

JAGATJIT INDUSTRIES LIMITED

Annual Report

for the year ended 31st March, 2011





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, 2011.

FINANCIAL RESULTS

	2010-11	(Rs.'000) 2009-10
Profit for the year after charging all expenses excluding financing charges and depreciation	855,249	469,134
Deduct: Financing Charges	217,032	229,390
Cash Profit	638,217	239,744
Deduct : Depreciation/Amortization	287,536	193,399
Profit/(Loss) for the year before taxation	350,681	46,345
Tax Expenses		
- Current Tax		
- For the year	70,802	8,416
- Mat credit Entitlement	(8,842)	—
Deferred Tax (Benefit)/Charge	36,105	(26,655)
Profit/(Loss) after tax for the year	252,616	64,584
Profit brought forward from previous year	651,470	1,226,434
Total profit available for appropriations	904,086	1,291,018
APPROPRIATIONS		
Transfer to Capital Redemption Reserve	—	57,941
Premium on share Re-purchase (Buy-back)	—	581,607
Balance Carried to Balance Sheet	904,086	651,470
	904,086	1,291,018

SALES & PROFIT

During the year under report, the Gross Turnover (including income from Services & Other Sources) was Rs.1413.70 Crores as compared to Rs. 942.97 Crores during the previous year and the profit before taxation increased to Rs.3506.81 Lacs as compared to Rs.463.45 Lacs during the previous year.

DIVIDEND

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

DIRECTORS

Mrs. Kiran Kapur and Mr. Ravi Manchanda, Directors retire by rotation, are eligible and offer themselves for re-appointment.

SUBSIDIARIES

In terms of the General Circular No.2/2011, dated 8th February, 2011, issued by the Ministry of Corporate Affairs, the documents as prescribed under Section 212(1) of the Companies Act, 1956, in respect to the subsidiary companies viz. M/s. Anjani Estates Limited, M/s. Sea Bird Securities Private Limited, M/s. S. R. K. Investments Private Limited and M/s. JIL Trading Private Limited are not being attached with the balance sheet of the Company. However, the consolidated financial statements of the Company and all its subsidiary companies duly audited by the Statutory Auditors are being presented in the Annual Report of the Company. We undertake that annual accounts of the subsidiary companies and the detailed information shall be made available to shareholders of the holding and subsidiary companies seeking such information at any point of time.

Directors' Report

FIXED DEPOSITS

As on 31st March, 2011, 338 persons whose Fixed Deposits/Loans with the Company amounting to Rs. 93.24 Lacs had become due for payment during the year, did not claim or renew their Deposits/Loans. Out of these, Fixed Deposits/Loans of 124 persons amounting to Rs.38.71 Lacs have since been renewed/paid.

AUDITORS

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

COST AUDITORS

M/s. R. J. Goel & Co., Cost Accountants, Delhi has been reappointed as Cost Auditors to carry out the audit of the Company's cost records in respect of Industrial Alcohol and Milk Food for the Financial year ending 31st March, 2012. The reports of M/s. R. J. Goel & Co., Cost Accountants, in respect of audit of the cost accounts relating to Industrial Alcohol and Milk Food for the year ended on 31st March, 2011 will be submitted to the Central Government in due course.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors hereby state that :

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

CORPORATE GOVERNANCE

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

PARTICULARS OF EMPLOYEES

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

INFORMATION UNDER THE LISTING AGREEMENTS WITH STOCK EXCHANGES

The shares of your Company are listed at the Ludhiana, Delhi and Mumbai Stock Exchanges. The Listing fees for the financial year 2011-12 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, banks and government officials.

For and on behalf of the Board

Place : New Delhi
Date : 20th July, 2011

Sd/-
Narender Sapra
Whole Time Director

ANNEXURE TO THE DIRECTORS' REPORT 2010-11

**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, 2011.

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 2009-10 is as under (in respect of Dairy, Food Processing and Glass Units).

FORM A

CONSERVATION OF ENERGY

(A) Power & Fuel Consumption

	2010-11	2009-10
1. Electricity		
(a) Purchases		
Units (KWH)	13,922,099	13,559,193
Total amount (Rs.)	54,496,170	58,228,411
Rate/Unit (Rs.)	3.91	4.29
(b) Own Generation		
(i) Through Diesel generator Units (KWH)	622,655	1,472,520
Units per litre of diesel oil (KWH)	2.80	3.09
Cost/Unit (Rs.)	12.17	9.76
(ii) Through Steam turbine/generator		
Units (KWH)	10,213,619	8,975,909
Units per kg. of steam (KWH)	0.74	0.74
Cost/Unit (Rs.)	0.98	0.78
(iii) Through Gas generator		
Units (KWH)	2,118,495	339,976
Units per SCM of gas (KWH)	3.78	4.41
Cost/Unit (Rs.)	3.95	3.31
2. Furnace Oil		
Quantity (Tonnes)	62	—
Total Amount (Rs.)	1,413,974	—
Average Rate (Rs.)	22,813.39	—
3. Natural Gas		
Quantity (Cubic Meters)	14,102,037	13,810,930
Total Cost (Rs.)	223,150,270	199,286,443
Rate/Cubic Meter (Rs.)	15.82	14.43
4. LPG Gas		
Quantity (Tonnes)	14	2
Total Cost (Rs.)	513,695	66,491
Rate/MT (Rs.)	35,748	35,748
5. Others/Internal Generation		
Husk		
Quantity (Tonnes)	46,019	40,306
Total Cost (Rs.)	166,751,557	123,217,164
Rate/Unit (Rs.)	3,624	3,057

(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. 26, 27, 28 and 29 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 and Glass Containers. However, as the Alcoholic Beverages business is the major activity, the Management Discussion and Analysis Report is mainly restricted to the Alcoholic Beverages only.

A. INDUSTRY OVERVIEW

Alcoholic Beverage industry in India comprises of Indian Made Foreign Liquor (IMFL) and Country Liquor. IMFL consists of Whisky, 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 180 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 17 million cases per annum in the state of Punjab.

Your Company has a market share of around 8% of IMFL industry with ARISTOCRAT, ARISTOCRAT PREMIUM, AC BLACK, BONNIE SPECIAL, BINNIES and AC SEKC as the leading brands available across the country. 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 for home production and also on the Contract Manufacturing basis for the leading manufacturers in this industry.

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

Further, the outlook of the Liquor Industry appears to be promising. The industry is growing @ 12-15% per annum and the growth is likely to continue in near future. The consumption of liquor in India has been in an uptrend in the past few years and is expected to improve further. The 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. With the cost of raw materials remaining stable and increasing sales turnover, your Company is hopeful of posting better results in the current year and maintain the same in the coming years. The market scenario during the current year also appears to be encouraging and the demand of liquor is improving constantly. To meet its production requirements in IMFL, the Company has also entered into lease and bottling agreements to augment its production capacity. To further improve the market share and the profitability, the Company proposes to enter in the premium segment of Alcoholic Beverages.

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

Prices of raw materials remained stable 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.

Continued

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	9	9	-	-	No
Mr. Surjit Singh Bawa	Non-Executive Independent	9	9	-	-	No
Mr. Arvind Behl	Executive	9	9	7	-	No
Mr. Narender Sapra	Executive	9	9	6	-	Yes
Mr. Ravi Manchanda	Executive	9	9	7	-	No
Mrs. Kiran Kapur	Non-Executive Independent	9	9	2	-	No

The Company held nine Board Meetings during the period under review i.e on 15th May, 2010, 1st June, 2010, 19th June, 2010, 31st July, 2010, 14th August, 2010, 13th November, 2010, 27th December, 2010, 1st January, 2011 and 14th February, 2011.

Mrs. Kiran Kapur and Mr. Ravi Manchanda, Directors, retire at the ensuing Annual General Meeting, are eligible and offer themselves for re-appointment.

Mrs. Kiran Kapur is an undergraduate and has vast administration and management experience of around three decades. Mrs. Kiran Kapur is a Director of following other Companies :

1. Jagatjit Properties And Developers Private Limited
2. Yaduvanshi Board Mills Private Limited

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

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 a Director of following other Companies :

1. Grand Regency Hospitalities Private Limited
2. Ispace Developers Private Limited
3. Jagatjit Bottlers Private Limited.
4. Vasu Realcon Private Limited
5. Axis Buildwell Private Limited

Directors' Report

6. Gaiety Infracon Private Limited
7. Fortuine Infratech Private Limited

Mr. Ravi Manchanda is not holding Chairmanship/membership of any of the Committees in any other public limited Company. He 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.

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

During the year under review the Audit Committee held five meetings i.e on 15th May, 2010, 31st July, 2010, 14th August, 2010, 13th November, 2010 and 14th February, 2011.

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. Narender Sapra	5	5

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.

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

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

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

Name of the Director	Salary (Rs.)	Perquisites & others (Rs.)	Total (Rs.)
Mr. Narender Sapra	38,40,000	18,16,159	56,56,159
Mr. Arvind Behl	13,80,000	8,28,076	22,08,076
Mr. Ravi Manchanda	13,80,000	9,03,440	22,83,440

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

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

Sl. No.	Name of the Directors	Total Sitting Fees Paid (Rs.)
1.	Mr. Surjit Singh Bawa	3,40,000
2.	Mrs. Gita Bawa	3,40,000
3.	Mrs. Kiran Kapur	2,00,000

During the year under review the Remuneration Committee held one meeting on 15th November, 2010.

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.	Mrs. Kiran Kapur	1	1

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.

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 three complaints from shareholders and the said complaints were redressed during the year ended 31st March, 2011.

No transfer was pending on 31st March, 2011 for more than 30 days of its receipt.

During the year under review the Investors Grievance Committee held two meetings i.e on 13th November, 2010 and 14th February, 2011.

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	2	2
2.	Mrs. Gita Bawa	2	2
3.	Mr. Narender Sapra	2	2
4.	Mr. Arvind Behl	2	2

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
2008	30.09.2008	Tuesday	11.00 A.M.
2009	25.09.2009	Friday	09.30 A.M.
2010	30.09.2010	Thursday	09.30 A. M

The Company has passed five Special Resolutions 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 : 20th July, 2011

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.

Directors' Report

9. Means of Communication

The Quarterly and the Annual financial results are submitted to the Stock Exchanges in accordance with the Listing Agreement and are published in newspapers in a widely circulated English daily and a Punjabi daily as required under the Listing Agreement. These results are displayed on the website of the Company www.jagatjit.com under the heading investor. 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 : 29th September, 2011
Time : 09.30 A.M.
Venue : Registered Office

b) Financial Calendar (2011-12)

(i) First Quarter Results : Mid of August, 2011
(ii) Second Quarter Results : Mid of November, 2011
(iii) Third Quarter Results : Mid of February, 2012
(iv) Annual Results : End of June, 2012

c) Dates of Book Closure

The Register of Members and Share Transfer Books will remain closed from 24th September, 2011 to 29th September, 2011 (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

The Listing Fees for the year 2011-12 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, 2010	73.30	53.85	18047.86	17276.80
May, 2010	71.80	60.00	17536.86	15960.15
June, 2010	70.00	61.00	17919.62	16318.39
July, 2010	85.75	65.55	18237.56	17395.58
August, 2010	108.50	75.50	18475.27	17819.99
September, 2010	122.25	100.00	20267.98	18027.12
October, 2010	130.00	104.10	20854.55	19768.96
November, 2010	115.00	81.15	21108.64	18954.82
December, 2010	94.95	75.35	20552.03	19074.57
January, 2011	92.00	72.25	20664.80	18038.48
February, 2011	80.00	63.25	18690.97	17295.62
March, 2011	72.70	65.45	19575.16	17792.17

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, 2011

Category (in Rs.)	No. of Shareholders	% of Share holders	No. of Shares held	% of Shareholding
Upto - 5000	3479	78.39	493232	01.07
5001 - 10000	418	09.42	309791	00.67
10001 - 20000	232	05.23	349764	00.76
20001 - 30000	88	01.98	222745	00.48
30001 - 40000	51	01.15	174898	00.38
40001 - 50000	29	00.65	135965	00.29
50001 - 100000	82	01.85	571877	01.24
Above - 100000	59	01.33	43889840	95.11
Total	4438	100.00	46148112	100.00

Shareholding pattern as on 31st March, 2011

Sl. No.	Category	No. of Shares held	% of total Shareholding
1.	Promoters' Holding	17357932	37.61
2.	Mutual Funds & UTI	1100	00.00
3.	Banks, Financial Institutions, Govt. Companies	1972	00.00
4.	Private Corporate Bodies	382541	00.83
5.	NRIs/FIIs (other than Promoters)	259670	00.56
6.	Indian Public	2934897	06.37
7.	Underlying shares to the GDRs	25210000	54.63
	Total	46148112	100.00

j) Dematerialisation of Shares and Liquidity

As on 31st March, 2011, 15198093 equity shares being 32.93 % 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

Directors' Report

CERTIFICATE OF COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of Jagatjit Industries Limited

We have examined the compliance of conditions of Corporate Governance by Jagatjit Industries Limited for the year ended on 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the Company entered with the Stock Exchanges.

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

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

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

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

For Sharma Sarin & Associates
Company Secretaries

Place : Chandigarh
Dated : 20th July, 2011

Sd/-
P.D. Sharma
Partner

Financial Highlights



(Rs. in lacs or as indicated)

	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02
ASSETS										
Fixed Assets (Net Block)	34684	37137	37658	33367	33881	32436	32128	33286	33164	33810
Investments	1203	1201	111	106	96	93	93	1559	4594	5590
Current Assets	40196	31969	29540	27403	24103	19082	20051	18513	16390	14608
	76083	70307	67309	60876	58080	51611	52272	53358	54148	54008
LIABILITIES										
Loans, Current Liabilities and Provisions	41932	37958	28670	21325	19716	14328	15025	15260	16363	15849
NET WORTH	34151	32349	38639	39551	38364	37283	37247	38098	37785	38159
REPRESENTED BY										
Equity Share Capital	4615	4615	5194	5194	5194	5194	5194	4944	4944	4944
Reserves and Surplus	29536	27734	33445	34357	33170	32089	32053	33154	32841	33215
TOTAL	34151	32349	38639	39551	38364	37283	37247	38098	37785	38159
OPERATING PERFORMANCE										
Revenue	141370	94297	84191	80042	63970	40775	39996	42941	43139	40053
Gross Profit Earnings	6382	2397	1390	4068	3201	1795	414	1296	1462	1827
Profit before Tax	3507	463	(211)	2402	1996	657	(61)	1579	51	490
Profit after Tax	2526	646	(450)	1762	1637	671	(85)	1103	240	557
Earning per Share (Rs.)	5.79	1.48	(0.91)	3.56	3.31	1.36	(0.17)	2.23	0.49	1.13
Book Value per Equity Share (Rs.)	74.00	70.10	74.39	76.15	73.86	71.78	71.71	77.06	76.43	77.18
GROSS EARNINGS										
As a percentage of Revenue	4.5	2.5	1.7	5.1	5.0	4.4	1.0	3.0	3.4	4.6
As a percentage of Fixed Assets	18.4	6.5	3.7	12.2	9.4	5.5	1.3	3.9	4.4	5.4
As a percentage of Capital Employed	11.8	4.8	2.7	8.6	6.9	4.2	1.0	2.9	3.2	4.0

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, 2011, 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, 2011 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2011 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, 2011;
 - (ii) in the case of the Profit & Loss Account, of the profit 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.

Place : New Delhi
Date : 20th July, 2011

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

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, 2011)

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

Auditors' Report

Continued

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, Custom duty, Excise duty, Cess and other statutory dues which were outstanding, at the Balance Sheet date, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess as at March 31, 2011 which have not been deposited on account of a dispute, are as follows:-

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
EXCISE DUTY				
Central Excise Act, 1944	Demand of 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
SERVICE TAX				
The Finance Act, 1994	Wrong availment of Service Tax Cenvat Credit	13,127,235	October 2003 to September 2007	CESTAT, New Delhi
The Finance Act, 1994	Penalty in the above matter	13,127,235	October 2003 to September 2007	CESTAT, New Delhi
The Finance Act, 1994	Wrong availment of Service Tax Cenvat Credit	6,970,632	October 2007 to September 2008	CESTAT, New Delhi
The Finance Act, 1994	Penalty in the above matter	6,970,632	October 2007 to September 2008	CESTAT, New Delhi
SALES-TAX				
Punjab Haryana General Sales Tax Act	Purchase Tax	325,247	1999-2000	Deputy Excise & Taxation Commissioner (Appeals), Patiala
Sales Tax under Bihar Finance Act	Inclusion of excise duty to determine gross turnover	1,896,695	1984-1985	Commercial Tax Tribunal, Ranchi
Central Sales Tax Act	Liquor stock destroyed, reprocessed and resold	133,017	1988-89	Sales Tax Appellate Tribunal, Hyderabad
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	Sales 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, 2011 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 : 20th July, 2011

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

Balance Sheet

as at March 31, 2011

			As at March 31 2011 Rs. '000	As at March 31 2010 Rs. '000
Sources of Funds	Shareholders' Funds	Schedule		
	Capital	1	461,481	461,481
	Reserves and Surplus	2	2,953,607	2,773,357
	Loan Funds	3		
	Secured Loans		1,181,783	769,166
	Unsecured Loans		606,183	806,507
	Deferred Tax Liability (Net)	4	<u>216,734</u>	<u>180,629</u>
			<u>5,419,788</u>	<u>4,991,140</u>
Application of Funds	Fixed Assets	5		
	Gross Block		6,253,210	6,193,816
	Less : Depreciation		<u>2,815,332</u>	<u>2,523,107</u>
	Net Block		3,437,878	3,670,709
	Capital Work-in-Progress		<u>30,495</u>	<u>42,955</u>
			<u>3,468,373</u>	<u>3,713,664</u>
	Investments	6	120,309	120,057
	Current Assets, Loans & Advances			
	Inventories	7	1,175,911	1,066,886
	Sundry Debtors	8	1,706,082	1,452,562
	Cash & Bank Balances	9	394,347	271,279
	Other Current Assets	10	8,947	11,798
	Loans & Advances	11	<u>734,282</u>	<u>394,366</u>
			<u>4,019,569</u>	<u>3,196,891</u>
	Less : Current Liabilities & Provisions	12		
	Liabilities		1,946,272	1,880,026
	Provisions		<u>242,191</u>	<u>159,446</u>
	Net Current Assets		<u>1,831,106</u>	<u>1,157,419</u>
			<u>5,419,788</u>	<u>4,991,140</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
Firm Registration No. 002336N

New Delhi
20th July, 2011

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, 2011



	Schedule	For the year ended March 31 2011 Rs. '000	For the year ended March 31 2010 Rs. '000
Income			
Gross Sales [Note I 8(a), 21 II B 15, 33]	21	13,194,993	8,746,718
Less: Rebate and Commission		43,342	26,517
		<u>13,151,651</u>	<u>8,720,201</u>
Less : Excise duty on sales [Note I 8 (a), 21 II B 15]	21	3,798,998	2,381,032
Net Sales		9,352,653	6,339,169
Services	13	345,217	434,778
Other Income	14	640,111	274,734
		<u>10,337,981</u>	<u>7,048,681</u>
Expenditure			
Consumption of Materials	15	4,230,314	2,830,845
Purchases for Resale		505,310	298,232
Manufacturing Expenses	16	1,240,485	970,792
Excise Duty		129,333	49,055
Personnel	17	738,621	555,373
Administration & Selling	18	2,689,081	1,815,667
Interest	19	217,032	229,390
Depreciation [Note 21 II (B) 2]	21	287,536	193,399
		<u>10,037,712</u>	<u>6,942,753</u>
Decrease/(Increase) in Work-in-Progress and Finished Goods	20	(50,412)	59,583
		<u>9,987,300</u>	<u>7,002,336</u>
Profit/(Loss) before Tax		350,681	46,345
Less: Tax Expenses			
Current tax :			
- For the year		70,802	8,416
- MAT Credit Entitlement		(8,842)	—
Deferred Tax (benefit)/charge	4	36,105	(26,655)
		<u>98,065</u>	<u>(18,239)</u>
Profit/(Loss) after Tax		252,616	64,584
Profit brought forward from previous year		651,470	1,226,434
Amount Available for Appropriation		904,086	1,291,018
Less : Transfer to Capital Redemption Reserve		—	57,941
Less : Premium on Share Re-Purchase (Buy-Back)		—	581,607
		<u>—</u>	<u>639,548</u>
Balance Carried to Balance Sheet after appropriation		904,086	651,470
Basic/Diluted Earning per Share (Rs.) (Nominal Value of Rs.10 each) [Note 21 II (B)16]	21	5.79	1.48
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
Firm Registration No. 002336N

New Delhi
20th July, 2011

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, 2011

	2011 (Rs. '000)	2010 (Rs. '000)
A. Cash Flow from Operating Activities:		
Net Profit/(Loss) before tax	350,681	46,345
Adjustments for:		
Depreciation	287,536	193,399
Interest Expense	217,032	229,390
Interest Income	(21,074)	(7,267)
Income from Investment - Dividends	(642)	(30)
(Profit)/Loss on Fixed Assets sold (net)	(302,610)	(23,143)
Fixed Assets written off	774	844
Debts / Advances/Stock written off	19,044	5,245
Provision for Bad & Doubtful Debts and Advances	5,214	3,347
Liability no longer required written back	(17,713)	(9,790)
Provision for Gratuity & Leave Encashment	52,119	11,874
Provision for Inventory for Obsolete/ Damaged Stock	—	209
Unrealised Foreign Exchange (gain)/loss (net)	(626)	(844)
Other Provision for Current Liabilities	968	83
Operating Profit before Working Capital Changes	590,703	449,662
Adjustments for changes in Working Capital :		
(Increase)/ Decrease in Sundry Debtors	(267,725)	(319,594)
(Increase)/ Decrease in Other Receivables	(52,842)	(6,786)
(Increase)/ Decrease in Other Current Assets	(9,868)	(7,227)
(Increase)/ Decrease in Inventories	(126,743)	96,006
Increase/ (Decrease) in Trade and Other Payables	80,435	139,763
Cash generated from operations	213,960	351,824
Taxes (Paid)/ Received (Net of TDS)	5,574	4,463
Net Cash from/ (used) Operating Activities	219,534	356,287
B. Cash flow from Investing Activities:		
Fixed Assets / Capital Work- in -Progress	(181,701)	(200,147)
Proceeds from Sale of Fixed Assets and advances	363,532	365,697
Advances to Subsidiaries	(301,646)	—
Purchase of investments	(252)	(108,999)
Interest Received (Revenue)	18,142	8,334
Dividend Received	642	30
Release/(Addition) of Cash (from)/for restrictive use	(5,665)	(383)
Net Cash from Investing Activities	(106,948)	64,532
C. Cash Flow from Financing Activities:		
Proceeds from Bank Borrowings		
Receipts/ (Payments)	412,617	(17,318)
Proceeds from Fixed Deposits		
(Payments)/ Receipts	(200,324)	476,242
Interest Paid	(206,747)	(207,018)
Share Buy Back	—	(639,548)
Interest Paid - Capitalised	(278)	(5,646)
Dividend Paid	(451)	(5)
Release/(Addition) of Cash (from)/for restrictive use	(22,049)	(95)
Net cash used in Financing Activities	(17,232)	(393,388)
Adjustment for Unrealised Foreign Exchange Fluctuation	—	(10)
Net Increase/ (Decrease) in Cash & Cash Equivalents	95,354	27,421
Cash and Cash Equivalents at the beginning of the year	245,707	218,286
Cash and Cash Equivalents at the end of the year	341,061	245,707
	2011 (Rs. '000)	2010 (Rs. '000)
Cash and Cash Equivalents Comprise		
Cash, Cheques & Drafts (in hand) and Remittances in transit	41,330	39,795
Balance with Scheduled Banks	299,731	205,912
	341,061	245,707
Cash and Cash Equivalents Include :		
Cash and Bank Balances	341,061	245,707
Total Cash and Cash Equivalents	341,061	245,707

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. 53,286 thousand (Previous year - Rs. 25,572 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

Nitin Chaudhry

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

New Delhi
20th July, 2011

K.K. Kohli
Company Secretary

Anil Girotra
Finance Director

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

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

Schedules

Annexed to the Accounts



	As at March 31 2011 Rs. '000	As at March 31 2010 Rs. '000
1. Share Capital		
AUTHORISED CAPITAL		
75,000,000 (Previous year—75,000,000) Equity Shares of Rs.10 each	<u>750,000</u>	<u>750,000</u>
	<u>750,000</u>	<u>750,000</u>
ISSUED AND SUBSCRIBED CAPITAL		
46,148,112 (Previous year—46,148,112) Equity Shares of Rs.10 each fully paid up.	<u>461,481</u>	<u>461,481</u>
	<u>461,481</u>	<u>461,481</u>
NOTE ON EQUITY SHARES ISSUED:		
	No. of Shares	No. of Shares
Original issue of Equity Shares	<u>500,000</u>	<u>500,000</u>
Less : Equity Shares Forfeited due to non payment of calls	<u>170,492</u>	<u>170,492</u>
	<u>329,508</u>	<u>329,508</u>
Add : Forfeited Equity Shares issued to existing share holders on pro-rata basis at Rs. 2.50 per share	<u>169,737</u>	<u>169,737</u>
	<u>499,245</u>	<u>499,245</u>
Add : Bonus Equity Shares issued		
1970	<u>131,803</u>	<u>131,803</u>
1972	<u>126,209</u>	<u>126,209</u>
1976	<u>757,257</u>	<u>757,257</u>
1985	<u>1,514,514</u>	<u>1,514,514</u>
1988-89	<u>3,029,028</u>	<u>3,029,028</u>
1992-93	<u>6,058,056</u>	<u>6,058,056</u>
1994-95	<u>12,116,112</u>	<u>12,116,112</u>
Total Bonus Equity Shares issued	<u>23,732,979</u>	<u>23,732,979</u>
Add : GDR issue (Note 1)	<u>25,210,000</u>	<u>25,500,000</u>
Add : Preferential allotment (Note 2)	<u>2,500,000</u>	<u>2,500,000</u>
Less : Shares repurchased (Buy-Back) (Note 3)	<u>5,794,112</u>	<u>5,794,112</u>
Total	<u>46,148,112</u>	<u>46,148,112</u>
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 were under the lock-in-period of three years from the date of allotment.	
Note 3	5,794,112 Equity Shares of Rs. 10 each fully paid up bought back by the company as directed by the Hon'ble Company Law Board (CLB), vide their order dated 12.03.2009.	
2. Reserves and Surplus		
CAPITAL RESERVE		
Surplus on forfeited shares sold	<u>6</u>	<u>6</u>
Capital Redemption Reserve	<u>57,941</u>	<u>57,941</u>
REVALUATION RESERVE [Schedule 21 II (B) 2]		
Revaluation Reserve as at the beginning of the year	<u>1,470,060</u>	<u>1,524,219</u>
Less : Adjusted during the year	<u>27,072</u>	<u>13,225</u>
Less : Transferred to Profit & Loss Account [Includes Impairment of Fixed Assets Rs. 6,135 thousand (Previous Year Rs. Nil) (Refer Schedule 21 II B 5)]	<u>45,294</u>	<u>40,934</u>
	<u>1,397,694</u>	<u>1,470,060</u>
SECURITIES PREMIUM ACCOUNT	<u>348,348</u>	<u>348,348</u>
GENERAL RESERVE	<u>245,532</u>	<u>245,532</u>
PROFIT & LOSS ACCOUNT	<u>904,086</u>	<u>651,470</u>
	<u>2,953,607</u>	<u>2,773,357</u>

Schedules

Continued

		As at March 31 2011 Rs. '000	As at March 31 2010 Rs. '000
3. Loans	SECURED		
[Schedule 21 II (B) 11]	From Banks		
	Term Loan *	870,422	538,639
	Cash Credit/Overdraft	225,566	206,282
	Car Loans**	44,641	20,302
	From others		
	Car Loans***	41,154	3,943
		<u>1,181,783</u>	<u>769,166</u>

* (Repayable within one year Rs. 454,856 thousand; Previous year — Rs. 154,817 thousand)

** (Repayable within one year Rs. 19,311 thousand; Previous year — Rs. 9,386 thousand)

*** (Repayable within one year Rs. 9,437 thousand; Previous year — Rs. 3,886 thousand)

	UNSECURED		
	Fixed Deposits	599,653	800,329
	From others	6,530	6,178
		<u>606,183</u>	<u>806,507</u>

		As at April 1 2010 Rs. '000	Adjustment	For the Year Rs. '000	As at March 31 2011 Rs. '000
4. Deferred Tax Liability (Net)	DEFERRED TAX LIABILITY				
[Schedule 21 I 12]	Fixed Assets	362,347	—	(54,491)	307,856
	DEFERRED TAX ASSET				
	Statutory Liabilities	(12,971)	—	4,887	(8,084)
	Employee Retirement Benefits	(53,445)	—	(16,083)	(69,528)
	Provision for Bad Debts	(12,363)	—	(1,147)	(13,510)
	Long Term Capital Loss Brought forward	(11,635)	—	11,635	—
	Business Loss of AY 2010-11	(91,304)	—	91,304	—
	Total	<u>180,629</u>	<u>—</u>	<u>36,105</u>	<u>216,734</u>

Note: 1 Deferred Tax Asset on Fixed Asset as on 31st March 2011 consists of Rs. 29,681 thousand (Previous Year Rs. Nil) on account of impairment of Fixed Asset at Sikandrabad Unit (Also Refer Note 21 II B 5).

5. Fixed Assets [Schedule 21 I 3, 4, 5 & 21 II (B) 2, 3, 4, 11(a) and (d), 34]

	GROSS BLOCK - COST OR REVALUED VALUE				DEPRECIATION					NET BLOCK	
	As at April 1, 2010	Additions	Deletion/ Adjustments	As at March 31, 2011	As at April 1, 2010	For the Year	Impairment of Assets (Refer Note below)*	Deletion/ Adjustments	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010
Land											
— Free Hold	541,915	—	25,255	516,660	—	—	—	—	—	516,660	541,915
— Lease Hold	135,037	—	—	135,037	24,929	1,937	—	—	26,866	108,171	110,108
Buildings	1,903,312	37,628	59,221	1,881,719	449,452	36,124	47,066	11,335	521,307	1,360,412	1,453,860
Plant & Machinery	3,318,567	34,977	19,648	3,333,896	1,914,680	173,325	48,423	14,083	2,122,345	1,211,551	1,403,887
Patents, Trade Marks	2,898	—	—	2,898	96	290	—	—	386	2,512	2,802
Furniture & Fixtures	74,138	10,579	—	84,717	38,138	3,952	—	—	42,090	42,627	36,000
Vehicles	131,395	98,796	24,173	206,018	47,106	17,081	—	15,004	49,183	156,835	84,289
Office Equipments	86,554	6,787	1,076	92,265	48,706	4,632	—	183	53,155	39,110	37,848
	<u>6,193,816</u>	<u>188,767</u>	<u>129,373</u>	<u>6,253,210</u>	<u>2,523,107</u>	<u>237,341</u>	<u>95,489</u>	<u>40,605</u>	<u>2,815,332</u>	<u>3,437,878</u>	<u>3,670,709</u>
Previous Year	5,741,244	525,436	72,864	6,193,816	2,345,015	234,333	—	56,241	2,523,107		
Capital Work-in-progress including Capital Advances										30,495	42,955
										<u>3,468,373</u>	<u>3,713,664</u>

*The Assets of the Company have been assessed for Impairment in accordance with Accounting Standard 28 "Impairment of Assets". Consequently, Impairment of Rs. 89,354 thousand (Previous Year Rs. Nil) has been provided in the accounts during the year and Rs. 6,135 thousand (Previous year Rs. Nil) has been adjusted against revaluation reserve.

	As at March 31 2011 Rs. '000	As at March 31 2010 Rs. '000
6. Investments		
[Schedule 21 I 6 & 21 II (B) 12 & 19]		
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 993 (Previous year-993) shares of Rs.10 each fully paid	387	387
UNQUOTED		
Chic Interiors Private Limited 3,352 (Previous year-3,352) shares of Rs.10 each fully paid	34	34
L. P. Jaiswal & Sons Pvt. Ltd. 600 shares of Rs. 10 each fully paid	90,451	90,451
IN GOVERNMENT SECURITIES		
UNQUOTED		
06 year National Saving Certificates (lodged with Govt. authorities)	184	184
OTHER INVESTMENTS (CURRENT)		
IN EQUITY SHARES		
SUBSIDIARY COMPANY, UNQUOTED		
Anjani Estates Limited (Formerly Known as Binnies Estates Limited) 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]	1	1
S.R.K. Investments Pvt. Ltd. 10,000 Shares of Rs. 10 each fully paid (Purchased during the year 10,000 Shares)	100	—
Sea Bird Securities Pvt. Ltd. 4,800 Shares of Rs. 10 each fully paid (Purchased during the year 10,000 Shares)	100	48
JIL Trading Pvt Ltd. 10,000 Shares of Rs. 10 each fully paid (Purchased during the year 10,000 Shares)	100	—

Schedules

Continued

	As at March 31 2011 Rs. '000	As at March 31 2010 Rs. '000
OTHERS, UNQUOTED		
Milkfood Limited		
1,350 Shares of Rs.10 Each Fully paid	44	44
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		
Anjani Estates Limited (Formerly Known as Binnies Estates Limited)	1	1
9 (Previous year-9) 10% Redeemable Cumulative Shares of Rs.100 each fully paid		
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
Qube Corporation Pvt. Ltd	18,000	18,000
1,800,000 Cumulative Redeemable preference shares of Rs. 10 each		
IN MUTUAL FUNDS		
Principal PNB Long Term Equity Fund - 3 year Plan - Series I & II	800	800
Principal PNB Long Term Equity Fund - 3 year Plan - Principal Emerging Bluechip Fund-Growth	1,000	1,000
Principal Mutual Fund		
UTI Infrastructure Advantage Fund Series I	500	500
	120,309	120,057
Aggregate Value of Unquoted Investments	109,139	108,887
Aggregate Value of Quoted Investments/Mutual Funds	11,170	11,170
Market Value/NAV of Quoted Investments/Mutual Funds	44,972	44,987
7. Inventories		
[Schedule 21 I 7]		
Raw and Packing Materials	442,662	409,440
Less : Provision for obsolete inventory	1,544	3,024
	441,118	406,416
Stores and Spare Parts	103,978	103,888
Finished Goods		
Subject to Central Excise Duty	69,085	90,944
Others	551,411	451,326
Work-in-Progress	10,319	14,312
	1,175,911	1,066,886

		As at March 31 2011 Rs. '000	As at March 31 2010 Rs. '000
8. Sundry Debtors			
[Schedule 21 II (B) 30]	More than six months old		
	Unsecured-Considered Good	100,554	162,413
	Unsecured-Considered Doubtful	<u>43,458</u>	<u>39,077</u>
		144,012	201,490
	Other Debts		
	Unsecured-Considered Good	1,605,528	1,290,149
		<u>1,749,540</u>	<u>1,491,639</u>
	Less : Provision for Doubtful Debts	<u>43,458</u>	<u>39,077</u>
		<u><u>1,706,082</u></u>	<u><u>1,452,562</u></u>
9. Cash & Bank Balances			
	Cash on hand	23,088	12,295
	Cheques on hand	15,724	14,000
	Funds in transit	2,518	13,500
	Balances with Scheduled Banks —		
	Current Accounts	158,456	103,429
	Dividend Payable Accounts	159	610
	Fixed Deposits (Including Rs. 8,901 thousand; Previous year-Rs. 3,236 thousand pledged as security)	150,176	105,719
	Fixed Deposits - Liquid Assets	43,000	20,500
	Margin Money Accounts	1,226	1,226
		<u>394,347</u>	<u>271,279</u>
10. Other Current Assets			
	Interest Receivable	4,097	2,799
	Other Income Receivable	4,850	8,999
		<u>8,947</u>	<u>11,798</u>
11. Loans and Advances			
[Schedule 21 II B 6,7,12 & 30]	Advance and Loans to Subsidiaries		
	Considered Good	301,646	—
	Considered Doubtful	<u>8,109</u>	<u>8,109</u>
		309,755	8,109
	Less : Provision for Doubtful Advances	<u>8,109</u>	<u>8,109</u>
	Advances recoverable in cash or in kind or for value to be received		
	Unsecured - Considered Goods		
	Balance with Excise authorities on Current Accounts	185,714	169,754
	Advance Income Tax (Net of provisions)	—	23,140
	Others	246,922	201,472
	Unsecured - Considered Doubtful		
	Others	<u>131,139</u>	<u>131,213</u>
		865,421	525,579
	Less: Provision for Doubtful Advances	<u>131,139</u>	<u>131,213</u>
		<u><u>734,282</u></u>	<u><u>394,366</u></u>

Schedules

Continued

		As at March 31 2011 Rs. '000	As at March 31 2010 Rs. '000
12. Current Liabilities & Provisions [Schedule 21 I 14 and 21 II (B) 30]	LIABILITIES		
	Sundry Creditors		
	(i) Total outstanding dues of Micro, Small and Medium Enterprises [Refer Note 21 II (B) 14]	19,434	17,467
	(ii) Others	1,424,217	1,468,468
	Advances from Customers	45,238	43,060
	Unclaimed Dividend	159	610
	Unclaimed Deposits	9,324	8,164
	Interest accrued but not due	49,218	38,933
	Due to Directors	649	446
	Security Deposits	112,536	98,995
	Other Liabilities	285,497	203,883
		<u>1,946,272</u>	<u>1,880,026</u>
	PROVISIONS		
	Income Tax (Net of Advance tax)	29,658	—
	Fringe Benefit Tax (Net)	692	692
	Gratuity	160,159	117,214
	Leave Encashment	49,200	40,026
	Others	2,482	1,514
		<u>242,191</u>	<u>159,446</u>
13. Income from Services [Schedule 21 I 8(b)]	Income from job work (tax deducted at source Rs.5,737 thousand-Previous Year Rs.1,905 thousand)	345,217	310,704
	Income from tie-up operations (net) (tax deducted at source Rs. Nil-Previous year Rs. Nil)	—	124,074
		<u>345,217</u>	<u>434,778</u>
14. Other Income [Schedule 21 I 8(c)]	Dividends —		
	On Other Investments	642	30
	Interest on —		
	Fixed Deposits — Gross (Tax deducted at source Rs.1,163 thousand; Previous year Rs. 1,727 thousand)	13,623	6,311
	Others — Gross (Including interest on income tax Refund Rs. 5,768 thousand; Previous year Rs. 178 thousand)	7,451	956
	Tax deducted at source Rs. 470 thousand; Previous year Rs. Rs. 464 thousand)		
	Rent (Tax deducted at source Rs. 13,567 thousand; Previous year-Rs. 5,357 thousand)	128,401	140,346
	Profit on Sale of Fixed Assets	315,124	24,213
	Royalty (Tax Deducted at Source Rs. 118 thousand; Previous year-Rs. 1,445 thousand)	51,065	24,757
	Duty Drawbacks	6,718	1,819
	Insurance Claims	1,243	1,067
	Liabilities/provisions no longer required written back	17,713	9,790
	Foreign Exchange Fluctuation (Net)	1,891	3,532
	Miscellaneous Income (Tax deducted at source Rs. 450 thousand; Previous year-Rs. 227 thousand)	96,240	61,913
		<u>640,111</u>	<u>274,734</u>
15. Consumption of Materials	Opening Stocks	409,440	446,275
	Add: Purchases of raw and packing materials	4,263,536	2,794,010
		<u>4,672,976</u>	<u>3,240,285</u>
	Less : Closing Stocks	442,662	409,440
		<u>4,230,314</u>	<u>2,830,845</u>

		For the year ended March 31 2011 Rs. '000	For the year ended March 31 2010 Rs. '000
16. Manufacturing Expenses	Consumption of Stores and Spare parts excluding charged to other revenue heads Rs. 559,712 thousand (Previous year - Rs.434,518 thousand)	43,425	37,121
	Consumption of Moulds (Outside Purchase)	10,018	13,986
	Power and Fuel	709,586	616,124
	Repairs — Buildings	44,042	37,605
	— Plant and Machinery	130,442	106,394
	Other Expenses	302,972	159,562
		<u>1,240,485</u>	<u>970,792</u>
17. Personnel Expenses	Salaries, Wages, Bonus and Gratuity	631,428	461,568
	Contribution to Provident, Family Pension and Superannuation Funds	64,403	53,874
	Employees' State Insurance	14,128	11,077
	Welfare	28,662	28,854
		<u>738,621</u>	<u>555,373</u>
18. Administration and Selling Expenses	Rent (Net)	21,765	20,078
	Lease Rental	32,439	29,320
	Rates & Taxes	383,744	273,382
	Insurance	18,560	19,957
	Travelling Expenses	107,126	86,403
	Repairs to Buildings	23,641	22,802
	Other Repairs & Maintenance	33,076	25,755
	Bad Debts, Advances and Stock written off	19,044	5,245
	Provision for Doubtful Debts and advances	5,214	3,347
	Provision for Inventory for obsolete stock	—	209
	Fixed Assets written off	774	844
	Loss on sale of Fixed Assets	12,514	1,070
	Reimbursement of Expenses to Directors	7,109	4,389
	Directors Fee	880	400
	Forwarding Charges	198,446	130,425
	Selling Expenses	1,553,278	958,772
Legal & Professional Expenses	114,826	88,674	
Miscellaneous Expenses	156,645	144,595	
	<u>2,689,081</u>	<u>1,815,667</u>	
19. Interest	On Fixed Loans	189,399	196,059
	Others	27,633	33,331
		<u>217,032</u>	<u>229,390</u>
20. Decrease/(Increase) in Work-In-Progress and Finished Goods	Opening Stocks		
	Work-in-Progress	14,312	11,746
	Finished Goods (See Note 21 II B 25)	566,091	604,419
		<u>580,403</u>	<u>616,165</u>
	Closing Stocks		
	Work-in-Progress	10,319	14,312
	Finished Goods	620,496	542,270
		<u>630,815</u>	<u>556,582</u>
	Decrease/(Increase)	<u>(50,412)</u>	<u>59,583</u>

Schedules

Continued

21. Significant Accounting Policies and Notes to Accounts

I. SIGNIFICANT ACCOUNTING POLICIES:

1. BASIS FOR PREPARATION OF ACCOUNTS

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

2. USE OF ESTIMATES

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

3. FIXED ASSETS

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

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

4. 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 valuer of the remaining useful life of such assets. Leasehold land is amortised over the period of lease. Depreciation on the assets which have been impaired is provided on the basis stated in note 5 below.

5. IMPAIRMENT OF ASSETS

All assets other than inventories, investments and deferred tax assets, are reviewed for impairment, in accordance with Accounting Standard (AS 28), "Impairment of assets", issued by the Institute of Chartered Accountants of India, wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. Previously recognised impairment loss shall be increased or reversed depending on changes in circumstances. However the carrying amount after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment [21 II (B) 5 below].

6. INVESTMENTS

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

7. INVENTORIES

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

8. INCOME

- a) Sale is recognised on dispatches made from respective locations of the Company and is inclusive of excise duty wherever payable by the Company. Sales include goods sold by contract manufacturers on behalf of the Company, since risk and reward belongs to the company in accordance with the terms of the relevant contract manufacturing agreement.
- b) Revenue from job work is recognised on the completion of a relevant job.
- c) Interest on Income Tax refunds, Insurance claims, Export benefits and Other refunds are accounted for as and when amounts receivable can be reasonably determined as being acceptable to authorities. Royalty income is accounted on an accrual basis in accordance with terms specified in the relevant agreements.

9. EMPLOYEE BENEFITS

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

10. FOREIGN CURRENCY TRANSACTIONS

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

11. INTEREST ON BORROWINGS

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

12. LEASE ACCOUNTING

Operating Lease payments are recognized as an expense in the Profit and Loss Account on straight-line basis over the lease term [Note 21 II (B) 32 below].

13. TAXATION

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

14. PROVISIONS AND CONTINGENT LIABILITIES

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

II. NOTES TO ACCOUNTS

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

1. Particulars of various claims against the Company not acknowledged as debts Rs. 16,731 thousand (Previous year Rs. 44,078 thousand):
 - i) Claim by Punjab Government in respect of amount paid to Mahalaxmi Sugar Mills pending before the 'The Court of Civil Judge (Senior Division), Kapurthala' Rs. 2,174 thousand (Previous year Rs. 2,174 thousand).
 - ii) Claim in respect of case filed by ESI Corporation Rs. 615 thousand (Previous year Rs. 615 thousand).
 - iii) Employee related claims Rs. 13,942 thousand (Previous year Rs. 15,409 thousand).
 - iv) Demand and penalty on Sales Promotion Expenses disallowed by income tax Department in respect of Tie Up Unit Rs. Nil (Previous year Rs. 25,880).
 - v) There are certain claims against the Company relating to usage of trade mark etc., which have not been acknowledged as debts. The outcome of such claims is not ascertainable at this stage.
2. a) Particulars of various Excise demands under dispute Rs. 82,755 thousand (Previous year Rs. 33,107 thousand) which have not been deposited on account of dispute:
 - i) Penalty and Cess on Corrugated cartons manufactured for own consumption Rs. Nil (Previous year Rs. 15 thousand)
 - ii) Demand of Service Tax and penalty in respect of wrong availment of Service Tax Cenvat Credit Rs. 24,705 thousand (Previous year Rs. 25,681 thousand)
 - iii) Demand of Excise Duty in respect of reversal of Cenvat Credit on Turbine Rs. 7,411 thousand (Previous year Rs. 7,411 thousand)
 - iv) Demand in respect of service tax, interest and penalty on income from Tie-up Operations and Royalty Rs. 50,639 (Previous year Rs. Nil).
- b) Particulars of various Sales tax demands under dispute Rs.14,281 thousand (Previous year Rs. 14,156 thousand).
 - i) Demand on account of non-submission of sales tax forms Rs. 240 thousand (Previous year Rs. 240 thousand).
 - ii) Demand of Entry tax under U P Sales Tax Act Rs. 6,446 thousand (Previous year Rs. 6,446 thousand).
 - iii) Demand of Sales tax under U P Sales Tax Act Rs. 7,301 thousand (Previous year Rs. 7,301 thousand).
 - iv) Demand of Sales Tax under Central Sales Tax Act on account of incomplete submission of sales tax forms Rs. 294 thousand (Previous year Rs.169 thousand).
- c) 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.

(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:

	2010-11 Rs.'000	2009-10 Rs.'000
Profit/(Loss) before tax as per Profit & Loss Account	350,681	46,345
Add: Book Depreciation	287,536	193,399
Directors' Remuneration	11,028	9,890
Fixed Assets written off	774	844
Provision for wealth tax	3,535	1,600
Provision for Doubtful Debts and advances	5,214	3,347
Provision for Inventory for obsolete stock	—	209
	<u>658,765</u>	<u>255,634</u>
Less: Depreciation Chargeable as per Section 349	287,536	193,399
Profit on Sale of Fixed Assets as per Section 349(3)(d)	315,124	24,213
	<u>602,660</u>	<u>217,612</u>
Net Profit/(Loss) for the purpose of calculation of Commission u/s 198 of the Companies Act, 1956	56,105	38,022
Commission to Directors	—	—
1% of Profit	561	380
Restricted to	—	—
Managerial Remuneration	—	—
Salary and Allowances	6,600	6,096
Estimated Value of Perquisites	1,831	1,813
Commission	—	—
Contribution to Retirement Funds	1,717	1,581
Sitting Fee	880	400
	<u>11,028</u>	<u>9,890</u>

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.

	2010-11 Rs.'000	2009-10 Rs.'000
Depreciation for the year calculated in accordance with accounting policy mentioned in para 3 of I above	332,830	234,333
Less: Adjusted against Revaluation Reserve	45,294	40,934
Net depreciation for the year charged to Profit & Loss Account	<u>287,536</u>	<u>193,399</u>

3. The additions to fixed assets and work-in-progress includes interest on borrowing capitalised amounting to Rs. 323 thousand (Previous year Rs. 11,153 thousand) and Rs.Nil (Previous year Rs. Nil).
4. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) Rs. 62,222 thousand (Previous year-- Rs. 17,466 thousand).
5. "Company has reviewed the future earning of all its cash generating units in accordance with the accounting policy on impairment of assets "[Note 21 I 5 above]. Consequent to such review and due to change in market demand, during the Year the Company has impaired the carrying value of Building and Plant & Machinery of plant located at Sikandrabad being Rs. 110,353 thousand (Gross block Rs. 259,833 thousand and accumulated depreciation thereon, Rs. 149,480 thousand) to its estimated recoverable amount Rs. 14,864 thousand (being the estimated net selling price, determined on the basis of an independent valuation). Out of impairment loss of Rs.95,489 thousand arising thereon, Rs. 6,135 thousand has been adjusted against Revaluation Reserve."
6. Amount due from Directors and Company Secretary as at March 31, 2011 is Rs. 2,727 thousand (Previous year Rs. 3,020 thousand). Maximum amount due at any time during the year Rs. 6,284 thousand (Previous year Rs. 3,954 thousand).
7. Maximum amount of advances due from Subsidiary company, 'Anjani Estates Limited and S.R.K. Investments Pvt Ltd.' at any time during the year is Rs. 312,257 thousand (Previous year Rs. 8,110 thousand).

	2010-11 Rs.'000	2009-10 Rs.'000
8. Auditors' Remuneration		
For Audit (including service tax)	1,434	1,434
For Tax Audit (including service tax)	441	441
For Other Services (including service tax)	417	331
Out of Pocket Expenses	60	55
9. Prior Period Expenses/Income EXPENSES		
Consumption of Materials (Schedule 15)	19	60
Manufacturing Expenses (Schedule 16)	29	262
Personnel Expenses (Schedule 17)	19	37
Administration and Selling (Schedule 18)	682	1,686
Total	<u>749</u>	<u>2,045</u>

10. 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 earlier 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.
11. (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 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.
- (iii) 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.
- (iv) 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.
- (v) 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.
- (vi) 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.
- (vii) Short Term Loan for General Corporate Purpose is secured by hypothecation of property situated at 78, Institutional Area, Sector -18 Gurgaon and property at its works at Jagtjit Nagar.
- (b) Cash Credit/Overdraft and Working Capital Demand Loan from Banks are secured by hypothecation of stocks, stores, spares and book debts.

Schedules

Continued

- (c) A Fixed deposit of Rs. 160,039 thousand (Previous year Rs. 221,132 thousand) is guaranteed by Directors
 (d) Car Loans are secured by hypothecation of the related cars.
12. The Company has given unsecured advance to Anjani Estates Limited formerly known Binnies Estates Limited (AEL-a wholly owned Subsidiary) amounting to Rs. 12,241 thousand (Previous Year Rs. 8,111 thousand) to be repaid as per the applicable stipulation/restipulation. The Company also has an investment in equity/preference shares capital of AEL amounting to Rs. 501 thousand (Previous year Rs. 501 thousand). The accumulated losses of AEL have exceeded its capital and reserves. Accordingly, as an abundant caution the Company had made provision against unsecured advance of Rs.Nil (Previous year Rs.Nil). 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.
13. At the year end unclaimed dividend Rs. 159 thousand (Previous Year Rs. 610 thousand) and unclaimed deposits Rs. 9,324 thousand (previous year Rs. 8,164 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.
14. 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.

Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006		2010-11	2009-10
		Rs.'000	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	19,434	17,467
	Interest due	122	145
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	62,261	69,328
	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.	1,785	1,465
IV	The amount of interest accrued and remaining unpaid at the end of the year	3,865	2,080
15.	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. 3,798,998 thousand (Previous year Rs. 2,381,032 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. 129,333 thousand (Previous year Rs. 49,054 thousand) has been separately shown in Profit and Loss Account.		
16.	Earnings per share (EPS) : Numerators and denominators used to calculate basic and diluted earning per share		
		Year ended	Year ended
		31.03.2011	31.03.2010
	Net Profit/(Loss) attributable to Shareholders	252,615,375	64,584,036
	Number of equity shares in issue	43,648,112*	43,648,112*
	Basic / Diluted Earnings per share of Rs.10 each (in Rs.)	5.79	1.48

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).

17. 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	For the year ended
	March 31, 2011	March 31, 2010
	Rs. '000	Rs. '000
(i) Employers' Contribution to Superannuation Fund	20,453	17,269
(ii) Employers' Contribution to Provident Fund	43,950	36,605
(iii) Employers' Contribution to Employees' State Insurance	14,128	11,077
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, 2011, based on the following assumptions:

	For the year ended March 31, 2011	For the year ended March 31, 2010
	Leave Encashment (Unfunded)	Gratuity (Unfunded)
	Rs. '000	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)	9.78-20.04	10.54-22.45
(II) Change in the Present Value of Obligation		
(a) Present value of obligation as at April 1, 2010	40,026	117,214
(b) Interest cost	2,057	8,964
(c) Current service cost	18,690	9,583
(d) Benefit paid	(1,913)	(10,320)
(e) Actuarial (gain)/loss on obligations	(9,660)	34,718
(f) Present value of obligation as at March 31, 2011	49,200	160,159
(III) Amount recognised in the Balance Sheet		
(a) Present value of obligation as at March 31, 2011	49,200	160,159
(b) Fair Value of Plan Assets as at the year end	—	—
(c) (Asset) / Liability recognised in the Balance Sheet	49,200	160,159
(IV) Expenses recognised in the Profit and Loss Account		
(a) Current service cost	18,690	9,583
(b) Interest cost	2,057	8,964
(c) Expected Return on Plan Assets	—	—
(d) Settlement Cost/Credit	(1,913)	(10,320)
(e) Actuarial (gain)/loss recognised in period	(9,660)	34,718
(f) Total Expenses recognised in the Profit and Loss Account	9,174	42,945

Valuation in respect of Gratuity and Leave Encashment was carried out by independent actuary, as on 31st March, 2010, 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, 2009	35,817	109,548
(b) Interest cost	1,928	8,402
(c) Current service cost	15,311	8,043
(d) Benefit paid	(1,806)	(9,040)
(e) Actuarial (gain)/loss on obligations	(11,224)	261
(f) Present value of obligation as at March 31, 2010	40,026	117,214
(III) Amount recognised in the Balance Sheet		
(a) Present value of obligation as at March 31, 2010	40,026	117,214
(b) Fair Value of Plan Assets as at the year end	—	—
(c) (Asset) / Liability recognised in the Balance Sheet	40,026	117,214
(IV) Expenses recognised in the Profit and Loss Account		
(a) Current service cost	15,311	8,043
(b) Interest cost	1,928	8,402
(c) Expected Return on Plan Assets	—	—
(d) Settlement Cost/Credit	(1,806)	(9,040)
(e) Actuarial (gain)/loss recognised in period	(11,224)	261
(f) Total Expenses recognised in the Profit and Loss Account	4,209	7,666

18. Segment Reporting

i) Primary Segment Reporting (by Business Segments)

Composition of Business Segments

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

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

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

Packaging : Segment includes manufacturing and supplies of Glass 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 2010-11

	Beverages	Food	Packaging	Others	Rs.'000 Total
REVENUE					
Sales (Net of Excise duty), Services and Other income	8,316,027	948,488	553,369	182,435	10,000,319
Inter Segment Sales	6,919	—	630,078	—	636,997
Unallocated Income	—	—	—	—	310,748
Total Revenue	8,322,946	948,488	1,183,447	182,435	10,948,064
RESULTS					
Segment Results (Refer Note vii below)	546,209	23,919	96,737	166	667,031
Unallocated expenditure					
Net of unallocated income					120,392
Interest Income					21,074
Interest Expense					(217,032)
Profit/ (Loss) before tax					350,681
Less: Tax expense:					
Current Tax :					
- For the year					70,802
- MAT Credit Entitlement					(8,842)
Deferred Tax (benefit)/ charge					36,105
Profit/ (Loss) after tax					252,616
OTHER INFORMATION					
Segment Assets (Refer Note viii below)	4,359,503	701,468	798,727	133,854	5,993,552
Inter-segment Assets	1,856	—	254,976	—	256,832
Unallocated Assets					1,614,699
Total Assets					7,865,083
Segment Liabilities	1,662,095	99,299	206,177	666	1,968,239
Inter-segment Liabilities	254,976	—	1,856	—	256,832
Unallocated Liabilities					2,224,924
Total Liabilities					4,449,995
Capital Expenditure	15,537	1,558	35,492	—	52,587
Unallocated Capital Expenditure					123,721
Total Capital Expenditure					176,308
Depreciation	169,249	45,919	50,013	496	265,677
Unallocated Depreciation					21,859
Total					287,536
Non - cash expenditure other than depreciation	22,805	1,705	—	—	24,510
Unallocable Non Cash					522
Total					25,032

Schedules

Continued

Information about Secondary Business Segments - Geographical by location of customers					Rs. '000
			Domestic	Overseas	Total
Revenues (Net of Excise Duty)			10,231,775	79,292	10,311,067
Other information:					
Carrying amount of segment assets by location of assets			7,608,251	—	7,608,251
Addition to Fixed Assets/Capital Work- in- Progress (including Capital Advances)			188,767	—	188,767
Information about Business Segment - Primary for the year 2009-10					Rs. '000
	Beverages	Food	Packaging	Others	Total
REVENUE					
Sales (Net of Excise duty), Services and Other income	5,627,048	686,840	535,841	164,936	7,014,665
Inter Segment Sales	7,341	—	594,461	—	601,802
Unallocated Income	—	—	—	—	26,749
Total Revenue	5,634,389	686,840	1,130,302	164,936	7,643,216
RESULTS					
Segment Results (Refer Note vii below)	422,153	(4,798)	112,302	1,521	531,178
Unallocated expenditure					
Net of unallocated income					262,710
Interest Income					7,267
Interest Expense					(229,390)
Profit/ (Loss) before tax					46,345
Less: Tax expense:					
Current Tax :					
- For the year					8,416
- Fringe Benefit Tax					—
Deferred Tax (benefit)/ charge					(26,655)
Provision for Earlier years Written back					—
Profit/ (Loss) after tax					64,584
OTHER INFORMATION					
Segment Assets (Refer Note viii below)	4,035,180	794,064	869,329	134,407	5,832,980
Inter-segment Assets	10,714	—	155,908	—	166,622
Unallocated Assets					1,197,632
Total Assets					7,197,234
Segment Liabilities	1,244,521	92,919	210,331	581	1,548,354
Inter-segment Liabilities	155,908	—	10,714	—	166,622
Unallocated Liabilities					2,247,420
Total Liabilities					3,962,396
Capital Expenditure	41,881	28,509	18,424	—	88,814
Unallocated Capital Expenditure					109,974
Total Capital Expenditure					198,788
Depreciation	82,501	46,633	49,182	496	178,812
Unallocated Depreciation					14,587
Total					193,399
Non - cash expenditure other than depreciation	7,407	1,179	713	—	9,299
Unallocable Non Cash					346
Total					9,645

Information about Secondary Business Segments - Geographical by location of customers					Rs. '000
			Domestic	Overseas	Total
Revenues (Net of Excise Duty)			6,973,285	68,129	7,041,414
Other information:					
Carrying amount of segment assets by location of assets			7,030,612	—	7,030,612
Addition to Fixed Assets/Capital Work- in- Progress (including Capital Advances)			525,436	—	525,436

NOTES:

- The Company is focused on the segment of Beverages (including Liquor) in India. The commercial terms and conditions of Liquor sales being identical in India, there are no differential risks and return on the basis of such business segmentation. The Company's year to date export turnover being less than 1% of its total turnover (Previous year 1%), the commercial risks and returns involved on the basis of geographic segmentation are therefore considered insignificant and immaterial.
 - Segment assets include Capital Work- in- Progress & Capital Advances aggregating to Rs.30,495 thousand (Previous year-Rs. 42,955 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, Services and other Income of Beverages segment includes rental income (net) of Rs. 92,686 thousand (Previous year Rs. 123,376 thousand) from the surplus properties of the Company.
19. Movement of purchase and sale of investment.
JIL Trading Pvt. Limited 10000 shares of Rs. 10 each fully paid
Sea Bird Securities Pvt. Limited 5200 shares of Rs. 10 each fully paid
S.R.K. Investments Private Limited 10000 Shares of Rs 10 each fully paid
20. 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 as identified by the management and relied upon by the Auditors are given below:
Subsidiary Companies
Anjani Estates Ltd.
JIL Trading Pvt. Ltd.
S.R.K. Investments Pvt. Ltd.
Sea Bird Securities Pvt. 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 Investments & Trading Pvt. Ltd.
Jagatjit Industries Limited Employees Superannuation Scheme
Pashupati Properties & Estates Pvt. Limited
L.P. Investments Limited.
Grand Regency Hospitalities Pvt. Ltd.
Qube Corporation Pvt. Ltd.
- (c) Key Management Personnel (Directors) and their relatives :
Mr. Narender Sapra
Mr. Arvind Behl
Mr. Ravi Manchanda
- (d) Details of transactions carried out with the related parties in the ordinary course of business:

Rs.'000

	For the Year ended March 31, 2011				For the Year ended March 31, 2010			
	With Persons Mentioned in Note 20 (a)	With Persons Mentioned in Note 20 (b)	With Persons Mentioned in Note 20 (c)	Total	With Persons Mentioned in Note 21 (a)	With Persons Mentioned in Note 21 (b)	With Persons Mentioned in Note 21 (c)	Total
	PARTICULARS OF TRANSACTIONS							
Sales of Goods (Refer Note 3 below)	—	8,827	—	8,827	—	6,707	—	6,707
Job Work rendered (Milkfood Limited)	—	659	—	659	—	29,431	—	29,431
Royalty Received (Hyderabad Distilleries & Wineries Pvt. Ltd.)	—	922	—	922	—	36	—	36
Purchases of goods (Refer Note 4 below)	—	41,535	—	41,535	—	33,836	—	33,836
Purchases of Fixed Assets (Milkfood Limited)	—	706	—	706	—	965	—	965
Interest accrued (Refer Note 5 below)	—	610	—	610	—	692	—	692
Reimbursement of Payments Made on Behalf of Company (Refer Note 6 below)	44	9,755	—	9,799	—	11,911	—	11,911
Expenses paid by Company on behalf of related parties (Refer Note 7 below)	144	1,336	—	1,480	10	1,586	—	1,596
Rent received (Milkfood Limited)	—	397	—	397	—	397	—	397
Loans including interest repaid (Refer Note 8 below)	—	261	—	261	—	5,194	—	5,194
Managerial Remuneration (Refer Note 2 below)	—	—	10,148	10,148	—	—	9,490	9,490
Purchase of Shares	252	—	—	252	—	—	—	—
Advance Given (S.R.K. Investments Pvt. Ltd.)	300,000	—	—	300,000	—	—	—	—
Refund of Advance Given (S.R.K. Investments Pvt. Ltd)	2,500	—	—	2,500	—	—	—	—
Bottling Charges paid (Hyderabad Distilleries & Wineries Pvt. Ltd.)	—	24,502	—	24,502	—	19,040	—	19,040
Lease Rent paid (Refer Note 9 below)	—	15,815	—	15,815	—	14,436	—	14,436
Contribution to Superannuation Fund (Jagatjit Industries Limited Employees Superannuation Scheme)	—	20,453	—	20,453	—	17,268	—	17,268
BALANCES OUTSTANDING AT THE YEAR END								
Unsecured Advances	309,757	126,635	—	436,392	8,111	126,635	—	134,746
Provision for Unsecured Advances	8,109	126,635	—	134,744	8,109	126,635	—	134,744
Receivables (Net of Payable)	—	20,279	—	20,279	—	74,955	—	74,955
Unsecured Loans	—	6,519	—	6,519	—	6,178	—	6,178
Investments	801	20,234	—	21,035	501	20,025	—	20,526
Provision for Permanent Diminution in value of Investments	499	2,023	—	2,522	499	2,023	—	2,522

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. 7,204 thousand (Previous year Rs. 6,406 thousand)
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 1,623 thousand (Previous year Rs. 301 thousand)
- Purchase of goods includes purchases from the following :
Milkfood Ltd. Rs. 41,405 thousand (Previous year - Rs. 33,682 thousand)
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs.130 thousand (Previous year Rs. 154 thousand)
- Interest Accrued is in respect of the following :
Fast Buck Investments & Trading Pvt. Ltd. Rs. 610 thousand (Previous year Rs. 692 thousand)
- Reimbursement of Payments made on behalf of the Company is in respect of the following :
Milkfood Ltd. Rs. 9,317 thousand (Previous year Rs. 7,980 thousand)
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 405 thousand (Previous year Rs. 3,531 thousand)
Fast Buck Investments & Trading Pvt. Ltd. Rs. 8 thousand (Previous year Rs. Nil)
Grand Regency Hospitalities Pvt Ltd. Rs 25 thousand (Previous Year Rs. 400 thousand)
JIL Trading Pvt. Ltd. Rs. 5 thousand (Previous year Rs. Nil)
Anjani Estates Ltd. Rs. 39 thousand (Previous year Rs. Nil)
- Expenses paid by the Company on behalf of related parties is in respect of the following :
Milkfood Ltd. Rs. 869 thousand (Previous year Rs. 1,093 thousand)
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 360 thousand (Previous year Rs. 493 thousand)
Anjani Estates Ltd. Rs. 128 thousand (Previous year Rs. 10 thousand)
Grand Regency Hospitalities Pvt. Ltd. Rs 107 thousand (Previous Year Rs. Nil)
S.R.K. Investments Pvt. Ltd. Rs.16 thousand (Previous Year Rs. Nil)
- Loans including interest repaid is in respect of the following :
Fast Buck Investments & Trading Pvt. Ltd. Rs. 261 thousand (Previous year Rs. 5,194 thousand)
- Lease Rent paid
Pashupati Properties & Estates Pvt. Limited Rs. 1,200 thousand (Previous year Rs. 1200 thousand)
Hyderabad Distilleries & Wineries Pvt. Ltd Rs. 14,615 thousand (Previous year Rs. 13,236 thousand)

Schedules

Continued

21. Capacities and Production

Class of Goods Manufactured	Unit	Capacities				Actual Production	
		Licensed (1)		Installed		2010-11	2009-10
		2010-11	2009-10	2010-11	2009-10		
Glass	Tonne	125,000	125,000	65,000	65,000	29,392(3)	30,990(3)
Plastic Containers	"	840	840	840	840	—(3)	—(3)
Malt (4)	"	Not required	Not required	20,000	20,000	—(3)	—(3)
Malt Extract (4)	"	Not required	Not required	19,670	19,670	10,372(3)	10,695(3)
Milk Products (c)	"	40,500	40,500	36,670(2)	36,670(2)	2,692(3)	711(3)
Nutritional Powder Beverages & Maltodextrins	"	3,750	3,750			—	—
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)	64,859	57,059	54,187(a)	49,587(a)	52,472(b)	36,344(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	1,607	713

- (a) Installed Capacities being technical matter have been certified by the Management and relied upon by the Auditors.
(b) Liquor Production comprises (i) alcohol processed and bottled out of ENA spirit produced /purchased (ii) denatured spirit (iii) alcohol bottled at leased / contract manufacturing units.
(c) Comprises of Malted Milk Food, Weaning Foods and Milk Powder including products containing not less than 68 % milk solids.
(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).

22. Raw and Packing Materials consumed

Description of Goods	Unit	2010-11		2009-10	
		Quantity	Value Rs.'000	Quantity	Value Rs.'000
Grains	Tonne	55,008	575,914	69,555	754,601
Molasses	"	48,247	283,037	7,050	58,864
Soda Ash	"	11,575	172,246	10,852	158,991
Sand	"	34,151	61,434	32,094	53,895
Bottles (Outside Purchase)	No. in Thousand	217,859	649,621	93,794	226,764
Tins & Other Containers	"	17,058	234,082	9,760	125,458
Seals	"	364,873	365,197	252,019	233,072
Milk	Tonne	5,858	167,955	3,800	85,517
Packing Materials	"	*	354,944	*	199,348
Cullet (Outside Purchase)	Tonne	14,440	73,722	16,319	76,139
ENA	BL	25,073,145	887,884	15,001,108	547,214
Others	"	*	404,278	*	310,982
			<u>4,230,314</u>		<u>2,830,845</u>

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

23. Break-up of Sales

Description of Goods	Unit	2010-11		2009-10	
		Quantity	Value Rs.'000	Quantity	Value Rs.'000
1. Malt and Malt Extract Powder	Tonne	10,485	249,118	10,610	261,097
2. Malted Milk Food	"	2,655	299,331	617	65,762
3. Liquor	Bulk Kilo Litre	51,760	11,384,688	36,501	7,422,177
4. Bottles	No. in Thousand	120,970	597,945	131,590	570,902
5. Containers	Tonne	—	—	15	170
6. Carbon dioxide Gas	"	1,605	8,676	715	3,704
7. Resale Materials*	"	—	509,890	—	300,034
8. Other Sales	**	**	145,345	**	122,872
			<u>13,194,993</u>		<u>8,746,718</u>

* Refer schedule 21 II (B) 24

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

24. Analysis of Resale Materials

Particulars	Unit	2010-11		2009-10	
		Quantity	Value Rs.'000	Quantity	Value Rs.'000
PETROLEUM AND ITS PRODUCTS					
Opening Balance	K.L.	84	3,913	70	2,711
Purchases	"	5,014	175,546	5,201	157,262
Turnover	"	5,000	177,375	5,187	159,728
Closing Balance	"	98	4,910	84	3,913
WINE					
Opening Balance	Cases	300	1,514	450	2,377
Purchases	"	—	—	—	—
Turnover	"	300	1,093	150	985
Closing Balance	"	—	—	300	1,514
LIQUOR					
Opening Balance	Cases	1,706	1,927	—	—
Purchases	"	235,749	325,329	113,271	136,206
Turnover	"	237,239	327,005	111,565	134,558
Closing Balance	"	226	226	1,706	1,927
OTHERS					
Opening Balance	*	*	—	*	—
Purchases	*	*	4,435	*	4,764
Turnover	*	*	4,417	*	4,763
Closing Balance	*	*	—	*	—

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

25. Opening and Closing Stocks of Finished Goods (Schedule 21 I 7)

Particulars	Unit	Closing Stock				Opening Stock			
		2010-11		2009-10		2010-11		2009-10	
		Quantity	Value Rs.'000	Quantity	Value Rs.'000	Quantity	Value Rs.'000	Quantity	Value Rs.'000
Malt	Tonne	1,361	24,897	1,678	30,329	1,678	30,329	1,798	32,446
Malt Extract	"	—	—	112	2,601	112	2,601	27	538
Malted Milk Food	"	157	16,735	119	9,680	119	9,680	25	2,885
Liquor	Bulk Kilo Litre	4,473	482,756	4783***	391,931	4783***	391,931	4,554	372,709
Carbondioxide Gas	Tonne	5	15	3	12	3	12	6	15
Glass	"	4,923	81,752	7,246	107,937	7,246	107,937	12,318	179,776
Containers	"	7	2,511	7	2,600	7	2,600	22	2,854
Others	"	—	—	—	—	—	—	—	—
- Resale Material**	*	*	5,136	*	7,354	*	7,354	*	5,088
- Others	*	*	6,694	*	13,647	*	13,647	*	8,108
			620,496		566,091****		566,091****		604,419

** Refer schedule 21 II (B) 24

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

*** This figure includes 224 Bulk Kilo Litre relating to Contract Manufacturing Units.

**** This figure includes Rs.23,821(in thousands) which is value of Finished Goods relating to Contract Manufacturing units.

	2010-11 Rs.'000	2009-10 Rs.'000
26. Value of Imports on C.I.F. Basis		
Raw Materials	332,423	283,216
Spare Parts including Stores	17,717	6,128
Capital Goods	47,998	7,753
27. Expenditure in Foreign Currency (On Cash Basis)		
Other Matters - Commission, Traveling etc.	6,716	9,213
28. Earnings in Foreign Exchange		
Export of goods calculated on FOB basis (Including sales to Nepal, Bhutan, Bahrain in Rupee terms, Rs. 17,626 thousand; Previous year—Rs. 5,508 thousand)	78,121	67,202
29. Value of Imported/Indigenous Raw and Packing Materials, Stores and Spare Parts consumed:		

	2010-11		2009-10	
	Value Rs.'000	%	Value Rs.'000	%
i) Raw and Packing Materials				
Imported	355,006	8.39	264,381	9.34
Indigenous	3,875,308	91.61	2,566,465	90.66
	4,230,314	100.00	2,830,846	100.00
ii) Stores and Spare Parts				
Imported	10,109	1.68	5,734	1.22
Indigenous	593,028	98.32	465,905	98.78
	603,137	100.00	471,639	100.00

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

31. In a petition filed against the Company and its Board of Directors under section 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 alongwith their holdings of 600 Equity Shares in M/s LPJ Holdings Pvt. Ltd. (formerly known as M/s L.P. Jaiswal & Sons Pvt Ltd) at an aggregate value of Rs. 7300 lacs. Accordingly, during the financial year 2009-2010 in order to avoid any further adverse effects on the business operations and to facilitate smooth business operations, the Company paid total sum of Rs.7,300 lacs to the petitioners before the last date of payment, i.e. 11th June, 2009. The company made payment of (i) Rs. 579 lacs towards Face value of the Share Capital bought back and cancelled (ii) Rs. 5816 lacs as Premium paid on buy back of shares of the petitioners in the Company and (iii) Rs. 905 lacs towards 600 Shares of M/s L.P. Jaiswal & Sons Pvt Ltd acquired from the Petitioners and disclosed as Investments. In view of the management, the premium paid on Buy-back of shares amounting to Rs 5,816 lacs as mentioned above has not been charged to Profit & Loss Account due to insufficiency of the Profits of the Company during the Financial Year 2009-2010. Instead as required under section 77A of the Companies Act, 1956 this amount has been set off against the brought forward balance in Profit & Loss Account, even though the CLB order as mentioned above exempts the company from the same. Further as required under section 77AA of the Companies Act, 1956 a sum equivalent to the nominal value of the shares so cancelled has been transferred to the Capital Redemption Reserve Account.

32. The Company normally acquires vehicles under operational lease with the respective underlying assets as security. Minimum lease payments outstanding as on March 31, 2011 in respect of these assets are as under:

	Total minimum lease payments outstanding as on March 31, 2011 Rs.'000	Total minimum lease payments outstanding as on March 31, 2010 Rs.'000
Due within one year	7,259	9,425
Due later than one year and not later than five years	5,548	1,634
Lease payments of Rs. 12,206 thousand (Previous year Rs. 16,796 thousand) have been recognised as an expense in the profit and loss account for the year ended March 31, 2011		

33. During the current financial year the company has recognised revenue from goods sold by contract manufacturers on behalf of company as per the accounting policy in respect of income recognition. In this connection total turnover of the Company, for this financial year includes the Sales amounting to Rs. 2,274,892 thousand (Previous year Rs. Nil) from its contract manufacturing units. All expenditure, assets and liabilities related to operations with contract manufacturing units are consolidated in the respective accounting heads.

34. During the year net profit amounting to Rs. 293,854 thousand has been earned by the Company from sale of its idle residential property situated at 12, Rajdoot Marg, New Delhi.

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

Subsidiary Companies' Particulars as on 31st March, 2011

Particulars regarding Subsidiary Companies, in accordance with General Circular No.02/2011 dated 8th February, 2011 from the Ministry of Corporate Affairs.

	Anjani Estates Ltd.	Sea Bird Securities Pvt. Ltd.	S. R. K. Investments Pvt. Ltd.	JIL Trading Pvt. Ltd	Rs. '000
Capital (Paid-up)	501	100	100	100	100
Reserve	(4,553)	(31)	(233)	(5)	(5)
Total Assets	15,140	282	297,624	103	103
Total Liabilities	15,140	282	297,624	103	103
Details of Investment	—	—	—	—	—
Turnover	821	—	21	—	—
Profit /Loss before tax	148	(5)	(230)	(5)	(5)
Provision for tax	158	—	—	—	—
Profit / Loss after tax	(11)	(5)	(230)	(5)	(5)
Proposed dividend	—	—	—	—	—

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	1	1
---	---	---	---	---	---	---	---	---	---

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

Sources of Funds

Paid-up Capital

			4	6	1	4	8	1
--	--	--	---	---	---	---	---	---

Secured Loans

		1	1	8	1	7	8	3
--	--	---	---	---	---	---	---	---

Deferred Tax Liability (Net)

			2	1	6	7	3	4
--	--	--	---	---	---	---	---	---

Application of Funds

Net Fixed Assets

		3	4	6	8	3	7	3
--	--	---	---	---	---	---	---	---

Net Current Assets

		1	8	3	1	1	0	6
--	--	---	---	---	---	---	---	---

Accumulated Losses

				—				
--	--	--	--	---	--	--	--	--

Total Assets

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

Reserves and Surplus

		2	9	5	3	6	0	7
--	--	---	---	---	---	---	---	---

Unsecured Loans

		6	0	6	1	8	3
--	--	---	---	---	---	---	---

Investments

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

Miscellaneous Expenditure

				—			
--	--	--	--	---	--	--	--

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

Turnover Including Other Income

		1	0	3	3	7	9	8	1
--	--	---	---	---	---	---	---	---	---

+ - Profit/(Loss) Before Tax

✓		3	5	0	6	8	1
---	--	---	---	---	---	---	---

Earnings per share in Rs.

		5	.	7	9
--	--	---	---	---	---

Total Expenditure

		9	9	8	7	3	0	0
--	--	---	---	---	---	---	---	---

+ - Profit/(Loss) After Tax

✓		2	5	2	6	1	6
---	--	---	---	---	---	---	---

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



Consolidated Financial Statements

Auditors' Report

TO THE BOARD OF DIRECTORS OF JAGATJIT INDUSTRIES LIMITED

1. We have audited the attached Consolidated Balance Sheet of Jagatjit Industries Limited and its subsidiaries hereinafter referred to as the "Group" (refer Note 21 II (B) 1) as at March 31, 2011, the related Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated 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 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 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. We did not audit the financial statements of any of the four subsidiaries whose financial statements reflect total assets of Rs. 308,105 thousands as at March 31, 2011, total revenue of Rs. 842 thousands, net loss of Rs. 251 thousands and net cash inflow amounting to Rs. 393 thousands for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to extent they have been derived from such financial statements is based solely on the report of such other auditors.
4. We report that the consolidated financial statement have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21- Consolidated Financial Statements notified under sub-section 3C of Section 211 of the Companies Act,1956.
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to above, and to best of our information and according to the explanations given to us, in our opinion, the attached consolidated financial statements give a true and fair view in conformity with accounting principles generally accepted in India:
 - a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2011;
 - b) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
 - c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Place : New Delhi
Date : 20th July, 2011

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

Consolidated Balance Sheet

as at March 31, 2011

			As at March 31 2011 Rs. '000	As at March 31 2010 Rs. '000
Sources of Funds	Shareholders' Funds	Schedule		
	Capital	1	461,481	461,481
	Reserves and Surplus	2	2,948,814	2,768,815
	Loan Funds	3		
	Secured Loans		1,181,783	769,166
	Unsecured Loans		607,970	808,122
	Deferred Tax Liability (Net)	4	216,734	180,629
			<u>5,416,782</u>	<u>4,988,213</u>
Application of Funds	Fixed Assets	5		
	Gross Block		6,265,511	6,201,590
	Less : Depreciation		2,817,449	2,525,081
	Net Block		3,448,062	3,676,509
	Capital Work-in-Progress		327,555	42,955
			<u>3,775,617</u>	<u>3,719,464</u>
	Investments	6	120,007	120,055
	Current Assets, Loans & Advances			
	Inventories	7	1,175,911	1,066,886
	Sundry Debtors	8	1,706,082	1,452,562
	Cash & Bank Balances	9	395,109	271,536
	Other Current Assets	10	8,947	11,798
	Loans & Advances	11	432,764	394,569
			<u>3,718,813</u>	<u>3,197,351</u>
	Less : Current Liabilities & Provisions	12		
	Liabilities		1,955,149	1,888,718
	Provisions		242,726	159,945
	Net Current Assets		<u>1,520,938</u>	<u>1,148,688</u>
	Preliminary Expenses (Net)		220	6
			<u>5,416,782</u>	<u>4,988,213</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
Firm Registration No. 002336N

New Delhi
20th July, 2011

K.K. Kohli
Company Secretary

Anil Girotra
Finance Director

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

Consolidated Profit and Loss Account

for the year ended March 31, 2011



		Schedule	For the year ended March 31 2011 Rs. '000	For the year ended March 31 2010 Rs. '000
Income	Gross Sales [Note I 8(a), 21II B 12, 20]	21	13,194,993	8,746,718
	Less: Rebate and Commission		43,342	26,517
			13,151,651	8,720,201
	Less: Excise duty on sales [Note I 8 (a), 21 II B 12]	21	3,798,998	2,381,032
	Net Sales		9,352,653	6,339,169
	Services	13	345,217	434,778
	Other Income	14	640,953	275,533
			10,338,823	7,049,480
Expenditure	Consumption of Materials	15	4,230,314	2,830,845
	Purchases for Resale		505,310	298,232
	Manufacturing Expenses	16	1,240,485	970,792
	Excise Duty		129,333	49,055
	Personnel	17	738,621	555,373
	Administration & Selling	18	2,689,871	1,816,171
	Interest	19	217,033	229,390
	Depreciation [Note 21 II (B) 2]	21	287,679	193,526
			10,038,646	6,943,384
	Decrease/(Increase) in Work-in-Progress and Finished Goods	20	(50,412)	59,583
			9,988,234	7,002,967
Profit/(Loss) before Tax			350,589	46,513
Less: Tax Expenses	Current tax :			
	- For the year		70,961	8,569
	- MAT Credit Entitlement		(8,842)	—
	Deferred Tax (benefit)/charge	4	36,105	(26,655)
			98,224	(18,086)
Profit/Loss after Tax			252,365	64,599
	Profit brought forward from previous year		646,928	1,221,877
	Amount Available for Appropriation		899,293	1,286,476
	Less: Transfer to Capital Redemption Reserve		—	57,941
	Less: Share Re-Purchase (Buy-Back)		—	581,607
	Balance Carried to Balance Sheet after appropriation		899,293	646,928
	Basic/Diluted Earning per Share (Rs.) (Nominal Value of Rs.10 each) [Note 21 II (B)13]	21	5.78	1.48
	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
Firm Registration No. 002336N

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

New Delhi
20th July, 2011

K.K. Kohli
Company Secretary

Anil Girotra
Finance Director

Consolidated Cash Flow Statement

for the year ended March 31, 2011

	2011 (Rs. '000)	2010 (Rs. '000)
A. Cash Flow from Operating Activities:		
Net Profit/(Loss) before tax	350,589	46,513
Adjustments for:		
Depreciation	287,679	193,526
Preliminary expenses written off	242	—
Interest Expenses	217,033	229,390
Interest Income	(21,095)	(7,267)
Income from Investment - Dividends	(642)	(30)
(Profit)/Loss on Fixed Assets sold (net)	(302,610)	(23,143)
Fixed Assets written off	774	844
Debts / Advances/Stock written off	19,044	5,245
Provision for Bad & Doubtful Debts and Advances	5,214	3,347
Liability no longer required written back	(17,713)	(9,790)
Provision for Gratuity & Leave Encashment	52,119	11,874
Provision for Inventory for Obsolete/ Damaged Stock	—	209
Unrealised Foreign Exchange (gain)/loss (net)	(626)	(844)
Other Provision for Current Liabilities	968	83
Operating Profit before Working Capital Changes	590,976	449,957
Adjustments for changes in Working Capital :		
(Increase)/ Decrease in Sundry Debtors	(267,725)	(319,594)
(Increase)/ Decrease in Other Receivables	(52,782)	(6,846)
(Increase)/ Decrease in Other Current Assets	(9,868)	(7,227)
(Increase)/ Decrease in Inventories	(126,743)	96,006
Increase/ (Decrease) in Trade and Other Payables	80,370	139,763
Cash generated from operations	214,228	352,059
Taxes (Paid)/ Received (Net of TDS)	5,466	4,333
Net Cash from/ (used) Operating Activities	219,694	356,392
B. Cash flow from Investing Activities:		
Fixed Assets / Capital Work- in -Progress/Advances	(483,259)	(200,147)
Proceeds from Sale of Fixed Assets and advances	363,532	365,697
Purchase/sale of investments	(119)	(108,999)
Interest Received (Revenue)	18,163	8,334
Dividend Received	642	30
Release/(Addition) of Cash (from)/for restrictive use	(5,665)	(383)
Net Cash from Investing Activities	(106,709)	64,534
C. Cash Flow from Financing Activities:		
Proceeds from Bank Borrowings Receipts/ (Payments)	412,617	(17,318)
Proceeds from Fixed Deposits (Payments)/ Receipts	(200,324)	476,242
Interest Paid	(206,747)	(207,018)
Share Buy Back	—	(639,548)
Interest Paid - Capitalised	(278)	(5,646)
Dividend Paid	(451)	(5)
Preliminary Expenses Incurred	(6)	—
Release/(Addition) of Cash (from)/for restrictive use	(22,049)	(95)
Net cash used in Financing Activities	(17,238)	(393,388)
Adjustment for Unrealised Foreign Exchange Fluctuation	—	(10)
Net Increase/ (Decrease) in Cash & Cash Equivalents	95,747	27,528
Cash and Cash Equivalents at the beginning of the year	246,076	218,548
Cash and Cash Equivalents at the end of the year	341,823	246,076
Cash and Cash Equivalents Comprise		
Cash, Cheques & Drafts (in hand) and Remittances in transit	41,350	39,801
Balance with Scheduled Banks	300,473	206,275
	341,823	246,076
Cash and Cash Equivalents Include :		
Cash and Bank Balances	341,823	246,076
Total Cash and Cash Equivalents	341,823	246,076

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. 53,286 thousand (Previous year -Rs. 25,572 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

Firm Registration No. 002336N

New Delhi
20th July, 2011

K.K. Kohli
Company Secretary

Anil Girotra
Finance Director

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

Consolidated Schedules

Annexed to the Accounts



	As at March 31 2011 Rs. '000	As at March 31 2010 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		
46,148,112 (Previous year-46,148,112) Equity Shares of Rs.10 each fully paid up.	461,481	461,481
	461,481	461,481
NOTE ON EQUITY SHARES ISSUED:		
	No. of Shares	No. of Shares
Original issue of Equity Shares	500,000	500,000
Less : Equity Shares Forfeited due to non payment of calls	170,492	170,492
	329,508	329,508
Add : Forfeited Equity Shares issued to existing share holders on pro-rata basis at Rs.2.50 per share	169,737	169,737
	499,245	499,245
Add : 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
Add : GDR issue (Note 1)	25,210,000	25,210,000
Add : Preferential allotment (Note 2)	2,500,000	2,500,000
Less : Shares repurchased (Buy- Back) Note 3)	5,794,112	5,794,112
Total	46,148,112	46,148,112
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 were under the lock-in-period of three years from the date of allotment.		
Note 3 : 5,794,112 Equity Shares of Rs. 10 each fully paid up bought back by the company as directed by the Hon'ble Company Law Board (CLB), vide their order dated 12.03.2009.		
2. Reserves and Surplus		
CAPITAL RESERVE		
Surplus on forfeited shares sold	6	6
Capital Redemption Reserve	57,941	57,941
REVALUATION RESERVE [Schedule 21 II (B) 2]		
Revaluation Reserve as at the beginning of the year	1,470,060	1,524,219
Less : Adjusted during the year	27,072	13,225
Less : Transferred to Profit & Loss Account [Includes Impairment of Fixed Assets Rs. 6,135 thousand (Previous Year Rs. Nil) (Refer Schedule 21 II B 5)]	45,294	40,934
	1,397,694	1,470,060
SECURITIES PREMIUM ACCOUNT	348,348	348,348
GENERAL RESERVE	245,532	245,532
PROFIT & LOSS ACCOUNT	899,293	646,928
	2,948,814	2,768,815

Consolidated Schedules

Continued

		As at March 31 2011 Rs. '000	As at March 31 2010 Rs. '000
3. Loans	SECURED		
[Schedule 21 II (B) 10]	From Banks		
	Term Loan *	870,422	538,639
	Cash Credit/Overdraft	225,566	206,282
	Car Loans**	44,641	20,302
	From others		
	Car Loans***	41,154	3,943
		1,181,783	769,166
	UNSECURED		
	Fixed Deposits	599,653	800,329
	From others	8,317	7,793
		607,970	808,122

* (Repayable within one year Rs.454,856 thousand; Previous year — Rs.154,817 thousand)

** (Repayable within one year Rs.19,311 thousand ; Previous year — Rs.9,386 thousand)

*** (Repayable within one year Rs.9,437 ; Previous year — Rs.3,886 thousand)

		As at April 1 2010 Rs. '000	Adjustment	For the Year Rs. '000	As at March 31 2011 Rs. '000
4. Deferred Tax Liability (Net)	DEFERRED TAX LIABILITY				
[Schedule 21 I 13]	Fixed Assets (Please see Note: 1 below)	362,347	—	(54,491)	307,856
	DEFERRED TAX ASSET				
	Statutory Liabilities	(12,971)	—	4,887	(8,084)
	Employee Retirement Benefits	(53,445)	—	(16,083)	(69,528)
	Provision for Bad Debts	(12,363)	—	(1,147)	(13,510)
	Long Term Capital Loss Brought forward	(11,635)	—	11,635	—
	Business Loss of AY 2010-11	(91,304)	—	91,304	—
	Total	180,629	—	36,105	216,734

Note: 1 Deferred Tax Asset on Fixed Asset as on 31st March 2011 consists of Rs. 29,681 thousand (Previous Year Rs. Nil) on account of impairment of Fixed Asset at Sikandrabad Unit (Also Refer Note 21 II B 5).

5. Fixed Assets [Schedule 21 I, 3, 4, 5 & 21 II (B) 2, 3, 4, 5, 10(a) and (d), 21]

Rs. '000

	GROSS BLOCK - COST OR REVALUED VALUE				DEPRECIATION				NET BLOCK		
	As at April 1, 2010	Additions	Deletion/ Adjustments	As at March 31, 2011	As at April 1, 2010	For the Year	Impairment of Assets (Refer Note below)*	Deletion/ Adjustments	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010
Goodwil	—	29	—	29	—	—	—	—	—	29	—
Land											
— Free Hold	541,915	—	25,255	516,660	—	—	—	—	—	516,660	541,915
— Lease Hold	135,037	—	—	135,037	24,929	1,937	—	—	26,866	108,171	110,108
Buildings	1,911,086	42,126	59,221	1,893,991	451,426	36,267	47,066	11,335	523,424	1,370,567	1,459,660
Plant & Machinery	3,318,567	34,977	19,648	3,333,896	1,914,680	173,325	48,423	14,083	2,122,345	1,211,551	1,403,887
Patents, Trade Marks	2,898	—	—	2,898	96	290	—	—	386	2,512	2,802
Furniture & Fixtures	74,138	10,579	—	84,717	38,138	3,952	—	—	42,090	42,627	36,000
Vehicles	131,395	98,796	24,173	206,018	47,106	17,081	—	15,004	49,183	156,835	84,289
Office Equipments	86,554	6,787	1,076	92,265	48,706	4,632	—	183	53,155	39,110	37,848
	6,201,590	193,294	129,373	6,265,511	2,525,081	237,484	95,489	40,605	2,817,449	3,448,062	3,676,509
Previous Year	5,749,018	525,436	72,864	6,201,590	2,346,863	234,459	—	56,241	2,525,081		
Capital Work-in-progress including Capital Advances										327,555	42,955
										3,775,617	3,719,464

*The Assets of the Company have been assessed for Impairment in accordance with Accounting Standard 28 "Impairment of Assets", Consequently, Impairment of Rs. 89,354 thousand (Previous Year Rs. Nil) has been provided in the accounts during the year and Rs. 6,135 thousand (Previous year Rs. Nil) has been adjusted against revaluation reserve.

6. Investments

[Schedule 21 I 6]

TRADE INVESTMENTS (LONG TERM)

IN EQUITY SHARES

QUOTED

Mohan Meakin Limited

281,961 (Previous year 281,961) shares of
Rs.5 each fully paid

As at March 31 2011 Rs. '000	As at March 31 2010 Rs. '000
---------------------------------------	---------------------------------------

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

1	1
----------	---

(Cost Rs.15,289 thousand less provision for permanent
diminution in value of Investment Rs.15,288 thousand)

OTHER INVESTMENTS (LONG TERM)

IN EQUITY SHARES

QUOTED

Punjab National Bank Limited

993 (Previous year -993) shares of Rs.10 each fully paid

387	387
------------	-----

UNQUOTED

Chic Interiors Private Limited

3,352 (Previous year-3,352) shares of Rs.10 each fully paid

34	34
-----------	----

L P Jaiswal & Sons Pvt Ltd

600 shares of Rs. 10 each fully paid

90,451	90,451
---------------	--------

IN GOVERNMENT SECURITIES

UNQUOTED

06 year National Saving Certificates
(lodged with Govt. authorities)

184	184
------------	-----

OTHER INVESTMENTS (CURRENT)

IN EQUITY SHARES

OTHER, QUOTED

Milkfood Limited

1,350 Shares of Rs .10 Each Fully paid

44	44
-----------	----

OTHERS, UNQUOTED

L.P. Investments Limited

157,500 (Previous year-157,500) shares of
Rs.10 each fully paid

1	1
----------	---

(Cost Rs.1,575 thousand provision for permanent diminution
in value of Investment Rs.1,574 thousand)

Sea Bird Securities Pvt. Ltd

4,800 Shares of Rs 10 each fully paid

—	48
---	----

Consolidated Schedules

Continued

	As at March 31 2011 Rs. '000	As at March 31 2010 Rs. '000
IN PREFERENCE SHARES		
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
Qube Corporation Pvt. Ltd 1,800,000 Cumulative Redeemable preference shares of Rs. 10 each	18,000	18,000
IN MUTUAL FUND		
Principal PNB Long Term Equity Fund - 3 year Plan - Series I & II	800	800
Principal PNB Long Term Equity Fund - 3 year Plan - Principal Emerging Bluechip Fund-Growth	1,000	1,000
Principal Mutual Fund UTI Infrastructure Advantage Fund Series I	500	500
	<u>120,007</u>	<u>120,055</u>
Aggregate Value of Unquoted Investments	108,837	108,885
Aggregate Value of Quoted Investments/Mutual Funds	11,170	11,170
Market Value/NAV of Quoted Investments/Mutual Funds	44,972	44,987
7. Inventories [Schedule 21 I 7]		
Raw and Packing Materials	442,662	409,440
Less: Provision for obsolete inventory	1,544	3,024
	<u>441,118</u>	<u>406,416</u>
Stores and Spare Parts	103,978	103,888
Finished Goods		
Subject to Central Excise Duty	69,085	90,944
Others	551,411	451,326
Work-in-Progress	10,319	14,312
	<u>1,175,911</u>	<u>1,066,886</u>
8. Sundry Debtors [Schedule 21 II (B) 17]		
More than six months old		
Unsecured-Considered Good	100,554	162,413
Unsecured-Considered Doubtful	43,458	39,077
	<u>144,012</u>	<u>201,490</u>
Other Debts		
Unsecured-Considered Good	1,605,528	1,290,149
	<u>1,749,540</u>	<u>1,491,639</u>
Less: Provision for Doubtful Debts	43,458	39,077
	<u>1,706,082</u>	<u>1,452,562</u>

		As at March 31 2011 Rs. '000	As at March 31 2010 Rs. '000
9. Cash & Bank Balances	Cash on hand	23,108	12,301
	Cheques on hand	15,724	14,000
	Funds in transit	2,518	13,500
	Balances with Scheduled Banks —		
	Current Accounts	159,198	103,680
	Dividend Payable Accounts	159	610
	Fixed Deposits (Including Rs.8,901 thousand; Previous year-Rs.3,236 thousand pledged as security)	150,176	105,719
	Fixed Deposits - Liquid Assets	43,000	20,500
	Margin Money Accounts	1,226	1,226
		<u>395,109</u>	<u>271,536</u>
10. Other Current Assets	Interest Receivable	4,097	2,799
	Other Income Receivable	4,850	8,999
		<u>8,947</u>	<u>11,798</u>
11. Loans and Advances [Schedule 21 II B 6,17]	Advances recoverable in cash or in kind or for value to be received		
	Unsecured—Considered Good		
	Balance with Excise authorities on		
	Current Accounts	185,714	169,754
	Advance Income Tax (Net of provisions)	—	23,155
	Others	247,050	201,660
	Unsecured—Considered Doubtful		
	Others	131,139	131,213
		<u>563,903</u>	<u>525,782</u>
	Less: Provision for Doubtful Advances	131,139	131,213
		<u>432,764</u>	<u>394,569</u>
12. Current Liabilities & Provisions [Schedule 21 I 14]	LIABILITIES		
	Sundry Creditors		
	(i) Total outstanding dues of Micro, Small and Medium Enterprises	19,434	17,467
	(ii) Others	1,432,944	1,477,010
	Advances from Customers	45,238	43,060
	Unclaimed Dividend	159	610
	Unclaimed Deposits	9,324	8,164
	Interest accrued but not due	49,218	38,933
	Due to Directors	649	446
	Security Deposits	112,686	99,145
	Other Liabilities	285,497	203,883
		<u>1,955,149</u>	<u>1,888,718</u>
	PROVISIONS		
	Income Tax (Net of Advance tax)	29,694	—
	Fringe Benefit Tax (Net)	692	692
	Gratuity	160,159	117,214
	Leave Encashment	49,200	40,026
	Others	2,981	2,013
		<u>242,726</u>	<u>159,945</u>

Consolidated Schedules

Continued

		For the year ended March 31 2011 Rs. '000	For the year ended March 31 2010 Rs. '000
13. Income from Services [Schedule 21 I 8(b)]	Income from job work [tax deducted at source Rs.5,737 thousand-Previous Year Rs.1,905 thousand] Income from tie-up operations (net) [tax deducted at source Rs.Nil-Previous Year Rs.Nil]	345,217 —	310,704 124,074
		<u>345,217</u>	<u>434,778</u>
14. Other Income [Schedule 21 I 8(c)]	Dividends — On Other Investments Interest on — Fixed Deposits — Gross (Tax deducted at source Rs.1,163 thousand ;Previous year Rs 1,727 thousand) Others - Gross (Including interest on income tax Refund Rs.5,768 thousand; Previous year Rs.178 thousand) (Tax deducted at source Rs.470 thousand; Previous year Rs. 464 thousand) Rent (Tax deducted at source Rs.13,567 thousand; Previous year - Rs.5,357 thousand) Profit on Sale of Fixed Assets Royalty(Tax Deducted at Source Rs 118 thousand; Previous year - Rs. 1,445 thousand) Duty Drawbacks Insurance Claims Liabilities/provisions no longer required written back Foreign Exchange Fluctuation (Net) Miscellaneous Income (Tax deducted at source Rs.450 thousand; Previous year-Rs.227 thousand)	642 13,623 7,472 129,220 315,124 51,065 6,718 1,243 17,713 1,891 96,242	30 6,311 956 141,145 24,213 24,757 1,819 1,067 9,790 3,532 61,913
		<u>640,953</u>	<u>275,533</u>
15. Consumption of Materials	Opening Stocks <i>Add:</i> Purchases of raw and packing materials <i>Less:</i> Closing Stocks	409,440 4,263,536 4,672,976 442,662	446,275 2,794,010 3,240,285 409,440
		<u>4,230,314</u>	<u>2,830,845</u>
16. Manufacturing Expenses	Consumption of Stores and Spare parts excluding charged to other revenue heads Rs. 559,712 thousand (Previous year - Rs.434,518 thousand) Consumption of Moulds (Outside Purchase) Power and Fuel Repairs — Buildings — Plant and Machinery Other Expenses	43,425 10,018 709,586 44,042 130,442 302,972	37,121 13,986 616,124 37,605 106,394 159,562
		<u>1,240,485</u>	<u>970,792</u>

		For the year ended March 31 2011 Rs. '000	For the year ended March 31 2010 Rs. '000
17. Personnel Expenses	Salaries, Wages, Bonus and Gratuity	631,428	461,568
	Contribution to Provident, Family Pension and Superannuation Funds	64,403	53,874
	Employees' State Insurance	14,128	11,077
	Welfare	28,662	28,854
		<u>738,621</u>	<u>555,373</u>
18. Administration and Selling Expenses	Rent (Net)	21,765	20,078
	Lease Rental	32,439	29,320
	Rates & Taxes	383,818	273,453
	Insurance	18,560	19,957
	Travelling Expenses	107,126	86,403
	Repairs to Buildings	24,085	23,222
	Other Repairs & Maintenance	33,076	25,755
	Bad Debts, Advances and Stock written off	19,044	5,245
	Provision for Doubtful Debts and advances	5,214	3,347
	Provision for Inventory for obsolete stock	—	209
	Fixed Assets written off	774	844
	Loss on sale of Fixed Assets	12,514	1,070
	Reimbursement of Expenses to Directors	7,109	4,389
	Directors Fee	880	400
	Forwarding Charges	198,446	130,425
	Selling Expenses	1,553,278	958,772
	Legal & Professional Expenses	114,834	88,676
	Miscellaneous Expenses	156,909	144,606
		<u>2,689,871</u>	<u>1,816,171</u>
19. Interest	On Fixed Loans	189,399	196,059
	Others	27,634	33,331
		<u>217,033</u>	<u>229,390</u>
20. Decrease/(Increase) in Work-In-Progress and Finished Goods	Opening Stocks		
	Work-in-Progress	14,312	11,746
	Finished Goods	566,091	604,419
		<u>580,403</u>	<u>616,165</u>
	Closing Stocks		
	Work-in-Progress	10,319	14,312
	Finished Goods	620,496	542,270
		<u>630,815</u>	<u>556,582</u>
	Decrease/(Increase)	<u>(50,412)</u>	<u>59,583</u>

Consolidated Schedules

Continued

21. Significant Accounting Policies and Notes to Accounts

I. SIGNIFICANT ACCOUNTING POLICIES:

1. A) BASIS FOR PREPARATION OF ACCOUNTS

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

B) BASIS OF CONSOLIDATION

The Financial Statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the parent company i.e. year ended March 31, 2011.

C) PRINCIPLES OF CONSOLIDATION

- i) The financial statement of the parent company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenditure after eliminating intra group balances and intra group transactions.
- ii) The financial statements of the parent company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events.
- iii) Goodwill represents the difference between the company's share in the networth and cost of acquisition of subsidiary at each stage of acquisition of investment. Goodwill arising on consolidation is not amortised.

2. USE OF ESTIMATES

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

3. FIXED ASSETS

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

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

4. 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 valuer of the remaining useful life of such assets. Leasehold land is amortised over the period of lease. Depreciation on the assets which have been impaired is provided on the basis stated in note 5 below.

5. IMPAIRMENT OF ASSETS

All assets other than inventories, investments and deferred tax assets, are reviewed for impairment, in accordance with Accounting Standard (AS 28), "Impairment of assets", issued by the Institute of Chartered Accountants of India, wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. Previously recognised impairment loss shall be increased or reversed depending on changes in circumstances. However the carrying amount after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment [21 II (B) 5 below].

6. INVESTMENTS

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

7. INVENTORIES

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

8. INCOME

- a) Sale is recognised on dispatches made from respective locations of the Company and is inclusive of excise duty wherever payable by the Company. Sales include goods sold by contract manufacturers on behalf of the Company, since risk and reward belongs to the company in accordance with the terms of the relevant contract manufacturing agreement.
- b) Revenue from job work is recognised on the completion of a relevant job.
- c) Interest on Income Tax refunds, Insurance claims, Export benefits and Other refunds are accounted for as and when amounts receivable can be reasonably determined as being acceptable to authorities. Royalty income is accounted on an accrual basis in accordance with terms specified in the relevant agreements.

9. EMPLOYEE BENEFITS

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

10. FOREIGN CURRENCY TRANSACTIONS

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

11. INTEREST ON BORROWINGS

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

12. LEASE ACCOUNTING

Operating Lease payments are recognized as an expense in the Profit and Loss Account on straight-line basis over the lease term [Note 21 II (B) 19 below].

13. TAXATION

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

14. PROVISIONS AND CONTINGENT LIABILITIES

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

II. NOTES TO ACCOUNTS

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

1. Particulars of various claims against the Company not acknowledged as debts Rs. 16,731 thousand (Previous year Rs. 44,078 thousand):
 - i) Claim by Punjab Government in respect of amount paid to Mahalaxmi Sugar Mills pending before the 'The Court of Civil Judge (Senior Division), Kapurthala' Rs. 2,174 thousand (Previous year Rs. 2,174 thousand).
 - ii) Claim in respect of case filed by ESI Corporation Rs. 615 thousand (Previous year Rs. 615 thousand).
 - iii) Employee related claims Rs. 13,942 thousand (Previous year Rs. 15,409 thousand).

- iv) Demand and penalty on Sales Promotion Expenses disallowed by income tax Department in respect of Tie Up Unit Rs. Nil (Previous year Rs. 25,880).
 - v) There are certain claims against the Company relating to usage of trade mark etc., which have not been acknowledged as debts. The outcome of such claims is not ascertainable at this stage.
2. a) Particulars of various Excise demands under dispute Rs. 82,755 thousand (Previous year Rs. 33,107 thousand) which have not been deposited on account of dispute:
- i) Penalty and Cess on Corrugated cartons manufactured for own consumption Rs. Nil (Previous year Rs. 15 thousand)
 - ii) Demand of Service Tax and penalty in respect of wrong availment of Service Tax Cenvat Credit Rs. 24,705 thousand (Previous year Rs. 25,681 thousand)
 - iii) Demand of Excise Duty in respect of reversal of Cenvat Credit on Turbine Rs. 7,411 thousand (Previous year Rs. 7,411 thousand)
 - iv) Demand in respect of service tax, interest and penalty on income from Tie-up Operations and Royalty Rs. 50,639 (Previous year Rs. Nil).
- b) Particulars of various Sales tax demands under dispute Rs.14,281 thousand (Previous year Rs. 14,156 thousand).
- i) Demand on account of non-submission of sales tax forms Rs. 240 thousand (Previous year Rs. 240 thousand).
 - ii) Demand of Entry tax under U P Sales Tax Act Rs. 6,446 thousand (Previous year Rs. 6,446 thousand).
 - iii) Demand of Sales tax under U P Sales Tax Act Rs. 7,301 thousand (Previous year Rs. 7,301 thousand).
 - iv) Demand of Sales Tax under Central Sales Tax Act on account of incomplete submission of sales tax forms Rs. 294 thousand (Previous year Rs.169 thousand).
- c) 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.

(B) OTHER NOTES AND ADDITIONAL INFORMATION

1. The company has consolidated the Balance Sheet & Profit and Loss Account of its following subsidiaries as on 31.03.2011 in its annual accounts.

S. No.	Name of the Subsidiary Company	Country of Incorporation	Ownership Interest
a)	Anjani Estates Limited	India	100%
b)	JIL Trading Pvt Ltd	India	100%
c)	S.R.K. Investments Pvt Ltd.	India	100%
d)	Sea Bird Securites Pvt Ltd.	India	100%

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.

	2010-11	2009-10
	Rs.'000	Rs.'000
Depreciation for the year calculated in accordance with accounting policy mentioned in para 3 of I above	332,973	234,460
Less: Adjusted against Revaluation Reserve	45,294	40,934
Net depreciation for the year charged to Profit & Loss Account	287,679	193,526

3. The additions to fixed assets and work-in-progress includes interest on borrowing capitalised amounting to Rs.323 thousand (Previous year Rs. 11,153 thousand) and Rs.Nil (Previous year Rs. Nil).
4. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) Rs. 62,222 thousand (Previous year-Rs. 17,466 thousand).
5. Company has reviewed the future earning of all its cash generating units in accordance with the accounting policy on impairment of assets [Note 21 I 5 above]. Consequent to such review and due to change in market demand, during the Year the Company has impaired the carrying value of Building and Plant & Machinery of plant located at Sikandrabad being Rs.110,353 thousand (Gross block Rs.2,59,833 thousand and accumulated depreciation thereon, Rs.149,480 thousand) to its estimated recoverable amount Rs.14,864 thousand (being the estimated net selling price, determined on the basis of an independent valuation). Out of impairment loss of Rs.95,489 thousand arising thereon, Rs.6,135 thousand has been adjusted against Revaluation Reserve.
6. Amount due from Directors and Company secretary as at March 31, 2011 is Rs. 2,742 thousand (Previous year Rs.3,020 thousand). Maximum amount due at any time during the year Rs.6,299 thousand (Previous year Rs. 3,954 thousand).

	2010-11 Rs.'000	2009-10 Rs.'000
7. Auditors' Remuneration		
For Audit (including service tax)	1,446	1,439
For Tax Audit (including service tax)	441	441
For Other Services (including service tax)	417	331
Out of Pocket Expenses	60	55
8. Prior Period Expenses/Income		
EXPENSES		
Consumption of Materials (Schedule 15)	19	60
Manufacturing Expenses (Schedule 16)	29	262
Personnel Expenses (Schedule 17)	19	37
Administration and Selling (Schedule 18)	682	1,686
Total	749	2,045

9. 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 earlier 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.
10. (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 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.
- (iii) 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.
- (iv) 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.
- (v) 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.
- (vi) 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.
- (vii) Short Term Loan for General Corporate Purpose is secured by hypothecation of property situated at 78, Institutional Area, Sector -18 Gurgaon and property at its works at Jagtjit Nagar.
- (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.160,039 thousand (Previous year Rs.221,132 thousand) is guaranteed by Directors
- (d) Car Loans are secured by hypothecation of the related cars.

Consolidated Schedules

Continued

11. At the year end unclaimed dividend Rs. 159 thousand (Previous Year Rs.610 thousand) and unclaimed deposits Rs. 9,324 thousand (previous year Rs. 8,164 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.
12. 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. 3,798,998 thousand (Previous year Rs. 2,381,032 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.129,333 thousand (Previous year Rs. 49,054 thousand) has been separately shown in Profit and Loss Account.
13. Earnings per share (EPS) : Numerators and denominators used to calculate basic and diluted earning per share

	Year ended 31.03.2011	Year ended 31.03.2010
Net Profit/(Loss) attributable to Shareholders	252,365,000	64,599,000
Number of equity shares in issue	43,648,112*	43,648,112*
Basic / Diluted Earnings per share of Rs.10 each (in Rs.)	5.78	1.48

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).

14. 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, 2011 Rs. '000	For the year ended March 31, 2010 Rs. '000
(i) Employers' Contribution to Superannuation Fund	20,453	17,269
(ii) Employers' Contribution to Provident Fund	43,950	36,605
(iii) Employers' Contribution to Employees' State Insurance Included in 'Contribution to Provident, Family Pension and Superannuation Funds' and 'Employees' State Insurance (Refer Schedule 17)	14,128	11,077

(b) Defined Benefit Plans

Valuation in respect of Gratuity and Leave Encashment have been carried out by independent actuary, as at 31st March, 2011, based on the following assumptions:

	For the year ended March 31, 2011	
	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)	9.78-20.04	10.54-22.45
(II) Change in the Present Value of Obligation		
(a) Present value of obligation as at April 1, 2010	40,026	117,214
(b) Interest cost	2,057	8,964
(c) Current service cost	18,690	9,583
(d) Benefit paid	(1,913)	(10,320)
(e) Actuarial (gain)/loss on obligations	(9,660)	34,718
(f) Present value of obligation as at March 31, 2011	49,200	160,159
(III) Amount recognised in the Balance Sheet		
(a) Present value of obligation as at March 31, 2011	49,200	160,159
(b) Fair Value of Plan Assets as at the year end	-	-
(c) (Asset) / Liability recognised in the Balance Sheet	49,200	160,159
(IV) Expenses recognised in the Profit and Loss Account		
(a) Current service cost	18,690	9,583
(b) Interest cost	2,057	8,964
(c) Expected Return on Plan Assets	-	-
(d) Settlement Cost/Credit	(1,913)	(10,320)
(e) Actuarial (gain)/loss recognised in period	(9,660)	34,718
(f) Total Expenses recognised in the Profit and Loss Account	9,174	42,945

Valuation in respect of Gratuity and Leave Encashment was carried out by independent actuary, as on 31st March, 2010, 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, 2009	35,817	109,548
(b) Interest cost	1,928	8,402
(c) Current service cost	15,311	8,043
(d) Benefit paid	(1,806)	(9,040)
(e) Actuarial (gain)/loss on obligations	(11,224)	261
(f) Present value of obligation as at March 31, 2010	40,026	117,214

(III) Amount recognised in the Balance Sheet		
(a) Present value of obligation as at March 31, 2010	40,026	117,214
(b) Fair Value of Plan Assets as at the year end	-	-
(c) (Asset) / Liability recognised in the Balance Sheet	40,026	117,214
(IV) Expenses recognised in the Profit and Loss Account		
(a) Current service cost	15,311	8,043
(b) Interest cost	1,928	8,402
(c) Expected Return on Plan Assets	-	-
(d) Settlement Cost/Credit	(1,806)	(9,040)
(e) Actuarial (gain)/loss recognised in period	(11,224)	261
(f) Total Expenses recognised in the Profit and Loss Account	4,209	7,666

15. Segment Reporting

i) Primary Segment Reporting (by Business Segments)

Composition of Business Segments

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

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

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

Packaging : Segment includes manufacturing and supplies of Glass 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 2010-11

	Beverages	Food	Packaging	Others	Total
REVENUE					
Sales (Net of Excise duty), Services and Other income	8,316,027	948,488	553,369	183,277	10,001,161
Inter Segment Sales	6,919	—	630,078	—	636,997
Unallocated Income	—	—	—	—	310,748
Total Revenue	8,322,946	948,488	1,183,447	183,277	10,948,906
RESULTS					
Segment Results (Refer Note vii below)	546,209	23,919	96,737	75	666,940
Unallocated expenditure					
Net of unallocated income					120,392
Interest Income					21,074
Interest Expense					(217,033)
Profit/ (Loss) before tax					350,589
Less: Tax expense:					
Current Tax :					
- For the year					70,961
- MAT Credit Entitlement					(8,842)
Deferred Tax (benefit)/ charge					36,105
Profit/ (Loss) after tax					252,365

	Beverages	Food	Packaging	Others	Total
OTHER INFORMATION					
Segment Assets (Refer Note viii below)	4,359,503	701,468	798,727	442,208	6,301,906
Inter-segment Assets	1,856	—	254,976	—	256,832
Unallocated Assets					1,312,751
Total Assets					7,871,489
Segment Liabilities	1,662,095	99,299	206,177	11,865	1,979,438
Inter-segment Liabilities	254,976	—	1,856	—	256,832
Unallocated Liabilities					2,224,924
Total Liabilities					4,461,194
Capital Expenditure	15,537	1,558	35,492	301,558	354,145
Unallocated Capital Expenditure					123,721
Total Capital Expenditure					477,866
Depreciation	169,249	45,919	50,013	639	265,820
Unallocated Depreciation					21,859
Total					287,679
Non - cash expenditure other than depreciation	22,805	1,705	—	242	24,752
Unallocable Non Cash					522
Total					25,274

Information about Secondary Business Segments - Geographical by location of customers

	Domestic	Overseas	Total
Revenues (Net of Excise Duty)	10,232,617	79,292	10,311,909
Other information:			
Carrying amount of segment assets by location of assets	7,614,657	—	7,614,657
Addition to Fixed Assets/Capital Work- in- Progress (including Capital Advances)	193,294	—	193,294

Consolidated Schedules

Continued

Information about Business Segment - Primary for the year 2009-10

	Beverages	Food	Packaging	Others	Total
REVENUE					
Sales (Net of Excise duty), Services and Other income	5,627,048	686,840	535,841	165,735	7,015,464
Inter Segment Sales	7,341	—	594,461	—	601,802
Unallocated Income	—	—	—	—	26,749
Total Revenue	5,634,389	686,840	1,130,302	165,735	7,644,015
RESULTS					
Segment Results (Refer Note vii below)	422,153	(4,798)	112,302	1,689	531,346
Unallocated expenditure					
Net of unallocated income					262,710
Interest Income					7,267
Interest Expense					(229,390)
Profit/ (Loss) before tax					46,513
Less: Tax expense:					
Current Tax :					
– For the year					8,569
– Fringe Benefit Tax					—
Deferred Tax (benefit)/ charge					(26,655)
Provision for Earlier years Written back					—
Profit/ (Loss) after tax					64,599
OTHER INFORMATION					
Segment Assets (Refer Note viii below)	4,035,180	794,064	869,329	140,658	5,839,231
Inter-segment Assets	10,714	—	155,908	—	166,622
Unallocated Assets					1,197,630
Total Assets					7,203,483
Segment Liabilities	1,244,521	92,919	210,331	11,372	1,559,145
Inter-segment Liabilities	155,908	—	10,714	—	166,622
Unallocated Liabilities					2,247,420
Total Liabilities					3,973,187
Capital Expenditure	41,881	28,509	18,424	—	88,814
Unallocated Capital Expenditure					109,974
Total Capital Expenditure					198,788
Depreciation	82,501	46,633	49,182	623	178,939
Unallocated Depreciation					14,587
Total				193,526	
Non - cash expenditure other than depreciation	7,407	1,179	713	—	9,299
Unallocable Non Cash					346
Total				9,645	

Information about Secondary Business Segments - Geographical by location of customers

	Domestic	Overseas	Total
Revenues (Net of Excise Duty)	6,974,084	68,129	7,042,213
Other information:			
Carrying amount of segment assets by location of assets	7,036,861	—	7,036,861
Addition to Fixed Assets/Capital Work- in- Progress (including Capital Advances)	525,436	—	525,436

NOTES:

- The Company is focused on the segment of Beverages (including Liquor) in India. The commercial terms and conditions of Liquor sales being identical in India, there are no differential risks and return on the basis of such business segmentation. The Company's year to date export turnover being less than 1% of its total turnover (Previous year 1%), the commercial risks and returns involved on the basis of geographic segmentation are therefore considered insignificant and immaterial.
- Segment assets include Capital Work- in- Progress & Capital Advances aggregating to Rs.327,555 thousand (Previous year-Rs. 42,955 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, Goodwill 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 and preliminary exp. written off.
- Sales, Services and other Income of Beverages segment includes rental income (net) of Rs. 92,686 thousand (Previous year Rs. 123,376 thousand) from the surplus properties of the Company.

16. 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:

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

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

Mr. Narender Sapra

Mr. Arvind Behl

Mr. Ravi Manchanda

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

Rs.'000

	For the Year ended March 31, 2011			For the Year ended March 31, 2010		
	With Persons Mentioned in Note 16 (a)	With Persons Mentioned in Note 16 (b)	Total	With Persons Mentioned in Note 16 (a)	With Persons Mentioned in Note 16 (b)	Total
	PARTICULARS OF TRANSACTIONS					
Sales of Goods (Refer Note 3 below)	8,827	—	8,827	6,707	—	6,707
Job Work rendered (Milkfood Limited)	659	—	659	29,431	—	29,431
Royalty Received (Hyderabad Distilleries & Wineries Pvt. Ltd.)	922	—	922	36	—	36
Purchases of goods (Refer Note 4 below)	41,535	—	41,535	33,886	—	33,886
Purchases of Fixed Assets (Milkfood Limited)	706	—	706	965	—	965
Interest accrued (Refer Note 5 below)	610	—	610	692	—	692
Reimbursement of Payments Made on Behalf of Company (Refer Note 6 below)	9,755	—	9,755	11,911	—	11,911
Expenses paid by Company on behalf of related parties (Refer Note 7 below)	1,336	—	1,336	1,586	—	1,586
Rent received (Milkfood Limited)	397	—	397	397	—	397
Loans including interest repaid (Refer Note 8 below)	261	—	261	5,194	—	5,194
Managerial Remuneration (Refer Note 2 below)	—	10,148	10,148	—	9,490	9,490
Purchase of Shares	—	—	—	—	—	—
Advance Given(S.R.K. Investments Pvt. Ltd.)	—	—	—	—	—	—
Refund of Advance Given(S.R.K. Investments Pvt. Ltd)	—	—	—	—	—	—
Bottling Charges paid (Hyderabad Distilleries & Wineries Pvt. Ltd.)	24,502	—	24,502	19,440	—	19,440
Lease Rent paid (Refer Note 9 below)	15,815	—	15,815	14,436	—	14,436
Contribution to Superannuation Fund (Jagatjit Industries Limited Employees Superannuation Scheme)	20,453	—	20,453	17,268	—	17,268
BALANCES OUTSTANDING AT THE YEAR END						
Unsecured Advances	126,635	—	126,635	126,635	—	126,635
Provision for Unsecured Advances	126,635	—	126,635	126,635	—	126,635
Receivables (Net of Payable)	20,279	—	20,279	74,955	—	74,955
Unsecured Loans	6,519	—	6,519	6,178	—	6,178
Investments	20,234	—	20,234	20,025	—	20,025
Provision for Permanent Diminution in value of Investments	2,023	—	2,023	2,023	—	2,023

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. 7,204 thousand (Previous year Rs. 6,406 thousand)
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 1,623 thousand (Previous year Rs. 301 thousand)
- Purchase of goods includes purchases from the following :
Milkfood Ltd. Rs. 41,405 thousand (Previous year-Rs. 33,682 thousand)
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs.130 (Previous year Rs. 154 thousand)
- Interest Accrued is in respect of the following :
Fast Buck Investments & Trading Pvt. Ltd. Rs. 610 thousand (Previous year Rs. 692 thousand)
- Reimbursement of Payments made on behalf of the Company is in respect of the following :
Milkfood Ltd. Rs. 9,317 thousand (Previous year Rs. 7,980 thousand)
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 405 thousand (Previous year Rs. 3,531 thousand)
Fast Buck Investments & Trading Pvt. Ltd. Rs. 8 thousand (Previous year Rs. Nil)
Grand Regency Hospitalities Pvt Ltd. Rs 25 thousand (Previous Year Rs. 400 thousand)
- Expenses paid by the Company on behalf of related parties is in respect of the following :
Milkfood Ltd. Rs. 869 thousand (Previous year Rs. 1,093 thousand)
Hyderabad Distilleries & Wineries Pvt. Ltd. Rs. 360 thousand (Previous year Rs. 493 thousand)
Grand Regency Hospitalities Pvt. Ltd. Rs 107 thousand (Previous Year Rs. Nil)
- Loans including interest repaid is in respect of the following :
Fast Buck Investments & Trading Pvt. Ltd. Rs. 261 thousand (Previous year Rs. 5,194 thousand)
- Lease Rent paid
Pashupati Properties & Estates Pvt. Limited Rs. 1,200 thousand (Previous year Rs. 1200 thousand)
Hyderabad Distilleries & Wineries Pvt. Ltd Rs. 14,615 thousand (Previous year Rs. 13,236 thousand)

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

Consolidated Schedules



18. In a petition filed against the Company and its Board of Directors under section 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 alongwith their holdings of 600 Equity Shares in M/s LPJ Holdings Pvt Ltd. (Formerly known as M/s L.P. Jaiswal & Sons Pvt Ltd.) at an aggregate value of Rs. 7300 lacs. Accordingly, during the financial year 2009-2010 in order to avoid any further adverse effects on the business operations and to facilitate smooth business operations, the Company paid total sum of Rs.7,300 lacs to the petitioners before the last date of payment, i.e. 11th June, 2009. The company made payment of (i) Rs. 579 lacs towards Face value of the Share Capital bought back and cancelled (ii) Rs. 5816 lacs as Premium paid on buy back of shares of the petitioners in the Company and (iii) Rs. 905 lacs towards 600 Shares of M/s LPJ Holdings Pvt Ltd. acquired from the Petitioners and disclosed as investments.

In view of the management, the premium paid on Buy-back of shares amounting to Rs 5,816 lacs as mentioned above has not been charged to Profit & Loss Account due to insufficiency of the Profits of the Company during the Financial Year 2009-2010. Instead as required under section 77A of the Companies Act, 1956 this amount has been set off against the brought forward balance in Profit & Loss Account, even though the CLB order as mentioned above exempts the company from the same. Further as required under section 77AA of the Companies Act, 1956 a sum equivalent to the nominal value of the shares so cancelled has been transferred to the Capital Redemption Reserve Account.

19. The Company normally acquires vehicles under operational lease with the respective underlying assets as security. Minimum lease payments outstanding as on March 31, 2011 in respect of these assets are as under:

	Total minimum lease payments outstanding as on March 31, 2011	Total minimum lease payments outstanding as on March 31, 2010
	Rs.'000	Rs.'000
Due within one year	7,259	9,425
Due later than one year and not later than five years	5,548	1,634

Lease payments of Rs. 12,206 thousand (Previous year Rs. 16,796 thousand) have been recognised as an expense in the profit and loss account for the year ended March 31, 2011.

20. During the current financial year the company has recognised revenue from goods sold by contract manufacturers on behalf of company as per the accounting policy in respect of income recognition. In this connection total turnover of the Company, for this financial year includes the Sales amounting to Rs. 2,274,892 thousand (Previous year Rs. Nil) from its contract manufacturing units. All expenditure, assets and liabilities related to operations with contract manufacturing units are consolidated in the respective accounting heads.
21. During the year net profit amounting to Rs293,854 thousand has been earned by the Company from sale of its idle residential property situated at 12, Rajdoot Marg, New Delhi.
22. Previous year's figures have been regrouped/recast wherever necessary to conform to the current year's classification.



