

JAGATJIT INDUSTRIES LIMITED

Annual Report

for the year ended 31st March, 2009





L.P. Jaiswal
(15th February, 1915 - 11th August, 2005)
Founder Chairman

His integrity, values and vision will continue to guide us forever

Directors' Report



To the Shareholders

The Directors have pleasure in presenting their Report and Statement of Accounts for the financial year ended 31st March, 2009.

FINANCIAL RESULTS

	2008-09	(Rs. '000) 2007-08
Profit for the year after charging all expenses excluding financing charges and depreciation	232,007	482,692
Deduct : Financing Charges	93,066	75,811
Cash Profit	138,941	406,881
Deduct : Depreciation	159,996	166,636
Profit/(Loss) for the year before taxation	(21,055)	240,245
Tax Expenses		
Current Tax		
– For the year	—	61,000
– Fringe Benefit Tax	15,000	13,200
Deferred Tax (Benefit)/Charge	8,975	(10,153)
Profit/(Loss) after Tax	(45,030)	176,198
APPROPRIATIONS		
Carried to Balance Sheet	(45,030)	176,198
	(45,030)	176,198

SALES & PROFIT

During the year under report, the Gross Turnover (including income from Services & Other Sources) was Rs. 841.91 crores as compared to Rs. 800.43 crores during the previous year and the Loss before taxation was Rs. 210.55 lacs as compared to profit before tax of Rs. 2,402.45 lacs during the previous year. During the Financial Year 2008-09, the operations of the Company were affected due to reduction in the distillation capacity as detailed in Schedule 21II (B) 6 of the Annual Accounts of the Company. As the capacities have since been reinstated to the original level vide order of the Hon'ble Punjab & Haryana High Court dated 9th June, 2009, the Company is confident of achieving the full capacity utilization during the balance period of the current year and improve the margins substantially.

DIVIDEND

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

DIRECTORS

Mr. Karamjit Jaiswal and Mrs. Shakun Jaiswal resigned from the directorships of the Company during the year. The Board places its appreciations for the contribution made by Mr. Karamjit Jaiswal and Mrs. Shakun Jaiswal during their tenure as Managing Director and Director respectively. Mr. Surjit Singh Bawa, Director retires by rotation, is eligible and offers himself for re-appointment. Mr. Narender Sapra, Mr. Ravi Manchanda and Mrs. Kiran Kapur, Directors, were appointed as Additional Directors of the Company during the year ended 31st March, 2009 by the Board of Directors, who hold office upto the date of this Annual General Meeting. The Company has received notices in writing, under Section 257 of the Companies Act, 1956, from members proposing their names as candidates for the office of Directors. Mr. Narender Sapra has been designated as Whole Time Director of the Company w.e.f 28th November, 2008.

SUBSIDIARIES

The Directors' Report and Audited Accounts of Binnies Estates Limited, the Subsidiary Company, for the year ended 31st March, 2009 alongwith the information specified under Section 212 of the Companies Act, 1956, are annexed.

Directors' Report

FIXED DEPOSITS

As on 31st March, 2009, 335 persons whose Fixed Deposits/Loans with the Company amounting to Rs. 72.26 lacs had become due for payment during the year, did not claim or renew their Deposits/Loans. Out of these, Fixed Deposits/Loans of 98 persons amounting to Rs. 25.37 lacs have since been renewed/paid.

AUDITORS

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

BUY-BACK OF SHARES

In a petition filed against the Company and its Board of Directors under Sections 397 and 398 of the Companies Act, 1956, in the Hon'ble Company Law Board (CLB), the CLB vide its Order dated 12th March, 2009 has given the directions including to buy back the shares of the petitioners and their associates aggregating to 5794112 equity shares in the Company. The Order of the CLB was to be complied within three months of the date of the Order and the same has been fully complied with by 8th June, 2009. After Buy-back the paid-up capital of the Company stands reduced to Rs. 4,614.81 Lacs, comprising of 46148112 equity shares of Rs.10/- each w.e.f. 9th June, 2009.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors hereby state that :

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

CORPORATE GOVERNANCE

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

PARTICULARS OF EMPLOYEES

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

INFORMATION UNDER THE LISTING AGREEMENTS WITH STOCK EXCHANGES

The shares of your Company are listed at the Ludhiana, Delhi, Mumbai and Kolkata Stock Exchanges and the Listing fees for the financial year 2009-10 have been paid.

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

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

GENERAL

The Notes forming part of the Accounts being self-explanatory, the comments made by the Auditors in their Report, are not being dealt with separately.

The Directors place on record their appreciation for the services rendered by the employees of the Company.

For and on behalf of the Board

Place : New Delhi
Date : 23rd June, 2009

Sd/-
Narender Sapra
Whole Time Director

ANNEXURE TO THE DIRECTORS' REPORT 2008-09

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

Information under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2009.

A. CONSERVATION OF ENERGY

(a) Energy Conservation Measures Taken

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

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

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

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

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

(d) Total energy consumption as per prescribed Form A together with Comparative Figures for 2007-08 is as under (in respect of Dairy, Food Processing and Glass Units).

FORM A

CONSERVATION OF ENERGY

(A) Power & Fuel Consumption

	2008-09	2007-08
1. Electricity		
(a) Purchases		
Units (KWH)	13,723,561	13,533,470
Total amount (Rs.)	60,001,372	52,382,601
Rate/Unit (Rs.)	4.37	3.87
(b) Own Generation		
(i) Through Diesel generator Units (KWH)	877,335	1,353,604
Units per litre of diesel oil (KWH)	3.06	2.93
Cost/Unit (Rs.)	10.58	9.53
(ii) Through Steam turbine/generator		
Units (KWH)	8,857,010	8,632,655
Units per kg. of steam (KWH)	0.74	0.74
Cost/Unit (Rs.)	0.83	0.59
2. Furnace Oil		
Quantity (Tonnes)	184	—
Total Amount (Rs.)	3,369,993	—
Average Rate (Rs.)	18,341.60	—
3. Natural Gas		
Quantity (Cubic Meters)	12,741,094	12,394,868
Total Cost (Rs.)	176,195,590	131,692,328
Rate/Cubic Meter (Rs.)	13.83	10.62
4. LPG Gas		
Quantity (Tonnes)	103	2
Total Cost (Rs.)	3,259,609	59,665
Rate/MT (Rs.)	31,505.98	24,860.42
5. Others/Internal Generation		
Husk		
Quantity (Tonnes)	39,225	38,341
Total Cost (Rs.)	130,929,596	98,115,416
Rate/Unit (Rs.)	3337.91	2480.78

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

B. RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Complete information required under this head is shown in Notes No. 27, 28, 29 and 30 in Schedule 21 II B - Notes to Accounts. Members are requested to please refer to these Notes for the relevant information.

Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

A. INDUSTRY OVERVIEW

Alcoholic Beverage industry in India comprises of Indian Made Foreign Liquor (IMFL) and Country Liquor. IMFL consists of Whisky, Rum, Brandy, Gin and Vodka etc.. Whisky comprises of large portion of IMFL market and accounts for nearly 60% of the market followed by Rum at around 20% and Brandy at around 15%. White spirits viz. Vodka, Gin and white Rum account for the balance of 5% only. The total IMFL industry in India is presently estimated at around 140 million cases growing @ 12-15% per annum. The increase rate is much higher in the low-priced segment as compared to the upper segment. Country Liquor segment is about 15 million cases per annum in the state of Punjab.

Your Company has a market share of around 8% of IMFL industry with ARISTOCRAT, ARISTOCRAT PREMIUM, AC BLACK, BONNIE SPECIAL & BINNIES as the leading brands available across the Country. Country liquor is manufactured and sold in the State of Punjab and your Company has market share of around 10% in the state of Punjab.

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

The Industry experienced the effect of the ongoing recessionary trend during the year. The prices of main raw materials viz. molasses, grains and spirit were higher during the year as compared to previous years and have largely effected the cost of production of the Company.

However, the outlook of the Liquor Industry appears to be promising. The effect of slow down and recession is diminishing and the entire industry is likely to grow in the near future. The performance in the Glass Container sector is also expected to improve leading to higher demand. Though this division basically caters the internal demand of the Company, it has also contributed its part in the revenue generation. The increased production capacity of the unit has improved the turnover of the Company during the year.

B. REGULATORY ENVIRONMENT

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

C. OPPORTUNITIES AND THREATS

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

D. OUTLOOK

The sales of Alcoholic Beverages (IMFL) improved during the year under review. However, as stated in the Directors' Report and the Annual Accounts for the year, the operations of the Company were affected due to restraint on its distillation capacity at its distillery at Hamira, Distt. Kapurthala, Punjab. The Company has since complied with all the requirements of the order of Hon'ble Punjab & Haryana High Court and the capacity has since been reinstated to the original level vide order of Hon'ble Punjab & Haryana High Court dated 9th June, 2009. The Company is hopeful of posting better results in the current year and maintain the same in the coming years. The market scenario during the current year also appears to be encouraging and your company is expecting to post better results during the year. To meet its production requirements in IMFL, the Company has also entered into lease agreements to augment its production capacity.

The Company is also expecting to increase the turnover in the malted milkfood and dairy products. The Glass division with its enhanced capacity produced better results and is likely to improve further during the current year.

Prices of raw materials increased during the year. Effective measures are being taken regularly to reduce the overheads costs coupled with optimum utilization of resources and better product mix. With overall growth of the economy all around, your Company is confident of growth in all the segments.

E. INTERNAL CONTROL SYSTEMS

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

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Corporate Governance

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

2. Board of Directors

The Board of Directors Comprises of eminent persons who have the expertise and experience to guide and manage the Company. The Board comprises of 6 members, consisting of three executive and three non executive Directors.

The Composition of Board of Directors and other details, during the year are as under :

Name of the Director	Category	No. of Board Meetings held during the tenure	No. of Board Meetings attended	No. of other Directorships	No. of memberships/ Chairmanships in other Board Committees	Last Annual General Meeting attended
Mrs. Gita Bawa	Non-Executive Independent	10	10	-	-	Yes
Mr. Surjit Singh Bawa	Non - Executive Independent	10	10	-	-	Yes
Mrs. Shakun Jaiswal*	Non - Executive Promoter	7	2	5	-	No
Mr. Karamjit Jaiswal*	Executive Promoter	7	4	5	-	No
Mr. Arvind Behl	Executive	10	10	3	-	No
Mr. Narender Sapra	Executive	5	5	6	-	N.A.
Mr. Ravi Manchanda	Executive	5	5	1	-	N.A.
Mrs. Kiran Kapur	Non - Executive Independent	3	3	-	-	N.A.

*Mrs. Shakun Jaiswal and Mr. Karamjit Jaiswal resigned from the directorship of the Company w.e.f 28th November, 2008.

The Company held ten Board Meetings during the period under review i.e on 12th April, 2008, 30th June, 2008, 31st July, 2008, 30th August, 2008, 6th October, 2008, 31st October, 2008, 27th November, 2008, 28th November, 2008, 31st January, 2009 and 28th February, 2009.

Mr. Surjit Singh Bawa, Director, retires at the ensuing Annual General Meeting, is eligible and offers himself for re-appointment. Mr. Surjit Singh Bawa is a graduate and has vast business and administration experience of around three decades. He is well versed with the intricacies of Business Management, Finance, Accounts and Banking. He is not holding directorship in any other Company. He is not holding Chairmanship/membership of any of the Committees in any other public limited Company. He holds 300 shares in the Company.

Mr. Narender Sapra, Mr. Ravi Manchanda and Mrs. Kiran Kapur, Directors, were appointed as Additional Directors of the Company during the year ended 31st March, 2009 by the Board of Directors and hold office upto the date of this Annual General Meeting. The Company has received notices in writing, under Section 257 of the Companies Act, 1956, from members proposing their names as candidates for the office of Directors.

Mr. Narender Sapra is a Director of following other Companies :

1. Emperor Investments Pvt. Ltd.
2. Lilac Investments & Trading Pvt. Ltd.
3. Maize Investment Pvt. Ltd.
4. Vapour Investments & Trading Pvt. Ltd.

Directors' Report

5. Ispace Developers Pvt. Ltd.
6. LPJ Medical Foundation

He is not holding Chairmanship/membership of any of the Committees in any other public limited Company. He holds 2240 shares in the Company.

Mr. Ravi Manchanda is a Director of Grand Regency Hospitalities Pvt. Ltd. He is not holding Chairmanship/membership of any of the Committees in any other public limited Company. He holds 100 shares in the Company.

Mrs. Kiran Kapur does not hold directorship of any other Company. She is not holding Chairmanship/membership of any of the Committees in any other public limited Company. She holds 100 shares in the Company.

3. Audit Committee

The Audit Committee comprises of Mr. Surjit Singh Bawa, Mrs. Gita Bawa and Mr. Narender Sapra. Mr. Surjit Singh Bawa is the Chairman of the Audit Committee. Mr. Narender Sapra has been appointed as the member of the Committee w.e.f. 31st October, 2008. Mr. Arvind Behl ceased to be member of the Committee on 28th November, 2008.

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

During the year under review the Audit Committee held five meetings i.e on 12th April, 2008, 30th June, 2008, 31st July, 2008, 31st October, 2008 and 31st January, 2009.

Attendance record of Audit committee members

Name of Members	No. of meetings held during the tenure	Meetings attended
Mr. Surjit Singh Bawa	5	5
Mrs. Gita Bawa	5	5
Mr. Arvind Behl	4	4
Mr. Narender Sapra	1	1

4. Remuneration Committee

The Remuneration Committee comprises of Mr. Surjit Singh Bawa, Mrs. Gita Bawa and Mrs. Kiran Kapur. Mr. Surjit Singh Bawa is the Chairman of the Committee. Mr. Arvind Behl ceased to be member of the Committee on 28th February, 2009. Mr. Narender Sapra was appointed as the member of the Committee w.e.f. 31st October, 2008 and ceased to be member of the Committee on 28th February, 2009. Mrs. Kiran Kapur was appointed as the member of the Committee w.e.f. 28th February, 2009.

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

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

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

Name of the Director	Salary (Rs.)	Perquisites & others (Rs.)	Total (Rs.)
Mr. Karamjit Jaiswal	7,90,000	8,48,475	16,38,475
Mr. Narender Sapra	13,12,000	3,71,475	16,83,475
Mr. Arvind Behl	9,60,000	5,79,495	15,39,495
Mr. Ravi Manchanda	7,94,065	2,36,663	10,30,728

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

Continued

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

Sl. No.	Name of the Director	Total Sitting Fees Paid (Rs.)
1.	Mr. Surjit Singh Bawa	15,000
2.	Mrs. Gita Bawa	15,000
3.	Mrs. Shakun Jaiswal	1,500
4.	Mr. Narender Sapra	2,250
5.	Mrs. Kiran Kapur	2,250

During the year under review the Remuneration Committee held one meeting on 27th November, 2008.

Attendance record of Remuneration Committee members

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

Details of shareholding of Non-executive Directors

Sl No.	Name of Director	No. of shares held
1.	Mr. Surjit Singh Bawa	300
2.	Mrs. Gita Bawa	308
3.	Mrs. Kiran Kapur	100

5. Investors Grievance Committee

The Investors Grievance Committee comprises of Mr. Surjit Singh Bawa, Mrs. Gita Bawa, Mr. Narender Sapra and Mr. Arvind Behl. Mr. Surjit Singh Bawa is the Chairman of the Committee. Mr. K.K. Kohli, Company Secretary, is the Compliance Officer. Mr. Narender Sapra has been appointed as the member of the Committee w.e.f. 31st October, 2008.

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

The Company received six complaints from the shareholders and all the said complaints were redressed during the year ended 31st March, 2009.

No transfer was pending on 31st March, 2009 for more than 30 days of its receipt.

During the year under review the Investors Grievance Committee held four meetings i.e on 12th April, 2008, 31st July, 2008, 31st October, 2008 and 31st January, 2009.

Attendance record of Investors Grievance Committee members

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

Directors' Report

6. General Body Meetings

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

Year	Date	Day	Time
2006	29.09.2006	Friday	09.00 A.M.
2007	10.09.2007	Monday	09.00 A.M.
2008	30.09.2008	Tuesday	11.00 A.M.

The Company has not passed any Special Resolution in the last three Annual General Meetings. No special resolution was passed by way of postal ballot during the year under report.

7. Code of Conduct

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

Declaration as required under Clause 49 of the Listing Agreement

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

Place : New Delhi
Date : 23rd June, 2009

Sd/-
Narender Sapra
Whole Time Director

8. Disclosures

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

9. Means of Communications

The Quarterly and the Annual financial results are submitted to the Stock Exchanges in accordance with the Listing Agreement and are published in newspapers in a widely circulated English daily and a Punjabi daily as required under the Listing Agreement. The same are also forwarded to the shareholders on their request. Management Discussion and Analysis Report is enclosed and forms part of the Annual Report.

10. General Shareholders Information

- a) Annual General Meeting
 - Date : 25th September, 2009
 - Time : 09.30 A.M.
 - Venue : Registered Office
- b) Financial Calendar (2009-10)
 - (i) First Quarter Results : End of July, 2009
 - (ii) Second Quarter Results : End of October, 2009
 - (iii) Third Quarter Results : End of January, 2010
 - (iv) Annual Results : End of June, 2010
- c) Dates of Book Closure
The Register of Members and Share Transfer Books will remain closed from 22nd September, 2009 to 25th September, 2009 (both days inclusive).
- d) Dividend Payment Date
The Board of Directors have not recommended any dividend for the year under review.
- e) Listing on Stock Exchanges
The details regarding Listings and payment of Listing Fee to Stock Exchanges are given below :

Sl. No.	Name of Stock Exchanges Where Listed	Stock Code No.
1.	Ludhiana Stock Exchange Ltd.	JIND
2.	Delhi Stock Exchange Ltd.	10004
3.	Bombay Stock Exchange Ltd.	507155
4.	The Calcutta Stock Exchange Association Ltd.	20084

The Listing Fees for the year 2009-10 have been paid.

f) Stock Market Data

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

Month	High	Low	Sensex High	Sensex Low
April, 2008	76.70	62.20	17480.74	15297.96
May, 2008	84.00	68.25	17735.70	16196.02
June, 2008	72.00	50.25	16632.72	13405.54
July, 2008	61.90	39.40	15130.09	12514.02
August, 2008	77.95	52.40	15579.78	14002.43
September, 2008	74.80	58.00	15107.01	12153.55
October, 2008	63.10	34.50	13203.86	7697.39
November, 2008	48.20	38.50	10945.41	8316.39
December, 2008	47.50	37.55	10188.54	8467.43
January, 2009	65.00	42.20	10469.72	8631.60
February, 2009	57.00	44.05	9724.87	8619.22
March, 2009	66.20	42.00	10127.09	8047.17

g) Registrar and Transfer Agent :

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

h) Share Transfer System :

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

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

i) Distribution of Shareholding as on 31st March, 2009

Category (in Rs.)	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto - 5000	3681	78.39	556171	1.07
5001 - 10000	439	9.35	326677	0.63
10001 - 20000	254	5.41	384256	0.74
20001 - 30000	92	1.96	231804	0.45
30001 - 40000	59	1.26	203419	0.39
40001 - 50000	34	0.72	159998	0.31
50001 - 100000	73	1.55	488622	0.94
Above- 100000	63	1.36	49591277	95.47
Total	4695	100.00	51942224	100.00

Shareholding pattern as on 31st March, 2009

Sl. No.	Category	No. of Shares held	% of total Shareholding
1.	Promoters' Holding	23152044	44.57
2.	Mutual Funds & UTI	1100	—
3.	Banks, Financial Institutions, Govt. Companies	53236	0.10
4.	Private Corporate Bodies	356918	0.69
5.	NRIs/FIIs (other than Promoters)	193944	0.38
6.	Indian Public	2974982	5.73
7.	Underlying shares to the GDRs	25210000	48.53
Total		51942224	100.00

Directors' Report

j) Dematerialisation of Shares and Liquidity

As on 31st March, 2009, 20866515 equity shares being 40.17 % of the total paid-up Capital have been dematerialised. The shares of the Company are being actively traded at the Bombay Stock Exchange.

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

k) Outstanding GDRs.

The Company has issued 1260500 GDRs in overseas market representing 25210000 underlying equity shares. GDRs have not been converted into equity shares. They do not have voting rights unless required by law.

l) Plants Location

The Company has following plants:

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

m) Address for Correspondence

Corporate office : Jagatjit Industries Limited, 4th Floor, Bhandari House, 91, Nehru Place, New Delhi –110 019.

Tel: 011- 26432641-42, Fax: 011-26441850, E.mail: jil@jagatjit.com

Registered Office : Jagatjit Industries Limited, Jagatjit Nagar–144 802, Distt. Kapurthala, Punjab

Tel: 0181- 2783112-16, Fax: 0181-2783118, E-mail: hamira@jagatjit.com

Investor E-mail address : Investor@jagatjit.com

Certificate of Compliance of Conditions of Corporate Governance

To the Members of Jagatjit Industries Limited

We have examined the compliance of conditions of Corporate Governance by Jagatjit Industries Limited for the year ended on 31st March, 2009, as stipulated in Clause 49 of the Listing Agreement of the Company entered with the Stock Exchanges.

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

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

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

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

For Sharma Sarin & Associates
Company Secretaries

Sd/-
P.D. Sharma
Partner

Place : Chandigarh
Dated : 23rd June, 2009

Financial Highlights



(Rs. in lacs or as indicated)

	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-2000
ASSETS										
Fixed Assets (Net Block)	37658	33367	33881	32436	32128	33286	33164	33810	34901	35137
Investments	111	106	96	93	93	1559	4594	5590	5590	5590
Current Assets	29540	27403	24103	19082	20051	18513	16390	14608	16587	15993
	67309	60876	58080	51611	52272	53358	54148	54008	57078	56720
LIABILITIES										
Loans, Current Liabilities and Provisions	28670	21325	19716	14328	15025	15260	16363	15849	16765	17031
NET WORTH	38639	39551	38364	37283	37247	38098	37785	38159	40313	39689
REPRESENTED BY										
Equity Share Capital	5194	5194	5194	5194	5194	4944	4944	4944	4944	4944
Reserves and Surplus	33445	34357	33170	32089	32053	33154	32841	33215	35369	34745
TOTAL	38639	39551	38364	37283	37247	38098	37785	38159	40313	39689
OPERATING PERFORMANCE										
Revenue	84191	80042	63970	40775	39996	42941	43139	40053	37368	47376
Gross Profit Earnings	1390	4068	3201	1795	414	1296	1462	1827	2765	8135
Profit before Tax	(211)	2402	1996	657	(61)	1579	51	490	1434	6854
Profit after Tax	(450)	1762	1637	671	(85)	1103	240	557	1279	6273
Earning per Share (Rs.)	(0.91)	3.56	3.31	1.36	(0.17)	2.23	0.49	1.13	2.59	12.69
Dividend Amount per Share (Rs.)	—	—	—	—	—	—	—	—	—	1.50
Rate (%)	—	—	—	—	—	—	—	—	—	15
Book Value per Equity Share (Rs.)	74.39	76.15	73.86	71.78	71.71	77.06	76.43	77.18	81.54	80.28
GROSS EARNINGS										
As a percentage of Revenue	1.7	5.1	5.0	4.4	1.0	3.0	3.4	4.6	7.4	17.2
As a percentage of Fixed Assets	3.7	12.2	9.4	5.5	1.3	3.9	4.4	5.4	7.9	23.2
As a percentage of Capital Employed	2.7	8.6	6.9	4.2	1.0	2.9	3.2	4.0	5.8	17.0

Auditors' Report

TO THE MEMBERS OF JAGATJIT INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of Jagatjit Industries Limited, as at March 31, 2009, and the related Profit and Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comment in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the applicable Accounting Standards referred to in sub section (3C) of Section 211 of the Act;
 - (e) On the basis of written representation received from Directors, as on March 31, 2009 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act, and also give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;
 - (ii) in the case of the Profit & Loss Account, of the loss for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Nitin Chaudhry
Partner

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

Place : New Delhi
Date : 23rd June, 2009

ANNEXURE TO AUDITORS' REPORT

(Referred to in paragraph 3 of the Auditors' Report of even date to the members of Jagatjit Industries Limited on the financial statements for the year ended March 31, 2009)

- (i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
- (ii) (a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) (a) The Company has granted loans, unsecured, to two companies covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregates to Rs.135,752 thousand and Rs.134,744 thousand respectively.
- (b) In our opinion, the rate of interest and other terms and conditions of such unsecured loans are not prima facie prejudicial to the interest of the Company.
- (c) **In respect of loans given to a wholly owned subsidiary and to an erstwhile wholly owned subsidiary Company, which have been fully provided for, the principal amount and interest, where applicable, are not being repaid.**
- (d) In respect of the aforesaid loans, in the cases where the overdue amount is more than Rupees One lac, in our opinion, reasonable steps are being taken by the Company for the recovery of the principal amounts and interest, where applicable.
- (e) The Company has taken loans, unsecured, from one company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregates to Rs. 10,680 thousand and Rs. 10,680 thousand respectively.
- (f) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
- (g) In respect of the aforesaid loans, the Company is regular in repaying the principal amounts as stipulated and is also regular in payment of interest, where applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is, **in general**, an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are prima facie reasonable, having regard to the prevailing market prices at the relevant time where such prices are available.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no Order has been passed by the Company Law Board or National

Auditors' Report

Continued

Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (ix) (a) The Company has been **generally** regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth-tax, Service tax, Custom duty, Excise duty, Cess and other material statutory dues with the appropriate authorities.
- (b) According to the information and explanations given to us, there were no undisputed dues in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth-tax, Service tax, Customs duty, Excise duty, Cess and other statutory dues which were outstanding, at the Balance Sheet date, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess as at March 31, 2009 which have not been deposited on account of a dispute, are as follows:-

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
EXCISE DUTY				
Punjab Excise Act	Distillery license renewal fee	9,591,000	1967-2009	Court of Civil Judge (Sr, Division) Kapurthala
Central Excise Act, 1944	Demand of duty on excess stock found	48,000	22.11.1993	Commissioner (Appeals) Chandigarh.
Central Excise Act, 1944	Demand of Excise duty on sale of Spent Grain	3,088,547	September 2001 to June 2005	CESTAT, New Delhi
Central Excise Act, 1944	Penalty in the above matter	2,690,619	September 2001 to June 2005	CESTAT, New Delhi
Central Excise Act, 1944	Demand of Cess on Corrugated Cartons manufactured for Captive Consumption	142,672	September 2002 to January 2008	Commissioner (Appeals), Jalandhar
Central Excise Act, 1944	Penalty in the above matter	142,672	September 2002 to January 2008	Commissioner (Appeals), Jalandhar
SALES-TAX				
Punjab Haryana General Sales Tax Act	Purchase Tax	325,247	1999-2000	Deputy Excise & Taxation Commissioner (Appeals), Patiala
Sales Tax under Bihar Finance Act	Inclusion of excise duty to determine gross turnover	1,896,695	1984-1985	Commercial Tax Tribunal, Ranchi
Central Sales Tax Act	Liquor stock destroyed, reprocessed and resold	133,017	1988-89	Sales Tax Appellate Tribunal, Hyderabad
U.P. Trade Tax Act	Demand in respect of Entry Tax	6,446,192	2005-2006	Allahabad, High Court
State and Central Sales Tax Acts	Salex tax on Sales of ENA and Spent Grain	7,300,201	2001-02 to 2002-03	Allahabad, High Court
INCOME TAX ACT*				

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

- (x) The Company has no accumulated losses as at March 31, 2009 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (xi) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
- (xiv) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- (xv) In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- (xvii) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis, which have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- (xix) The Company has not issued any debentures accordingly, no securities has been created.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

Place : New Delhi
Date : 23rd June, 2009

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

Balance Sheet

as at March 31, 2009

		As at March 31 2009 Rs. '000	As at March 31 2008 Rs. '000
Sources of Funds	Shareholders' Funds		
	Capital	519,422	519,422
	Reserves and Surplus	3,344,539	3,435,714
	Loan Funds		
	Secured Loans	786,484	310,087
	Unsecured Loans	330,265	257,500
	Deferred Tax Liability (Net)	207,284	198,309
		<u>5,187,994</u>	<u>4,721,032</u>
Application of Funds	Fixed Assets		
	Gross Block	5,741,244	5,379,686
	Less : Depreciation	2,345,015	2,163,859
	Net Block	3,396,229	3,215,827
	Capital Work-in-Progress	369,602	120,848
		<u>3,765,831</u>	<u>3,336,675</u>
	Investments	11,058	10,608
	Current Assets, Loans & Advances		
	Inventories	1,166,450	890,955
	Sundry Debtors	1,140,531	1,158,598
	Cash & Bank Balances	243,380	320,967
	Other Current Assets	13,413	12,264
	Loans & Advances	390,191	357,563
		<u>2,953,965</u>	<u>2,740,347</u>
	Less : Current Liabilities & Provisions		
	Liabilities	1,395,724	1,224,836
	Provisions	147,136	141,762
	Net Current Assets	<u>1,411,105</u>	<u>1,373,749</u>
		<u>5,187,994</u>	<u>4,721,032</u>
	Significant Accounting Policies and Notes to Accounts		
		21	

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

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

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

New Delhi
23rd June, 2009

K.K. Kohli
Company Secretary

Anil Girotra
Finance Director

Gita Bawa
Surjit Singh Bawa
Kiran Kapur
Narender Sapra
Arvind Behl
Ravi Manchanda
Directors

Profit and Loss Account

for the year ended March 31, 2009



	Schedule	For the year ended March 31 2009 Rs. '000	For the year ended March 31 2008 Rs. '000
Income			
Gross Sales [Note I 7(a)]	21	7,846,693	7,485,255
Less : Rebate and Commission		15,635	33,111
		<u>7,831,058</u>	<u>7,452,144</u>
Less : Excise duty on sales [Note I 7(a)]	21	2,259,482	2,055,355
Net Sales		<u>5,571,576</u>	<u>5,396,789</u>
Services	13	335,818	278,700
Other Income	14	252,239	273,436
		<u>6,159,633</u>	<u>5,948,925</u>
Expenditure			
Consumption of Materials	15	2,781,277	2,429,948
Purchases for Resale		160,161	125,570
Manufacturing Expenses	16	939,742	786,799
Excise Duty		80,516	117,772
Personnel	17	463,439	462,067
Administration & Selling	18	1,633,087	1,628,606
Interest	19	93,066	75,811
Depreciation (Net) [Note II (B) 2]	21	159,996	166,636
		<u>6,311,284</u>	<u>5,793,209</u>
Decrease/(Increase) in Work-in-Progress and Finished Goods	20	(130,596)	(84,529)
		<u>6,180,688</u>	<u>5,708,680</u>
Profit/(Loss) before Tax		(21,055)	240,245
Less : Tax Expenses			
Current tax :			
- For the year		—	61,000
- Fringe Benefit Tax		15,000	13,200
Deferred Tax (benefit)/charge	4	8,975	(10,153)
		<u>23,975</u>	<u>64,047</u>
Profit/(Loss) after Tax		(45,030)	176,198
Profit brought forward from previous year		1,271,464	1,095,266
Balance carried to Balance Sheet		1,226,434	1,271,464
Basic/Diluted Earning per Share (Rs.) (Nominal Value of Rs.10 each) [Note II (B)17]	21	(0.91)	3.56
Significant Accounting Policies and Notes to Accounts	21		

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

The Schedules referred to above form an
integral part of the Profit & Loss Account

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

New Delhi
23rd June, 2009

K.K. Kohli
Company Secretary

Anil Girotra
Finance Director

Gita Bawa
Surjit Singh Bawa
Kiran Kapur
Narender Sapra
Arvind Behl
Ravi Manchanda
Directors

Cash Flow Statement

for the year ended March 31, 2009

	2009 (Rs. '000)	2008 (Rs. '000)
A. Cash Flow from Operating Activities:		
Net Profit/(Loss) before tax	(21,055)	240,245
Adjustments for:		
Depreciation	159,996	166,636
Interest Expense	93,066	75,811
Interest Income	(15,915)	(15,020)
Income from Investment - Dividends	(99)	(105)
(Profit)/Loss on Fixed Assets sold (net)	2,183	2,156
Reversal of Impairment Loss	—	(26,401)
Fixed Assets written off	453	310
Debts/Advances/Stock written off	8,528	3,610
Provision for Bad & Doubtful Debts and Advances	6,886	11,644
Liability no longer required written back	(15,692)	(23,468)
Provision for Gratuity & Leave Encashment	7,758	19,581
Provision for Inventory for Obsolete/ Damaged Stock	1,480	—
Unrealised Foreign Exchange (gain)/loss (net)	9,637	1,225
Other Provision for Current Liabilities	57	126
Operating Profit before Working Capital Changes	237,283	456,350
Adjustments for changes in Working Capital :		
(Increase)/Decrease in Sundry Debtors	1,478	(121,440)
(Increase)/Decrease in Other Receivables	(13,363)	(14,185)
(Increase)/Decrease in Other Current Assets	(31,467)	(21,870)
(Increase)/Decrease in Inventories	(282,379)	(96,707)
Increase/(Decrease) in Trade and Other Payables	160,604	186,457
Cash generated from operations	72,156	388,605
Taxes (Paid)/Received (Net of TDS)	3,151	(41,561)
Net Cash from/(used) Operating Activities	75,307	347,044
B. Cash flow from Investing Activities:		
Fixed Assets/Capital Work-in-Progress	(617,490)	(165,685)
Proceeds from Sale of Fixed Assets	8,117	19,077
Proceeds from Sale of Investments	50	10
Purchase of investments	(500)	(1,000)
Interest Received (Revenue)	12,942	10,587
Dividend Received	99	105
Release/(Addition) of Cash (from)/for restrictive use	600	(80)
Net Cash from Investing Activities	(596,182)	(136,986)
C. Cash Flow from Financing Activities:		
Proceeds from Long Term Borrowings		
Receipts/(Payments)	476,397	(63,479)
Proceeds from Short Term Borrowings		
(Payments)/Receipts	72,765	46,263
Interest Paid	(89,893)	(73,214)
Interest Paid - Capitalised	(15,384)	—
Dividend Paid	(13)	(20)
Release/(Addition) of Cash (from)/for restrictive use	(3,387)	4,020
Net cash used in Financing Activities	440,485	(86,430)
Adjustment for Unrealised Foreign Exchange Fluctuation	16	(7)
Net Increase/(Decrease) in Cash & Cash Equivalents	(80,374)	123,621
Cash and Cash Equivalents at the beginning of the year	298,660	175,039
Cash and Cash Equivalents at the end of the year	218,286	298,660
Cash and Cash Equivalents Comprise		
Cash, Cheques & Drafts (in hand) and Remittances in transit	35,464	20,934
Balance with Scheduled Banks	<u>182,822</u>	<u>277,726</u>
	218,286	298,660
Cash and Cash Equivalents Include :		
Cash and Bank Balances	<u>218,286</u>	298,660
Total Cash and Cash Equivalents	218,286	298,660

Notes :-

- The aforesaid Cash Flow Statement has been prepared under the "Indirect method" and in accordance with Accounting Standard (AS)-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- Cash and Cash Equivalents exclude Rs. 25,094 thousand (Previous year -Rs. 22,307 thousand) which are not available for use by the Company (Refer Schedule 9 in the accounts).
- Figures in brackets indicate cash outgo.
- Previous year's figures have been regrouped and recast wherever necessary to conform to the current year classification.

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

Significant Accounting Policies and Notes to Accounts (Schedule 21) form an integral part of Cash Flow Statement

Nitin Chaudhry

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

New Delhi
23rd June, 2009

K.K. Kohli
Company Secretary

Anil Girotra
Finance Director

Gita Bawa
Surjit Singh Bawa
Kiran Kapur
Narender Sapra
Arvind Behl
Ravi Manchanda
Directors

Schedules

Annexed to the Accounts



		As at March 31 2009 Rs. '000	As at March 31 2008 Rs. '000
1. Share Capital	AUTHORISED CAPITAL		
	75,000,000 (Previous year—75,000,000) Equity Shares of Rs.10 each	750,000	750,000
		750,000	750,000
	ISSUED AND SUBSCRIBED CAPITAL		
	51,942,224 (Previous year—51,942,224) Equity Shares of Rs.10 each fully paid up.	519,422	519,422
		519,422	519,422
	NOTE ON EQUITY SHARES ISSUED:		
		No. of Shares	No. of Shares
	Original issue of Equity Shares	500,000	500,000
	<i>Less</i> : Equity Shares Forfeited due to non payment of calls	170,492	170,492
		329,508	329,508
	<i>Add</i> : Forfeited Equity Shares issued to existing share holders on pro-rata basis at Rs. 2.50 per share	169,737	169,737
		499,245	499,245
	<i>Add</i> : Bonus Equity Shares issued		
	1970	131,803	131,803
	1972	126,209	126,209
	1976	757,257	757,257
	1985	1,514,514	1,514,514
	1988-89	3,029,028	3,029,028
	1992-93	6,058,056	6,058,056
	1994-95	12,116,112	12,116,112
	Total Bonus Equity Shares issued	23,732,979	23,732,979
	<i>Add</i> : GDR issue (Note 1)	25,210,000	25,210,000
	<i>Add</i> : Preferential allotment (Note 2)	2,500,000	2,500,000
	Total	51,942,224	51,942,224
	Note 1. 25,210,000 Equity Shares of Rs. 10/- each fully paid up ranking pari-passu with existing shares were issued in the name of the Depository, The Bank of New York, representing the Global Depository Receipt (GDR) issue.		
	Note 2. 2,500,000 Equity Shares of Rs. 10 each fully paid up at a premium of Rs. 20 per share, as a special series with differential rights to dividend and voting, were issued during the financial year 2004-05. These shares have no right to the dividend and each share carries twenty voting rights per share as compared to one voting right per existing equity share and are under the lock-in-period of three years from the date of allotment.		
2. Reserves and Surplus	CAPITAL RESERVE		
	Surplus on forfeited shares sold	6	6
	REVALUATION RESERVE [Schedule 21 II (B) 2 & 5]		
	Revaluation Reserve as at the beginning of the year	1,570,364	1,621,153
	<i>Add</i> : Reversal of Impairment Loss earlier recognised	—	9,459
	<i>Less</i> : Adjusted during the year	222	10,216
	<i>Less</i> : Transferred to Profit & Loss Account	45,923	50,032
		1,524,219	1,570,364
	SECURITIES PREMIUM ACCOUNT	348,348	348,348
	GENERAL RESERVE	245,532	252,187
	<i>Less</i> : Adjustment on account of Employee benefits as per transitional provision (net of deferred tax asset) [Schedule 21 II (B) 18]	—	6,655
		245,532	245,532
	PROFIT & LOSS ACCOUNT	1,226,434	1,271,464
		3,344,539	3,435,714

Schedules

Continued

		As at March 31 2009 Rs. '000	As at March 31 2008 Rs. '000
3. Loans	SECURED		
[Schedule 21 II (B) 12]	From Banks		
	Term Loan *	613,069	249,866
	Cash Credit/Overdraft	165,473	43,719
	Car Loans**	7,942	15,031
	From others		
	Car Loans***	—	1,471
		<u>786,484</u>	<u>310,087</u>

* (Repayable within one year Rs. 133,009 thousand; Previous year — Rs. 64,060 thousand)

** (Repayable within one year Rs. 5,417 thousand; Previous year — Rs. 9,328 thousand)

*** (Repayable within one year Rs. Nil; Previous year — Rs. 1,466 thousand)

UNSECURED			
Fixed Deposits		319,585	250,655
From others		10,680	6,845
		<u>330,265</u>	<u>257,500</u>

		As at April 1 2008 Rs. '000	Adjustment Rs. '000	For the Year Rs. '000	As at March 31 2009 Rs. '000
4. Deferred Tax Liability (Net)	DEFERRED TAX LIABILITY				
[Schedule 21 I 12 & 21 II (B) 5]	Fixed Assets	272,476	—	5,608	278,084
	DEFERRED TAX ASSET				
	Statutory Liabilities	(8,825)	—	463	(8,362)
	Employee Retirement Benefits (Note 1)	(46,772)	—	(2,637)	(49,409)
	Provision for Bad Debts	(18,570)	—	5,541	(13,029)
	Total	<u>198,309</u>	<u>—</u>	<u>8,975</u>	<u>207,284</u>

Note 1. Deferred tax impact of transitional adjustments of Accounting Standard-15 (Revised) was made in General Reserve in the previous financial year.

5. Fixed Assets [Schedule 21 I 2, 3, 4 & 21 II (B) 2, 3, 4, 5, 12 (a) & (d)]

	GROSS BLOCK - COST OR REVALUED VALUE					DEPRECIATION					IMPAIRMENT			NET BLOCK	
	As at April 1, 2008	Addi- tions	Additional Adjust- ments*	Deletion/ Adjust- ments	As at March 31, 2009	As at April 1, 2008	For the Year	Additional Adjust- ments	Deletion/ Adjust- ments	As at March 31, 2009	As at April 1, 2008	Charges/ Reversal during the year	As at March 31, 2009	As at March 31, 2009	As at March 31, 2008
Land															
—Free Hold	555,570	413	—	—	555,983	—	—	—	—	—	—	—	—	555,983	555,570
—Lease Hold	135,037	—	—	—	135,037	21,059	1,935	—	—	22,994	—	—	—	112,043	113,978
Buildings	1,641,152	100,015	—	—	1,741,167	381,892	32,303	—	—	414,195	—	—	—	1,326,972	1,259,260
Plant & Machinery															
—In use	2,789,872	274,125	—	14,121	3,049,876	1,650,406	151,484	—	12,494	1,789,396	—	—	—	1,260,480	1,139,466
Furniture & Fixtures	64,684	7,015	—	382	71,317	29,158	5,697	—	193	34,662	—	—	—	36,655	35,526
Vehicles															
—Owned	111,304	9,638	—	18,354	102,588	37,449	9,538	—	9,623	37,364	—	—	—	65,224	73,855
Office Equipments	82,067	6,091	—	2,882	85,276	43,895	4,962	—	2,453	46,404	—	—	—	38,872	38,172
	<u>5,379,686</u>	<u>397,297</u>	<u>—</u>	<u>35,739</u>	<u>5,741,244</u>	<u>2,163,859</u>	<u>205,919</u>	<u>—</u>	<u>24,763</u>	<u>2,345,015</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,396,229</u>	<u>3,215,827</u>
Previous Year	5,380,219	96,370	128,205	225,108	5,379,686	1,990,883	216,668	71,750	115,442	2,163,859	70,907	70,907	—		
Capital Work-in-Progress including Capital Advances														369,602	120,848
														<u>3,765,831</u>	<u>3,336,675</u>

* The amount represents amount of original cost of impaired Asset reversed.

		As at March 31 2009 Rs. '000	As at March 31 2008 Rs. '000
6. Investments [Schedule 21 I 5 & 21 II (B) 13 & 20]	TRADE INVESTMENTS (LONG TERM)		
	IN EQUITY SHARES		
	Quoted		
	Mohan Meakin Limited		
	281,961(Previous year-281,961) shares of Rs. 5 each fully paid	8,439	8,439
	UNQUOTED		
	Hyderabad Distilleries & Wineries Pvt. Limited		
	1,650 (Previous year-1,650) shares of Rs. 100 each fully paid	165	165
	Jagatjit Marketing Limited		
	10 (Previous year-10) shares of Rs. 10 each fully paid	0	0
	Jagatjit Brown-Forman (India) Ltd.		
	1,528,880 (Previous year-1,528,880) shares of Rs. 10 each fully paid (Cost Rs. 15,289 thousand less provision for permanent diminution in value of Investment Rs. 15,288 thousand)	1	1
	OTHER INVESTMENTS (LONG TERM)		
	IN EQUITY SHARES		
	QUOTED		
	Punjab National Bank Limited	387	387
	993 (Previous year-993) shares of Rs. 10 each fully paid		
	UNQUOTED		
	Chic Interiors Private Limited		
	3,352 (Previous year-3,352) shares of Rs. 10 each fully paid	34	34
	IN GOVERNMENT SECURITIES		
UNQUOTED			
06 year National Saving Certificates (lodged with Govt. authorities)	184	234	
OTHER INVESTMENTS (CURRENT)			
IN EQUITY SHARES			
SUBSIDIARY COMPANY, UNQUOTED			
Binnies Estates Limited	1	1	
50,000 (Previous year-50,000) shares of Rs. 10 each fully paid [Cost Rs. 500 thousand (Previous year-Rs. 500 thousand) less provision for permanent diminution in value of Investment Rs. 499 thousand]			
OTHER, QUOTED			
Milkfood Limited	44	44	
1,350 Shares of Rs. 10 each fully paid			
OTHERS, UNQUOTED			
L.P. Investments Limited			
157,500 (Previous year-157,500) shares of Rs. 10 each fully paid (Cost Rs. 1,575 thousand provision for permanent diminution in value of Investment Rs. 1,574 thousand)	1	1	
IN PREFERENCE SHARES			
SUBSIDIARY COMPANY, UNQUOTED			
Binnies Estates Limited	1	1	
9 (Previous year-9) 10% Redeemable Cumulative Shares of Rs. 100 each fully paid			

Schedules

Continued

	As at March 31 2009 Rs. '000	As at March 31 2008 Rs. '000
OTHERS, UNQUOTED		
L.P. Investments Limited		
4,500 (Previous year—4,500) 9.5% Redeemable Cumulative shares of Rs. 100 each fully paid (Cost Rs. 450 thousand less provision for permanent diminution in value of Investment Rs. 449 thousand)	1	1
IN MUTUAL FUND		
Principal PNB Long Term Equity Fund - 3 year Plan - Series I & II [Purchased during the year Nil (Previous year - 50,000 units)] of Rs. 10 each	800	800
Principal PNB Long Term Equity Fund - 3 year Plan - Principal Emerging Bluechip Fund-Growth [Purchased during the year 50,000 Units (Previous year - Nil)] of Rs. 10 each	500	—
UTI Infrastructure Advantage Fund Series I [Purchased during the year Nil (Previous year 50,000 units) of Rs. 10 each]	500	500
	<u>11,058</u>	<u>10,608</u>
Aggregate Value of Unquoted Investments	388	438
Aggregate Value of Quoted Investments/Mutual Funds	10,670	10,170
Market Value/NAV of Quoted Investments/Mutual Funds	42,410	11,210
7. Inventories (Schedule 21 I 6)		
Raw and Packing Materials	446,275	310,089
Less : Provision for obsolete inventory	2,816	1,336
	<u>443,459</u>	<u>308,753</u>
Stores and Spare Parts	106,826	96,633
Finished Goods		
Subject to Central Excise Duty	136,297	86,180
Others	468,122	384,015
Work-in-Progress	11,746	15,374
	<u>1,166,450</u>	<u>890,955</u>
8. Sundry Debtors (Schedule 21 II (B) 31]		
More than six months old		
Unsecured-Considered Good	100,417	108,314
Unsecured-Considered Doubtful	39,417	54,115
	<u>139,834</u>	<u>162,429</u>
Other Debts		
Unsecured-Considered Good	1,040,114	1,050,284
	<u>1,179,948</u>	<u>1,212,713</u>
Less : Provision for Doubtful Debts	39,417	54,115
	<u>1,140,531</u>	<u>1,158,598</u>

		As at March 31 2009 Rs. '000	As at March 31 2008 Rs. '000
9. Cash & Bank Balances	Cash on hand	18,414	8,642
	Cheques on hand	17,050	1,305
	Funds in transit	—	10,987
	Balances with Scheduled Banks —		
	Current Accounts	103,248	101,090
	Dividend Payable Accounts	615	628
	Fixed Deposits (Including Rs. 3,383 thousand; Previous year—Rs. 3,983 thousand pledged as security)	82,957	180,619
	Fixed Deposits—Liquid Assets	20,400	17,000
	Margin Money Accounts	696	696
		<u>243,380</u>	<u>320,967</u>
10. Other Current Assets	Interest Receivable	6,057	5,383
	Other Income Receivable	7,356	6,881
		<u>13,413</u>	<u>12,264</u>
11. Loans and Advances [Schedule 21 II (B) 7,8, 13 & 31]	Advances recoverable in cash or in kind or for value to be received		
	Unsecured—Considered Good		
	Balance with Excise authorities on		
	Current Accounts	159,165	122,412
	Advance Income Tax (Net of provisions)	24,541	3,568
	Others	206,485	231,583
	Unsecured—Considered Doubtful		
	Subsidiary Company	8,109	8,109
	Others	<u>163,864</u>	<u>166,465</u>
		562,164	532,137
	<i>Less</i> : Provision for Doubtful Advances	<u>171,973</u>	<u>174,574</u>
		<u>390,191</u>	<u>357,563</u>
12. Current Liabilities & Provisions [Schedule 21 I 13 and 21 II (B) 31]	LIABILITIES		
	Sundry Creditors		
	(i) Total outstanding dues of Micro, Small and Medium Enterprises [Refer Note 21 II (B) 15]	15,782	—
	(ii) Others	1,044,067	892,586
	Advances from Customers	46,901	29,949
	Unclaimed Dividend	615	628
	Unclaimed Deposits	7,226	6,686
	Interest accrued but not due	16,561	13,388
	Due to Directors	176	1,254
	Security Deposits	91,396	97,168
	Other Liabilities	173,000	183,177
		<u>1,395,724</u>	<u>1,224,836</u>
	PROVISIONS		
	Fringe Benefit Tax (Net)	339	2,780
	Gratuity	109,548	103,319
	Leave Encashment	35,818	34,289
	Others	1,431	1,374
		<u>147,136</u>	<u>141,762</u>

Schedules

Continued

		For the year ended March 31 2009 Rs. '000	For the year ended March 31 2008 Rs. '000
13. Income from Services [Schedule 21 I 7(b)]	Income from job work (tax deducted at source Rs. 6,125 thousand—Previous year Rs. 4,904 thousand)	272,271	203,775
	Income from tie-up operations (net) (tax deducted at source Rs. 1,593 thousand—Previous year Rs. 1,014 thousand)	63,547	74,925
		<u>335,818</u>	<u>278,700</u>
14. Other Income [Schedule 21 I 7(c)]	Dividends —		
	On Trade Investments (Long Term)	99	—
	On Other Investments	—	105
	Interest on —		
	Fixed Deposits — Gross (Tax deducted at source Rs. 2,299 thousand; Previous year Rs. 2,293 thousand)	12,408	13,161
	Others - Gross (Including interest on income tax Refund Rs. 1,972 thousand; Previous year Rs. 1,476 thousand)	3,507	1,859
	Rent (Tax deducted at source Rs. 30,466 thousand Previous year—Rs. 27,291 thousand)	120,061	126,945
	Profit on Sale of Fixed Assets	195	1
	Royalty	31,791	22,532
	Duty Drawbacks	698	1,334
	Insurance Claims	15,945	10,928
	Reversal of Impairment Loss on Fixed Assets (Net)	—	26,401
	Liabilities/provisions no longer required written back	15,692	23,468
	Foreign Exchange Fluctuation (Net)	—	2,616
	Miscellaneous Income (Tax deducted at source Rs. 526 thousand; Previous year—Rs. 673 thousand)	51,843	44,086
		<u>252,239</u>	<u>273,436</u>
15. Consumption of Materials	Opening Stocks	310,089	312,134
	Add: Purchases of raw and packing materials	2,917,463	2,427,903
		<u>3,227,552</u>	<u>2,740,037</u>
	Less: Closing Stocks	446,275	310,089
		<u>2,781,277</u>	<u>2,429,948</u>
16. Manufacturing Expenses	Consumption of Stores and Spare parts excluding charged to other revenue heads Rs. 468,374 thousand (Previous year - Rs. 347,644 thousand)	40,816	41,221
	Consumption of Moulds (Outside Purchase)	13,349	6,675
	Power and Fuel	573,745	472,545
	Repairs — Buildings	58,072	27,409
	Plant and Machinery	101,245	96,030
	Other Expenses	152,515	142,919
		<u>939,742</u>	<u>786,799</u>

		For the year ended March 31 2009 Rs. '000	For the year ended March 31 2008 Rs. '000
17. Personnel Expenses	Salaries, Wages, Bonus and Gratuity	387,326	388,830
	Contribution to Provident, Family Pension and Superannuation Funds	45,474	43,952
	Employees' State Insurance	10,186	9,759
	Welfare	20,453	19,526
		<u>463,439</u>	<u>462,067</u>
18. Administration and Selling Expenses	Rent (Net)	10,804	10,413
	Lease Rental	27,263	19,378
	Rates & Taxes	245,283	258,419
	Insurance	19,889	21,710
	Travelling Expenses	86,279	94,905
	Repairs to Buildings	19,598	42,375
	Other Repairs & Maintenance	21,391	21,320
	Bad Debts, Advances and Stock written off	8,528	3,610
	Provision for Doubtful Debts and Advances	6,886	11,644
	Provision for Inventory for obsolete stock	1,480	—
	Fixed Assets written off	453	310
	Loss on sale of Fixed Assets	2,378	2,157
	Reimbursement of Expenses to Directors	9,465	9,741
	Directors Fee	36	27
	Forwarding Charges	119,816	119,016
	Selling Expenses	861,565	848,752
	Legal & Professional Expenses	70,432	68,100
	Miscellaneous Expenses	121,541	96,729
		<u>1,633,087</u>	<u>1,628,606</u>
19. Interest	On Fixed Loans	55,932	52,588
	Others	37,134	23,223
		<u>93,066</u>	<u>75,811</u>
20. Decrease/(Increase) in Work-in-Progress and Finished Goods	Opening Stocks		
	Work-in-Progress	15,374	17,721
	Finished Goods	470,195	383,319
		<u>485,569</u>	<u>401,040</u>
	Closing Stocks		
	Work-in-Progress	11,746	15,374
	Finished Goods	604,419	470,195
		<u>616,165</u>	<u>485,569</u>
	Decrease/(Increase)	<u>(130,596)</u>	<u>(84,529)</u>

Schedules

Continued

21. Significant Accounting Policies and Notes to Accounts

I. SIGNIFICANT ACCOUNTING POLICIES:

1. BASIS FOR PREPARATION OF ACCOUNTS

These accounts have been prepared in accordance with historical cost convention on an accrual basis (unless otherwise stated) and applicable accounting standards issued by the Institute of Chartered Accountants of India.

2. FIXED ASSETS

Fixed Assets are stated at their historical cost (net of CENVAT) or at enhanced value inclusive of write up arising out of revaluation, wherever applicable.

3. DEPRECIATION

Principal Straight Line Method (SLM) rates, in the manner prescribed by Schedule XIV of the Companies Act, 1956, have been adopted for the purpose of calculation of depreciation except for the amount added on revaluation of certain assets which are depreciated on the estimate provided by the value of the remaining useful life of such assets. Leasehold land is amortised over the period of lease. Depreciation on the assets which have been impaired is provided on the basis stated in note 4 below.

4. IMPAIRMENT OF ASSETS

All assets other than inventories, investments and deferred tax assets, are reviewed for impairment, in accordance with Accounting Standard (AS 28), "Impairment of assets", issued by the Institute of Chartered Accountants of India, wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. Previously recognised impairment loss shall be increased or reversed depending on changes in circumstances. However the carrying amount after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment [Also, refer Note II (B) 5 below].

5. INVESTMENTS

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

6. INVENTORIES

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

7. INCOME

- Sale is recognised on dispatches made from respective locations of the Company and is inclusive of excise duty wherever payable by the Company.
- Revenue from job work is recognised on the completion of a relevant job. The Company's share of income from tie-up operations is recognised on the terms of the relevant agreements.
- Interest on Income Tax refunds, Insurance claims, Export benefits and Other refunds are accounted for as and when amounts receivable can be reasonably determined as being acceptable to authorities. Royalty income is accounted on an accrual basis in accordance with terms specified in the relevant agreements.

8. EMPLOYEE BENEFITS

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

9. FOREIGN CURRENCY TRANSACTIONS

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

10. INTEREST ON BORROWINGS

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

11. LEASE ACCOUNTING

Operating Lease payments are recognized as an expense in the Profit and Loss Account on straight-line basis over the lease term [Note 21 II (B) 34 below].

12. TAXATION

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

13. PROVISIONS AND CONTINGENT LIABILITIES

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

II. NOTES TO ACCOUNTS

(A) CONTINGENT LIABILITIES: The following are the details of Contingent liabilities the outflow of which is uncertain at this stage

- Particulars of various claims against the Company not acknowledged as debts Rs. 51,518 thousand (Previous year—Rs. 24,053 thousand):
 - Claim by Punjab Government in respect of amount paid to Mahalaxmi Sugar Mills pending before the 'The Court of Civil Judge (Senior Division), Kapurthala' Rs. 2,174 thousand (Previous year Rs. 2,174 thousand).
 - Claim in respect of case filed by ESI Corporation Rs. 615 thousand (Previous year Rs. 615 thousand).
 - Claim by 'Excise & Taxation Commissioner' in respect of renewal of 'Distillery License' Rs. 9,591 thousand (Previous year Rs. 8,591 thousand) pending before 'Hon'ble Punjab & Haryana High Court'.
 - Employee related claims Rs. 13,258 thousand (Previous year Rs. 12,673 thousand).
 - Demand and penalty on Sales Promotion Expenses disallowed by income tax Department in respect of Tie Up Unit Rs. 25,880 thousand (Previous year Rs. Nil).
 - There are certain claims against the Company relating to usage of trade mark etc., which have not been acknowledged as debts. The outcome of such claims is not ascertainable at this stage.
- Particulars of various Excise demands under dispute Rs. 19,064 thousand (Previous year Rs. 35,086 thousand) which have not been deposited on account of dispute:
 - Penalty on excess stock found at the unit Rs. 50 thousand (Previous year Rs. 50 thousand).
 - Duty, interest and penalty amounting to Rs. Nil (Previous year Rs. 26,343 thousand) in respect of service tax on alleged Management Consultancy Services.
 - Duty, interest and penalty on Bio-Gas manufactured Rs. Nil (Previous year Rs. 7,630 thousand).
 - Demand in respect of service tax, interest and penalty on utilisation of Service Tax Credit Rs. 406 thousand (Previous year Rs. 136 thousand).
 - Demand of interest and penalty in respect of clearance of Complete Chocolate Rs. Nil (Previous year Rs. 720 thousand).
 - Demand of Service tax on bottling charges amounting to Rs. 53 thousand (Previous year Rs. 53 thousand).
 - Penalty and Cess on Corrugated cartons manufactured for own consumption Rs. 301 thousand (Previous year Rs. 143 thousand).
 - Demand of education cess on export consignments Rs. Nil (Previous year Rs. 11 thousand).
 - Demand of Service Tax and penalty in respect of wrong availment of Service Tax Cenvat Credit Rs. 10,764 thousand (Previous year Rs. Nil).
 - Demand of Excise Duty in respect of reversal of Cenvat Credit on Turbine Rs. 7,411 thousand (Previous year Rs. Nil).
 - Penalty u/s 76 under Service Tax Rs. 79 thousand (Previous year Rs. Nil).
 - Particulars of various Sales tax demands under dispute Rs. 14,363 thousand (Previous year Rs. 17,910 thousand).
 - Demand on account of non-submission of sales tax forms Rs. 483 thousand (Previous year Rs. 591 thousand).
 - Demand of Entry tax under U P Sales Tax Act Rs. 6,446 thousand (Previous year Rs. 6,446 thousand).
 - Demand of Sales tax under U P Sales Tax Act Rs. 7,301 thousand (Previous year Rs. 10,873 thousand).
 - Demand of penalty on account of submission of wrong sales tax form Rs. 133 thousand (Previous year Rs. Nil).
- Certain matters relating to various assessment years of Income Tax are pending at the various levels of tax authorities and High Court. The financial impact, if any, on the outcome of these matters is not determinable at this stage.
- Bills and cheques discounted but not retired as on March 31, 2009 Rs. 299 thousand (Previous year Rs. 10,713 thousand).

(B) OTHER NOTES AND ADDITIONAL INFORMATION

1. Computation of net profit under Section 349 and calculation of commission under Section 198 of the Companies Act, 1956:

	2008-09 Rs. '000	2007-08 Rs. '000
Profit/(Loss) before tax as per Profit & Loss Account	(21,055)	240,245
<i>Add:</i> Book Depreciation	159,996	166,636
Directors' Remuneration	5,928	5,841
Fixed Assets written off	453	310
Provision for wealth tax	1,100	1,100
Provision for Doubtful Debts and advances	6,886	11,644
Provision for Inventory for obsolete stock	1,480	—
	<u>154,788</u>	<u>425,776</u>
<i>Less:</i> Depreciation Chargeable as per Section 349	159,996	166,636
Reversal of Impairment Loss	—	26,401
Profit on Sale of Fixed Assets as per Section 349(3)(d)	195	564
	<u>160,191</u>	<u>193,601</u>
Net Profit/(Loss) for the purpose of calculation of Commission u/s 198 of the Companies Act, 1956	(5,403)	232,175
Commission to Directors	—	2,322
1% of Profit	—	600
Restricted to	—	—
Managerial Remuneration	3,856	2,832
Salary and Allowances	1,250	2,011
Estimated Value of Perquisites	—	600
Commission	786	371
Contribution to Retirement Funds	36	27
Sitting Fee	5,928	5,841

The above Managerial Remuneration does not include provision for Gratuity and Leave Encashment, as separate figures applicable to managerial personnel are not available.

2. Land, Building and Plant & Machinery at various locations have been revalued as on 31st March, 1998 by an independent approved valuer on a current replacement cost basis. The excess on revaluation of Rs. 483,217 thousand has been transferred to Revaluation Reserve.

	2008-09 Rs. '000	2007-08 Rs. '000
Depreciation for the year calculated in accordance with accounting policy mentioned in para 3 of I above	205,919	216,668
<i>Less:</i> Adjusted against Revaluation Reserve	45,923	50,032
Net depreciation for the year charged to Profit & Loss Account	<u>159,996</u>	<u>166,636</u>

3. The additions to fixed assets and work-in-progress includes interest on borrowing capitalised amounting to Rs. 7,054 thousand (Previous year Rs. Nil) and Rs. 8,330 thousand (Previous year Rs. Nil).
4. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) Rs. 10,571 thousand (Previous year— Rs. 61,799 thousand).
5. The Company during the year 2004-05, adopted Accounting Standard (AS 28), "Impairment of Assets" and consequently had impaired the carrying value of the plant and machinery of Brew House Plant located at Hamira Unit (being Rs. 80,907 thousand (gross block Rs. 128,205 thousand and accumulated depreciation thereon Rs. 47,298 thousand)) to its estimated recoverable amount of Rs. 10,000 thousand (being the estimated net selling price, determined on the basis of an independent valuation) and had disclosed such impaired plant and machinery as 'retired from active use'.
However, in the previous year it was decided that conditions existed for reversal of impairment loss recognized earlier. These conditions related to continuous profits generated by plant since past two consecutive years, growth in sales volumes and margins and profit projections for the future years of the said brew house plant. Accordingly, entire impairment loss earlier recognized, amounting to Rs. 49,455 thousand (net of depreciation on the underlying assets that would have been charged had there been no impairment loss) has been reversed in previous year as per the provisions of AS-28.
6. During the Financial Year 2008-09, the operations of the Company was affected due to temporary reduction in the distillation capacity by 50% at its distillery at Hamira, Distt. Kapurthala, Punjab. The loss of production of Extra Neutral Alcohol (ENA) was compensated by procurement of ENA from other manufacturers. The reduction in the capacity was ordered by Punjab Pollution Control Board, Punjab, pending compliance of certain activities (including installation of Multi Effect Evaporator and Slops Fired Boiler/ Incinerator) relating to effluent treatment. All the activities were required to be completed by 30th June, 2009 and after the completion of all the activities, the capacity was to be reinstated at its original level. The Company has since complied with all the requirements of the order of Hon'ble Punjab & Haryana High Court and the capacity has since been reinstated to the original level vide order of Hon'ble Punjab & Haryana High Court dated 9th June 2009.
7. Amount due from Directors and Company secretary as at March 31, 2009 is Rs. 2,065 thousand (Previous year Rs. 883 thousand). Maximum amount due at any time during the year Rs. 3,521 thousand (Previous year Rs. 2,009 thousand).
8. Maximum amount of advances due from Subsidiary company, 'Binnies Estate Limited' at any time during the year is Rs. 8,110 thousand (Previous year Rs. 8,109 thousand).

	2008-09 Rs. '000	2007-08 Rs. '000
9. Auditors' Remuneration		
For Audit (including service tax)	1,213	1,236
For Tax Audit (including service tax)	386	393
For Other Services (including service tax)	315	287
Out of Pocket Expenses	47	45
10. Prior Period Expenses/Income EXPENSES		
Consumption of Materials (Schedule 15)	15	77
Manufacturing Expenses (Schedule 16)	286	275
Personnel Expenses (Schedule 17)	135	40
Administration and Selling (Schedule 18)	695	1,632
Interest (Schedule 19)	113	—
Depreciation	—	16,626
Total	<u>1,244</u>	<u>18,650</u>

11. Jagatjit Brown Forman (I) Limited (JBFL), a joint venture with Brown Forman Mauritius Limited (BFML), is under advanced stage of liquidation and official liquidator has been appointed by the Hon'ble High Court of Delhi. The Company entered into deed of settlement, release and indemnification with the BFML in the year 2004-05 to wind up JBFL. As per the terms of settlement, the Company received Rs. 9,671 thousand from BFML in earlier years. During the previous years the Company has netted off Rs. 24,495 thousand (being recoverable from JBFL on account of various supplies/services) against the provisions made by the Company in earlier years, in view of lack of funds with JBFL.

Schedules

Continued

12. (a) (i) Term Loan for Furnace is secured by Land and Building and all tangible and movable machinery and plant with spares, tools and accessories, both present and future at its works at Site IV, Plot No 17, Sahibabad Industrial Area, Sahibabad.
(ii) Term Loan for Plant and machinery of Pet Chips is secured by pari passu first charge with bank on Land and Building (existing / proposed) at its works at Site IV, Plot No 17, Sahibabad Industrial Area, Sahibabad and exclusive first charge on the Plant and Machinery acquired against this loan.
(iii) Term Loan for D.G. Set is secured by hypothecation of D.G. Set and related equipments / accessories acquired out of bank loan both present and future at its works at Site IV, Plot No 17, Sahibabad Industrial Area, Sahibabad.
(iv) Term Loan for Turbine is secured by all the machineries and accessories including civil work related to Turbine installed at its works at Jagatjit Nagar, Distt Kapurthala.
(v) Term Loan for Malt Extract Extension is secured by all the machineries and accessories including civil work related to Filter and instrumentation installed at its works at Jagatjit Nagar, Distt Kapurthala.
(vi) Term Loan for installation of Water Pollution Control Equipments is secured by all the machineries and accessories including Civil work related to aforementioned equipments installed at its works at Jagatjit Nagar, Distt Kapurthala.
(vii) Term Loan for Malt Spirit Plant and Malted Milk Food Plant is secured by all the machineries and accessories including Civil work related to Plants installed at its works at Jagatjit Nagar, Distt Kapurthala.
(b) Cash Credit/Overdraft and Working Capital Demand Loan from Banks are secured by hypothecation of stocks, stores, spares and book debts.
(c) A Fixed deposit of Rs. 15 thousand is guaranteed by Directors (Previous year Rs. 15 thousand).
(d) Car Loans are secured by hypothecation of the related cars.
13. The Company has given unsecured advance to Binnies Estates Limited (BEL—a wholly owned Subsidiary) amounting to Rs. 8,109 thousand (Previous Year Rs. 8,109 thousand) to be repaid as per the applicable stipulation/restipulation. The Company also has an investment in equity/preference shares capital of BEL amounting to Rs. 501 thousand (Previous year Rs. 501 thousand). The accumulated losses of BEL have exceeded its capital and reserves. Accordingly, as an abundant caution the Company had made provision against unsecured advance of Rs.1 thousand (Previous year Rs. 316 thousand). Further, in earlier years the company has made provision for diminution in value of investments amounting to Rs. 499 thousand and unsecured advances amounting to Rs. 8,109 thousand.
14. At the year end unclaimed dividend Rs. 615 thousand (Previous Year Rs. 628 thousand) and unclaimed deposits Rs. 7,226 thousand (previous year Rs. 6,686 thousand) disclosed under current liabilities (Schedule 12) need not be transferred to Investor Education and Protection Fund in terms of provisions of Section 205C of the Companies Act, 1956.
15. Details of dues to Micro, Small and Medium Enterprises as per MSMED ACT, 2006
This information (refer Schedule 12 - Current Liabilities & Provisions) 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.

	2008-09 Rs.'000	2007-08 Rs.'000
I The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year		
Principal Amount Unpaid	15,782	—
Interest due	61	—
II The amount of interest paid by the buyer in term of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to suppliers beyond the appointed day during the year		
Payment made beyond the Appointed date	22,944	—
Interest paid beyond the Appointed date	—	—
III The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	615	—
IV The amount of interest accrued and remaining unpaid at the end of the year	615	—
16. In accordance with ASI 14 on 'Disclosure of Revenue from Sales Transactions' issued by Institute of Chartered Accountants of India, excise duty on turnover amounting to Rs. 2,259,482 thousand (Previous year Rs. 2,055,355 thousand) has been reduced from turnover in profit & loss account and differential excise duty on opening and closing stock of finished goods amounting to Rs. 80,516 thousand (Previous year Rs. 117,772 thousand) has been separately shown in Profit and Loss Account.		
17. Earnings per share (EPS) : Numerators and denominators used to calculate basic and diluted earning per share		
	Year ended 31.03.2009	Year ended 31.03.2008
Net Profit/(Loss) attributable to Shareholders	(45,030,009)	176,197,832
Number of equity shares in issue	49,442,224*	49,442,224*
Basic / Diluted Earnings per share of Rs.10 each (in Rs.)	(0.91)	3.56

Notes:

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

* The preferential allotment of 2,500,000 equity shares, having no right to dividend has not been considered in the above computation of EPS (Refer Schedule 1 Note 2).

18. Employee benefits

The Company has classified various employee benefits as under:

(a) Defined Contribution Plans

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

	For the year ended March 31, 2009 Rs. '000	For the year ended March 31, 2008 Rs. '000
(i) Employers' Contribution to Superannuation Fund	14,359	13,970
(ii) Employers' Contribution to Provident Fund	31,115	29,982
(iii) Employers' Contribution to Employees' State Insurance	10,186	9,759
Included in 'Contribution to Provident, Family Pension and Superannuation Funds' and Employees State Insurance (Refer Schedule 17)		

(b) Defined Benefit Plans

Valuation in respect of Gratuity and Leave Encashment have been carried out by independent actuary, as at 31st March, 2009, based on the following assumptions:

	Leave Encashment (Unfunded) Rs. '000	Gratuity (Unfunded) Rs. '000
(I) Assumptions		
(a) Discount Rate	8%	8%
(b) Rate of increase in Compensation Levels	5%	5%
(c) Rate of return of Plan Assets	N.A.	N.A.
(d) Expected Average remaining working lives of employees (in years)	10.54-22.45	10.54-22.45
(II) Change in the Present Value of Obligation		
(a) Present value of obligation as at April 1, 2008	34,280	103,257
(b) Interest cost	1,908	7,371
(c) Current service cost	15,083	7,569
(d) Benefit paid	(2,194)	(9,619)
(e) Actuarial (gain)/loss on obligations	(13,260)	970
(f) Present value of obligation as at March 31, 2009	35,817	109,548
(III) Amount recognised in the Balance Sheet		
(a) Present value of obligation as at March 31, 2009	35,817	109,548
(b) Fair Value of Plan Assets as at the year end	—	—
(c) (Asset) / Liability recognised in the Balance Sheet	35,817	109,548

(IV) Expenses recognised in the Profit and Loss Account		
(a) Current service cost	15,083	7,569
(b) Interest cost	1,908	7,371
(c) Expected Return on Plan Assets	—	—
(d) Settlement Cost/Credit	(2,194)	(9,619)
(e) Actuarial (gain)/loss recognised in period	(13,260)	970
(f) Total Expenses recognised in the Profit and Loss Account	1,537	6,291

Valuation in respect of Gratuity and Leave Encashment was carried out by independent actuary, as on 31st March, 2008, based on the following assumptions:

	Leave Encashment (Unfunded) Rs. '000	Gratuity (Unfunded) Rs. '000
(I) Assumptions		
(a) Discount Rate	8%	8%
(b) Rate of increase in Compensation Levels	5%	5%
(c) Rate of return of Plan Assets	N.A.	N.A.
(d) Expected Average remaining working lives of employees (in years)	10.54-22.45	10.54-22.45
(II) Change in the Present Value of Obligation		
(a) Present value of obligation as at April 1, 2007	28,980	89,246
(b) Interest cost	1,782	6,815
(c) Current service cost	14,234	6,888
(d) Benefit paid	(1,777)	(8,105)
(e) Actuarial (gain)/loss on obligations	(8,939)	8,413
(f) Present value of obligation as at March 31, 2008	34,280	103,257
(III) Amount recognised in the Balance Sheet		
(a) Present value of obligation as at March 31, 2008	34,280	103,257
(b) Fair Value of Plan Assets as at the year end	—	—
(c) (Asset)/Liability recognised in the Balance Sheet	34,280	103,257
(IV) Expenses recognised in the Profit and Loss Account		
(a) Current service cost	14,234	6,888
(b) Interest cost	1,782	6,815
(c) Expected Return on Plan Assets	—	—
(d) Settlement Cost/Credit	—	—
(e) Actuarial (gain)/loss recognised in period	(8,939)	8,413
(f) Total Expenses recognised in the Profit and Loss Account	7,077	22,116

19. Segment Reporting

i) Primary Segment Reporting (by Business Segments)

Composition of Business Segments

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

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

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

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

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

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

iii) Inter Segment Pricing - At cost plus margin.

Information about Business Segment - Primary for the year 2008-09

	Beverages	Food	Packaging	Others	Rs. '000 Total
REVENUE					
Sales (Net of Excise duty), Services and Other income	4,787,509	842,634	343,771	160,035	6,133,949
Inter Segment Sales	7,172	—	596,009	—	603,181
Unallocated Income	—	—	—	—	9,769
Total Revenue	4,794,681	842,634	939,780	160,035	6,746,899
RESULTS					
Segment Results (Refer Note vii below)	163,129	51,084	41,799	1,411	257,423
Unallocated expenditure					
Net of unallocated income					201,327
Interest Income					15,915
Interest Expense					(93,066)
Profit/ (Loss) before tax					(21,055)
Less: Tax expense:					
Current Tax :					
- For the year					—
- Fringe Benefit Tax					15,000
Deferred Tax (benefit)/ charge					8,975
Provision for Earlier years Written back					—
Profit/ (Loss) after tax					(45,030)
OTHER INFORMATION					
Segment Assets (Refer Note viii below)	3,885,863	840,547	876,601	24,639	5,627,650
Inter-segment Assets	10,324	—	145,276	—	155,600
Unallocated Assets					1,103,205
Total Assets					6,886,455
Segment Liabilities	1,064,089	130,700	249,052	513	1,444,354
Inter-segment Liabilities	145,276	—	10,324	—	155,600
Unallocated Liabilities					1,398,565
Total Liabilities					2,998,519
Capital Expenditure	373,003	211,996	6,224	4	591,227
Unallocated Capital Expenditure					54,825
Total Capital Expenditure					646,052

Information about Business Segment - Primary for the year 2008-09

Rs. '000

	Beverages	Food	Packaging	Others	Total
Depreciation	64,221	32,291	50,639	496	147,647
Unallocated Depreciation					12,349
Total					159,996
Non - cash expenditure other than depreciation	15,466	11	1,549	—	17,026
Unallocable Non Cash					321
Total					17,347

Information about Secondary Business Segments - Geographical by location of customers

	Domestic	Overseas	Total
Revenues (Net of Excise Duty)	6,038,616	105,102	6,143,718
Other information: Carrying amount of segment assets by location of assets (Refer Note viii below)	6,730,855	—	6,730,855
Addition to Fixed Assets/Capital Work-in- Progress (including Capital Advances)	646,052	—	646,052

Information about Business Segment - Primary for the year 2007-08

Rs. '000

	Beverages	Food	Packaging	Others	Total
REVENUE					
Sales (Net of Excise duty), Services and Other income	4,657,868	793,375	329,912	130,053	5,911,208
Inter Segment Sales	5,971	—	532,710	—	538,681
Unallocated Income	—	—	—	—	22,697
Total Revenue	4,663,839	793,375	862,622	130,053	6,472,586
RESULTS					
Segment Results (Refer Note vii below)	395,893	62,092	44,795	228	503,008
Unallocated expenditure					
Net of unallocated income					201,971
Interest Income					15,020
Interest Expense					(75,812)
Profit/ (Loss) before tax					240,245
Less: Tax expense:					
Current Tax :					
- For the year					61,000
- Fringe Benefit Tax					13,200
Deferred Tax (benefit)/ charge					(10,153)
Provision for Earlier years Written back					—
Profit after tax					176,198
OTHER INFORMATION					
Segment Assets (Refer Note viii below)	3,470,996	636,218	852,470	23,976	4,983,660
Inter-segment Assets	5,704	—	152,314	—	158,018
Unallocated Assets					1,103,970
Total Assets					6,245,648
Segment Liabilities	969,088	99,750	213,323	541	1,282,702
Inter-segment Liabilities	152,314	—	5,704	—	158,018
Unallocated Liabilities					849,792
Total Liabilities					2,290,512
Capital Expenditure	35,741	8,750	55,299	135	99,925
Unallocated Capital Expenditure					47,591
Total Capital Expenditure					147,516
Depreciation	55,338	47,911	50,487	496	154,232
Unallocated Depreciation					12,404
Total					166,636
Non - cash expenditure other than depreciation	10,429	—	3,323	—	13,752
Unallocable Non Cash					1,813
Total					15,565

Information about Secondary Business Segments - Geographical by location of customers

Rs. '000

	Domestic	Overseas	Total
Revenues (Net of Excise Duty)	5,722,096	211,809	5,933,905
Other information: Carrying amount of segment assets by location of assets (Refer Note viii below)	6,087,630	—	6,087,630
Addition to Fixed Assets/Capital Work-in-Progress (including Capital Advances)	147,516	—	147,516

NOTES:

- The Company is focused on the segment of Beverages (including Liquor) in India. The commercial terms and conditions of Liquor sales being identical in India, there are no differential risks and return on the basis of such business segmentation. The Company's year to date export turnover being less than 2% of its total turnover (Previous year 4%), the commercial risks and returns involved on the basis of geographic segmentation are therefore considered insignificant and immaterial.
- Segment assets include Capital Work-in- Progress & Capital Advances aggregating to Rs.369,602 thousand (Previous year-Rs. 120,848 thousand). While most assets are directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis.
- Capital expenditure pertains to additions made to Fixed Assets/ Capital Work-in-Progress (including Capital Advances) during the year.
- Unallocated assets includes land, administration building and cash & bank balances etc. at Jagatjit Nagar.
- Unallocated liabilities include interest bearing liabilities and tax provisions and deferred tax liability.
- Non cash items includes bad debts, advances and stocks written off, provision for doubtful debts & advances and fixed assets written off.
- Sales and other income of Beverages segment includes rental income (net) of Rs. 104,839 thousand (Previous year Rs. 110,767 thousand) from the surplus properties of the Company.
- As at April 1, 2004 the Company had impaired the carrying value of plant and machinery of brew house plant (included in 'Beverages Segment') located at one of its Unit to their estimated recoverable value of Rs. 10,000 thousand. Out of the impairment loss arising thereon of Rs. 70,907 thousand, Rs. 12,172 thousand had been adjusted against the revaluation reserve surplus and the differential amount Rs. 38,965 thousand (being net of deferred tax assets of Rs. 19,770 thousand arising on such impaired asset) had been adjusted in the year 2004-05 from opening general reserve as at April 1, 2004 in terms of transitional provisions contained in the Accounting Standard 28 .

Further, on account of changes in market conditions and due to positive cash flows, there was reversal of impairment losses amounting to Rs. 49,455 thousand in the previous year [Also refer note 21 II (B) 5].

Schedules

Continued



20. Movement of purchase and sale of investment.
Principal PNB Long Term Equity Fund - 3 year Plan - Principal Emerging Blue chip Fund-Growth [Purchased during the year 50,000 units of Rs. 10 each (Previous year - Nil)].
21. Related Party Disclosures
In accordance with the requirements of "Accounting Standard 18" issued by The Institute of Chartered Accountants of India on the Related Party Disclosures, the transactions and Related Parties with whom transactions have taken place during the year are as follows:

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

Subsidiary Company
Binnies Estates Ltd.

(b) Enterprises over which Major shareholders, Key Management Personnel and their relatives have significant influence / control :
Milkfood Ltd.
Hyderabad Distilleries & Wineries Pvt. Ltd.
Fast Buck Investment & Trading Pvt. Ltd.
Jagatjit Industries Limited Employees Superannuation Scheme
Pashupati Properties & Estates Pvt. Limited
L.P. Investments Limited.

(c) Key Management Personnel (Directors) and their relatives :

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

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

Rs.'000

PARTICULARS OF TRANSACTIONS	For the Year ended March 31, 2009				For the Year ended March 31, 2008			
	With Persons Mentioned in Note 21 (a)	With Persons Mentioned in Note 21 (b)	With Persons Mentioned in Note 21 (c)	Total	With Persons Mentioned in Note 19 (a)	With Persons Mentioned in Note 19 (b)	With Persons Mentioned in Note 19 (c)	Total
Sales of Goods (Refer Note 3 below)	—	2,993	—	2,993	—	2,812	—	2,812
Job Work rendered (Milkfood Limited)	—	27,649	—	27,649	—	28,495	—	28,495
Sale of Fixed Assets (Milkfood Limited)	—	—	—	—	—	670	—	670
Royalty Received (Hyderabad Distilleries & Wineries Pvt. Ltd.)	—	48	—	48	—	66	—	66
Purchases of goods (Refer Note 4 below)	—	54,224	—	54,224	—	51,919	—	51,919
Purchases of Fixed Assets (Milkfood Limited)	—	6,197	—	6,197	—	—	—	—
Interest accrued (Refer Note 5 below)	—	507	—	507	—	320	—	320
Reimbursement of Payments Made on Behalf of Company (Refer Note 6 below)	—	3,989	—	3,989	—	2,941	—	2,941
Expenses paid by Company on behalf of related parties (Refer Note 7 below)	1	6,517	—	6,518	316	6,747	—	7,063
Provision for Doubtful Advances (Refer Note 8 below)	1	—	—	1	316	—	—	316
Rent received (Milkfood Limited)	—	404	—	404	—	391	—	391
Loans including interest repaid (Refer Note 9 below)	—	172	—	172	—	73	—	73
Managerial Remuneration (Refer Note 2 below)	—	—	5,705	5,705	—	—	5,814	5,814
Inter Corporate Deposit received (Fast Buck Investments & Trading Pvt. Ltd.)	—	3,500	—	3,500	—	—	—	—
Provision for Doubtful Advances reversed	—	1,000	—	1,000	—	—	—	—
Bottling Charges paid (Hyderabad Distilleries & Wineries Pvt. Ltd.)	—	15,782	—	15,782	—	—	—	—
Lease Rent paid (Refer Note 10 below)	—	14,249	—	14,249	—	14,436	—	14,436
Contribution to Superannuation Fund (Jagatjit Industries Limited Employees Superannuation Scheme)	—	14,359	—	14,359	—	13,970	—	13,970
BALANCES OUTSTANDING AT THE YEAR END								
Unsecured Advances	8,109	126,635	—	134,744	8,109	127,635	—	135,744
Provision for Unsecured Advances	8,109	126,635	—	134,744	8,109	127,635	—	135,744
Receivables (Net of Payable)	—	71,525	—	71,525	—	63,002	—	63,002
Unsecured Loans	—	10,680	—	10,680	—	6,845	—	6,845
Investments	501	2,025	—	2,526	501	17,314	—	17,815
Provision for Permanent Diminution in value of Investments	499	2,023	—	2,522	499	17,311	—	17,810

Notes:

- The above information has been compiled on the basis of disclosures received from all directors of the Company.
- The above payments does not include expenses incurred by / reimbursed to directors during the course of performance of duty.
- Sale of goods includes sales to the following :
Milkfood Ltd. Rs. 2,715 thousand (Previous year Rs. 1,955 thousand)
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 278 thousand (Previous year Rs. 857 thousand)
- Purchase of goods includes purchases from the following :
Milkfood Ltd. Rs. 53,791 thousand (Previous year - Rs. 45,678 thousand)
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 433 thousand (Previous year Rs. 6,241 thousand)
- Interest Accrued is in respect of the following :
Fast Buck Investments & Trading Pvt. Ltd. Rs. 507 thousand (Previous year Rs. 320 thousand)
- Reimbursement of Payments Made on behalf of the Company is in respect of the following :
Milkfood Ltd. Rs. 2,837 thousand (Previous year Rs. 2,471 thousand)
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 1,052 thousand (Previous year Rs. 470 thousand)
Pashupati Properties & Estates Pvt. Limited Rs. 100 (Previous year Rs. Nil)
- Expenses paid by the Company on behalf of related parties is in respect of the following :
Milkfood Ltd. Rs. 1,029 thousand (Previous year Rs. 969 thousand)
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 5,488 thousand (Previous year Rs. 5,778 thousand)
Binnies Estates Ltd. Rs. 1 thousand (Previous year Rs. 316 thousand)
- Provision for Doubtful Advances
Binnies Estates Ltd. Rs. 1 thousand (Previous year Rs. 316 thousand)
- Loans including interest repaid is in respect of the following :
Fast Buck Investments & Trading Pvt. Ltd. Rs. 172 thousand (Previous year Rs. 73 thousand)
- Lease Rent paid
Pashupati Properties & Estates Pvt. Limited Rs. 790 thousand (Previous year Rs. 1,200 thousand)
Hyderabad Distilleries & Wineries Pvt. Ltd Rs. 13,459 thousand (Previous year Rs. 13,236 thousand)

Schedules

Continued

22. Capacities and Production

Class of Goods Manufactured	Unit	Capacities				Actual Production	
		Licensed (1)		Installed		2008-09	2007-08
		2008-09	2007-08	2008-09	2007-08		
Glass	Tonne	125,000	125,000	65,000	65,000	21,298(3)	22,846(3)
Plastic Containers	"	840	840	840	840	—(3)	392(3)
Malt (4)	"	Not required	Not required	20,000	20,000	—(3)	—(3)
Malt Extract (4)	"	Not required	Not required	12,960	12,960	10,665(3)	8,818(3)
Milk Products (c)	"	40,500	40,500	—	—	1,803(3)	4,471(3)
Nutritional Powder Beverages & Maltodextrins	"	3,750	3,750	36,670(2)	28,670(2)	—	—
High Protein Food	"	2,500	2,500	—	—	—	—
Chocolate and Chocolate Drinks	"	10,625	10,625	—	—	—	—
Potato Based Snacks	"	35,750	35,750	—	—	—	—
Texturised Soya Proteins	"	9,000	9,000	—	—	—	—
Pasta Products and Expanded Snacks	"	23,125	23,125	—	—	—	—
Fruits & Vegetable Powder, Drinks & Processed Products	"	235,625	235,625	—	—	—	—
Liquor	K.L. (Bulk)	57,059	57,059	53,074(d)	53,074(d)	34,708(b)	38,802(b)
Industrial Alcohol	"	25,000	25,000	—	—	—	—
Mineral Water	K.L.	50,750	50,750	—	—	—	—
Carbon dioxide Gas (4)	Tonne	Not required	Not required	3,600	3,600	753	674

(a) Installed Capacities being technical matter have been certified by the Management and relied upon by the Auditors.

(b) Liquor Production comprises Alcohol processed and bottled out of ENA spirit and denatured spirit produced. It includes production at Hyderabad Unit and in the State of Kerala.

(c) Comprises of Malted Milk Food, Weaning Foods and Milk Powder including products containing not less than 68 % milk solids.

(d) The Installed Capacity includes production at Hyderabad Unit being taken on lease but does not include production in Kerala being bottling arrangement.

(1) Including 25% permissible production over licensed capacity.

(2) The products are manufactured in an integrated plant and hence installed capacity cannot be given separately.

(3) Captive use and job work not included.

(4) Licensing requirements have been dispensed with effect from July 25, 1991 (refer press note No. 9 issued by Ministry of Industry, Department of Industrial Development).

23. Raw and Packing Materials consumed

Description of Goods	Unit	2008-09		2007-08	
		Quantity	Value Rs.'000	Quantity	Value Rs.'000
Grains	Tonne	40,789	431,674	42,605	355,088
Molasses	"	38,979	224,799	108,712	486,283
Soda Ash	"	9,620	164,928	8,415	100,954
Sand	"	29,440	45,585	26,160	34,561
Bottles (Outside Purchase)	No. in Thousand	133,887	210,602	120,177	267,994
Tins & Other Containers	"	10,904	129,390	11,254	118,188
Seals	"	255,131	208,731	259,580	213,293
Milk	Tonne	5,953	147,364	8,759	151,271
Packing Materials	"	*	167,746	*	155,620
Cullet (Outside Purchase)	Tonne	16,327	67,470	18,921	69,612
Pet Chips	"	—	—	341	27,758
ENA	BL	16,969,835	702,487	4,377,257	162,697
Others	"	*	280,501	*	286,629
			<u>2,781,277</u>		<u>2,429,948</u>

* Due to diverse nature and innumerable items quantitative details are not available

24. Break-up of Sales

Description of Goods	Unit	2008-09		2007-08	
		Quantity	Value Rs.'000	Quantity	Value Rs.'000
1. Malt and Malt Extract Powder	Tonne	10,993	273,774	8,718	179,330
2. Malted Milk Food	"	2,026	221,483	4,471	429,195
3. Liquor	Bulk Kilo Litre	34,552	6,655,727	38,173	6,288,632
4. Bottles	No. in Thousand	82,628	365,921	73,452	325,422
5. Containers	Tonne	—	—	240	31,665
6. Carbon dioxide Gas	"	750	3,654	673	3,279
7. Resale Materials*	"	—	159,767	—	129,580
8. Other Sales	**	**	166,367	**	98,152
			<u>7,846,693</u>		<u>7,485,255</u>

* Refer schedule 21 II (B) 25

** Due to diverse nature and innumerable items quantitative details are not available.

25. Analysis of Resale Materials

Particulars	Unit	2008-09		2007-08	
		Quantity	Value Rs.'000	Quantity	Value Rs.'000
PETROLEUM AND ITS PRODUCTS					
Opening Balance	K.L.	37	1,720	93	2,520
Purchases	"	4,893	153,024	4,198	121,490
Turnover	"	4,860	155,196	4,254	125,502
Closing Balance	"	70	2,711	37	1,720
WINE					
Opening Balance	Cases	—	—	—	—
Purchases	"	630	2,973	—	—
Turnover	"	180	408	—	—
Closing Balance	"	450	2,377	—	—
OTHERS					
Opening Balance	*	*	—	*	—
Purchases	"	*	4,164	*	4,080
Turnover	"	*	4,163	*	4,078
Closing Balance	"	*	—	*	—

* Due to diverse nature and innumerable items quantitative details are not available

26. Opening and Closing Stocks of Finished Goods (Schedule 21 I 6)

Particulars	Unit	Closing Stock				Opening Stock			
		2008-09		2007-08		2008-09		2007-08	
		Quantity	Value Rs.'000	Quantity	Value Rs.'000	Quantity	Value Rs.'000	Quantity	Value Rs.'000
Malt	Tonne	1,798	32,446	1,273	15,532	1,273	15,532	1,814	27,465
Malt Extract	"	27	538	375	5,775	375	5,775	264	4,470
Malted Milk Food	"	25	2,885	250	22,041	250	22,041	389	28,473
Liquor	Bulk Kilo Litre	4,554	372,709	3,844	298,431	3,844	298,431	3,900	255,175
Carbondioxide Gas	Tonne	6	15	2	8	2	8	1	4
Glass	"	12,318	179,776	10,135	115,255	10,135	115,255	3,609	43,028
Containers	"	22	2,854	23	3,498	23	3,498	98	13,836
Others	*	*	5,088	*	1,720	*	1,720	*	3,435
- Resale Material**	*	*	8,108	*	7,935	*	7,935	*	7,433
- Others	*	*		*		*		*	
			604,419		470,195		470,195		383,319

** Refer schedule 21 II (B) 25

* Due to diverse nature and innumerable items quantitative details are not available

	2008-09 Rs.'000	2007-08 Rs.'000
27. Value of Imports on C.I.F. Basis		
Raw Materials	262,684	132,732
Spare Parts including Stores	6,857	5,150
Capital Goods	46,458	23,744
28. Expenditure in Foreign Currency (On Cash Basis)		
Other Matters - Commission, Traveling etc.	9,608	11,980
29. Earnings in Foreign Exchange		
Export of goods calculated on FOB basis (Including sales to Nepal, Bhutan, Bahrain in rupee terms, Rs. 7,400 thousand; Previous year—Rs. 8,890 thousand)	104,116	213,225
30. Value of Imported/Indigenous Raw and Packing Materials, Stores and Spare Parts consumed:		

	2008-09		2007-08	
	Value Rs.'000	%	Value Rs.'000	%
i) Raw and Packing Materials				
Imported	245,949	8.84	201,209	8.28
Indigenous	2,535,328	91.16	2,228,739	91.72
	2,781,277	100.00	2,429,948	100.00
ii) Stores and Spare Parts				
Imported	49,126	9.65	4,027	1.04
Indigenous	460,064	90.35	384,838	98.96
	509,190	100.00	388,865	100.00

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

32. In the month of October 2006, the Company acquired licensed capacity of 34 lakhs Proof Litres for the remaining period of financial year on lease from M/s Hyderabad Distilleries & Wineries Pvt. Ltd., Hyderabad (HDWL) for manufacturing of IMFL. Consequent to this change, the Company had started producing IMFL in its own name. In the previous year the Company increased its acquired capacity from 34 lakhs Proof Litres to 68.58 lakhs Proof Litre.

33. In a petition filed against the Company and its Board of Directors under Sections 397 and 398 of the Companies Act, 1956, in the Hon'ble Company Law Board (CLB), the CLB vide its Order dated 12th March, 2009 has directed the Company to buy back the shares of the Petitioners and their associates aggregating to 5,794,112 equity shares in the Company along with their holdings of 600 Equity shares in M/s L.P. Jaiswal & Sons Pvt. Ltd. at an aggregate value of Rs. 73 Crores. The order of the CLB was to be complied within three months of the date of order and the same has been complied with.

34. The Company normally acquires vehicles under operational lease with the respective underlying assets as security. Minimum lease payments outstanding as on March 31, 2009 in respect of these assets are as under:

	Total minimum lease payments outstanding as on March 31, 2009 Rs.'000	Total minimum lease payments outstanding as on March 31, 2008 Rs.'000
Due within one year	16,793	12,478
Due later than one year and not later than five years	11,789	17,612
Lease payments of Rs. 15,208 thousand (Previous year Rs. 7,323 thousand) have been recognised as an expense in the profit and loss account for the year ended March 31, 2009.		

35. Previous year's figures have been regrouped/recast wherever necessary to conform to the current year's classification.

Statement regarding subsidiary company pursuant to Section 212 of the Companies Act, 1956

1. Name of the subsidiary company	Binnies Estates Limited
2. The Financial Year of subsidiary company ended	March 31, 2009
3. Holding Company's interest	Holders of entire Subscribed Capital 50,000 Equity Shares of Rs. 10 each fully paid up and 9-10% Redeemable Cumulative Preference Shares of Rs. 100 each.
4. Net aggregate amount of profits less losses of the subsidiary company so far as it concerns members of Jagatjit Industries Limited:	
a) not dealt within the accounts of Jagatjit Industries Limited:	(Rs. lacs)
i) for the subsidiary's financial year ended March 31, 2009	(0.12) (net of dividend Rs. Nil paid to Jagatjit Industries Limited for the previous year)
ii) for the previous financial years of the subsidiary since they became subsidiary of Jagatjit Industries Limited	(45.44) (net of dividend Rs. Nil paid to Jagatjit Industries Limited for the previous financial years)
b) dealt within the accounts of Jagatjit Industries Limited:	(Rs. lacs)
i) for the subsidiary's financial year ended March 31, 2009	Nil (dividend paid to Jagatjit Industries Limited)
ii) for the previous financial years of the subsidiary since they became subsidiary of Jagatjit Industries Limited	Nil (dividend paid to Jagatjit Industries Limited)

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.

0	0	1	9	7	0
---	---	---	---	---	---

State Code

0	1	6
---	---	---

Balance Sheet (Date)

3	1	-	0	3	-	2	0	0	9
---	---	---	---	---	---	---	---	---	---

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue

				N	I	L			
--	--	--	--	---	---	---	--	--	--

Bonus Issue

				N	I	L			
--	--	--	--	---	---	---	--	--	--

GDR Issue

				N	I	L			
--	--	--	--	---	---	---	--	--	--

Rights Issue

				N	I	L			
--	--	--	--	---	---	---	--	--	--

Private Placement

				N	I	L			
--	--	--	--	---	---	---	--	--	--

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

		5	1	8	7	9	9	4
--	--	---	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

		5	1	9	4	2	2
--	--	---	---	---	---	---	---

Secured Loans

		7	8	6	4	8	4
--	--	---	---	---	---	---	---

Deferred Tax Liability (Net)

		2	0	7	2	8	4
--	--	---	---	---	---	---	---

Application of Funds

Net Fixed Assets

		3	7	6	5	8	3	1
--	--	---	---	---	---	---	---	---

Net Current Assets

		1	4	1	1	1	0	5
--	--	---	---	---	---	---	---	---

Accumulated Losses

				-				
--	--	--	--	---	--	--	--	--

Total Assets

		5	1	8	7	9	9	4
--	--	---	---	---	---	---	---	---

Reserves and Surplus

		3	3	4	4	5	3	9
--	--	---	---	---	---	---	---	---

Unsecured Loans

		3	3	0	2	6	5
--	--	---	---	---	---	---	---

Investments

				1	1	0	5	8
--	--	--	--	---	---	---	---	---

Miscellaneous Expenditure

				-				
--	--	--	--	---	--	--	--	--

IV. Performance of Company (Amount in Rs. Thousands)

Turnover Including Other Income

		6	1	5	9	6	3	3
--	--	---	---	---	---	---	---	---

Profit/(Loss) Before Tax

+	-				
	✓				
	(2	1	0	5	5)

Earnings per share in Rs.

		(0	.	9	1)
--	--	----	---	---	----

Total Expenditure

		6	1	8	0	6	8	8
--	--	---	---	---	---	---	---	---

Profit/(Loss) After Tax

+	-				
	✓				
	(4	5	0	3	0)

Dividend %

		N	I	L			
--	--	---	---	---	--	--	--

V. Generic names of three principal products of Company

Item Code No.

2	2	0	8	1	0	.	0	0
---	---	---	---	---	---	---	---	---

Product Description

A	L	C	O	H	O	L	I	C		B	E	V	E	R	A	G	E	S
---	---	---	---	---	---	---	---	---	--	---	---	---	---	---	---	---	---	---

Item Code No.

1	9	0	1	1	0	.	0	1
---	---	---	---	---	---	---	---	---

Product Description

M	A	L	T	E	D		M	I	L	K		F	O	O	D
---	---	---	---	---	---	--	---	---	---	---	--	---	---	---	---

Item Code No.

7	0	1	0	9	0	.	0	1
---	---	---	---	---	---	---	---	---

Product Description

G	L	A	S	S		B	O	T	T	L	E	S		&		J	A	R	S
---	---	---	---	---	--	---	---	---	---	---	---	---	--	---	--	---	---	---	---

BINNIES ESTATES LIMITED

**ANNUAL
REPORT
2008-09**

Directors' Report

To the Shareholders

The Directors have pleasure in presenting their Report and Statement of Accounts for the financial year ended 31st March, 2009.

Working Results

During the period under report, the working results show a loss of Rs.12,344/- which together with the deficit of Rs. 45,44,708/- for the previous years has been carried over to the Balance Sheet.

Dividend

In view of loss incurred during the year, your Directors do not recommend any dividend.

Directors

Mr. K. K. Kohli, Director, retires by rotation, is eligible and offers himself for re-appointment.

Deposits

During the period under report, the Company has not accepted any deposits.

Auditors

Messrs Lalit Kumar & Company, Chartered Accountants, New Delhi, the Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Information U/S 217(2A) of the Companies Act, 1956

None of the employees of the Company was in receipt of remuneration in excess of the limits specified in Section 217(2A) of the Companies Act, 1956.

Directors' Responsibility Statement

The Board of Directors hereby confirm :

- i) that in the preparation of the Annual Accounts for the year ended 31st March, 2009, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) that the Directors have prepared the Annual Accounts on a going concern basis.

Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgo

As the Company is not engaged in any manufacturing activity, there is no information to be provided under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

There was no foreign exchange earning and outgo during the year under report.

Acknowledgement

The Directors take the opportunity to convey their thanks for the continued support and patronage received from the Bankers and the Government Authorities.

For and on behalf of the Board

New Delhi
13th May, 2009

Sd/-
Directors

Auditors' Report

BINNIES ESTATES LIMITED

To the Shareholders

We have audited the attached Balance Sheet of Binnies Estates Limited as at 31st March, 2009 and the Profit and Loss Account of the Company for the year ended on that date together with the notes thereon. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

- (a) We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
- (c) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account.
- (d) Based on representations made by all the Directors of the Company and taken on record by the Board of Directors, we report that none of the directors of the Company prima facie have any disqualification as on 31st March, 2009 as referred to in clause (g) of sub-section (1) to Section 274 of the Companies Act, 1956.
- (e) In our opinion and to the best of our information and according to the explanations given to us the said accounts read with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and comply with accounting standards referred to in Section 211(3C) of the Companies Act, 1956 and give a true and fair view:
 - (i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2009, and
 - (ii) in the case of Profit and Loss Account, of the Loss of the Company for the year ended on that date.

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956 so far as it is applicable, we further report that:

1. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
2. All the Fixed assets have been physically verified by management during the year. No material discrepancies were noticed on such verification.
3. During the year the Company has not disposed off a substantial part of its fixed assets.
4. As informed to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
5. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets. During the course of audit, no major weakness has been noticed in these internal controls.
6. Based on the audit procedures applied by us and according to the information and explanations provided by the management, there are no transactions that need to be entered into the register maintained under Section 301 of the Act.
7. The Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory Dues applicable to it. There were no arrears as at 31st March, 2009 for a period of more than six months from the date they became payable.
8. The Company has accumulated losses amounting to Rs.45,57,052/- at the end of the financial year and it has not incurred any cash losses in the current or in the immediately preceding financial year.
9. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
10. The Company has not raised any money through a public issue during the year.
11. Based upon the audit procedures performed and information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.
12. In our opinion, other items specified in the said Order do not apply to this Company.

For LALIT KUMAR & CO.
Chartered Accountants

New Delhi
13th May, 2009

LALIT KUMAR
Proprietor
M. No. 81071

Balance Sheet

as at March 31, 2009

		As at March 31 2009 Rs.	As at March 31 2008 Rs.
Liabilities	SHARE CAPITAL AUTHORISED 80,000 Equity Shares of Rs. 10 each	800,000	800,000
	2,000 10% Redeemable Cumulative Preference Shares of Rs. 100 each	200,000	200,000
		<u>1,000,000</u>	<u>1,000,000</u>
	ISSUED & SUBSCRIBED : 50,000 Equity Shares of Rs. 10 each (Fully Paid-up)	500,000	500,000
	9 10% Redeemable Cumulative Preference Shares of Rs. 100 each (Fully Paid-up)	900	900
	UNSECURED LOANS : From Companies	1,080,000	1,080,000
	Interest Accrued & Due	532,756	532,756
	ADVANCES - Holding Company	8,108,730	8,107,962
	ADVANCE - Rent	425,000	425,000
	Security Receipt	150,000	150,000
	CURRENT LIABILITIES & PROVISIONS Sundry Creditors	7,400	7,400
		<u>10,804,786</u>	<u>10,804,018</u>
Assets	FIXED ASSETS (Schedule-1) Gross Block	7,773,831	7,773,831
	Less : Depreciation	1,847,740	1,721,027
	Net Block	5,926,091	6,052,804
	CURRENT ASSETS, LOANS & ADVANCES : Cash in Hand	5,144	7,300
	Balance with Scheduled Bank	145,180	63,062
	Amount Receivable	28,133	27,365
	Security Deposit - Electricity	100,000	100,000
	Advance Tax (Net of Provision for Taxation)	37,436	3,029
	MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted) Preliminary Expenses	5,750	5,750
	PROFIT & LOSS ACCOUNT Opening Balance	4,544,708	
	Add: Loss transferred from Profit & Loss Account	12,344	
		<u>4,557,052</u>	4,544,708
		<u>10,804,786</u>	<u>10,804,018</u>

As per our report of even date annexed
For LALIT KUMAR & CO.
Chartered Accountants

Vijay Kapoor
Anil Girotra
K.K. Kohli
Directors

New Delhi
13th May, 2009

Lalit Kumar
Proprietor
M. No. 81071

Profit and Loss Account

for the year ended March 31, 2009

BINNIES ESTATES LIMITED

		For the Year Ended 31.3.2009 Rs.	For the Year Ended 31.3.2008 Rs.
Income	Rent	798,600	744,150
		798,600	744,150
Expenditure	Accountancy Charges	1,500	1,500
	Filing Fee	600	600
	Membership Fees	500	500
	Rates & Taxes	56	—
	Repair & Maintenance	420,000	420,000
	House Tax	109,800	109,813
	Legal & Professional Charges	—	25,000
	Audit Fee	5,000	5,000
	Bank Charges	222	—
	Depreciation	126,713	126,713
		664,391	689,126
	Profit/(Loss) for the year before Taxation	134,209	55,024
	Provision for Taxation for this year	146,553	127,135
	Profit/(Loss) carried to the Balance Sheet	(12,344)	(72,111)

NOTES :

1. Amount paid/payable to Auditors:
For Audit Fee **5,000** 5,000
2. No Dividend has been recommended by the Directors for 9 10% Cumulative Redeemable Preference Shares of Rs. 100 each, the paid up value of which is Rs. 900/-. The arrear of dividend for 10 years thus amounts to Rs. 900/-. Further, dividend on Pref. Shares redeemed during the year 1999 remains in arrears for 12 years amounting to Rs.1,080/-. Therefore, total amount in arrears for dividend and not provided for amounts to Rs.1,980/-.
3. Previous year's figures have been regrouped/recast wherever necessary to conform to this year's classification.

SIGNIFICANT ACCOUNTING POLICIES :

1. **System of Accounting :**
The Company adopts the accrual basis in preparation of the accounts.
2. **Expenses :**
The Company provides for all expenses on accrual basis.
3. **Fixed Assets :**
Fixed Assets are capitalised at cost inclusive of all expenses. Principal Straight Line value rates as per Schedule XIV of Companies Act, 1956 have been adopted for the purpose of calculation of depreciation.

As per our report of even date annexed
For LALIT KUMAR & CO.
Chartered Accountants

Lalit Kumar
Proprietor
M. No. 81071

Vijay Kapoor
Anil Girotra
K.K. Kohli
Directors

New Delhi
13th May, 2009

Schedule

BINNIES ESTATES LIMITED

1. Fixed Assets

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.08	Additions during the year	Adjust- ments during the year	As on 31.03.09	As on 01.04.08	For the Year	On Adjust- ments	Up to 31.03.09	As on 31.03.09	As on 31.03.08
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Building	7,773,831	—	—	7,773,831	1,721,027	126,713	—	1,847,740	5,926,091	6,052,804
	7,773,831	—	—	7,773,831	1,721,027	126,713	—	1,847,740	5,926,091	6,052,804
Previous Year	7,483,831	290,000	—	7,773,831	1,594,314	126,713	—	1,721,027	6,052,804	5,889,517

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. : U74899DLI1987PLC028349 State Code : 55
Balance Sheet Date : 31.03.2009

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue : Nil Rights Issue : Nil
Bonus Shares : Nil Private Placement : Nil

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities : 10805 Total Assets : 10805

Sources of Funds

Paid-up Capital : 501 Reserves & Surplus : Nil
Secured Loans : Nil Unsecured Loans : 10296

Application of Funds

Net Fixed Assets : 5926 Investments : Nil
Net Current Assets : 308 Misc. Expenditure : 6
Accumulated Losses : 4557

IV. Performance of Company (Amount in Rs. Thousands)

Turnover : 799 Total Expenditure : 664
(+/-) Profit/Loss before Tax : (+) 134
(+/-) Profit/Loss after Tax : (-) 12
Earning per Share in Rs. : Nil Dividend Rate % : Nil

V. Generic Names of Three Principal Products/Services of Company (As per monetary terms)

Item Code No. (ITC Code) : N.A.
Product Description : Real Estate



JAGATJIT INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the Sixty-fourth Annual General Meeting of JAGATJIT INDUSTRIES LIMITED will be held on Friday the 25th September, 2009 at 09.30 A.M. at the Registered Office of the Company at Jagatjit Nagar, Distt. Kapurthala, Punjab to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts and Reports of the Directors and Auditors of the Company for the year ended 31st March, 2009.
2. To appoint a Director in place of Mr. Surjit Singh Bawa, who retires by rotation, is eligible and offers himself for re-appointment.
3. To appoint Auditors of the Company and to fix their remuneration from the conclusion of this Meeting until the conclusion of the next Annual General Meeting. Messrs Mittal Chaudhry & Company, Chartered Accountants, the retiring Auditors, are eligible and offer themselves for re-appointment.

SPECIAL BUSINESS

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

“RESOLVED THAT Mr. Narender Sapra, who was appointed as an Additional Director of the Company on 6th October, 2008 by the Board of Directors and was designated as Whole Time Director of the Company w.e.f. 28th November, 2008, who holds office upto the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company.”

“RESOLVED FURTHER THAT pursuant to the provisions of the Sections 198, 269, 309, 310, 311, 314 and other applicable provisions of the Companies Act, 1956, Schedule XIII to the Companies Act, 1956, Rules or Regulations, if any, approval of the Company be and is hereby accorded to the appointment of Mr. Narender Sapra as a Whole Time Director of the Company for a period of three years w.e.f. 28th November, 2008.”

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

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

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

“RESOLVED FURTHER THAT notwithstanding anything hereinabove stated, in the event of loss or inadequacy of profits in any financial year, during the tenure of Mr. Narender Sapra as a Whole Time Director, the Company may pay him remuneration by way of salary allowances, perquisites and any other allowances not exceeding the maximum limits as prescribed under clause (B) of Section II of the Part II of the Schedule XIII to the Companies Act, 1956 or within such ceilings as may be prescribed under Schedule XIII from time to time or the Companies Act, 1956 as may be amended from time to time.”
5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT Mr. Ravi Manchanda, who was appointed as an Additional Director of the Company on 6th October, 2008 by the Board of Directors and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

“RESOLVED FURTHER THAT approval of the Company be and is hereby accorded to the fixing/revision of remuneration from time to time of Mr. Ravi Manchanda, as a Director of the Company for such period and on such terms and conditions and with such powers and authorities, as the Board may, in the exercise of its discretion, consider appropriate, provided however, that the terms of such remuneration shall not exceed those set out in Part II of Schedule XIII to the Companies Act, 1956, as amended from time to time.”
6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mrs. Kiran Kapur, who was appointed as an Additional Director of the Company on 27th November, 2008 by the Board of Directors and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution :
- “RESOLVED THAT approval of the Company be and is hereby accorded for voluntary de-listing of equity shares of the Company from Stock Exchanges situated at Delhi, Ludhiana and Calcutta, in accordance with the provisions of the Securities & Exchange Board of India (De-listing of Securities) Guidelines, 2003, and all relevant laws, rules, regulations and guidelines [including any statutory modification(s) or re-enactment(s) thereof or as may be enacted hereinafter by the Securities & Exchange Board of India (SEBI), or any other appropriate authority(ies) from time to time and for the time being in force] and subject to such approvals, permissions, consents and sanctions as may be required from any relevant authority(ies) including the Stock Exchanges concerned and in compliance with such condition(s) and modification(s) as may be necessary for this purpose.”
- “RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to seek voluntary de-listing, take all necessary steps in this regard and to do all such acts, deeds matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and settle any question, difficulty, doubt that may arise in regard to voluntary de-listing of equity shares from the aforesaid three Stock Exchanges and to execute all such deeds, documents, writings as may be necessary or required for giving effect to this resolution.”
8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution :
- “RESOLVED THAT in supersession of the earlier resolution passed by the Members in the Forty-sixth Annual General Meeting of the Company held on 30th September, 1991 and pursuant to Section 293(1)(d) of the Companies Act, 1956, consent be and is hereby accorded to the Board of Directors of the Company to borrow for the purpose of the Company, apart from temporary loans obtained and/or to be obtained from the Company’s bankers in the ordinary course of business, a sum or sums of money not exceeding Rs.4,00,00,00,000 (Rupees Four Hundred Crores only) from any person or persons, firms, bodies Corporate, Banks, Financial Institutions, by way of deposits, advances or other loans, whether unsecured or secured directly by mortgage, charge, hypothecation or pledge of any of the Company’s assets and properties, book debts or by collateral security thereon on such terms and conditions as the Board of Directors may deem fit, notwithstanding that the amounts to be borrowed together with the amounts already borrowed by the Company (apart from temporary loans obtained and/or to be obtained from the Company’s bankers in the ordinary course of business), will or may exceed the aggregate of the paid up capital of the Company and its free reserves, i.e. reserves not set apart for any specific purposes.”
9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution :
- “RESOLVED THAT pursuant to the provisions of section 31 of the Companies Act, 1956 in the existing Article 118 of the Articles of Association of the Company the words and figure ‘Rs. 750/- (Rupees seven hundred fifty only)’ be substituted with the words and figure ‘Rs.20,000/- (Rupees Twenty Thousand only)’.”

BY ORDER OF THE BOARD
for JAGATJIT INDUSTRIES LIMITED

Date : 23rd June, 2009
Registered Office :
Jagatjit Nagar-144 802
Distt. Kapurthala (Punjab)

Sd/-
K. K. Kohli
Company Secretary

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS STEAD AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM IS ENCLOSED.
Proxy form should be lodged with the Company at its Registered Office at least 48 hours before the scheduled time of the meeting.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the resolutions set out under Items No. 4 to 9 above is annexed.
3. Members are requested to intimate to the Company changes, if any, in their Registered Addresses along with Pin Code Numbers.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd September, 2009 to 25th September, 2009 (both inclusive).
5. Members/ Proxies should bring the Attendance Slip duly filled in for attending the Meeting.
6. Members are requested to bring their copy of the Annual Report to the Meeting.
7. The trading of shares of the Company have been put under compulsory dematerialised form. The Company has entered into agreements with M/s. National Securities Depository Ltd. and Central Depository Services (India) Ltd. and is providing all the share registry related services In-house. All members are advised to take steps for dematerialisation of shares for easy liquidity.
8. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.

9. The Company has already transferred the unclaimed dividend declared upto the financial year 1993-94 to the General Revenue Account of the Central Government as was required by the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978.

Further, in terms of Section 205A and 205C of the Companies Act, 1956, the amount of dividend declared for the financial years upto the financial year 1998-99 and remaining unclaimed and unpaid have been transferred to Investor Education and Protection Fund established by the Central Government.

Following dividends have been declared by the Company and the amounts remaining unclaimed and unpaid for a period of seven years will be transferred to said Fund as per the provisions of the Companies Act, 1956.

Date of Declaration	For the Year
28.01.2004	1999-2000 (Interim)
29.04.2004	1999-2000 (Final)

Members who have not encashed their dividend warrants pertaining to the aforesaid year may approach the Company Secretary of the Company at Jagatjit Nagar- 144802, Distt. Kapurthala (Punjab) for issue of Cheques/demand drafts in lieu thereof.

10. Members are requested to intimate to the Company the details, if any, required in relation to this Annual Report at least 10 days before the meeting to enable the management to keep the information ready.

EXPLANATORY STATEMENT

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

Item No. 4

Mr. Narender Sapra was appointed as an Additional Director on 6th October, 2008. This appointment was made by the Board of Directors, under Article 109 of the Articles of Association of the Company. Mr. Narender Sapra was designated as a Whole Time Director of the Company w.e.f. 28th November, 2008. He holds office upto the date of this Annual General Meeting. The Company has received a notice in writing, under Section 257 of the Companies Act, 1956, from a member proposing the name of Mr. Narender Sapra, as a candidate for the office of Director.

Mr. Narender Sapra is a Chartered Accountant and has experience of more than three decades in the fields of Finance, Accounts and Administration. He has long association with the Company and has held various senior posts in the Company in the past. The approval of the shareholders is being sought to appoint him as a Whole Time Director for a period of three years w.e.f. 28th November, 2008 on the terms and conditions stated in the proposed resolution.

The remuneration now paid to Mr. Narender Sapra, or as may be paid to him after refixation by the Board from time to time shall be in accordance with the Part II of Schedule XIII to the Companies Act, 1956. As the Company has earned no profits during the year under review, General information as required under the said schedule is attached and forms part of the Notice.

The Notice and the Explanatory Statement in respect of the aforesaid resolution may be treated as abstract of the terms of appointment of Mr. Narender Sapra, under Section 302 of the Companies Act, 1956.

The Board commends the resolution for approval.

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

Item No. 5

Mr. Ravi Manchanda was appointed as an Additional Director on 6th October, 2008. This appointment was made by the Board of Directors, under Article 109 of the Articles of Association of the Company. He holds office upto the date of this Annual General Meeting. The Company has received a notice in writing, under Section 257 of the Companies Act, 1956, from a member proposing the name of Mr. Ravi Manchanda, as a candidate for the office of Director. Mr. Ravi Manchanda is an Engineering graduate and holds Post Graduate Diploma in Marketing. He has experience of around three decades in the fields of Project management and Administration. Mr. Ravi Manchanda is an employee director. The terms and conditions of his appointment will be fixed by the Board, from time to time, in the exercise of its discretion as may be considered appropriate. The remuneration now paid to Mr. Ravi Manchanda, or as may be paid to him after refixation by the Board shall be in accordance with the Part II of Schedule XIII of the Companies Act, 1956.

The Notice and the Explanatory Statement in respect of the aforesaid resolution may be treated as abstract of the terms of appointment of Mr. Ravi Manchanda, under Section 302 of the Companies Act, 1956.

The Board commends the resolution for approval.

None of the Directors except Mr. Ravi Manchanda is interested in the resolution.

Item No. 6

Mrs. Kiran Kapur was appointed as an Additional Director on 27th November, 2008. This appointment was made by the Board of Directors, under Article 109 of the Articles of Association of the Company. She holds office upto the date of this Annual General Meeting. The Company has received a notice in writing, under Section 257 of the Companies Act, 1956, from a member proposing the name of Mrs. Kiran Kapur, as a candidate for the office of Director. Mrs. Kiran Kapur is an undergraduate and has vast administration and management experience of around three decades.

The Board commends the resolution for approval.

None of the Directors except Mrs. Kiran Kapur is interested in the resolution.

Item No. 7

Presently the equity shares of your Company are listed at Bombay Stock Exchange Ltd., Delhi Stock Exchange Ltd., The Calcutta Stock Exchange Association Ltd. and Ludhiana Stock Exchange Ltd. However, the equity shares of your Company are traded on Bombay Stock Exchange Ltd. only.

In view of the above, your Directors at their Meeting held on 9th June, 2009, have approved the voluntary de-listing of equity shares of the Company from Stock Exchanges situated at Delhi, Ludhiana and Calcutta, subject to approval of the shareholders and completion of necessary formalities in this regard in terms of the Securities & Exchange Board of India (De-listing of Securities) Guidelines, 2003.

The proposed voluntary de-listing of equity shares of your Company from the said three Stock Exchanges will not adversely affect any investor including the Members located in the regions where the said Stock Exchanges are situated. As the equity shares of your Company shall continue to remain listed on Bombay Stock Exchange no exit option is required to be offered to the shareholders. Further, de-listing of equity shares from the said Stock Exchanges will entail savings in Annual Listing Fees and other administrative costs.

The Board commends the resolution for approval.

None of the Directors is interested in the resolution.

Item No. 8

In terms of the resolution passed in the Forty-sixth Annual General Meeting of the Company held on 30th September, 1991, the Board of Directors of the Company was authorized to borrow upto a total of Rs. 200 Crores. The Company has under consideration various schemes for further modernization, expansion of the existing activities as well as certain diversification programmes involving possible additional borrowings by way of term loans/debentures and/or deferred credits. It is, therefore necessary for the Board of Directors to make arrangements for borrowing in excess of the present limit of Rs. 200 Crores. As required under the provisions of Section 293(1)(d) of the Companies Act, 1956, consent of the Members is therefore, being sought for borrowing in excess of the aggregate of the Company's paid up capital and free reserves upto an amount not exceeding Rs.400 Crores.

The Board commends the resolution for approval.

None of the Directors is interested in the resolution.

Item No. 9

The existing Article 118 of the Articles of Association of the Company provides for payment of sitting fee of Rs.750/- for attending each meeting of the Board of Directors or a Committee of Directors or any other meeting thereof. Keeping in view the Directors' responsibility in healthy corporate governance, the Board feels that the existing sitting fee is far below the limit specified under Section 310 of the Companies Act, 1956. It is, therefore felt necessary by the Board of Directors to increase the existing sitting fee limit. As required under the provisions of the Companies Act, 1956, consent of the Members is therefore, being sought for amendment in the Articles of Association of the Company.

The Board commends the resolution for approval.

The Directors may be deemed to be interested to the extent of their entitlement for the sitting fees payable to them.

Statement pursuant to the provisions of Clause (B) of Section II of Part II of Schedule XIII to the Companies Act, 1956 with respect to Item No. 4**General Information:**

The Company is a multi-product company manufacturing Alcoholic Beverages (being Indian Made Foreign Liquor and Country Liquor), Malted Milkfood, Dairy Products, Glass and Plastic Containers. However, the Alcoholic Beverages business is the major activity of the Company.

The Company was established in the year 1944 and is in continuous operation since then. The financial performance of the Company for the last ten years is attached and forms part of the Annual Report being sent to the shareholders alongwith the Notice for the Annual General Meeting. The Company exported the goods worth Rs. 104,116 thousand calculated on FOB basis during the year. The Company does not have any foreign collaborator.

Information about the appointee:

Mr. Narender Sapra was appointed as an Additional Director of the Company and has been designated as Whole Time Director of the Company w.e.f. 28th November, 2008. Mr. Narender Sapra holds the office upto the date of this Annual General Meeting (AGM) of the Company. Approval of the shareholders is being sought for appointing him as Whole Time Director of the Company for a period of three years w.e.f. 28th November, 2008. Mr. Narender Sapra is a Chartered Accountant having experience of more than three decades in the fields of Finance, Accounts and Administration. He has a long association with the Company and has held various senior posts in the Company in the past. Based upon his past performance in the Company he was appointed as a Director and was designated as the Whole Time Director of the Company. The terms of appointment and remuneration are enumerated in the proposed resolution. The remuneration now paid to Mr. Narender Sapra, or as may be paid to him after refixation by the Board from time to time, shall be in accordance with the Part II of Schedule XIII to the Companies Act, 1956.

In view of his qualification, experience, nature of his duties and the size of the Company his remuneration is justified. Mr. Narender Sapra does not have any pecuniary relationship with the Company and is not related to any other managerial personnel.

Other Information:

During the Financial Year 2008-09, the operations of the Company were affected due to temporary reduction in the distillation capacity by 50% at its distillery at Hamira, Distt. Kapurthala, Punjab. The loss of production of Extra Neutral Alcohol (ENA) was compensated by procurement of ENA from other manufacturers. The reduction in the capacity was ordered by Punjab Pollution Control Board, Punjab pending compliance of certain activities (including installation of Multi Effect Evaporator and Slops Fired Boiler/Incinerator) relating to effluent treatment. All the activities were required to be completed by 30th June, 2009 and after the completion of all the activities, the Capacity was to be reinstated at its original level. The Company has since complied with all the requirements of the order of Hon'ble Punjab & Haryana High Court and the capacity has since been reinstated to the original level vide order of the Hon'ble Punjab & Haryana High Court dated 9th June, 2009. The Company is confident of achieving the full capacity utilization during the balance period of the current year and improve the margins substantially.



JAGATJIT INDUSTRIES LIMITED

JAGATJIT NAGAR, DISTT. KAPURTHALA (PUNJAB)

PROXY FORM

DP ID	
Client ID	

Folio No.	
-----------	--

I/We
of
being a member/members of JAGATJIT INDUSTRIES LIMITED hereby appoint Mr./Ms.
.....
of
or failing him/her Mr./Ms.
of
as my/our proxy, to attend and vote for me/us on my/our behalf at the 64th Annual General Meeting of the Company to be held at 09.30 A.M. on Friday, the 25th day of September, 2009 and at any adjournment thereof.

Affix a Revenue Stamp

Signed this day of2009 Signatures

Note: The proxy in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting at which the person named in the proxy proposes to vote.



JAGATJIT INDUSTRIES LIMITED

JAGATJIT NAGAR, DISTT. KAPURTHALA (PUNJAB)

ATTENDANCE SLIP

DP ID	
Client ID	

Folio No.	
-----------	--

Particulars to be completed by the Member

Name of the Member

(IN BLOCK LETTERS)

No. of Shares held

Name of the Proxy, if attending for Member

(IN BLOCK LETTERS)

I hereby record my presence at the 64th ANNUAL GENERAL MEETING held in Jagatjit Nagar, District Kapurthala at 09.30 A.M. on Friday, the 25th day of September, 2009.

(To be signed and handed over at the Reception)

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



