, 2017	**3**	**-**	**3**
	Amortization for the year	3	-	3
	As at March 31, 2018	**6**	**-**	**6**
(III)	Net block			
	As at April 01, 2016	**10**	**1,249**	**1,259**
	As at March 31, 2017	**7**	**1,249**	**1,256**
	As at March 31, 2018	**4**	**1,249**	**1,253**

Notes on Consolidated Financial Statements

for the Year ended March 31, 2018

3C. CAPITAL WORK-IN-PROGRESS (REFER FOOTNOTE (iii))

Particulars	Patent Trade Mark
As at April 01, 2016	49
As at March 31, 2017	57
As at March 31, 2018	33

Footnote(s):

(i) For details of Property, plant and equipment charged as security for borrowings refer Note 19.

(ii) The Company has elected to measure items of Property, plant and equipment and intangible assets at its carrying value as deemed cost at the transition date except for certain class of assets which are measured at fair value as deemed cost. As a result accumulated depreciation on April 01, 2016 is shown as NIL.

(iii) Estimated amount of capital contracts remaining to be executed is ₹ 2 Lacs (Financial year 2016-17 : ₹ 3 Lacs, Financial year : 2015-16 ₹ 5 Lacs)

(iv) Land at various locations have been revalued as on April 01, 2016 by an independent approved valuer on a fair market value basis. (Refer Footnote (i) to Note No 45)

(v) For leasehold land refer note 2.6 regarding Significant Accounting Policy.

4. INVESTMENT PROPERTIES

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Opening gross carrying amount	2,407	2,407	2,407
Additions during the year	-	-	-
Closing gross carrying amount	**2,407**	**2,407**	**2,407**
Opening accumulated depreciation	605	567	528
Depreciation charged during the year	38	38	39
Closing accumulated depreciation	**643**	**605**	**567**
Net carrying amount	1,764	1,802	1,840

Footnote(s):

(i) Amounts recognised in profit or loss for Investment Properties

Particulars	As at March 31, 2018	As at March 31, 2017
Rental income	2,499	2,695
Direct operating expenses from property that generated rental income	494	700
Direct operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation	**2,005**	**1,995**
Depreciation	38	38
Profit from investment properties	**1,967**	**1,957**

(ii) Future minimum lease payments are not given as subject leases are not non-cancellable operating leases.

(iii) Contingent rents recognised as income - Nil.

(iv) Company has entered upon lease agreements on different dates for a period of maximum 3 years with varying rents with passage of time. The lease(s) can be terminated at the option of lessor / lessee with notice period of three months.

(v) Fair Value

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Investment Properties	21,353	21,353	21,353

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for the Year ended March 31, 2018

(vi) **Estimation of Fair Value**

The Company obtained independent valuations for its Investment Properties on April 01, 2016. The best evidence of fair value is current prices in an active market for similar properties.

All resulting fair value estimates for Investment Properties are included in level 2. Company is of view that there is no significant change in fair value as on March 31, 2018.

(vii) For details of investment property charged as security of borrowings refer Footnote 19 (iii), (iv) & (vi).

5. NON-CURRENT INVESTMENTS (REFER FOOTNOTE 45(ii))

(₹ in Lacs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(A)	Equity instruments (fully paid-up)			
(i)	**Quoted**			
	Mohan Meakin Limited (refer Footnote (ii))			
	2,81,961 Shares (March 31, 2017 : 2,81,961, April 1, 2016 : 2,81,961) of ₹ 5 each fully paid	117	117	95
	Milkfood Limited			
	1,350 Shares (March 31, 2017 : 1350, April 1, 2016 : 1,350) of ₹10 each fully paid	6	3	2
	Punjab National Bank			
	4,965 Shares (March 31, 2017 : 4,965, April 1, 2016 : 4,965) of ₹ 2 each fully paid	5	8	4
	Arlem Breweries Limited			
	NIL Shares (March 31, 2017 : NIL, April 1, 2016 : 75) of ₹10 each	-	-	0
	CEAT Limited			
	NIL Shares (March 31, 2017 : NIL, April 1, 2016 : 35) of ₹10 each	-	-	0
	Dalmia Industries Limited			
	NIL Shares (March 31, 2017 : NIL, April 1, 2016 : 249) of ₹10 each	-	-	0
	Electronics Limited			
	NIL Shares (March 31, 2017 : NIL, April 1, 2016 : 100) of ₹ 10 each	-	-	0
	GlaxoSmithKline Consumer Healthcare Limited			
	4 Shares (March 31, 2017 : 4, April 1, 2016 : 4) of ₹ 10 each fully paid	0	0	0
	Haryana Breweries Limited			
	NIL Shares (March 31, 2017 : NIL, April 1, 2016 : 65) of ₹10 each	-	-	0
	Hindustan Unilever Limited			
	NIL Shares (March 31, 2017 : NIL, April 1, 2016 : 10) of ₹10 each	-	-	0
	Indage Vintners Limited			
	100 Shares (March 31, 2017 : 100, April 1, 2016 : 100) of ₹10 each fully paid	0	0	0
	J K Satoh Agricultural Machines Limited			
	NIL Shares (March 31, 2017 : NIL, April 1, 2016 : 1075) of ₹10 each	-	-	0
	Jupiter Breweries Limited			
	NIL Shares (March 31, 2017 : NIL, April 1, 2016 : 200) of ₹10 each	-	-	0
	Kothari Industrial Corporation Limited			
	NIL Shares (March 31, 2017 : NIL, April 1, 2016 : 50) of ₹10 each	-	-	0
	Lazard Credit Capital Limited			
	NIL Shares (March 31, 2017 : NIL, April 1, 2016 : 100) of ₹ 10 each	-	-	0
	McDowell Holdings Limited			
	6 Shares (March 31, 2017:6, April 2016: 6) of ₹ 10 each fully paid	0	0	0
	Metal Box India Limited			
	NIL Shares (March 31, 2017 : NIL, April 1, 2016 : 120) of ₹10 each	-	-	0
	Modi Industries Limited			
	NIL Shares (March 31, 2017 : NIL, April 1, 2016 : 122) of ₹ 10 each	-	-	0

Notes on Consolidated Financial Statements

for the Year ended March 31, 2018

(₹ in Lacs)

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	Mohan Meakin Limited			
	100 Shares (March 31, 2017 : 100, April 1, 2016 : 100) of ₹ 5 each fully paid	0	0	0
	Nestle India Limited			
	4 Shares (March 31, 2017 : 4, April 1, 2016 : 4) of ₹ 10 each fully paid	0	0	0
	Pampasar Distillery Limited			
	NIL Shares (March 31, 2017 : NIL, April 1, 2016 : 100) of ₹10 each	-	-	0
	Poysha Industrial Co. Limited			
	NIL Shares (March 31, 2017 : NIL, April 1, 2016 : 137) of ₹10 each	-	-	0
	Radico Khaitan Limited			
	10 Shares (March 31, 2017 : 10, April 1, 2016 : 10) of ₹ 2 each fully paid	0	0	0
	Rampur Fertilizers Limited			
	NIL Shares (March 31, 2017 : NIL, April 1, 2016 : 80) of ₹10 each	-	-	0
	Rodal Circaprint Electronics Limited			
	NIL Shares (March 31, 2017 : NIL, April 1, 2016 : 10,000) of ₹ 10 each	-	-	1
	Shreno Limited			
	12 Shares (March 31, 2017 : 12, April 1, 2016 : 12) of ₹100 each fully paid	0	0	0
	Sirmour Sudburg Auto Limited			
	NIL Shares (March 31, 2017 : NIL, April 1, 2016 : 500) of ₹10 each	-	-	0
	SABMiller India Limited			
	103 Shares (March 31, 2017 : 103, April 1, 2016 : 103) of ₹ 10 each fully paid	0	0	0
	Taurus The Starshare			
	2500 Shares (March 31, 2017 : 2500, April 1, 2016 : 2500) of ₹ 10 each	0	0	0
	Titan Industries Limited			
	NIL Shares (March 31, 2017 : NIL, April 1, 2016 : 140) of ₹ 1 each	-	-	0
	Triveni Engineering and Industries Limited			
	NIL Shares (March 31, 2017 : NIL, April 1, 2016 : 330) of ₹ 1 each	-	-	0
	United Breweries Limited			
	5 Shares (March 31, 2017 : 5, April 1, 2016 : 5) of ₹ 1 each fully paid	0	0	0
	United Breweries (Holdings) Limited			
	3 Shares (March 31, 2017 : 3, April 1, 2016 : 3) of ₹10 each fully paid	0	0	0
	United Spirits Limited			
	8 Shares (March 31, 2017 : 8, April 1, 2016 : 8) of ₹ 10 each fully paid	0	0	0
	Welga Foods Limited			
	NIL Shares (March 31, 2017 : NIL, April 1, 2016 : 100) of ₹ 10 each	-	-	0
	Xerox India Limited			
	NIL Shares (March 31, 2017 : NIL, April 1, 2016 : 40) of ₹ 10 each	-	-	0
(ii)	**Unquoted**			
	In associates			
	Hyderabad Distilleries and Wineries Pvt. Ltd.			
	1,650 Shares (March 31, 2017 : 1,650, April 1, 2016 : 1,650) of ₹ 100 each fully paid	3	3	3
	Add:- Group Share of Profit / (Loss) upto March 31, 2018	(3)	45	193
(iii)	**Unquoted**			
	In others			
	Chic Interiors Pvt. Limited			
	1,752 Shares (March 31, 2017 : 1,752, April 1, 2016 : 1,752) of ₹10 each fully paid	0	0	0
	Janta Co-operative Sugar Mills Ltd.			
	50 Shares (March 31, 2017 : 50, April 1, 2016 : 50) of ₹ 100 each fully paid	0	0	0
	Panipat Co-operative Sugar Mills Ltd.			

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(₹ in Lacs)

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	2 Shares (March 31, 2017 : 2, April 1, 2016 : 2) of ₹100 each fully paid	0	0	0
	Traders Bank Limited			
	1 Share (March 31, 2017 : 1, April 1, 2016 : 1) of ₹ 4 each fully paid	0	0	0
	LPJ Holdings Pvt. Limited.			
	600 Shares (March 31, 2017 : 600, April 1, 2016 : 600) of ₹ 10 each fully paid	81	81	81
(B)	**Investment in Preference Shares (fully paid-up)**			
	Qube Corporation Pvt. Ltd.			
	13,50,000 (March 31, 2017 : 13,50,000, April 1, 2016 : 13,50,000) Cumulative Redeemable Preference Shares of ₹ 10 each.	135	135	135
(C)	**Investment in government securities**			
	Quoted			
	6 year National Saving Certificates (lodged with Government Authorities)	1	1	1
	Total	346	393	516

Footnote(s):

(i) Cost of investment

Mohan Meakin Limited	84
Milkfood Limited	1
Punjab National Bank Limited	4

(ii) Quoted on April 01, 2016, delisted in 2016-17 and has been relisted in Kolkata stock exchange. However, quoted price as on March 31, 2018 is not available.

(iii) Management is of the view that there is no permanent diminution in the value of investment in subsidiary in view of value of enterprise as a whole.

6. LOANS

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good			
Loan (refer Footnote (i))	10	10	10
Loan to employees (refer Footnote (i))	307	288	252
Unsecured-Considered Doubtful			
Loan to employee	45	45	45
Less: Provision for Doubtful Advances	(45)	(45)	(45)
Total	**317**	**298**	**262**

Footnote(s):

(i) Considered good by the Management.

7. OTHER FINANCIAL ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Security Deposits			
Unsecured, considered good	407	373	445
Unsecured, considered doubtful	2	2	2
Less: Provision for doubtful deposits	(2)	(2)	(2)
Fixed Deposits with Bank	325	398	664
(Refer Footnote (i))			
Total	**732**	**771**	**1,109**

Footnote(s):

(I) Pledged with IFCI for security against interest payment. (Also refer note no 19(v))

Notes on Consolidated Financial Statements
for the Year ended March 31, 2018

8. OTHER NON-CURRENT ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Capital advances	2,972	2,983	3,142
MAT credit (Refer Footnote (i))	979	979	1,079
Advance wealth tax (Net of Provision)	-	5	5
Advance income tax (Net of Provision)	-	1	131
Prepaid expenses (Refer Footnote (ii))	1,215	226	145
Others (Refer Footnote (iii))	253	4	37
Unsecured - Considered Doubtful			
Advances to suppliers (Refer foot note (iv))	1,525	1,523	1,043
Others	42	123	15
Less: Provision for Doubtful Advances	(1,567)	(1,646)	(1,058)
(Refer foot note (iv))			
Total	**5,419**	**4,198**	**4,539**

Footnote(s):

(i) Management is of view that credit will be adjusted within the prescribed period of fifteen years u/s 115JAA(3) of the Income Tax Act, 1961.

(ii) Includes advance interest of ₹ 507 Lacs (Previous year : Nil) paid to Indiabulls and loan processing fee of ₹ 698 Lacs (Previous year : Nil).

(iii) Company has entered into an agreement for taking on rent the premises from December 2018 and has paid interest free security deposit of ₹ 240 Lacs (Previous year : Nil) to related party. Company is of view that rent payable is most competitive as compared to the prevalent market rate.

(iv) Includes ₹ 37 lacs (given in earlier years and provided for) from Director of the Company.

9. INVENTORIES

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Raw Materials	855	1,384	1,774
Packaging Materials	788	1,651	2,600
In-transit (Raw Materials & Packaging Materials)	381	749	364
Work-in-progress	578	860	205
Finished Goods	2,413	2,575	4,390
Stock-in-trade	38	63	65
Store and Spares [including in-transit ₹ Nil (April 01, 2016 : ₹118 Lacs)]	558	635	956
Total	**5,611**	**7,917**	**10,354**

Footnote(s):

Net of provision for obsolete inventory of ₹ 876 Lacs (March 31, 2017 : ₹ 1001 Lacs, April 01, 2016 : ₹ 21 Lacs).

10. CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Quoted			
Canara Rebco Mutual Fund-Short Term Fund (Growth Plan)	-	15	15
Total	-	**15**	**15**

Notes on Consolidated Financial Statements

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11. TRADE RECEIVABLES

(₹ in Lacs)

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a)	**Trade receivables (exceeding six months)**			
	Unsecured, considered good	4,508	3,813	3,358
	Doubtful	3,416	2,765	1,546
		7,924	**6,578**	**4,904**
	Less: Allowance for expected credit loss	3,416	2,765	1,546
		4,508	**3,813**	**3,358**
(b)	**Other trade receivable**			
	Unsecured, considered good	8,944	10,253	15,453
	Current	**13,452**	**14,066**	**18,811**
	Non-Current	**-**	**-**	**-**

Footnote(s):

No debts are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Also, no debts are due from firms or private companies, respectively, in which any director is a partner or a director or a member.

12. CASH & CASH EQUIVALENTS

(₹ in Lacs)

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(A)	**Cash & Cash Equivalents**			
	Cash in hand	44	46	52
	Cheques in hand	-	2	27
	Funds in-transit	-	-	123
	Balances with banks			
	-Current accounts	1,155	520	528
	-Fixed deposits	-	-	304
	(With original maturity period of upto 3 months)			
		1,199	**568**	**1,034**
(B)	**Other Bank Balances**			
	Fixed deposits with bank	103	200	2
	Margin money accounts (Refer Footnote(i))	22	20	17
		125	**220**	**19**
	Total (A) + (B)	**1324**	**788**	**1053**

Footnote(s):

(i) Towards Bank Guarantee against performance of contractual obligations.

13. CURRENT LOANS

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Security deposits (refer footenote (i))	192	216	73
Loan to employees (refer footenote (i))	688	1032	835
	880	**1,248**	**908**

Footnote(s):

(i) These balances are considered good for recovery within 12 months of reporting date as certified by the Management.

Notes on Consolidated Financial Statements

for the Year ended March 31, 2018

14. OTHER FINANCIAL ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Interest receivable	193	115	111
Other income receivable	1	0	140
Others (refer Footnote (i))	261	133	133
	455	**248**	**384**

Footnote(s):

(i) Includes ₹ 129 Lacs (Previous year : Nil) on account of tax deducted at source on interest payment and commercial advance of ₹ 132 Lacs (March 31, 2017: ₹ 132 Lacs, April 01, 2016: ₹ 132 Lacs) to Vinayaka Liquor Pvt. Limited Management has certified that this amount will be recovered / adjusted within 12 months of the reporting date.

15. OTHER CURRENT ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Balance with excise / revenue authorities	243	502	693
Advance tax	510	356	-
Advances to suppliers	1,349	961	2,090
Prepaid expenses	1,231	371	274
Others (refer Footnote (i))	597	490	252
	3,930	**2,680**	**3,309**

Footnote(s):

(i) Includes an amount of ₹ 265 Lacs (interest bearing) given to an associate to fulfil commercial obligations towards payment made by the associate to labour, deployed in course of contract and manufacturing agreement and an amount of ₹ 307 Lacs represents advance given against contractual agreement in earlier years. Amount is certified by the Management to be recoverable within 12 months of date of reporting.

16. ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Fixed Assets held for sale	45	45	2,642
(Valued at the lower of the estimated net realisable value & carrying amount)			
	45	**45**	**2,642**

Footnote(s):

(i) In the financial year 2016-17, assets of Glass Division were treated as held for sale due to discontinuity of operations of Glass unit at Sahibabad and accordingly these were valued at lower of estimated net realisable value and carrying amount. During the year, Company has entered into an agreement to sale for development and thereafter disposal of part of leasedhold land subject to permission of authorities. Company has received a sum of ₹ 25 Crores towards part performance of agreement. However, pending receipt of formal approval from the lessor i.e. statutory authority same is treated as advance from customer (refer note 25). Management is hopeful for receipt of formal approval within 12 months of the reporting date.

17. EQUITY SHARE CAPITAL

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised			
7,50,00,000 (March 31, 2017: 7,50,00,000) Equity Shares of ₹10 each	7,500	7,500	7,500
Issued, subscribed and fully paid-up			
4,61,48,112 (March 31, 2017: 4,61,48,112) Equity Shares of ₹10 each	4,615	4,615	4,615
	4,615	**4,615**	**4,615**

Notes on Consolidated Financial Statements

for the Year ended March 31, 2018

Footnote(s):

(i) Reconciliation of the Shares outstanding at the beginning and at the end of the reporting year

Equity Shares	Number	Amount (₹)
Issued, subscribed and fully paid-up		
As at April 01, 2016	46,148,112	461,481,120
Increase / (Decrease) during the year	-	-
As at March 31, 2017	**46,148,112**	**461,481,120**
Increase / (Decrease) during the year	-	-
As at March 31, 2018	**46,148,112**	**461,481,120**

(ii) Terms / rights attached to Equity Shares

(a) 1,84,38,112 Shares referred to as Equity Shares are having face value of ₹ 10 per Share. Each holder of Equity Shares is entitled to one vote per Share and dividend, if declared.

(b) 2,52,10,000 underlying Equity Shares of ₹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 Receipts (GDR) holder. GDRs do not carry any voting rights until they are converted into Equity Shares.

(c) 25,00,000 Equity Shares of ₹10 each held by LPJ Holdings Pvt. Ltd., fully paid-up at a premium of ₹ 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 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 the event of liquidation of the Company.

(iii) Details of shareholders holding more than 5% Equity Shares in the Company

Name of the shareholder	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Number	Percentage	Number	Percentage	Number	Percentage
(a) The Bank of New York (the Depository) [Footnote (ii) (b)	25,210,000	54.63	25,210,000	54.63	25,210,000	54.63
(b) LPJ Holdings Pvt. Limited [Footnote (ii) (a)]	7,418,648	16.08	7,418,648	16.08	7,418,648	16.08
(c) LPJ Holdings Pvt. Limited [Footnote (ii) (c)]	2,500,000	5.42	2,500,000	5.42	2,500,000	5.42

18. OTHER EQUITY

(₹ in Lacs)

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a)	Capital Redemption Reserve	580	580	580
(b)	Securities Premium Reserve	3,697	3,697	3,697
(c)	General Reserve	2,136	2,136	2,136
(d)	Retained Earning (refer Footnote (iv))	5,485	13,040	24,617
(e)	Other Comprehensive Income	(293)	(267)	-
	Balance as at the end of reporting period	11,605	19,186	31,030

Footnote(s):

(i) Capital Redemption Reserve

Capital Redemption Reserve was created pursuant to redemption of Preference Shares issued in earlier years. The Capital Redemption Reserve amount may be applied by the Company, in paying up unissued share of the Company to be issued to shareholders of the Company as fully paid Bonus Shares.

(ii) Securities Premium Reserve

Where the Company issues Shares at premium, whether for Cash or otherwise, a sum equal to the aggregate amount of the premium received on those Shares shall be transferred to "Securities Premium Account". The Company may issue fully paid-up Bonus Shares to its members out of balance lying in the Securites Premium Account and the Company can also use this reserve for buy-back of Shares.

Notes on Consolidated Financial Statements

for the Year ended March 31, 2018

(iii) General Reserve

General Reserve is created out of profit earned by the Company by way of transfer from surplus in the Statement of Profit and Loss. The Company can use this reserve for payment of dividend and issue of fully paid–up Shares.

(iv) As detailed in Footnote (i) to note 45 retained earnings were increased on account of revaluation of certain PPE. Thereafter, Company has suffered losses and figures are gross of revalued amount and net of losses.

(v) The disaggregation of changes in each type of Reserve, Retained Earnings and Other Comprehensive Income are disclosed in Statement of Changes in Equity.

19. BORROWINGS

A Non-Current Borrowings

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Secured			
From banks			
Term Loan (refer Footnote (i), (ii), (iii), (iv) & (v))	-	7,636	9,132
Car Loans	-	24	94
From others			
NBFC (refer Footnote (vi))	23,785	3,013	4,773
Car Loans (refer Footnote (vii))	17	36	182
Unsecured			
Fixed Deposits	-	301	661
NBFC (refer Footnote (viii))	-	11,000	-
From related parties	84	84	142
Total	**23,886**	**22,094**	**14,984**

(B) Current Borrowings

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Secured			
Working capital loans from banks (refer Footnote (ix))	2,934	2,724	5,768
Unsecured			
Fixed Deposits	299	339	500
Fixed Deposits guaranteed by directors	-	-	628
Working capital loan from bank	-	-	3,500
Total	**3,233**	**3,063**	**10,396**

Notes on Consolidated Financial Statements

for the Year ended March 31, 2018

Footnote(s):

	Nature of Security	Terms of Repayment
(i)	Term Loan amounting to ₹ Nil (Previous year : ₹ 264 Lacs) for Boiler is secured by all the Machineries and Accessories including civil work related to the aforementioned Machineries installed at Company's works at Jagatjit Nagar, Distt Kapurthala.	Repayable in 20 equal quarterly installments commencing from April, 2013. Amount repaid in Jan 2018. During the year the rate of interest charged was 12.50% p.a (Previous year : 12.50% p.a)
(ii)	Term Loan amounting to ₹ Nil (Previous year : ₹ 116 Lacs) for Turbine is secured by all the Machineries and Accessories including civil work related to Turbine installed at Company's works at Jagatjit Nagar, Distt Kapurthala.	Repayable in 60 equal monthly installments commencing from April, 2013. Last installment paid in March 2018. During the year rate of interest charged was 13.30% p.a (Previous year : 13.30% p.a).
(iii)	Term Loan amounting to ₹ Nil (Previous year : ₹ 1,390 Lacs) for expansion of Malted Milk Food Plants secured against exclusive first charge on Plant & Machinery of the new Malted Milk Food Plant including instrumentation etc. at its works at Jagatjit Nagar, Distt Kapurthala and extension of mortgage on Plot No. 78, Institutional Area, Sector-18, Gurgaon, Haryana and negative lien on the property of 9th and 10th floor, Ashoka Estate, 24 Barakhamba Road, New Delhi.	Repayable in 60 monthly equal installments commencing from June, 2015. Last installment due on May 2021. However, the entire amount has been repaid. During the year the rate of interest charged was 12.30% p.a. (Previous year : 12.30 % p.a).
(iv)	Term Loan amounting to ₹ Nil (Previous year : ₹ 7,268 Lacs) is secured against lease rent receivables of leased space at Plot No. 78, Institutional Area, Sector-18, Gurgaon, Haryana and 9th and 10th floor, Ashoka Estate, 24 Barakhamba Road, New Delhi for purpose of working Capital needs of the Company.	Repayable in 120 structured monthly installments commencing from April, 2015. Last installment due on March, 2025. However, the entire amount has been repaid. Rate of interest 11.30% p.a. (Previous year : 11.30%).
(v)	Term Loan amounting to ₹ 3,000 Lacs (Previous year : ₹ 4,773 Lacs) for General Corporate Purpose is secured by exclusive charge by way of mortgage on Land & Building situated at Jagatjit Nagar, Distt Kapurthala and lien on fixed deposit in favour of IFCI.	Repayable in 18 structured quarterly installments commencing from August, 2015. Last installment due on November, 2019. Rate of interest 13.50% p.a. (Previous year : 13.55%).
(vi)	Term Loan amounting to ₹ 26,585 Lacs (Previous year : Nil) is secured against:- (a) office space at Plot No. 78, Institutional Area, Sector-18, Gurgaon, Haryana and 9th and 10th floor, Ashoka Estate, 24 Barakhamba Road, New Delhi (b) Land at Plot No 78, Sector 18, Institutional Area, Gurgaon, Haryana.	Repayable in 144 monthly installments from the date of disbursement of the loan. Rate of interest is 10% for first two years and is progressive in the event of non payment of specified amounts by specified date(s).
(vii)	Car Loans of ₹ 56 lacs (Previous year : ₹ 265 lacs) are secured by hypothecation of the related cars.	Repayable in 36-60 equal monthly installments. Rate of interest 8.25% to 8.75% p.a.
(viii)	Unsecured borrowing facility ₹ Nil (Previous year : 11,000 Lacs) from KKR Financial Services Pvt. Limited (NBFC). This facility was secured by collaterals provided by promoters and other third parties. During the year entire amount has been swapped by borrowing from Indiabulls Limited (refer Footnote (v) above)	Repayable after 3 years from the date of disbursement of tranche - I which occurred on May 26, 2016. Rate of interest equivalent to Internal Rate of Return (IRR) of 17.25% (Previous year : 17.25%) to the lender.
(ix)	Cash Credit limits and Letter of Credit are part of working capital facilities availed from consortium banks.	These consortium limits are secured by first pari passu charge on stock and trade receivables and by equitable mortgage of leasehold land situated at Behror (Rajasthan) in favour of Canara Bank (Lead Bank).

Notes on Consolidated Financial Statements
for the Year ended March 31, 2018

20. OTHER FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Security Deposits	706	735	298
Total	**706**	**735**	**298**

21. OTHER LONG TERM LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance rental income (refer Footnote (i))	66	121	46
Total	**66**	**121**	**46**

Footnote(s):

(i) Represent difference in fair value and carrying value of security deposit received in respect of Investment Properties.

22. PROVISIONS

(A) Non-current

(₹ in Lacs)

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a)	Provision for employee benefits			
	- Gratuity	1,481	1616	1275
	- Compensated Absences	263	260	282
(b)	Provisions for Litigations			
	- Service Tax / Sales Tax	425	426	426
		2169	**2302**	**1983**

(B) Current

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for employee benefits			
- Gratuity	288	266	221
- Compensated Absences	188	208	231
	476	**474**	**452**

Footnote(s):

Provision for Gratuity and Compensated Absences has been made in terms of Ind AS-19. Gratuity and Compensated Absences have been determined by actuary as on March 31, 2018 (for detail refer note 38)

23. TRADE PAYABLES

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Total outstanding dues of Micro Enterprises and Small Enterprises	20	137	105
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	11,886	12,834	12,287
Total Trade payables	**11,906**	**12,971**	**12,392**

Footnote(s):

(i) 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 on Consolidated Financial Statements

for the Year ended March 31, 2018

(₹ in Lacs)

(ii)	**Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006**	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year			
	-Principal amount unpaid	20	137	105
	-Interest due	2	6	7
	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to suppliers beyond the Appointed Date during the year			
	-Payment made beyond the Appointed Date	118	349	367
	-Interest paid beyond the Appointed Date	-	-	-
	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the Appointed Date during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	6	26	18
	The amount of interest accrued and remaining unpaid at the end of the year (included in bills payable in note 24)	216	210	184

24. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current Maturities of Long-Term Debt (refer note 19)	5,839	3,368	3,619
Unclaimed Matured Deposits (refer Footnote (i))	71	93	163
Interest accrued but not due	182	1,400	279
Interest accrued and due	279	232	248
Security Deposits	4,246	2,886	4,188
Employee Benefits	854	913	904
Other Liabilities (refer Footnote (ii) & (iii))	1,256	227	1,262
Total	**12,727**	**9,119**	**10,663**

Footnote(s):

(i) Unclaimed Matured Deposits are not required to be transferred to the Investor Education and Protection Fund (IEPF) in terms of section 125 of the Companies Act, 2013, as these deposits are unclaimed for less than 7 years from the date of their maturity. Additional unclaimed deposits of ₹ Nil as on March 31, 2018 (Previous year : ₹ 1 Lac) lying unclaimed for more than 7 years have been deposited in the IEPF.

(ii) Includes bills payable(s) of ₹ 707 Lacs (including interest amount of ₹ 216 Lacs payable to SME) as certified by the Management.

(iii) Includes ₹ 320 Lacs towards one time payment to GAIL (India) Ltd., a Government of India undertaking in pursuance of Memorandum of Indenture dated July 02, 2018 for termination of the Gas Sales Agreement (GSA) dated December 27, 2008. Refer Footnote (v)(b) to note 37.

25. OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advances from customers (refer Footnote (i))	2,981	626	638
Statutory liabilities	1,892	1,846	2,133
Other liabilities (refer Footnote (ii))	100	92	35
Total	**4,973**	**2,564**	**2,806**

Footnote(s):

(i) Includes ₹ 2500 Lacs (Previous year : Nil) received towards part performance of agreement for sub-division and thereafter sale of part of land situated at Sahibabad (U.P.) pending approval from Lessor.

Notes on Consolidated Financial Statements

for the Year ended March 31, 2018

(ii) Represent difference in fair value and carrying value of security deposit received in respect of Investment Properties.

26. REVENUE FROM OPERATIONS

(₹ in Lacs)

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a)	Sale of products (gross of excise duty) (refer note (i))	42,398	72,411
(b)	Sale of services (Job work)	8,428	7,034
(c)	Other operating revenues (refer note (ii))	2,560	1,868
	Total revenue from operations	**53,386**	**81,313**

Footnote(s):

(i)	**Sale of products comprises**		
	(a) Manufactured goods		
	Malt & malt extract	2,618	2,996
	Processed milk	798	656
	Liquor	36,750	66,562
	Other	640	550
		40,806	**70,764**
	(b) Traded goods		
	Petroleum and its products	962	1,393
	Liquor	579	234
	Others	51	20
		1,592	**1,647**
		42,398	**72,411**
(ii)	**Other operating revenues comprises**		
	Royalty	1,555	1,080
	Duty drawbacks	78	3
	Scrap sales	402	320
	Bottling charges income	46	12
	Miscellaneous income	479	453
		2,560	**1,868**

27. OTHER INCOME

(₹ in Lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income	146	128
Rental maintenance income	425	643
Profit on sale of fixed assets	72	16
Rent other	6	4
Rent from Investment Properties	1,972	1,960
Gain on financial instruments at fair value through profit or loss	102	118
Insurance claims	9	4
Liabilities / provisions no longer required written back	592	573
Total other income	**3,324**	**3,446**

Notes on Consolidated Financial Statements

for the Year ended March 31, 2018

28. COST OF MATERIAL CONSUMED

(₹ in Lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening stock	4,785	4,737
Add: Purchases of Raw and Packaging Materials	13,809	23,237
	18,594	27,974
Less : Closing stock	2,899	4,785
Total	**15,695**	**23,189**

Footnote(s):

(i)	(a)	**Details of Raw Material Consumed**		
		Grains	4,693	2,315
		Molasses	-	103
		ENA	3,933	9,902
		Milk	760	668
			9,386	**12,988**
	(b)	**Details of Packaging Material Consumed**		
		Bottles	3,845	6,211
		Tins & Other Containers	676	1,099
		Seals	751	1,595
		Packing Materials	570	970
		Others	467	326
			6,309	**10,201**
	Total		**15,695**	**23,189**

29. PURCHASES OF STOCK-IN-TRADE

(₹ in Lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Petroleum and its products	908	1,374
Liquor	447	219
Others	19	20
Total	**1,374**	**1,613**

Notes on Consolidated Financial Statements

for the Year ended March 31, 2018

30. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventories at the beginning of the year		
Work-in-progress	860	188
Finished goods	2,575	4,396
Stock-in-trade	64	10
	3,499	**4,594**
Inventories at the end of the year		
Work-in-progress	578	860
Finished goods	2,413	2,575
Stock-in-trade	38	64
	3,029	**3,499**
Decrease/(Increase)	**470**	**1,095**

31. EMPLOYEE BENEFIT EXPENSES

(₹ in Lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, Wages, Bonus and Gratuity (refer Footnote (i))	6,887	6,539
Contribution to Provident, Family Pension	379	399
Employees' State Insurance	149	144
Staff welfare expenses	235	159
Total	**7,650**	**7,241**

Footnote(s):

Includes ₹ 391 Lacs (Previous year : Nil) towards Voluntary Retirement Scheme (VRS) payments.

32. FINANCE COST

(₹ in Lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest expenses on		
Borrowings	4,231	3,914
Security Deposit received	227	290
Other	365	145
Other borrowing cost (Refer note (i))	686	555
Total	**5,509**	**4,904**

Footnote(s):

(i) Includes loan redemption charges of ₹ 362 Lacs (Previous year : Nil).

33. DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation of Property, plant & equipment	1,171	1,231
Depreciation of Investment Property	38	38
Amortisation of intangible assets	3	3
Total	**1,212**	**1,272**

Notes on Consolidated Financial Statements

for the Year ended March 31, 2018

34. OTHER EXPENSES

(₹ in Lacs)

Particulars	For the year ended March 3 1, 2018	For the year ended March 31, 2017
Manufacturing expenses		
Consumption of Stores and Spare parts	353	188
Power and Fuel	2,811	2,305
Repairs - Buildings	181	131
Plant and machinery	476	404
Excise Duty (refer Footnote (i))	-	(511)
Other expenses	1,522	1,844
Administrative & Selling expenses		
Rent (net)	212	274
Lease rental	-	20
Rates & Taxes	1,700	2,538
Insurance	170	207
Travelling expenses	682	724
Repairs to building	18	46
Other repairs & maintenance	95	72
Bad debts, advances and stock written off	8	326
Provision for doubtful debts and advances	868	1,841
Provision for inventory for obsolete stock	338	979
Fixed assets written off	-	25
Loss on sale of fixed assets	10	5
Reimbursement of expenses to directors	3	12
Directors' fee	11	7
Forwarding charges	681	1,131
Advertisement, publicity and sales promotion	2,598	6,385
Auditors' remuneration (refer Footnote (ii))	53	31
Legal & professional expenses	1,113	1,442
Miscellaneous expenses (refer Footnote (iii) to note 24)	1,268	1,840
	15,171	**22,266**

Footnote(s):

(i) Represents the difference between excise duty on valuation opening and closing inventory of finished goods.

(ii) Payment to Auditors

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
As auditor		
For Audit	20	20
For Tax Audit	5	5
For Limited Review	8	3
For Tax representation	20	2
Out of Pocket Expenses	-	1
	53	**31**

Notes on Consolidated Financial Statements
for the Year ended March 31, 2018

35A. TAX EXPENSES

(₹ in Lacs)

		For the year ended March 31, 2018	For the year ended March 31, 2017
	Income Tax related to items charged or credited to Statement of Profit and Loss during the year		
(a)	**Statement of Profit and Loss**		
	Current tax	-	99
	Income Tax adjustment	5	(447)
	Deferred Tax credit	(357)	372
	Total	**(352)**	**24**
(b)	**Tax Expenses on discontinued Business**	**-**	**3**
(c)	**Other Comprehensive Income**		
	Deferred Tax charge / (credit) on		
	Re-measurement of defined benefit plan	(13)	(139)
	Total	**(365)**	**(112)**
	Reconciliation of tax expense with accounting profit multiplied by statutory income tax rate		
	Accounting profit before income tax	(7,759)	(11,400)
	Applicable tax rate	34.608%	33.063%
	Computed tax expenses	(2,685)	(3,769)
	Deferred Tax assets not considered on unused losses / unabsorbed depreciation (refer Footnote (i) to note 35B)	(2,320)	(3,657)
	Income Tax expense reported in Statement of Profit and Loss Account	(365)	(112)

35B. DEFERRED TAX

(₹ in Lacs)

Particulars	For the year ended March 31, 2018			
	As at March 31, 2017	Recognised in		As at March 31, 2018
		Profit & Loss	OCI	
Tax effect of items constituting Deferred Tax Liability				
Property, plant and equipment	2,873	(94)	-	2,779
Others	-	-	-	-
(A)	**2,873**	**(94)**	**-**	**2,779**
Tax effect of items constituting Deferred Tax Assets (refer foot note)				
Statutory Liabilities	234	96	-	330
Employee retirement benefits	813	(58)	13	768
Provision for doubtful debts and advances	957	225	-	1,182
(B)	**2,004**	**263**	**13**	**2,280**
Deferred Tax liability (net)	**869**	**(357)**	**(13)**	**499**

Notes on Consolidated Financial Statements
for the Year ended March 31, 2018

(₹ in Lacs)

Particulars	For the year ended March 31, 2017			
	As at April 01, 2016	Recognised in		As at March 31, 2017
		Profit & Loss	OCI	
Tax effect of items constituting Deferred Tax Liability				
Property, plant and equipment	2,246	627	-	2,873
Others	-	-	-	-
(A)	**2,246**	**627**	**-**	**2,873**
Tax effect of items constituting Deferred Tax Assets (refer foot note)				
Statutory Liabilities	174	60	-	234
Employee retirement benefits	620	54	139	813
Provision for doubtful debts and advances	819	138		957
(B)	**1,613**	**252**	**139**	**2,004**
Deferred Tax liability (net)	**633**	**375**	**(139)**	**869**

Footnote(s):

(i) No deferred tax asset is recognised in respect of unused tax losses / unabsorbed depreciation as a matter of prudence. However, in respect of other temporary differences as stated, deferred tax asset is recognised under Ind AS 12 on the probability that future profits would be available against which temporary differences can be utilised.

36. EARNING PER SHARE (EPS)

(₹ in Lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Net Profit / (Loss) attributable to Shareholders	(7,456)	(11,577)
Weighted Average Number of Equity Shares in issue (Nos)	4,36,48,112*	4,36,48,112*
Basic / Diluted Earning Per Share of ₹10 each (₹)	(17.08)	(26.52)
Net Profit / (Loss) attributable to Shareholders from continuing operation	(7,060)	(9,818)
Basic / Diluted Earning Per Share of ₹10 each (₹) from continuing operation	(16.17)	(22.49)

Footnote(s):

(i) 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 25,00,000 Equity Shares, having no right to dividend has not been considered in the above computation of EPS (Refer Footnote 17 (ii)(c)).

37. CONTINGENT LIABILITIES

(₹ in Lacs)

		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a)	Claim against the Company not acknowledged as debt			
	Service Tax (refer Footnote (i))	389	777	1,067
	Sales Tax / VAT (refer Footnote (ii))	491	368	370
	Excise Duty (refer Footnote (iii))	18	76	88
	Employee State Insurance / Others (refer Footnote (iv))	175	191	200
	Others (refer Footnote (v))	22	9,955	7,037
	Total	**1,095**	**11,367**	**8,762**

Footnote(s):

(i) Service Tax

(a) Demand of Service Tax and penalty in respect of wrong availment of Service Tax Cenvat Credit ₹ 247 lacs (Previous year : ₹ 261 lacs).

(b) Demand in respect of service tax, interest and penalty on income from tie-up operations and royalty ₹ Nil (Previous year : ₹ 231 lacs).

(c) Demand of service tax on renting of immovable property ₹ Nil (Previous year : ₹ 113 lacs).

(d) Demand of service tax under service or supply of tangible goods ₹ 124 lacs (Previous year : ₹ 124 lacs).

(e) Demand of service tax and penalty under Management, maintenance and repair services ₹ 18 lacs (Previous year : ₹ 48 lacs).

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(ii) Sales Tax/ VAT

(a) Demand of Sales Tax under Central Sales Tax Act on account of incomplete submission of sales tax forms ₹ Nil (Previous year : ₹ 4 lacs).

(b) Demand of Sales Tax & penalty under Telangana VAT Act on account of VAT on Royalty ₹ 103 lacs (Previous year : ₹ 103 lacs).

(c) Demand of Sales Tax & penalty under Punjab VAT Act on account of input VAT credit denied on rice husk ₹ 220 lacs (Previous year : ₹ 221 lacs).

(d) Demand of Sales Tax under Haryana VAT Act on account of disallowance of credit of excess VAT deposited due to rate difference ₹ 40 lacs (Previous year : ₹ 40 lacs.)

(e) Demand of Sales Tax under Ranchi VAT Act Assessment for Financial year 2013-14 ₹ 20 lacs (Previous year : ₹ Nil)

(f) Demand for disallowance of ITC on purchase of Rice Flour ₹ 108 lacs (Previous year : ₹ Nil)

(iii) Excise Duty

(a) Demand of Excise Duty in respect of reversal of Cenvat Credit on Turbine ₹ Nil (Previous year : ₹ 74 lacs).

(b) Demand of cess and penalty under Central Excise Act on manufacturing of corrugated paper board ₹ 1 lac (Previous year : ₹ 2 lacs).

(c) Demand of Excise Duty in respect of clearence of broken glass generated during the handling of bottles used for IMFL and Country Liquor ₹ 17 lacs (Previous year : Nil)

(iv) Employee State Insurance / Employee related

(a) Claim in respect of case filed by ESI Corporation ₹ 6 lacs (Previous year : ₹ 6 lacs)

(b) Employees related claims ₹ 169 lacs (Previous year : ₹ 185 lacs)

(v) Others

(a) Claim by Punjab Government in respect of amount paid to Mahalaxmi Sugar Mills pending before The Court of Civil Judge (Senior Division), Kapurthala ₹ 22 lacs (Previous year : ₹ 22 lacs).

(b) In terms of Gas Sales Agreement dated December 27, 2008 between GAIL (India) Limited (Supplier) and the Company, for the supply of RLNG by former, the Company has not utilised the minimum stipulated quantity of RLNG, due to closure of Glass unit situated at Sahibabad (UP). The Supplier has raised demand towards Annual Take or Pay deficiency basis for contract year 2014, amounting to ₹ 1,746 Lacs and for contract year 2015, amounting to ₹ 5,269 Lacs and for contract year 2016, amounting to ₹ 2,918 Lacs and for contract year 2017 amounting to ₹ 3,402 lacs, aggregating to ₹ 13,335 Lacs. Company and GAIL mutually settled the dispute vide Memorandum of Indenture dated July 02, 2018 vide which the Company accepted one time liability of ₹ 320 Lacs in full and final settlement of the above mentioned claim.

(c) 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.

(vi) Certain matters relating to various assessment years of Income Tax are pending at 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.The Company is contesting these demands and the Management, based on advise of its advisors, believes that its position will likely be upheld in the appellate process. No expense has been accrued in the standalone financial statements for these demands raised. The Management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations. The Company does not expect any reimbursements in respect of the above contingent liabilities.

(vii) In addition, the Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's Management reasonably does not expect that these legal actions, when ultimately concluded and determined, will have material effect on the Company's results of operations or financial condition.

38. EMPLOYEE BENEFITS

The Company has classified various employee benefits as under:

(A) Defined Contribution Plan

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(i) Employers' Contribution to Provident Fund	379	402
(ii) Employers' Contribution to Employees' State Insurance	149	144

Included in Contribution to Provident, Family Pension and Employees' State Insurance (Refer Note 31)

Notes on Consolidated Financial Statements
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(B) Defined Benefit Plans

The Company operates one defined benefit plan i.e., Gratuity for its employees. Under the Gratuity Plan, every employee who has completed at least five years of service gets a Gratuity on departure at 15 days of last drawn salary for each completed year of service.

The following table summarises the components of net benefit expenses and the provision status for respective plans:

		Year ended March 31, 2018		Year ended March 31, 2017	
		Compensated absence	Gratuity	Compensated absence	Gratuity
(i)	**Assumptions**				
	(a) Discount Rate	7.70%	7.70%	7.30%	7.30%
	(b) Rate of increase in Compensation Levels	5%	5%	5%	5%
	(c) Rate of return of Plan Assets	N.A.	N.A.	N.A.	N.A.
	(d) Expected Average remaining working lives of employees (in years)	17.17	17.17	5.17-17.01	5.17-17.01
(ii)	**Change in the Present Value of Obligation**				
	(a) Present value of obligation as at beginning of the year	468	1,882	513	1496
	(b) Interest cost	32	122	18	107
	(c) Current / Past service cost	131	121	132	122
	(d) Benefit paid	(52)	(394)	(66)	(249)
	(e) Actuarial (gain) / loss on obligations	(128)	39	(129)	406
	(f) Present value of obligation as at end of the year	451	1,769	468	1882
(iii)	**Amount recognised in the Balance Sheet**				
	(a) Present value of obligation as at March 31, 2018	451	1,769	468	1882
	(b) Fair Value of Plan Assets as at the year end	-	-	-	0
	(c) (Asset) / Liability recognised in the Balance Sheet	451	1,769	468	1882
	Net liabilities recognised in the Balance Sheet accounted for as below				
	Provision non-current (Refer Note 22 A)	263	1,481	260	1616
	Provision current (Refer Note 22 B)	188	288	208	266
(iv)	**Expenses recognised in the Statement of Profit and Loss**				
	(a) Under Profit & Loss				
	Current / Past service cost	131	121	132	122
	Interest cost	32	122	18	107
	Actuarial (gain) / loss on obligations	(128)	-	(129)	-
		35	**243**	**21**	**229**
	(b) Under Other Comprehensive Income (OCI)	**-**	**39**	**-**	**406**
	(c) Total Expense (a + b)	**35**	**282**	**21**	**635**

(v) Sensitivity analysis

	For the year ended March 31, 2018			
	Compensated absences		Gratuity	
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	(8)	9	(92)	103
Salary increase rate	10	(9)	104	(95)
Employee attrition rate	2	(2)	16	(15)

	For the year ended March 31, 2017			
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	(10)	11	(102)	114
Salary increase rate	11	(10)	115	(105)
Employee turnover	2	(2)	14	(14)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable change in key assumptions occurring at the end of the reporting period.

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39. RELATED PARTY DISCLOSURES

In accordance with the requirements of "IND-AS 24" on the Related Party Disclosures, the transactions and Related Parties with whom transactions have taken place during the year are as follows:

(A) Detail of related parties with whom the group had transaction during the year.

Description of relationship	Names of related parties
Associates	Hyderabad Distilleries & Wineries Pvt. Ltd.
Key Management Personnel and their relatives:	Mr. Ravi Manchanda (Managing Director)
	Mr. Anil Girotra (CFO)
	Mr. Kewal Krishan Kohli (Sr.Vice President-Legal & Company Secretary)
	Ms. Roshini Sanah Jaiswal (Director from April 28, 2017 to January 31, 2018)
	Mrs. Anjali Varma (Director)
	Mr. Varun Kapoor (Additional Director from August 01, 2017 to December 14, 2017)
	Mr. Karamjit Singh Jaiswal
	Ms. Shakun Jaiswal
	Mr. Narendra Sapra (CEO of Subsidiary Company)
Enterprises over which Major shareholders, Key Management Personnel and their relatives have significant influence / control :	Milkfood Ltd.
	Fast Buck Investments & Trading Pvt. Ltd.
	Pashupati Properties & Estates Pvt. Limited
	Qube Corporation Pvt. Ltd.
	Corporate Facility Management
	Oody Design LLP
	Ashwa Buildcon Limited (Formerly known as Industrial Containers and Closures Limited)
	Blue Skies Investments Pvt. Limited
	Palm Beach Investments Pvt. Limited
	Snow White Holdings Pvt. Limited
	Hybrid Holdings Pvt. Limited

(B) Details of transactions carried out with the related parties in the ordinary course of business

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
(i)	**Associates**		
	Hyderabad Distilleries & Wineries Pvt. Ltd.		
	Reimbursement of payments made on behalf of Company	75	13
	Advance given	265	306
	Refund of advance	-	278
	Lease rent paid	-	8
	Bottling charges paid	-	153
	Interest received	36	-
(ii)	**Key Management Personnel and their relatives**		
(a)	Mr. Ravi Manchanda		
	Remuneration	39	39
	Refund of advance	2	2
(b)	Mr. Anil Girotra		
	Remuneration	146	147
	Refund of advance	12	12
(c)	Mr. Kewal Krishan Kohli		
	Remuneration	24	20
	Refund of advance	2	2
(d)	Ms. Roshini Sanah Jaiswal		
	Remuneration	125	-

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	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Advance given	41	100
	Refund of advance	100	-
	Payment on behalf of related party	4	-
	Interest Received on advance	32	22
(e)	Mr. Karamjit Singh Jaiswal		
	Remuneration	256	-
	Advance given	-	100
	Refund of advance	100	-
(f)	Mrs. Shakun Jaiswal		
	Gratuity paid	10	-
	Refund of advance (Through Mr. Karamjit Singh Jaiswal)	50	-
(g)	Mr. Narendra Sapra		
	Remuneration	-	93
	Retainership Fee	10	-
(iii)	**Enterprises over which Major Shareholders, Key Management Personnel and their relatives have significant influence / control**		
(a)	Milkfood Ltd.		
	Reimbursement of payments made on behalf of Company	11	13
	Rent received	4	4
	Advance given	100	-
	Refund of advance	100	-
(b)	Fast Buck Investments & Trading Pvt. Ltd.		
	Interest accrued	-	6
(c)	Pashupati Properties & Estates Pvt. Limited		
	Lease rent paid	12	12
(d)	Corporate Facilities Management		
	Maitenance charges paid	194	147
(e)	Oody Design LLP (KMP - Varun Kapoor)		
	Website Development & Maintenance Charges	8	-
(f)	Ashwa Buildcon Limited		
	Advance given	240	4

(C) Outstanding balance as at end of the year

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(i)	**Associates**		
	Hyderabad Distilleries & Wineries Pvt. Ltd.		
	Receivable	608	231
(ii)	**Key Management Personnel and their relatives**		
	Mr. Ravi Manchanda		
	Receivable	42	44
	Mr. Anil Girotra		
	Receivable	263	275
	Mr. Kewal Krishan Kohli		
	Receivable	1	3
	Ms. Roshini Sanah Jaiswal		
	Receivable	295	339
	Mrs. Anjali Varma		
	Receivable	37	37

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	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Mr. Karamjit Singh Jaiswal		
	Receivable	-	100
	Mrs. Shakun Jaiswal		
	Receivable	40	100
(iii)	**Enterprises over which Major shareholders, Key Management Personnel and their relatives have significant influence / control**		
	Oody Design LLP (KMP - Varun Kapoor)		
	Payable	2	1
	Ashwa Buildcon Ltd.		
	Receivable	247	7
	Blue Skies Investments Pvt. Limited		
	Receivable	2	2
	Palm Beach Investments Pvt. Limited		
	Receivable	3	3
	Snow White Holdings Pvt. Limited		
	Receivable	1	1
	Hybrid Holdings Pvt. Limited		
	Payable	2	2

Footnote(s):

(i) Related parties have been identified by the Management

(ii) Key Management Personnel (KMP) remuneration does not include provision for Gratuity and Compensated Absences which is determined for the Company as whole

(iii) No amounts have been written off / provided for or written back during the year in respect of amounts receivable from or payable to related parties except case disclosed in Note 8(iv)

(iv) Remuneration paid to KMP excludes expenses incurred in the course of performance of duty

40. SEGMENT INFORMATION

The Company's operating segments are established on the basis of those components of the group that are evaluated regularly by the Chief Operating Officer (the 'Chief Operating Decision Maker' as define in Ind As 108 -'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business 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.

Rent: Rental income from letting of Investment Properties.

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.

The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting.

(a) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as 'Unallocable'.

(b) Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as 'Unallocable'.

Notes on Consolidated Financial Statements

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(A) Primary segment information

		Beverages		Food		Rental Income		Others		Total	
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
(i)	**Segment revenue**										
	Sales, Services and Other income	**40,765**	69,444	**12,242**	11,042	**2,499**	2,695	**981**	1,449	**56,487**	84,630
	Less : Excise Duty	(16,893)	(32,493)	(100)	(332)	-	-	-	-	(16,993)	(32,825)
	Inter Segment Sales	-	-	-	-	-	-	-	-	-	-
	Unallocated Income	-	-	-	-	-	-	-	-	-	-
	Total Revenue	**23,872**	**36,951**	**12,142**	**10,710**	**2,499**	**2,695**	**981**	**1,449**	**39,494**	**51,805**
(ii)	**Segment results**										
	Segment Results	(2,108)	(4,272)	1,897	1,298	2,006	1,995	11	25	**1,806**	(954)
	Unallocated expenditure	-	-	-	-	-	-	-	-	-	-
	Net of unallocated income (Included losses of discontinuing operations)	-	-	-	-	-	-	-	-	**4,242**	6,081
	Interest Income	-	-	-	-	-	-	-	-	**146**	128
	Interest Expense	-	-	-	-	-	-	-	-	**5,509**	4,904
	Profit / (Loss) before exceptional items	-	-	-	-	-	-	-	-	**(7,799)**	**(11,811)**
	Exceptional items	-	-	-	-	-	-	-	-	-	0
	Profit / (Loss) Before Tax	-	-	-	-	-	-	-	-	**(7,799)**	**(11,811)**
	Less: Tax expense:										
	Current Tax :										
	- For the year	-	-	-	-	-	-	-	-	**5**	(447)
	- MAT Credit Entitlement	-	-	-	-	-	-	-	-	-	99
	Deferred Tax (benefit) / charge	-	-	-	-	-	-	-	-	**(370)**	233
	previous year Tax adjustment	-	-	-	-	-	-	-	-	-	0
	Share of Profit / (Loss) from associates									**(48)**	**(148)**
	Profit / (Loss) after tax									**(7,482)**	**(11,844)**
	Other information										
	Segment Assets (Refer Footnote (i) below))	29,435	33,234	9,820	10,010	1,873	1,867	-	-	**41,128**	45,111
	Unallocated Assets	-	-	-	-	-	-	-	-	**35,728**	32,998
	Total Assets	-	-	-	-	-	-	-	-	**76,856**	**78,109**
	Segment Liabilities	16,645	17,939	2,272	1,652	108	102	-	-	**19,025**	19,693
	Unallocated Liabilities	-	-	-	-	-	-	-	-	**41,616**	34,619
	Total Liabilities	-	-	-	-	-	-	-	-	**60,641**	**54,312**
	Capital Expenditure	49	105	34	18	-	-	10	-	**93**	123
	Unallocated Capital Expenditure	-	-	-	-	-	-	-	-	**61**	89
	Total Capital Expenditure	-	-	-	-	-	-	-	-	**154**	212
	Depreciation	406	251	514	564	38	38	-	-	**958**	853
	Unallocated Depreciation	-	-	-	-	-	-	-	-	**254**	376
	Total	-	-	-	-	-	-	-	-	**1,212**	1,229
	Non - Cash expenditure	1,215	3,074	-	-	-	-	-	-	**1,215**	3,074
	other than depreciation	-	-	-	-	-	-	-	-	-	
	Unallocable Non Cash expenditure	-	-	-	-	-	-	-	-	-	97
	Total	-	-	-	-	-	-	-	-	**1,215**	3,171

Notes on Consolidated Financial Statements

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(B) Secondary segment information

(₹ in Lacs)

		2017-18	2016-17
(i)	**Segment revenue**		
	Within India	39,006	51,161
	Outside India	488	644
	Total	**39,494**	**51,805**
(ii)	**Other information**		
	Carrying amount of segment assets by location of assets		
	Within India	76,856	78,109
	Outside India	-	-
	Addition to Property, plant and equipment / capital work- in- progress		
	(including Capital Advances)	154	212

Footnote(s):

(i) The Company is focused on the segment of Liquor beverages in India. The commercial terms and conditions of liquor sales being identical in India, there are no differential risks and return on the basis of such business segmentation. The Company's year to date export turnover being less than 2% of its total turnover (Previous year : less than 2%), the commercial risks and returns involved on the basis of geographic segmentation are therefore considered insignificant and immaterial.

(ii) Segment assets include Capital Work-in-Progress & Capital Advances aggregating to ₹ 34 lacs (Previous year : ₹ 69 lacs). While most assets are directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis.

(iii) Capital expenditure pertains to additions made to Property, plant and equipment / Capital Work-in-Progress (including Capital Advances) during the year.

(iv) Unallocated assets includes land, administration building and Cash & Bank Balances etc. at Jagatjit Nagar, Dist. Kapurthala, Punjab.

(v) Unallocated liabilities include interest bearing liabilities and tax provisions and deferred tax liability.

(vi) Non Cash items includes bad debts, advances and inventory written off, provision for doubtful debts & advances and Property, plant and equipment written off.

41. The Company has discontinued its operation for Packaging Division with effect from April 01, 2014. The disclosures as required under Indian Accounting Standard - 105 are given below.

(₹ in Lacs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue		
Sales	-	-
Miscellaneous Income	**5**	35
Liabilities / provisions no longer required written back	**1**	26
Total Revenue	**6**	**61**
Expenses		
Changes in inventories of Finished Goods,		
Work-in-progress and Stock- in -trade	-	66
Employee Benefits Expenses		
Salaries, Wages, Bonus and Gratuity	**34**	47
Contribution to Provident Fund, Family Pension Fund		
and Superannuation Funds	-	3
Staff Welfare Expenses		2
	34	52
Finance Cost		
Interest	-	1
	-	1
Other Expenses		
Power and Fuel	**3**	11

Notes on Consolidated Financial Statements
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(₹ in Lacs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Excise Duty	-	(14)
Rates & Taxes	6	4
Insurance	-	2
Travelling Expenses	6	6
Other Repairs & Maintenance	13	15
Loss on sale of Property, plant and equipment	-	1,642
Legal & Professional Expenses	4	10
Miscellaneous Expenses (refer Footnote (v) (b) to note 37)	336	22
	368	1,698
Total Expenses	**402**	**1,817**
Profit / (Loss) for the year	**(396)**	**(1,756)**
Less: Tax Expense	**-**	**3**
Profit / (Loss) After Tax for the year	**(396)**	**(1,759)**
Total Assets	**2,499**	**1,656**
Total Liabilities	**2,895**	**100**
Cash Flow from discontinuing operations included in above		
- Operating activities	**(2,517)**	**105**
- Investing activities	**2,500**	**955**
- Financing activities	**-**	**(31)**

42. FAIR VALUE

Fair value measurement

(i) All the financial assets and financial liabilities of the Company are carried at amortised cost except investment and borrowings.

(ii) The Management assessed that the carrying values of trade and other receivables, deposit, Cash and short term deposits, other assets, borrowings, trade and other payables reasonably approximate their fair values because these instruments have short-term maturities.

43. CAPITAL MANAGEMENT

For the purpose of the Company's capital Management, capital includes issued Equity Capital, securities premium and all other Equity reserves attributable to the Equity Shareholders. The primary objective of the Company's capital Management is to ensure that it maintains a good credit rating and capital ratios in order to support its business and maximise shareholder value.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company includes within net debt, all non-current and current borrowings reduced by Cash & Cash Equivalents and other Bank Balances.

(₹ in Lacs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current borrowings	23,886	22,094	14,984
Current maturities of non-current borrowings	6,371	5,093	4,310
Current borrowings	3,233	3,063	10,396
Less: Cash & Cash Equivalents	1,199	568	1,034
Less: Other Bank Balances	125	220	19
Net debt	**32,166**	**29,462**	**28,637**
Equity Share Capital	4,615	4,615	4,615
Other Equity	11,605	19,186	31,030
Total capital	**16,220**	**23,801**	**35,645**
Gearing ratio	**198%**	**124%**	**80%**

In order to achieve this overall objective, the Company's capital Management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements. The breaches in meeting the financial covenants would permit the bank to immediately call borrowings. There have been no breaches in the financial covenants of any interest-bearing borrowings in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

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44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, trade and other receivables, Cash & Cash Equivalents, Bank Balances and security deposits that are out of regular business operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior Management oversees the Management of these risks.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument that will fluctuate because of changes in market prices. Market risk comprises three types of risk i.e. interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include borrowings, trade payables.

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's borrowings with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on borrowings affected. With all other variables held constant, the Company's Profit Before Tax is affected through the impact on floating rate borrowings, as follows:

(₹ in Lacs)

	March 31, 2018		March 31, 2017	
	1% increase	1% decrease	1% increase	1% decrease
Impact on Profit Before Tax	(368)	368	(324)	324

ii. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. There does not seem to be any significant risk as transaction in foreign currency are very few.

As there is no significant foreign currency risk, sensitivity analysis showing impact on profit is not calculated.

iii. Commodity price risk

The Company is affected by the price volatility of certain commodities. The Company's long standing relationships with most suppliers ensure steady availability of raw materials at competitive prices. Company is also trying to reduce cost by value engineering in dry and wet goods and using standardized packing material in popular and medium segment.

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty default on its obligations. The Company's exposure to credit risk arises majorly from loan, advances, trade and other receivables. Other financial assets like security deposits and bank deposits are mostly with government authorities and nationalised banks and hence, the Company does not expect any credit risk with respect to these financial assets. With respect to trade receivables, some portion includes dues from state government corporations, risk is limited and considered insignificant by the Management. In respect of sale made to other than state government corporation, Company provides Expected Credit Loss (ECL) on the basis of ageing of trade receivable instead of method of ECL as prescribed in Ind AS 109. With regard to advance to subsidiaries & associates, Company does not expect any risk with reference to ultimate recovery considering the value of enterprise as a whole.

(c) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings. The table below summarises the maturity profile of the Company's financial liabilities:

	Maturities			
	Upto 1 year	1-2 years	2-3 years	Total
March 31, 2018				
Non-current borrowings	0	1,375	1,003	2,378
Current borrowings	3,233	-	–	3,233
Trade payables	11,906	-	–	11,906
Other financial liabilities	12,727	-	-	12,727
Total	**27866**	**1375**	**1,003**	**30,244**

Notes on Consolidated Financial Statements

for the Year ended March 31, 2018

	Maturities			
	Upto 1 year	1-2 years	2-3 years	Total
March 31, 2017				
Non-current borrowings	0	3,308	13,451	16,759
Current borrowings	3,063	-	-	3,063
Trade payables	12,971	-	-	12,971
Other financial liabilities	9,119	-	-	9,119
Total	**25153**	**3308**	**13,451**	**41,912**
April 01, 2016				
Non-current borrowings	0	3,890	3,308	7,198
Current borrowings	10,396	-	—	10,396
Trade payables	12,392	-	—	12,392
Other financial liabilities	10,663	-	—	10,663
Total	**33451**	**3890**	**3,308**	**40,649**

45. FIRST TIME ADOPTION OF IND AS

The Company has prepared financial statements which comply with Ind AS applicable for period ending on March 31, 2018, together with the comparative period data as at and for the Year ended March 31, 2017 as described in summary of significant accounting policies. In preparing these financial statement the Company's opening Balance Sheet was prepared as per Ind AS as of April 01, 2016 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets and liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognized assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company (as per Ind AS 101) as detailed below:

(a) Mandatory exceptions

(i) Accounting estimates

The Company's estimates in accordance with Ind AS at the date of transition are consistent with previous GAAP (after adjustments to reflect any difference in accounting policies) or are required under Ind AS but not under previous GAAP.

(ii) De-recognition of financial assets and financial liabilities

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 01, 2016 (the transition date).

(iii) Classification and measurement of financial assets

The Company has determined the classification and measurement of financial assets in terms of whether they meet the amortised cost criteria or the fair value criteria or the fair value criteria based on the facts and circumstances that existed as on the transition date and considering the material impact.

(b) Optional Exemptions

(i) Deemed cost for Property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to measure fair value of Property, plant and equipment and use that its deemed cost at the date of transition to Ind AS.

(ii) When an entity prepares separate financial statements, Ind AS 27 requires it to account for its investments in subsidiaries, joint ventures and associates either at cost or in accordance with Ind AS 109. A first-time adopter may choose either fair value at the entity's date of transition to Ind AS in its separate financial statements or previous GAAP carrying amount at that date, to measure its investment in subsidiary that it elects to measure using a deemed cost. Accordingly, the Company has elected to measure its investment in subsidiary using the Previous GAAP carrying amount as deemed cost.

The note below explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the Balance Sheet as at April 01, 2016 and the financial statements as at and for the Year ended March 31, 2017 w.r.t. optional exemptions as stated in (i) & (ii) above.

Notes on Consolidated Financial Statements

for the Year ended March 31, 2018

(A) Reconciliation of Equity as at April 01, 2016 and March 31, 2017

(₹ in Lacs)

Particulars	As at April 01, 2016			As at March 31, 2017		
	IGAAP	Effect of Ind AS	Ind AS	IGAAP	Effect of Ind AS	Ind AS
Non-current assets						
Property, plant and equipment (Footnote (i))	26,802	16,443	43,245	42,327	-	42,327
Capital Work-in-Progress	49	-	49	57	-	57
Other Intangible Assets	1,259	-	1,259	1,256	-	1,256
Investment Properties	1,840	-	1,840	1,802	-	1,802
Financial assets						-
Investment (Footnote (ii))	503	13	516	353	40	393
Loans (Footnote (iii))	374	(112)	262	376	(78)	298
Other Financial Assets	1,109	-	1,109	771	-	771
Other non-current assets (Footnote (iii), (iv))	4,394	145	4,539	3,972	226	4,198
Total non-current assets	**36,330**	**16,489**	**52,819**	**50,914**	**188**	**51,102**
Current assets						
Inventories	10,354	-	10,354	7,917	-	7,917
Financial assets						
Investments	15	-	15	15	-	15
- Trade receivables	18,811	-	18,811	14,066	-	14,066
- Loans	908	-	908	1,248	-	1,248
- Cash & Cash Equivalents	1,053	-	1,053	788	-	788
- Other Financial Assets	384	-	384	248	-	248
Other current assets (Footnote (iii), (iv))	3,250	59	3,309	2,510	170	2,680
Assets held for sale (Footnote (v))	3,764	(1,122)	2,642	45	-	45
Total current assets	**38,539**	**(1,063)**	**37,476**	**26,837**	**170**	**27,007**
Total assets	**74,869**	**15,426**	**90,295**	**77,751**	**358**	**78,109**
Equity and liabilities						
Equity						
Equity Share Capital	4,615	-	4,615	4,615	-	4,615
Other Equity (Refer reconciliation given below)	15,598	15,429	31,027	18,817	365	19,182
Total Equity	**20,213**	**15,429**	**35,642**	**23,432**	**365**	**23,797**
Non-current liabilities						
Financial liabilities						
- Borrowings	14,984	-	14,984	22,094	-	22,094
- Other Financial Liabilities	298	-	298	735	-	735
Other Long Term Liabilities (Footnote (vi))	-	46	46	-	121	121
Provisions	1,983	-	1,983	2,302	-	2,302
Deferred Tax Liabilities	633	-	633	869	-	869
Total non-current liabilities	**17,898**	46	**17,944**	**26,000**	**121**	**26,121**
Current liabilities						
Financial liabilities						
Borrowings	10,396	-	10,396	3,063	-	3,063
Trade payables	12,392	-	12,392	12,971	-	12,971
Other financial liabilities (Footnote (vi))	10,742	(79)	10,663	9,336	(217)	9,119
Other current liabilities (Footnote (vi))	2,776	30	2,806	2,475	89	2,564
Provisions	452	-	452	474	-	474
Total current liabilities	**36,758**	**(49)**	**36,709**	**28,319**	**(128)**	**28,191**
Total equity and liabilities	**74,869**	**15,426**	**90,295**	**77,751**	**358**	**78,109**

Notes on Consolidated Financial Statements
for the Year ended March 31, 2018

(B) Effect of Ind AS adoption on the Statement of Profit and Loss for the Year ended March 31, 2017

(₹ in Lacs)

Particulars	IGAAP	Effect of Ind AS	Ind AS
Revenue from Operations	81,313	-	81,313
Other Income (Footnote (ii), (iii), (vi))	3,328	118	3,446
Total Income	**84,641**	**118**	**84,759**
Expenses			
Cost of Material Consumed	23,189	-	23,189
Purchases of Stock-in-trade	1,613	-	1,613
(Increase) / Decrease in inventories of finished goods and stock-in-trade	1,095	-	1,095
Excise Duty	32,825	-	32,825
Employee benefits expense (Footnote (iii), (vii))	7,610	(369)	7,241
Finance cost (Footnote (iv), (vi))	5,080	(176)	4,904
Depreciation and amortisation expense (refer foot note (viii))	1,229	43	1,272
Other expenses	22,266	-	22,266
Total expenses	**94,907**	**(502)**	**94,405**
Profit / (Loss) before exceptional items and tax	(10,266)	620	(9,646)
Tax expense			
Current tax	99	-	99
Income Tax adjustment related to earlier years	(447)	-	(447)
Deferred Tax (credit) / charge	233	139	372
Total tax expenses	(115)	139	24
Profit / (Loss) for the period from Continuing Operations	(10,151)	481	(9,670)
Add : Share of Profit / (Loss) from associates	(148)		(148)
Profit / (Loss) for the period from Discontinuing operations	(1,756)	-	(1,756)
Tax Expenses from Discontinuing Operations	3	-	3
Profit / (Loss) for the period	(12,058)	481	(11,577)
Other Comprehensive Income			
- Items that will not be reclassified to Profit or Loss			
Re-measurement (gains) / losses on defined benefit plans	-	406	406
Tax impact on re-measurement (gain) / loss on defined benefit plans	-	(139)	(139)
Total Comprehensive Income for the period (Comprising Profit / (Loss) and Other Comprehensive Income for the period)	**(12,058)**	**214**	**(11,844)**

(C) Reconciliation of total Equity

(₹ in Lacs)

Particluars	As at April 01, 2016	As at March 31, 2017
As per IGAAP	20,213	23,432
Ind AS Adjustments		
Adjustment on account of Fair valuation of PPE (Land) (Footnote (i))	16,443	-
Adjustment with Assets held for sale (Footnote (v))	(1,122)	-
Adjustment on account of Fair Value of financial instrument (Footnote (ii), (iv),(vi))	108	365
As per Ind AS	35,642	23,797

Notes on Consolidated Financial Statements

for the Year ended March 31, 2018

(D) Reconciliation of total comprehensive income for the Year ended March 31, 2017 (Latest period presented under previous GAAP)

(₹ in Lacs)

Particulars	As at March 31, 2017
Net Profit for the Year ended previous GAAP	**(12,058)**
Ind AS: Adjustment increased / decreased	
Interest income on account of fair valuation (Footnote (iii))	33
Rental income on account of fair valuation (Footnote (vi))	58
Income on account of fair valuation of investment (Footnote (ii))	27
Actuarial gain on employees defined benefits plan recognised (Footnote (vii))	406
Employee cost on account of fair valuation of employee loan (Footnote (iii))	(37)
Processing fee re-stated (Footnote (iv))	176
Depreciation on revalued assets reinstated in books (Footnote (i))	(43)
Impact on deferred tax of above adjustment (Footnote(vii))	(139)
Net loss for the year under Ind AS	(11,577)
Other Comprehensive Loss (net of taxes) (Footnote (vii))	(267)
Total Comprehensive income for the year under Ind AS	**(11,844)**

Note: Under previous GAAP, total comprehensive income was not reported, therefore the above reconciliation starts with loss under the previous GAAP.

Footnote(s):

(i) Under previous GAAP, PPE was shown at historical cost. Ind AS 101 permits a first-time adopter to elect to continue with the carrying value of its Property, plant and equipment under previous GAAP and use that as its deemed cost or to measure fair value of class assets of its Property, plant and equipment as on the date of transition to Ind AS, and use that as its deemed cost as at the date of transition.

The Company has elected to measure item of Property, plant and equipment and intangible assets at its carrying value at the transition date except for certain class of assets (Land) which are measured at fair value as deemed cost.

As a result amount of ₹ 10,336 Lacs (Land ₹ 4,321 Lacs, Building ₹ 5,697 Lacs and Plant & Machinery ₹ 318 Lacs) towards revaluation reserve created in earlier year was reversed and fair value (increased by ₹ 26,779 Lacs) of Land was taken as deemed cost. Net impact on PPE of ₹ 16,443 Lacs credited to retained earnings on April 01, 2016.

Value of leasehold land is amortized over the period of life of lease. As a result depreciation of 2016-17 is increased by ₹ 43 lacs.

(ii) Under previous GAAP, non-current investment were carried at cost. Under Ind AS these investment other than investment in subsidiary and associate are to be measured at FVTPL and have accordingly been measured.

The effect of these changes are addition of ₹ 13 Lacs in investment and retained earning as at April 01, 2016. In Financial year 2016-17, investment and other income have been increased by ₹ 40 Lacs (including ₹ 13 Lacs on-transition date) and ₹ 27 Lacs, respectively.

(iii) Under previous GAAP, interest free loan to employees were carried at undiscounted amount. Under Ind AS loans are to be measured initially at discounted amounts and differential amount debited to prepayment employee cost as non financial assets, if the effect of time value is material. After initial recognition, loans are measured at amortised cost. Interest has been recognised under the effective rate method as part of interest income. The prepayments are charged to Statement of Profit and Loss on the straight line basis over the duration of loan.

The effect of changes has resulted in reduction in loan balances of ₹ 112 Lacs with corresponding increase in prepayment under non-current and other current assets by ₹ 74 Lacs and ₹ 38 Lacs, respectively as at April 01, 2016.

In Financial year 2016-17, effect is reduction in loan balances of ₹ 78 Lacs and corresponding increase in prepayment under non-current assets of ₹ 37 Lacs and other current assets of ₹ 37 Lacs, respectively in Balance Sheet. In respect of Statement of Profit and Loss, there is increase in interest income of ₹ 33 Lacs under other income with corresponding increase in employee benefit cost of ₹ 37 Lacs. The net effect in TCI is ₹ 4 Lacs.

(iv) Under previous GAAP, upfront fee and processing fee / other charges paid were charged off to the Statement of Profit and Loss. Under the Ind AS such borrowings are to be recorded net of the aforesaid charges. Accordingly, existing borrowings as at reporting dates have been re-stated by computing the revised interest charge using the effective interest rate method. However, Company has

Notes on Consolidated Financial Statements
for the Year ended March 31, 2018

re-stated aforesaid charges as non financial assets and amortised the same on straight line basis instead of using effective interest rate. Management is of the view that there is no significant effect on this account.

The effect of these changes have resulted in increase in prepayment amount of ₹ 92 lacs (Non-current ₹ 71 Lacs and current ₹ 21 Lacs) and corresponding retained earning by ₹ 92 Lacs as on April 01, 2016.

In Financial year 2016-17 the effect of these changes have resulted in increase in prepayment of ₹ 321 Lacs (Non-current ₹ 188 Lacs and current ₹ 133 Lacs) in Balance Sheet. In respect of Statement of Profit and Loss, there is reduction in finance cost of ₹ 230 Lacs.

(v) Under previous GAAP, assets held for sale were carried at revalued amount. Under Ind AS this is to be shown at lower of NRV and net book value.

As a result amount of ₹ 1,121 Lacs has been reduced from value of assets held for sale as on April 01, 2016. In Financial year 2016-17, there is Nil impact.

(vi) Under previous GAAP, interest free security received were carried at undiscounted amount. Under Ind AS security received are to be measured initially at discounted amounts and differential amount credited to advance rent received under non financial liabilities, if the effect of time value is material. After initial recognition, security deposits are measured at amortised value. Interest has been calculated under the effective rate method and treated as part of interest expenses. The advance rent is recognised in Statement of Profit and Loss on the straight line basis over the duration of deposits.

The net effect of these changes are reduction of deposits balances by ₹ 79 Lacs and corresponding increase in advance rental income by ₹ 76 Lacs (under other non-current liabilities ₹ 46 Lacs and other current liabilities ₹ 30 Lacs) and ₹ 3 Lacs in retained earnings as on April 01, 2016.

In Financial year 2016-17, net effect of these changes are reduction in security deposits balances by ₹ 217 Lacs (including ₹ 3 Lacs transferred to retained earning at transition date) and corresponding increase in advance rental income under other non-current liabilities and current liabilities by ₹ 121 Lacs and ₹ 89 Lacs, respectively in Balance Sheet. In respect of Statement of Profit and Loss, there is an increase in rental income by ₹ 58 Lacs and corresponding increase in interest cost by ₹ 53 Lacs. The net effect in TCI is ₹ 4 Lacs (income).

(vii) Under previous GAAP, there is no concept of Other Comprehensive Income (OCI). Under Ind AS specified items of income expenses, gain and loss are required to be presented in OCI.

Both under Previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gains and losses, were charged to profit or loss. Under Ind AS, re-measurement (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the Balance Sheet with corresponding debit or credit to retained earnings through Other Comprehensive Income.

As a result, employee benefit cost for the year ended March 31, 2017 have been reduced by ₹ 406 Lacs and re-measurement losses of ₹ 267 Lacs, (net of deferred tax income of ₹ 139 Lacs) on defined benefit plans has been recognised in the Other Comprehensive Income.

(viii) Value of leasehold land is amortized over the period of life of lease. As a result, depreciation of 2016-17 is increased by ₹43 lacs.

(ix) The transition from previous GAAP to Ind AS did not have a material impact on statement of cash flows.

46. ADDITIONAL

(i) Enterprises consolidated as subsidiary in accordance with Indian Accounting Standrad 110 - "Consolidated Financial Statements".

Name of the Subsidiary Company	Country of incorporation	As on March 31, 2018	As on March 31, 2017	As on April 1, 2016
JIL Trading Pvt. Ltd	India	100%	100%	100%
S.R.K. Investments Pvt. Ltd.	India	100%	100%	100%
Sea Bird Securities Pvt. Ltd.	India	80%	80%	80%
L.P. Investments Ltd.	India	98.26%	98.26%	98.26%
Yoofy Computech Pvt Ltd	India	99.99%	-	-

Notes on Consolidated Financial Statements

for the Year ended March 31, 2018

(ii) Significant Enterprises consolidated as Associates in accordance with Indian Accounting Standard 28 - "Investment in Associates and Joint Ventures

Name of the Associate	Country of incorporation	As on March 31, 2018	As on March 31, 2017	As on April 1, 2016
Hyderabad Distilleries & Wineries Pvt. Ltd	India	32.88%*	32.88%*	32.88%*

*held through subsidiary

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

(iii) Additional information as required by Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/Associates

Summary of Net Assets, Share in consolidated profit and share in Other Comprehensive Income

	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount (₹ in lacs)	As a % of consolidated net loss	Amount (₹ in lacs)	As a % of consolidated other comprehensive Income	Amount (₹ in lacs)	As a % of consolidated total comprehensive income	Amount (₹ in lacs)
31-Mar-18								
Parent								
Jagatjit Industries Ltd	99.71	16,172	(99.99)	(7,407)	100	(26)	(99.99)	(7,433)
Subsidiary								
JIL Trading Pvt Ltd	(0.05)	(8)	(0.00)	(0)			(0.00)	(0)
S.R.K. Investments Pvt Ltd	(0.04)	(6)	(0.01)	(1)			(0.01)	(1)
Sea Bird Securities Pvt Ltd	(0.01)	(1)	(0.00)	(0)			(0.00)	(0)
L.P. Investments Ltd	6.69	1,085	(0.00)	(0)			(0.00)	(0)
Yoofy Computech Pvt Ltd	0.00	1	(0.00)	(0)			(0.00)	(0)
Sub Total	**106.31**	**17,243**	**(100.00)**	**(7,408)**	**100**	**(26)**	**(100.00)**	**(7,434)**
Inter-Company Elimination & Consolidation Adjustments	(6.31)	(1,023)					-	-
	100.00	**16,220**						
Non-controlling interest in subsidiary		**(4)**						
Share of profit/(loss) in Associate								(48)
Total								**(7,482)**
31-Mar-17								
Parent								
Jagatjit Industries Ltd	99.79	23,704	(99.99)	(11,428)	100	(267)	(99.99)	(11,695)
Subsidiary								
JIL Trading Pvt Ltd			(0.00)	(0)			(0.00)	(0)
S.R.K. Investments Pvt Ltd	(0.03)	(7)	(0.00)	(0)			(0.00)	(0)
Sea Bird Securities Pvt Ltd	(0.03)	(6)	(0.01)	(1)			(0.01)	(1)
L.P. Investments Ltd	(0.00)	(1)	(0.00)	(0)			(0.00)	(0)
Yoofy Computech Pvt Ltd	4.57	1,085						
Sub Total	**104.30**	**24,776**	**(100)**	**(11,429)**	**100**	**(267)**	**(100.00)**	**(11,696)**
Inter-Company Elimination & Consolidation Adjustments	(4.30)	(1,023)					-	
	100.00	**23,753**						
Non-controlling interest in subsidiary		**(4)**						
Share of profit/(loss) in Associate								(148)
Total								**(11,844)**

Notes on Consolidated Financial Statements

for the Year ended March 31, 2018

(iv) The comparative financial information of the Company for the year ended March 31, 2017 prepared in accordance with Ind AS included in this Financial Statements is based on Financial Statements audited under Indian GAAP by the previous auditor Mittal Chaudhary & Co, Chartered accountants vide their report dated August 01, 2017.

(v) Previous GAAP figures have been reclassified / regrouped, wherever necessary, to confirm with Financial Statements prepared under Ind AS.

(vi) Ind AS 115 was notified on March 28, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after April 01, 2018. The Company will adopt the new standard on the required effective date using the modified retrospective method. The Company has established an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary. A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the implementation project has been completed.

(vii) Company has published the standalone and consolidated Financial Results for the Financial year ended March 31, 2018 and auditors have issued the report dated May 30, 2018 in pursuance of regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. After publishing the results, certain adjusting events have occurred, which has resulted in confirmation of contingent liability of ₹ 320 Lacs, estimated at ₹ 9,933 Lacs and disclosed vide Note no. 7 of the published results. Therefore, in accordance with Ind AS – 10, financial statements to that extent are amended. Impact of the adjusting event is that contingent liabilities of ₹ 9,933 Lacs are reduced. Confirmed liability of ₹ 320 Lacs is provided resulting in increase of loss of the year by ₹ 320 Lacs; decrease in retained earnings by ₹ 320 Lacs and corresponding increase in the current liability of ₹ 320 Lacs. Company has reclassified the amount of ₹ 50 Lacs included in Note 14 (Other Financial Assets) to Note 13 (Current Loan) and amount of ₹ 783 Lacs from Note 15 (Other Current Assets) to Note 8 (Other Non-current Assets) representing prepaid expenses, ₹ 19 Lacs from Note 24 (Other Financial Liabilities) to Note 19B (Current Borrowings), and ₹ 2,971 Lacs from Note 6 (Non-current Loan) to Note 8 (other non-financial assets) representing Capital Advance.

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(All amount in Lacs unless otherwise stated)

Sl. No.	Particulars	Details	Details	Details	Details	Details
1	Name of the subsidiary	JIL Trading Private Limited	L.P. Investments Limited	Sea Bird Securities Private Limited	S. R. K. Investments Private Limited	Yoofy Computech Private Limited (Formerly Known as JILI Hotels & Resorts Private Limited)
2	Reporting period	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018
3	Share Capital	1.00	1038.25	1.00	1.00	1.00
4	Reserves & Surplus	(9.05)	(1201.27)	(3.45)	(7.42)	(0.39)
5	Total Assets	0.75	22.33	81.02	2971.11	0.70
6	Total Liabilities	0.75	22.33	81.02	2971.11	0.70
7	Investments	-	1.83	81.00	-	-
8	Turnover	-	0.01	-	-	-
9	Profit Before Taxation	(0.20)	(0.29)	(0.22)	(0.54)	(0.39)
10	Provision for Taxation	-	-	-	(0.03)	-
11	Profit After Taxation	(0.20)	(0.29)	(0.22)	(0.57)	(0.39)
12	Proposed Dividend	-	-	-	-	-
13	% of shareholding	100.00	98.26	80.00	100.00	99.99

Notes:

1. Names of subsidiaries which are yet to commence operations - Nil
2. Name of subsidiary which has been liquidated or sold during the year - Nil

Part "B": Associates and Joint Ventures

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

(All amount in Lacs unless otherwise stated)

Sl. No.	Name of associate	Hyderabad Distilleries and Wineries Private Limited
1.	Latest audited Balance Sheet Date	March 31, 2018
2.	Shares of Associate held by the Company at the year end:	
	(i) Number of Shares	3124*
	(ii) Amount of Investment	3.12*
	(iii) Extent of holding %	32.88*
3.	Description of how there is significant influence	*
4.	Reason why the associate is not consolidated	Consolidated
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	(75.27)
6.	Profit / Loss for the year	
	i. Considered in Consolidation	(48)
	ii. Not considered in Consolidation	(317)

*The Company holds 1,650 equity shares of ₹ 100 each aggregating to ₹ 1,65,000. M/s L. P. Investments Limited, (a subsidiary Company in which Jagatjit Industries Limited holds 98.26% of capital) is holding 1,500 equity shares of ₹ 100 each aggregating to ₹ 1,50,000 (the indirect holding of the Company amounts to 1,474 equity shares). Taken together, direct and indirect holding of the Company aggregates to 3,124 equity shares of ₹ 100/- each amounting to ₹ 3,12,400 Lacs which is 32.88% of the Share Capital of M/s Hyderabad Distilleries and Wineries Private Limited.

Notes:

1. Names of associates or joint ventures which are yet to commence operations – Nil
2. Names of associates or joint ventures which have been liquidated or ceased during the year – Nil

Ravi Manchanda
Managing Director
DIN: 00152760

Kiran Kapur
Director
DIN: 02491308

Anjali Varma
Director
DIN: 01250881

Sonya Jaiswal
Director
DIN: 02626750

Asha Saxena
Director
DIN: 08079652

Sushma Sagar
Director
DIN: 02582144

September 20, 2018
New Delhi

K. K. Kohli
Company Secretary

Anil Girotra
Chief Financial Officer


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