

Jagatjit Industries Limited

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The BSE Limited
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3rd September, 2020

Security Code No. 507155

1. Regulation 30: Outcome of the Board Meeting and disclosure of material events under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
2. Regulations 33: Audited Financial Results of the Company (both standalone and consolidated) for the quarter and year ended on 31st March, 2020.

Dear Sir/Madam,

The Board of Directors at their meeting held today i.e. 3rd September, 2020 inter alia, considered and approved the Audited, Standalone and Consolidated, Financial Results of the Company for the quarter and year ended on 31st March, 2020. Copy of the same along-with Audited Report issued by M/s. Madan & Associates, Chartered Accountants, Statutory Auditors of the Company, along with a statement on impact of Audit qualifications (for audit report with modified option) are attached and the results in prescribed format are being uploaded on the website of the Company at www.jagatjit.com.

You are requested to kindly take the above on record.

Yours faithfully,
For Jagatjit Industries Limited

Roopesh Kumar
Company Secretary



Encl: as above



MADAN & ASSOCIATES
CHARTERED ACCOUNTANTS

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Kailash Building, K.G. Marg
New Delhi-110001
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Independent Auditor's Report on the Quarterly and Year to Date Standalone Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015, (as amended)

To
The Board of Directors of Jagatjit Industries Limited,
4th Floor, Bhandari House,
91, Nehru Place,
New Delhi-110019

Qualified Opinion

We have audited the accompanying standalone annual financial results of **Jagatjit Industries Limited** (the "Company") for the quarter and year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us except the effects of matter described in basis for qualified opinion of our report, the Statement:

- (i) Is presented in accordance with the requirements of the Listing Regulations in this regard; and
- (ii) Gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India of the net loss and other comprehensive income loss and other financial information of the Company for the year ended March 31, 2020.



Basis for Qualified Opinion:

- (i) *In the opinion of the management, Trade Receivable and Loans & Advances have a value on realization in the ordinary course of business, at least equal to the carrying amount in the books.*

Company has a policy of providing for (a) all debts outstanding beyond 3 years or (b) where recovery is considered doubtful irrespective of the fact that legal action has been initiated or not, instead on the method prescribed under IND AS 109. Company does not have effective system of obtention of confirmations from Trade Receivables/ Payables (including confirmation of Registered MSME Suppliers) and other Advances. The financial impact of this is not ascertainable and to that extent we cannot comment upon the adequacy of provision for Expected Credit loss/doubtful debts/advances to the suppliers. However, non-moving debts and advances to suppliers outstanding beyond 1 year are to the extent of Rs. 1564 Lakhs which is static balance for which confirmations and reconciliations are not available and have not been provided for.

Further, Trade payables, Loan & advance and trade receivable (other than above) are subject to reconciliation & confirmation. The financial impact of all this is not ascertainable and to that extent we can not comment upon the veracity of such balances.

- (ii) *The Company has written back interest payable of Rs. 216 Lakhs (provided prior to FY 2018-19) to unidentified MSME suppliers. Management is of view that these are unidentified and a liability no longer required.*

- (iii) *Physical verification of inventories: Due to Covid-19 Pandemic lockdown management could not conduct the physical verification of all inventories at reporting date. It is informed by the management that physical verification was conducted subsequently and no material discrepancy was found.*

We were not able to attend the physical verification as lockdown was effective, therefore, we were unable to verify the existence/condition of inventories of Rs. 1485 Lakhs raw material, Rs. 243 Lakhs packing materials, Rs. 501 Lakhs work-in-progress, Rs.1441 Lakhs finished goods, Rs. 19 Lakhs stock-in-trade and Rs. 499 Lakhs store items to determine the adjustments that may be required to be made in the value of inventory and consequential effect thereof on financial statement as on March 31, 2020.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditors Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of



the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

- (i) We draw attention to Note No. 4(a) regarding loan to employees & provision for loan to ex-employee, Note No 4(b) regarding provision of loan and investments in Subsidiary, Note No 4(c) regarding provision for advances to others, Note No 5 regarding non-moving inventories, Note No 6 regarding unidentified bank balances, Note No 9 regarding provision of interest on outstanding balance of MSME suppliers, Note No 10 regarding adjustment of advances, Note No.11 regarding advance from customers, Note No 12 regarding adjustment of service tax payable, Note No 14 regarding other income, and Note No. 20 regarding other current financial liabilities, Note No 21 regarding outbreak of COVID-19 and Note No. 22 regarding internal audit issues
- (ii) Company has taken loan of Rs. 4020 Lakhs from its Associate Company and vide Board Resolution dated 14.02.2020 loan amount of Rs. 4000 Lakhs have been written back as not payable on confirmation of associate company and treated as income. This has resulted in reduction of loss of the year by Rs. 4000 Lakhs.

(iii) Going Concern:

The accounts have been prepared on Going concern Basis. The Company has been suffering losses for last seven years and the net working capital of the company is negative. The turnover of the company is declining continuously. During the year March 31, 2020 Company suffered net loss of Rs. 5165 Lakhs. These conditions indicate the existence of a material uncertainty and cast significant doubt about the company's ability to continue as a going concern. Management has represented to us that the company has sufficient resources to survive and curb the losses and there is no intention of the management to liquidate the entity. Further management has stated that the company has undertaken various steps to curtail losses and make working capital positive i.e.

- (a) Company has restarted its business of distillery during the last quarter of 2019-20 and positive results are expected to contribute to the growth of the company during next financial year.
- (b) The Company had initiated the process of monetizing its surplus immovable property at Sahibabad (UP) and Sikanderabad (UP) to repay debts / reduce finance cost and enhance its working capital. During the year, company has sold Sikandrabad Unit for Rs. 1900 Lakhs. Company has also received an amount of Rs 4,627 Lakhs as advance for sale of Sahibabad Unit till March 31, 2020, and



the company expects to receive the balance consideration of Rs 1900 Lakhs from sales of its Sahibabad Unit and it will help in improving the Cash Flow position of the company in next financial year. In the year ended March 31, 2020, total debts (other than group entity) has been reduced by Rs. 6267 Lakhs as compared to March 31, 2019. Finance cost for the year ended March 31, 2020 has been reduced to Rs. 4211 Lakhs as compared to Rs. 7259 Lakhs for the previous year.

- (c) Promoters / Promoters' Companies have provided its security of personal / its assets to secure term loan. Promoters have infused Rs. 4000 Lakhs in the form of the interest free loan through associate company and have obtained the waiver of the loan.
- (d) The Company has put in place a time bound plan for reduction of overheads and non-essential expenditures resulting in reduction of employee benefit expenses by Rs 866 Lakhs, rent by Rs 72 Lakhs, travelling expenses by Rs 91 Lakhs and Legal expenses by Rs 304 Lakhs as compared to previous year.
- (e) The company has ventured into new business of hand sanitizers and accordingly entered into arrangements with various parties for manufacture/ procurement of hand sanitizers for sales, distribution against the supply of the denatured alcohol by the company. The product of the company appears to be well accepted in the market as per initial reports. This will have positive impact on the financial performance of the company in the coming year.

Company is of the view that in terms of various steps undertaken full effect of the same will be further visible by end of the next year and will help in curtailing/reducing losses.

As per the assessment of the management the going concern assumption is not affected and no material uncertainty exists in this regard. We have relied upon the assertion of the management.

Our opinion is not modified in respect of these matters.

Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit / (loss) and other comprehensive income/ (loss) of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This



responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of



accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, a material uncertainty exists relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. We draw attention on emphasis of matter paragraph (stated above) in our audit report explaining indicator of existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and mitigation factors given by the management.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with the mall relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us as required under the Listing Regulations.



For Madan & Associates

Chartered Accountants

FRN: 000185N

h. k. madan

M. K. Madan

Proprietor

Membership Number : 082214

Place: New Delhi

Date: September 03, 2020

UDIN: 20082214AAAACF7989



JAGATJIT INDUSTRIES LIMITED

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AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020

Rs. in Lakhs

	Particulars	Quarter Ended			Year Ended	
		31.03.2020 (Refer Note 23)	31.03.2019 (Refer Note 23)	31.12.2019 (Unaudited)	31.03.2020 (Audited)	31.03.2019 (Audited)
1	Income					
	(a) Revenue from operations (gross of excise duty)	6,585	5,889	5,842	22,528	24,925
	(b) Other income	1,724	3,089	1,275	4,803	5,462
	Total income	8,309	8,978	7,117	27,331	30,387
2	Expenses					
	(a) Cost of materials consumed	3,003	1,306	2,271	8,872	6,993
	(b) Purchase of stock-in-trade	128	77	171	618	478
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(267)	656	19	(343)	1,411
	(d) Excise duty on sale	421	362	1	461	2,499
	(e) Employee benefits expense	1,427	1,682	1,509	5,994	6,860
	(f) Finance costs	796	2,939	1,198	4,211	7,259
	(g) Depreciation and amortisation expense	275	245	230	965	1,044
	(h) Other expenses	5,189	3,234	3,093	13,523	10,830
	Total expenses	10,972	10,501	8,492	34,301	37,374
3	Profit/(Loss) before exceptional items and taxes (1-2)	(2,663)	(1,523)	(1,375)	(6,970)	(6,987)
4	Exceptional Items: Income	2,868	28	-	2,868	373
5	Profit/(Loss) before tax (3-4)	205	(1,495)	(1,375)	(4,102)	(6,614)
6	Tax expense					
	Derecognition of MAT credit	968	(234)	-	968	(234)
	Deferred tax (credit)/ charge	(244)	92	-	(244)	92
7	Net Profit / (Loss) after tax (5±6) from continuing operations	(519)	(1,353)	(1,375)	(4,826)	(6,472)
8	Net Profit / (Loss) from discontinuing operations	(21)	(49)	(6)	(61)	(116)
9	Tax expenses of discontinuing operations	-	-	-	-	-
10	Net Profit / (Loss) after Tax (7±8) from discontinuing operations	(21)	(49)	(6)	(61)	(116)
11	Net Profit / (Loss) after tax	(540)	(1,402)	(1,381)	(4,887)	(6,588)
12	Other Comprehensive Income / (Loss)					
	Items that will not be reclassified to profit or loss	(233)	(30)	(15)	(278)	(60)
	Income tax related to above	-	21	-	-	21
		(233)	(9)	(15)	(278)	(39)
13	Total Comprehensive Income for the period	(773)	(1,411)	(1,396)	(5,165)	(6,627)
14	Paid-up equity share capital (Face value of the share is Rs.10/- each)	4615	4615	4615	4615	4615
15	Other Equity (excluding Revaluation Reserves)				(25,102)	(21,849)
16.i	Earnings per share (for continuing operations) (of Rs. 10/- each) (not annualised for the interim period):					
	(a) Basic	(1.19)	(3.10)	(3.15)	(11.06)	(14.83)
	(b) Diluted	(1.19)	(3.10)	(3.15)	(11.06)	(14.83)
16.ii	Earnings per share (for discontinuing operations) (of Rs. 10/- each) (not annualised for the interim period):					
	(a) Basic	(0.05)	(0.11)	(0.01)	(0.14)	(0.26)
	(b) Diluted	(0.05)	(0.11)	(0.01)	(0.14)	(0.26)
16.iii	Earnings per share (of Rs. 10/- each) (not annualised for the interim period):					
	(a) Basic	(1.24)	(3.21)	(3.16)	(11.20)	(15.09)
	(b) Diluted	(1.24)	(3.21)	(3.16)	(11.20)	(15.09)

See accompanying notes to the consolidated financial results



Notes

- 1 The audited standalone financial results of the company for the quarter ended and year ended March 31, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on September 03, 2020. The remarks/ qualifications made by the Statutory Auditors on the Financial Results as stated in their Report are annexed herewith.
- 2 The financial results of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.
- 3 Contingent Liabilities - Claims against the company not acknowledged as debts - Rs. 1921 Lakhs as on March 31, 2020 (March 31, 2019 - Rs. 1148 Lakhs)
- 4 (a) Loan given includes Rs. 462 Lakhs (good for recovery) to senior employees in earlier years is considered as non-current assets in absence of stipulations of recovery. Further during the year, Company has made provision of Rs. 315 Lakhs for a loan given to ex-employee by way of abundant caution.
- 4 (b) The Company has made a provision against a loan of Rs. 185 Lakhs given to subsidiary company due to erosion of its net worth. Further during the year ended March 31, 2020, provision for diminution in carrying value of investment in Subsidiary Company to the tune of Rs. 1020 Lakhs have been made to recognise a permanent decline in assets of Hyderabad Distilleries and Wineries Pvt Ltd (HDWPL) in which said subsidiary held the investments.
- 4 (c) Interest free advance of Rs. 170 Lakhs (Previous Year : Rs. 270 Lakhs treated as current) given in the earlier years has been provided as a matter of abundant caution. Company is making efforts to recover the said advance.
- 5 Inventories include non-moving stocks of Rs. 67 Lakhs (Raw Material of Rs. 24 Lakhs, WIP of Rs. 9 Lakhs and Finished goods of Rs. 34 Lakhs) against which no provision has been made. The Management is of the view that these stocks will be utilised / disposed off in the financial year 2020-21. Adjustment, if any, shall be made in the subsequent year.
- 6 During the year unidentified non-operative bank balance of Rs. 2 Lakhs has been written off.
- 7 Consequent upon receipt of approval from Lessor (UPSIDC), the Company has recorded sales of Sikandrabad unit (comprising of leasehold land, building and machinery) for Rs. 1900 Lakhs in books of account. There is no impact on the profit/(loss) of the Company as carrying value of the assets (restated on NRV in previous year) is equal to the sale consideration.
- 8 During financial year 2017-18 company entered into an agreement of sale for development and disposal thereafter a part of Leasehold land of Glass division at Sahibabad due to discontinuity of operations. In pursuance of the said agreement company has received a sum of Rs. 4627 Lakhs (towards part performance of the agreement) which is shown under other current liabilities. Recognition of revenue has been deferred, pending approval from the lessor (UPSIDC). Management is hopeful for receipt of formal approval within 12 months of the reporting date.
- 9 Trade payable (other than MSME) includes the amount of Rs. 184 Lakhs of being balance of the MSME parties prior to the date of its registration under the MSMED Act 2006. Further Company has provided interest on the outstanding balance of MSME parties in respect of supplies subsequent to the registration of parties under the MSMED Act 2006.
- 10 During the year, provision for bills payable with respect to legal and professional expenses of Rs. 53.49 Lakhs have been adjusted against the advances given in earlier years pending receipt of bills.
- 11 Other financial liabilities includes Rs. 542 Lakhs (including Rs. 422 Lakhs outstanding more than 365 days) amount received from customers pending reconciliation. The Company has received a sum of Rs. 857 Lakhs received from a customer which is adjustable in 60 monthly installments of Rs. 15 Lakhs each w.e.f July 2020 and being shown as net of receivable of Rs. 215 Lakhs against supplies to the said customer. The Company is of the view that the same is not a deposit within the meaning of Sec 2(31) read with Acceptance of Deposit rules 2014.
- 12 During the year, service tax payable of Rs. 54 Lakhs (representing difference on account of provision made in respect of royalty income on accrual basis and the payment made on actual receipt basis as certified by the management) pertaining to earlier years has been adjusted by reconing of income of Rs. 23 Lakhs and the balance amount has been adjusted from parties account.
- 13 For the year ended March 31, 2020, revenue from operation is net of Rs. 119 Lakhs on account of reversal of income related to previous year.
- 14 Other income includes Rs. 55 Lakhs written back on account of differences arising due to reconciliation of trade payable / receivable balances. The amount of Rs. 55 Lakhs includes statutory liabilities of Rs. 40 Lakhs which in the opinion of the Management are not payable.
- 15 For year ended March 31, 2020, finance cost includes interest of Rs. 410 Lakhs on account of full and final settlement with parties from whom security deposit was taken in earlier years and Rs. 84 Lakhs on account of loan preclosure charges.
- 16 For the year ended March 31, 2020, Other expenses includes Rs. 84 Lakhs on account of reversal of bottling charges related to previous year on full and final settlement with the party and Rs. 30 Lakhs as an advance written off due to non fulfillment of the contractual obligations.
- 17 With Effect From April 1, 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing as on April 1, 2019 using the modified method. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of Rs. 53 Lakhs and a corresponding lease liability of Rs. 53 Lakhs. The effect of this adoption has increased losses by Rs. 1 Lakh and reduction of EPS by INR 0.0023 per share. The AS 116 has not been applied to short-term leases of all assets that have a lease term of 12 months or less and the lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.
- 18 In absence of convincing evidence of future taxable profit, the Company has derecognised MAT Credit of Rs. 968 Lakhs and has not recognised deferred tax asset during the year.
- 19 Exceptional items includes write back of Loan of associate company of Rs. 4000 Lakhs, provision for diminution in the value of investments & advance of Rs. 1195 Lakhs, prior period expenses of Rs. 37 Lakhs and profit on the sale of vehicle of Rs. 111 Lakhs.
- 20 Other Current Financial Liabilities includes Rs. 71 Lakhs (Previous Year : Rs. 71 Lakhs) on account of cash discount payable for earlier years subject to confirmation and reconciliation of account with Orissa State Beverages Corporation Ltd and Rs. 226 Lakhs (Previous Year : Rs. 159 Lakhs) payable to ex-employees on account of full and final settlement which are outstanding for more than one year. Management will review the balances in the financial year 2020-21 and pass the necessary entry if any on completion of the review.
- 21 The outbreak of Covid-19 pandemic is causing significant disturbance and slowdown of economic activities globally. With various restrictions imposed and the lockdown announced from March 24, 2020, all the operations and the manufacturing operations came to stand still during the rest of March 2020. This impacted the performance marginally of the company adversely for the quarter and the Financial Year ended March 31, 2020. With the relaxations granted by the Government of State of Punjab, the operations of the distillery and food division were resumed from April 11, 2020. Further, in view to meet the requirement of the hand sanitizers due to the increased demand of the same on account of the spread of COVID-19, the Company has launched hand sanitizers and accordingly entered into arrangements with various parties for manufacture/ procurement of hand sanitizers for sales & distribution against the supply of the Denatured Alcohol by the Company. The product of the Company appears to be well accepted in the market as per initial reports. The Company is facing issues in servicing its financial obligations due to the impact of COVID-19. Loan from NBFC and Bank and the repayment of installments of same are under moratorium till August 2020 due to Covid-19 pandemic. The Company is expecting its revised repayment schedule from the said institutions. Based on the current indicators of future economic conditions, the management expects to recover the carrying amount of the assets, however the management will continue to closely monitor any material changes to future economic conditions. Given the uncertainties, the final impact on Company's assets in future may differ from that estimated as at the date of approval of these financial results.
- 22 Internal audit report for the half year ending 31.03.2020 has been received on 20.08.2020. Internal auditor inter alia has raised certain issues regarding availment of GST input credit in respect of certain matters, payment of GST under the reverse charge mechanism, Providing of documentary support in respect of some of the sales promotion and marketing expenses, non collection of TCS on the sale of the vehicle, Application of Sec 2(31) of Companies Act read with Acceptance of Deposits Rules 2014 regarding certain deposits and advances from customers, Accounting of MGQ income, Non booking of interest income on the late receipt of Royalty income, etc.. Management is of the view that it has rightfully claimed the input credits and fully complied with the provisions of the GST Act in other areas. However management will take further view in respect of all these matters including taking of the legal opinion and will obtain the compliance certificate from the internal auditor by the end of September 2020.
- 23 The figures of the last quarter ended March 31, 2020 / 2019 are the balancing figures between audited figures in respect of the full financial year up to March 31, 2020 / 2019 and the unaudited published year-to-date figures up to December 31, 2019 / 2018 being the date of the end of the third quarter of the financial year which were subjected to limited review.
- 24 Figures for the previous quarters/periods have been regrouped/reclassified, wherever necessary, to correspond with the current period classification/disclosure.

DATE : 03.09.2020
PLACE : NEW DELHI



FOR AND ON BEHALF OF JAGATJIT INDUSTRIES LIMITED


RAVI MANCHANDA
(MANAGING DIRECTOR)

Balance Sheet as at 31 March, 2020			
Particulars		31.03.2020 (Audited)	31.03.2019 (Audited)
A	ASSETS		
1	Non-current assets		
	Property, Plant and Equipment	37,268	38,046
	Capital work in progress	18	22
	Other Intangible Assets		2
	Right-of-use assets	20	
	Investment Properties	1,790	1,837
	Financial assets		
	- Investments	33	1,798
	- loans	476	1,988
	-Other Financial Assets	1,213	1,513
	Other non-current assets	445	1,167
	Total Non - Current Assets	41,263	46,373
2	Current assets		
	Inventories	4,189	3,942
	Financial assets		
	- Investments		
	- Trade receivables	2,861	6,581
	- Cash and cash equivalents	1,097	950
	- Loans	57	967
	- Others	76	322
	Other current assets	1,009	2,446
	Assets Classified as held for sale	38	1,938
	Total Current Assets	9,327	17,146
		50,590	63,519
B	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	Equity Share capital	4,615	4,615
	Other Equity	(580)	4,585
	Total Equity	4,035	9,200
2	Non-current liabilities		
	Financial liabilities		
	- Borrowings	19,919	20,432
	- Other financial liabilities	3,348	3,647
	- Lease liability	3	
	Other Long Term Liabilities	324	434
	Deferred Tax Liabilities (Net)	-	244
	Provisions	2,378	2,245
	Total Non - Current Liabilities	25,972	27,002
3	Current liabilities		
	Financial liabilities		
	- Borrowings	214	1
	- Trade payables	6,763	7,357
	- Other financial liabilities	5,872	11,259
	- Lease liability	19	
	Other current liabilities	7,270	8,276
	Provisions	445	424
	Total Current Liabilities	20,583	27,317
		50,590	63,519



Segment wise Revenue, Results and Assets and Liabilities

(Rs in Lakhs)

Particulars	Standalone				
	Quarter Ended 31 03 2020 (Refer Note 23)	Quarter Ended 31 03 2019 (Refer Note 23)	Quarter Ended 31 12 2019 (Unaudited)	Year Ended 31 03 2020 (Audited)	Year Ended 31 03 2019 (Audited)
1. Segment Revenue (Sales and other operating income)					
A Beverages	3,042	2,037	2,249	8,477	11,210
B Food	3,406	3,783	3,421	13,420	13,231
C. Others	137	69	172	631	484
Total Segment Revenue	6,585	5,889	5,842	22,528	24,925
2. Segment Results					
A Beverages	(2290)	382	(693)	(4429)	(856)
B. Food	352	360	491	1394	961
C. Others	0	(2)	(3)	(5)	(7)
Total Segment Results	(1938)	740	(205)	(3040)	98
Add/(Less) : Exceptional Items [net credit/(charged)]	2868	28	0	2868	373
Less : Finance Cost	796	2939	1198	4211	7259
Less : Other un-allocable expense net of un-allocable income	(71)	(676)	(28)	(281)	(174)
Total Profit/(Loss) Before Tax from continuing operations	205	(1495)	(1375)	(4102)	(6614)
Total Profit/(Loss) Before Tax from discontinuing operations	(21)	(49)	(6)	(61)	(116)
Total Profit/(Loss) Before Tax	184	(1544)	(1381)	(4163)	(6730)
3. Segment Assets					
A. Beverages	13,717	19,220	12,693	13,717	19,220
B. Food	6,711	8,078	7,638	6,711	8,078
C. Asset classified as held for sale	38	1,938	38	38	1,938
D. Others Unallocable	30,124	34,283	33,399	30,124	34,283
Total	50,590	63,519	53,768	50,590	63,519
4. Segment Liabilities					
A. Beverages	12,380	13,411	11,229	12,380	13,411
B. Food	4,714	4,019	3,287	4,714	4,019
C. Liability directly associated with asset classified as held for sale	4,627	6,427	4,627	4,627	6,427
D. Others Unallocable	24,834	30,462	29,814	24,834	30,462
Total	46,555	54,319	48,957	46,555	54,319



Standalone Cash Flow Statement

for the year ended March 31, 2020

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31,
A. Cash flow from operating activities:		
Net loss for the year before tax	(4,163)	(6,730)
Adjustments for:		
Rent from investment properties	(2,048)	(2,000)
Fair valuation of investments	13	(600)
Prior period adjustments	-	-
Depreciation	965	1,044
Interest expense	4,211	7,259
Interest income	(122)	(221)
Profit on sale of properties, plant and equipment (net)	(111)	(361)
Provision for investments	1,020	
Provision for Loans to subsidiary	185	
Bad debts/advances/stock written off	933	192
Provision for doubtful debts and advances	2,976	1,484
Provision for obsolete/damaged inventory	146	155
Profit on sale of investment	-	(650)
Liability no longer required written back towards loans	(4,000)	
Liability no longer required written back	(1,572)	(1,132)
Provision for Gratuity & Leave Encashment & others	154	24
Operating profit before working capital changes	(1,413)	(1,536)
Changes in working capital		
Trade receivables	1,390	4,148
Loans, other financial assets and other assets	1,145	2,839
Inventories	(378)	1,752
Trade payables	(594)	(3,149)
Financial liabilities, other liabilities and provisions	1,483	1,023
Cash generated from operations	1,633	5,077
Taxes (Paid)/ Received (Net of TDS)	-	-
Net Cash flow/(used) from operating activities (A)	1,633	5,077
B. Cash flow from investing activities:		
Purchase of property, plant and equipment including capital work-in-progress and capital advances	(152)	(158)
Advances against assets held for sale	100	3,927
Proceeds from sale of property, plant and equipment	176	421
Purchase of investments property	-	(9)
Sale of investments	745	713
Refund From subsidiaries	1,802	1,182
Interest received (Revenue)	136	309
Income from investment properties	2,048	2,000
Release/(Addition) of cash (from)/for restrictive use	254	(725)
Net Cash inflow from investing activities (B)	5,109	7,660
C. Cash flow from financing activities:		
Net Loans (repaid) / taken	(6,283)	(5,648)
Leased Payments	(32)	-
Loans written back	4,000	-
Interest paid	(4,280)	(7,335)
Net cash used in financing activities (C)	(6,595)	(12,983)
Net increase/ (decrease) in cash & cash equivalents (A + B + C)	147	(246)
Cash and cash equivalents at the beginning of the year	950	1,196
Cash and cash equivalents at the end of the year	1,097	950
Cash & cash equivalents comprises of		
Cash, cheques & drafts (in hand) and remittances in transit	26	13
Balance with scheduled banks	1,071	937
	1,097	950



MADAN & ASSOCIATES
CHARTERED ACCOUNTANTS

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Independent Auditor's Report on the Quarterly and Year to Date Consolidated Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015, (as amended)

To
The Board of Directors of Jagatjit Industries Limited,
4th Floor, Bhandari House,
91, Nehru Place,
New Delhi-110019

Qualified Opinion

We have audited the accompanying consolidated annual financial results of **Jagatjit Industries Limited** (the "Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together refer to as "the group") and associate company for the quarter and year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of other auditors on the separate financial statements of the subsidiaries and associate company as referred in others matter paragraph except the effects of matter described in basis for qualified opinion of our report, the Statement:

(i) includes the results of following entities:

Subsidiary Companies

(a) JIL Trading Pvt. Ltd.



- (b) S.R.K. Investment Pvt. Ltd.
- (c) Sea Bird Securities Pvt. Ltd.
- (d) L.P. Investments Ltd.
- (e) Yoofy Computech Pvt. Ltd.
- (f) Natwar Liquors Pvt. Ltd.

Associate Company

Hydrabad Distilleries and Wineries Pvt. Ltd.

- (ii) is presented in accordance with the requirements of the Listing Regulations in this regard; and
- (iii) gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India of the net loss and other comprehensive income / (loss) and other financial information of the Group for the year ended March 31, 2020.

Basis for Qualified Opinion:

- (i) *In the opinion of the management, Trade Receivable and Loans & Advances have a value on realization in the ordinary course of business, at least equal to the carrying amount in the books.*

The Group has a policy of providing for (a) all debts outstanding beyond 3 years or (b) where recovery is considered doubtful irrespective of the fact that legal action has been initiated or not, instead on the method prescribed under IND AS 109. The Group does not have effective system of obtention of confirmations from Trade Receivables/ Payables (including confirmation of Registered MSME Suppliers) and other Advances. The financial impact of this is not ascertainable and to that extent we cannot comment upon the adequacy of provision for Expected Credit loss/doubtful debts/advances to the suppliers. However, non-moving debts and advances to suppliers outstanding beyond 1 year are to the extent of Rs. 1564 Lakhs which is static balance for which confirmations and reconciliations are not available and have not been provided for.

Further, Trade payables, Loan & advance and trade receivable (other than above) are subject to reconciliation & confirmation. The financial impact of all this is not ascertainable and to that extent we can not comment upon the veracity of such balances.

- (ii) *The Group has written back interest payable of Rs. 216 Lakhs (provided prior to FY 2018-19) to unidentified MSME suppliers. Management is of view that these are unidentified and a liability no longer required.*



- (iii) *Physical verification of inventories: Due to Covid-19 Pandemic lockdown management could not conduct the physical verification of all inventories at reporting date. It is informed by the management that physical verification was conducted subsequently and no material discrepancy was found.*

We were not able to attend the physical verification as lockdown was effective, therefore, we were unable to verify the existence/condition of inventories of Rs. 1485 Lakhs raw material, Rs. 243 Lakhs packing materials, Rs. 501 Lakhs work-in-progress, Rs.1441 Lakhs finished goods, Rs. 19 Lakhs stock-in-trade and Rs. 499 Lakhs store items to determine the adjustments that may be required to be made in the value of inventory and consequential effect thereof on financial statement as on March 31, 2020.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditors Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their report to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

- (i) We draw attention to Note No. 4(a) regarding loan to employees & provision for loan to ex-employee, Note No. 4(b) regarding provision for advances to others, Note No. 5 regarding non-moving inventories, Note No. 6 regarding unidentified bank balances written off, Note No. 9 regarding provision of interest on outstanding balance of MSME suppliers, Note No. 10 regarding adjustment of advances, Note No. 11 regarding advance from customers, Note No. 12 regarding adjustment of service tax payable, Note No. 14 regarding other income, and Note No. 20 regarding other current financial liabilities, Note No. 21 regarding outbreak of COVID-19 and Note No. 23 regarding internal audit issues.
- (ii) The Group has taken loan of Rs. 6999 Lakhs from its Associate Company and vide Board Resolution(s) dated 14.02.2020/20.02.2020 loan amount of Rs. 6979 Lakhs have been written back as not payable on confirmation of associate company and treated as income. This has resulted in reduction of loss of the year by Rs. 6979 Lakhs.



(iii) **Going Concern:**

The accounts have been prepared on Going concern Basis. The Holding Company has been suffering losses for seven years and the net working capital of the company is negative. The turnover of the Holding Company is declining continuously. During the year March 31, 2020 the Holding Company suffered net loss of Rs. 5165 Lakhs. These conditions indicate the existence of a material uncertainty and cast significant doubt about the company's ability to continue as a going concern. Management has represented to us that the Holding Company has sufficient resources to survive and curb the losses and there is no intention of the management to liquidate the entity. Further management has stated that the Holding Company has undertaken various steps to curtail losses and make working capital positive i.e.

- (a) The Holding Company has restarted its business of distillery during the last quarter of 2019-20 and positive results are expected to contribute to the growth of the Holding Company during next financial year.
- (b) The Holding Company had initiated the process of monetizing its surplus immovable property at Sahibabad (UP) and Sikanderabad (UP) to repay debts / reduce finance cost and enhance its working capital. During the year, Holding company has sold Sikandrabad Unit for Rs. 1900 Lakhs. The Holding Company has also received an amount of Rs 4,627 Lakhs as advance for sale of Sahibabad Unit till March 31, 2020, and the Holding Company expects to receive the balance consideration of Rs 1900 Lakhs from sales of its Sahibabad Unit and it will help in improving the Cash Flow position of the Holding Company in next financial year. In the year ended March 31, 2020, total debts (other than group entity) has been reduced by Rs. 6267 Lakhs as compared to March 31, 2019. Finance cost for the year ended March 31, 2020 has been reduced to Rs. 4211 Lakhs as compared to Rs. 7259 Lakhs for the previous year.
- (c) Promoters / Promoters' Companies have provided its security of personal / its assets to secure term loan. Promoters have infused Rs. 4000 Lakhs in the form of the interest free loan through associate company and have obtained the waiver of the loan.
- (d) The Holding Company has put in place a time bound plan for reduction of overheads and non-essential expenditures resulting in reduction of employee benefit expenses by Rs 866 Lakhs, rent by Rs 72 Lakhs, travelling expenses by Rs 91 Lakhs and Legal expenses by Rs 304 Lakhs in this year as compared to previous year.
- (e) The Holding Company has ventured into new business of hand sanitizers and accordingly entered into arrangements with various parties for manufacture/ procurement of hand sanitizers for sales, distribution against the supply of the



denatured alcohol by the company. The product of the Holding Company appears to be well accepted in the market as per initial reports. This will have positive impact on the financial performance of the Holding Company in the coming year.

The Holding Company is of the view that in terms of various steps undertaken full effect of the same will be further visible by end of the next year and will help in curtailing/reducing losses.

As per the assessment of the management of Holding Company the going concern assumption is not affected and no material uncertainty exists in this regard. We have relied upon the assertion of the management.

Our opinion is not modified in respect of these matters.

Management's Responsibilities for the Consolidated Financial Results

The Statement has been prepared on the basis of the consolidated annual financial statements. The Board of Directors of the Holding Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net loss and other comprehensive loss and other financial information of the Group including its associate in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error which has been used for the purpose of preparation of the Statement by the Directors of the Holding company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and its associates are also responsible for overseeing financial reporting process of the Group and of its



associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, a material uncertainty exists relating to events or conditions that may cast significant doubt on the Holding Company's ability to continue as a going concern. We draw attention on emphasis of matter paragraph (stated above) in our audit report explaining indicator of existence of material uncertainty that may cast significant doubt on the Holding Company's ability to continue as a going concern and mitigation factors given by the management.



- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/information of the entities within the Group of which we are the independent auditors to express an opinion on the Statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statements of which we are the independent auditors. For the other entities included in the Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the 'Other Matters' paragraph of this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities Exchange Board of India under Regulation 33(8) of Listing Regulation, to the extent applicable.

Other Matters

We did not audit the financial statements of six subsidiaries, whose financial statements reflect total assets of Rs 97 Lakhs as at March 31, 2020, total revenues of Rs. Nil and Rs. Nil, total net loss Rs. 7 Lakhs and Rs. 5 Lakhs, total comprehensive loss Rs. 7 Lakhs and Rs. 5 Lakhs for the quarter ended and year ended March 31, 2020 respectively and net cash inflows amounting to Rs. 1 Lakh for the year ended on that date, as considered in the Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Holding Company's management and our opinion on the Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the audit reports of other auditors.



The Statements also include the Group's share of net profit (including other comprehensive income) of Rs. 477 Lakhs for the year ended March 31, 2020 and share of net loss of Rs 2297 Lakhs for the quarter ended March 31, 2020 as considered in the Statements, in respect of an associate company, whose financial statements have been audited by other auditors.

Our opinion on the Statements is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditors.

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us as required under the Listing Regulations.



For Madan & Associates
Chartered Accountants

FRN: 000185N

m.k. madan

M. K. Madan
Proprietor

Membership number: 082214

Place: New Delhi

Date: September 03, 2020

UDIN: 20082214 AAAACG6832



JAGATJIT INDUSTRIES LIMITED

Regd. Office: Jagatjit Nagar – 144 802, Distt. Kapurthala (Punjab)

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AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020

Rs. in Lakhs

Particulars	Quarter Ended			Year Ended	
	31.03.2020 (Refer Note 24)	31.03.2019 (Refer Note 24)	31.12.2019 (Unaudited)	31.03.2020 (Audited)	31.03.2019 (Audited)
1 Income					
(a) Revenue from operations (gross of excise duty)	6,585	5,889	5,842	22,528	24,925
(b) Other income	1,724	3,089	1,275	4,803	5,462
Total Income	8,309	8,978	7,117	27,331	30,387
2 Expenses					
(a) Cost of materials consumed	3,003	1,306	2,271	8,872	6,993
(b) Purchase of stock in trade	128	77	171	618	478
(c) Changes in inventories of finished goods, work- in-progress and stock-in-trade	(267)	656	19	(343)	1,411
(d) Excise duty on sales	421	362	1	461	2,499
(e) Employee benefits expense	1,427	1,682	1,509	5,994	6,860
(f) Finance cost	796	2,939	1,198	4,211	7,259
(g) Depreciation and amortisation expense	275	245	230	965	1,044
(h) Other expenses	5,190	3,239	3,095	13,526	10,835
Total expenses	10,973	10,506	8,494	34,304	37,379
3 Profit/(Loss) before exceptional items and taxes (1-2)	(2,664)	(1,528)	(1,377)	(6,973)	(6,992)
4 Exceptional Items Income	2,833	28	-	2,833	373
5 Profit/(Loss) before tax (3-4)	169	(1,500)	(1,377)	(4,140)	(6,619)
6 Tax expense					
Current Tax	1			1	
MAT Credit For The Year	(1)			(1)	
Derecognition of MAT credit	979	(234)	-	979	(234)
Deferred tax (credit)/charge	(244)	92	-	(244)	92
7 Net Profit / (Loss) after tax (5+6) from continuing operations	(566)	(1,358)	(1,377)	(4,876)	(6,477)
8 Net Profit / (Loss) from discontinuing operations	(21)	(49)	(6)	(61)	(116)
9 Net Profit / (Loss) after tax	(587)	(1,407)	(1,383)	(4,936)	(6,593)
10 Share of Profit/(Loss) of associates	(2,297)	-	(3)	477	-
11 Non-controlling interest					
12 Net Profit / (Loss) after tax, minority interest and share of Profit/(Loss) of associates	(2,884)	(1,407)	(1,386)	(4,459)	(6,593)
13 Other Comprehensive Income / (Loss)					
Items that will not be reclassified to profit or loss	(233)	(30)	(15)	(278)	(60)
Income tax related to above	-	21	-	-	21
	(233)	(9)	(15)	(278)	(39)
14 Total Comprehensive Income for the period	(3,117)	(1,416)	(1,401)	(4,737)	(6,632)
15 Paid-up Equity Share Capital (Face Value of the Share is Rs. 10/- each)	4615	4615	4615	4615	4615
16 Other Equity (excluding Revaluation Reserves)				(24,632)	(21,849)
17.i Earnings per share (for continuing operations)					
(of Rs. 10/- each) (not annualised for the quarter & nine months):					
(a) Basic	(6.56)	(3.11)	(3.16)	(10.08)	(14.84)
(b) Diluted	(6.56)	(3.11)	(3.16)	(10.08)	(14.84)
17.ii Earnings per share (for discontinuing operations)					
(of Rs. 10/- each) (not annualised for the quarter & nine months):					
(a) Basic	(0.05)	(0.11)	(0.01)	(0.14)	(0.27)
(b) Diluted	(0.05)	(0.11)	(0.01)	(0.14)	(0.27)
17.iii Earnings per share					
(of Rs. 10/- each) (not annualised for the quarter & nine months):					
(a) Basic	(6.61)	(3.22)	(3.18)	(10.22)	(15.10)
(b) Diluted	(6.61)	(3.22)	(3.18)	(10.22)	(15.10)

See accompanying notes to the consolidated financial results



Notes

- 1 The audited consolidated financial results of the Group for the quarter ended and year ended March 31, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on September 03, 2020. The remarks/qualifications made by the Statutory Auditors on the Financial Results as stated in their Report are annexed herewith.
- 2 The financial results of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.
- 3 Contingent Liabilities - Claims against the Group not acknowledged as debts - Rs 1921 Lakhs as on March 31, 2020 (March 31, 2019 - Rs 1148 Lakhs).
- 4 (a) Loan given includes Rs 462 Lakhs (good for recovery) to senior employees in earlier years is considered as non-current assets in absence of stipulations of recovery. Further during the year, Group has made provision of Rs 315 Lakhs for a loan given to ex-employee by way of abundant caution.
(b) Interest free advance of Rs 170 Lakhs (Previous Year - Rs 270 Lakhs treated as current) given in the earlier years has been provided as a matter of abundant caution. Group is making efforts to recover the said advance.
- 5 Inventories include non-moving stocks of Rs 67 Lakhs (Raw Material of Rs 24 Lakhs, WIP of Rs 9 Lakhs and Finished goods of Rs 34 Lakhs) against which no provision has been made. The Management is of the view that these stocks will be utilised / disposed off in the financial year 2020-21. Adjustment, if any, shall be made in the subsequent year.
- 6 During the year unidentified non-operative bank balance of Rs 2 Lakhs has been written off.
- 7 Consequent upon receipt of approval from Lessor (UPSIDC), the Group has recorded sales of Sikandrabad unit (comprising of leasehold land, building and machinery) for Rs 1900 Lakhs in books of account. There is no impact on the profit/(loss) of the Group as carrying value of the assets (restated on NRV in previous year) is equal to the sale consideration.
- 8 During financial year 2017-18 Group entered in to an agreement of sale for development and disposal thereafter a part of Leasehold land of Glass division at Sahibabad due to discontinuity of operations. In pursuance of the said agreement Group has received a sum of Rs 4627 Lakhs (towards part performance of the agreement) which is shown under other current liabilities. Recognition of revenue has been deferred, pending approval from the lessor (UPSIDC). Management is hopeful for receipt of formal approval within 12 months of the reporting date.
- 9 Trade payable (other than MSME) includes the amount of Rs 184 Lakhs of being balance of the MSME parties prior to the date of its registration under the MSMED Act 2006. Further Group has provided interest on the outstanding balance of MSME parties in respect of supplies subsequent to the registration of parties under the MSMED Act 2006.
- 10 During the year, provision for bills payable with respect to legal and professional expenses of Rs 53.49 Lakhs have been adjusted against the advances given in earlier years pending receipt of bills.
- 11 Other financial liabilities includes Rs 542 Lakhs (including Rs 422 Lakhs outstanding more than 365 days) amount received from customers pending reconciliation. The Group has received a sum of Rs 857 Lakhs received from a customer which is adjustable in 60 monthly installments of Rs 15 Lakhs each w e l July 2020 and being shown as net of receivable of Rs. 215 Lakhs against supplies to the said customer. The Group is of the view that the same is not a deposit within the meaning of Sec 2(31) read with Acceptance of Deposit rules 2014.
- 12 During the year, service tax payable of Rs 54 Lakhs (representing difference on account of provision made in respect of royalty income on accrual basis and the payment made on actual receipt basis as certified by the management) pertaining to earlier years has been adjusted by recognition of income of Rs 23 Lakhs and the balance amount has been adjusted from parties account.
- 13 For the year ended March 31, 2020, revenue from operation is net of Rs 119 Lakhs on account of reversal of income related to previous year.
- 14 Other income includes Rs 55 Lakhs written back on account of differences arising due to reconciliation of trade payable / receivable balances. The amount of Rs 55 Lakhs includes statutory liabilities of Rs. 40 Lakhs which in the opinion of the Management are not payable.
- 15 For year ended March 31, 2020, finance cost includes interest of Rs 410 Lakhs on account of full and final settlement with parties from whom security deposit was taken in earlier years and Rs. 84 Lakhs on account of loan preclosure charges.
- 16 For the year ended March 31, 2020, Other expenses includes Rs 84 Lakhs on account of reversal of bottling charges related to previous year on full and final settlement with the party and Rs 30 Lakhs as an advance written off due to non fulfillment of the contractual obligations.
- 17 With Effect From April 1, 2019, the Group adopted Ind AS 116 "Leases", applied to all lease contracts existing as on April 1, 2019 using the modified method. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of Rs. 53 Lakhs and a corresponding lease liability of Rs. 53 Lakhs. The effect of this adoption has increased losses by Rs. 1 Lakh and reduction of EPS by INR 0.0023 per share. The AS 116 has not been applied to short-term leases of all assets that have a lease term of 12 months or less and the lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.
- 18 In absence of convincing evidence of future taxable profit, the Group has derecognised MAT Credit of Rs. 979 Lakhs and has not recognised deferred tax asset during the year.
- 19 Exceptional items includes write back of Loan of associate of Group of Rs 6979 Lakhs (Income), capital advance written off of Rs 2971 Lakhs, impairment of goodwill of Rs 1249 Lakhs, prior period expenses of Rs 37 Lakhs and profit on the sale of vehicle of Rs 111 Lakhs.
- 20 Other Current Financial Liabilities include Rs. 71 Lakhs (Previous Year : 71 Lakhs) on account of cash discount payable for earlier years subject to confirmation and reconciliation of account with Orissa State Beverages Corporation Ltd and Rs. 226 Lakhs (Previous Year : Rs. 159 Lakhs) payable to ex-employees on account of full and final settlement which are outstanding for more than one year. Management will review the balances in the financial year 2020-21 and pass the necessary entry if any on completion of the review.
- 21 The outbreak of Covid-19 pandemic is causing significant disturbance and slowdown of economic activities globally. With various restrictions imposed and the lockdown announced from March 24, 2020, all the operations and the manufacturing operations came to stand still during the rest of March 2020. This impacted the performance marginally of the Group adversely for the quarter and the Financial Year ended March 31, 2020. With the relaxations granted by the Government of State of Punjab, the operations of the distillery and food division were resumed from April 11, 2020. Further, in view to meet the requirement of the hand sanitizers due to the increased demand of the same on account of the spread of COVID-19, the Group has launched hand sanitizers and accordingly entered into arrangements with various parties for manufacture/ procurement of hand sanitizers for sales & distribution against the supply of the Denatured Alcohol by the Group. The product of the Group appears to be well accepted in the market as per initial reports. The Group is facing issues in servicing its financial obligations due to the impact of COVID-19. Loan from NBFC and Bank and the repayment of instalments of same are under moratorium till August 2020 due to Covid-19 pandemic. The Group is expecting its revised repayment schedule from the said institutions. Based on the current indicators of future economic conditions, the management expects to recover the carrying amount of the assets, however the management will continue to closely monitor any material changes to future economic conditions. Given the uncertainties, the final impact on Group's assets in future may differ from that estimated as at the date of approval of these financial results.
- 22 Group share of net profit of Rs 477 Lakhs (net of loss of Rs 88 Lakhs related to previous years) in the associate group's concern is recognised in consolidated financial statements.
- 23 Internal audit report of Holding Company for the half year ending 31.03.2020 has been received on 20.08.2020. Internal auditor inter alia has raised certain issues regarding availment of GST input credit in respect of certain matters, payment of GST under the reverse charge mechanism, Providing of documentary support in respect of the some of the sales promotion and marketing expenses, non collection of TCS on the sale of the vehicle, Application of Sec 2(31) of Companies Act read with Acceptance of Deposits Rules 2014 regarding certain deposits and advances from customers, Accounting of MGQ income, Non booking of interest income on the late receipt of Royalty income, etc., Management is of the view that it has rightfully claimed the input credits and fully complied with the provisions of the GST Act in other areas. However management will take further view in respect of all these matters including taking of the legal opinion and will obtain the compliance certificate from the internal auditor by the end of September 2020.
- 24 The figures of the last quarter ended March 31, 2020 / 2019 are the balancing figures between audited figures in respect of the full financial year up to March 31, 2020 / 2019 and the unaudited published year-to-date figures up to December 31, 2019 / 2018 being the date of the end of the third quarter of the financial year which were subjected to limited review.
- 25 Figures for the previous quarters/periods have been regrouped/reclassified, wherever necessary, to correspond with the current period classification/disclosure.

DATE : 03.09.2020
PLACE : NEW DELHI

FOR AND ON BEHALF OF JAGATJIT INDUSTRIES LIMITED



RAVI MANCHANDA
(MANAGING DIRECTOR)



Balance Sheet as at 31 March, 2020			
Particulars		31.03.2020 (Audited)	31.03.2019 (Audited)
A	ASSETS		
1	Non-current assets		
	Property, Plant and Equipment	37,268	38,046
	Capital work in progress	18	22
	Other Intangible Assets	-	1,251
	Right-of-use assets	20	
	Investment Properties	1,790	1,837
	Financial assets		
	- Investments	585	854
	- loans	484	10
	-Other Financial Assets	1,214	1,513
	Other non-current assets	447	4,149
	Total Non - Current Assets	41,826	47,682
2	Current assets		
	Inventories	4,189	3,942
	Financial assets		
	-Investments		
	- Trade receivables	2,861	6,582
	- Cash and cash equivalents	1,100	951
	- Loans	57	894
	- Others	76	395
	Other current assets	1,009	2,446
	Assets Classified as held for sale	38	1,938
	Total Current Assets	9,330	17,148
		51,156	64,830
B	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	Equity Share capital	4,615	4,615
	Other Equity	(109)	4,628
	Non Controlling Interest	(4)	(4)
	Total Equity	4,502	9,239
2	Non-current liabilities		
	Financial liabilities		
	- Borrowings	20,006	21,690
	- Other financial liabilities	3,348	3,647
	-Lease liability	3	
	Other Long Term Liabilities	323	434
	Deferred Tax Liabilities (Net)	-	244
	Provisions	2,378	2,245
	Total Non - Current Liabilities	26,058	28,260
3	Current liabilities		
	Financial liabilities		
	- Borrowings	217	1
	- Trade payables	6,771	7,357
	- Other financial liabilities	5,872	11,259
	- Lease liability	19	
	Other current liabilities	7,271	8,290
	Provisions	446	424
	Total Current Liabilities	20,596	27,331
		51,156	64,830



Segment wise Revenue, Results and Assets and Liabilities

(Rs in Lakhs)

Particulars	Consolidated				
	Quarter Ended 31 03 2020 (Refer Note 24)	Quarter Ended 31 03 2019 (Refer Note 24)	Quarter Ended 31 12 2019 (Unaudited)	Year Ended 31 03 2020 (Audited)	Year Ended 31 03 2019 (Audited)
1. Segment Revenue (Sales and other operating income)					
A. Beverages	3,042	2,037	2,249	8,477	11,210
B. Food	3,406	3,783	3,421	13,420	13,231
C. Others	137	69	172	631	484
Total Segment Revenue	6,585	5,889	5,842	22,528	24,925
2. Segment Results					
A. Beverages	(2,290)	382	(693)	(4,429)	(856)
B. Food	352	360	491	1,394	961
C. Others	-	(2)	(3)	(5)	(7)
Total Segment Results	(1938)	740	(205)	(3040)	98
Add/(Less) : Exceptional Items [net credit/(charged)]	2,833	28	-	2,833	373
Less : Finance Cost	796	2,939	1,198	4,211	7,259
Less : Other un-allocable expense net of un-allocable income	(70)	(671)	(26)	(278)	(169)
Total Profit/(Loss) Before Tax from continuing operations	169	(1500)	(1377)	(4140)	(6619)
Total Profit/(Loss) Before Tax from discontinuing operations	(21)	(49)	(6)	(61)	(116)
Total Profit/(Loss) Before Tax	148	(1549)	(1383)	(4201)	(6735)
3. Segment Assets					
A. Beverages	13,718	19,220	12,693	13,718	19,220
B. Food	6,711	8,078	7,638	6,711	8,078
C. Asset classified as held for sale	38	1,938	38	38	1,938
D. Others Unallocable	30,689	35,594	40,457	30,689	35,594
Total	51,156	64,830	60,826	51,156	64,830
A. Beverages	12,380	13,411	11,229	12,380	13,411
B. Food	4,714	4,019	3,287	4,714	4,019
C. Liability directly associated with asset classified as held for sale	4,627	6,427	4,627	4,627	6,427
D. Others Unallocable	24,933	31,734	34,057	24,933	31,734
Total	46,654	55,591	53,200	46,654	55,591



JAGATJIT INDUSTRIES LIMITED

Consolidated Cash Flow Statement

for the year ended March 31, 2020

(Rs. in Lacs)

Particulars	For the year ended March 31, 2020	For the year ended March 31,
A. Cash flow from operating activities:		
Net loss for the year before tax	(4,201)	(6,735)
<u>Adjustments for:</u>		
Rent from investment properties	(2,048)	(2,000)
Fair valuation of investments	13	(600)
Prior period adjustments	-	-
Depreciation	965	1,044
Interest expense	4,211	7,259
Interest income	(122)	(221)
Goodwill Write off	1,249	-
Profit on sale of properties, plant and equipment (net)	(111)	(361)
Provision for investments	-	-
Provision for Loans to subsidiary	-	-
Bad debts/advances/stock written off	933	192
Capital Advance write off	2,971	-
Provision for doubtful debts and advances	2,976	1,484
Provision for obsolete/damaged inventory	146	155
Profit on sale of investment	-	(650)
Liability no longer required written back towards loans	(6,979)	-
Liability no longer required written back	(1,572)	(1,132)
Provision for Gratuity & Leave Encashment	154	24
Operating profit before working capital changes	(1,414)	(1,541)
Changes in working capital		
Trade receivables	1,390	4,148
Loans, other financial assets and other assets	1,149	2,833
Inventories	(378)	1,752
Trade payables	(598)	(3,149)
Financial liabilities, other liabilities and provisions	1,481	1,039
Cash generated from operations	1,629	5,082
Taxes (Paid)/ Received (Net of TDS)	-	-
Net Cash flow/(used) from operating activities (A)	1,629	5,082
B. Cash flow from investing activities:		
Purchase of property, plant and equipment including capital work-in-progress and capital advances	(152)	(158)
Advances against assets held for sale	100	3,927
Proceeds from sale of property, plant and equipment	176	421
Purchase of investments property	-	(9)
Security Deposit with NSDL	(1)	-
Sale of investments	746	713
Interest received (Revenue)	136	309
Income from investment properties	2,048	2,000
Release/(Addition) of cash (from)/for restrictive use	254	(725)
Net Cash inflow from investing activities (B)	3,307	6,478
C. Cash flow from financing activities:		
Net Loans (repaid) / taken	(7,447)	(4,473)
Leased Payments	(32)	-
Loans written back	6,971	-
Interest paid	(4,280)	(7,335)
Net cash used in financing activities (C)	(4,788)	(11,808)
Net increase/ (decrease) in cash & cash equivalents (A + B + C)	149	(248)
Cash and cash equivalents at the beginning of the year	951	1,199
Cash and cash equivalents at the end of the year	1,100	951
Cash & cash equivalents comprises of		
Cash, cheques & drafts (in hand) and remittances in transit	26	14
Balance with scheduled banks	1,073	937
	1,100	951

ANNEXURE IStatement on Impact of Audit Qualifications (for audit report with modified opinion)

(Rupees in lacs)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020						
I.	Sl. No.	Particulars	STANDALONE		CONSOLIDATED	
			Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	30200	29984	30641	30425
	2	Total Expenditure	35087	36651	35100	36664
	3	Net Profit/(Loss) After Tax	(4887)	(6667)	(4459)	(6239)
	4	Earnings Per Share	(11.20)	(15.27)	(10.22)	(14.29)
	5	Total Assets	50590	49026	51156	49592
	6	Total Liabilities	46555	46771	46654	46870
	7	Net Worth	4035	2255	4502	2722
	8	Any other financial item(s) (as felt appropriate by the management)	-	-	-	-
II.	Audit Qualifications (each audit qualification separately):					
	Sl. No. 1					
	a. Details of Audit Qualification :					
	<p>Company has a policy of providing for (a) all debts outstanding beyond 3 years or (b) where recovery is considered doubtful irrespective of the fact that legal action has been initiated or not, instead on the method prescribed under IND AS 109. Company does not have effective system of obtention of confirmations from Trade Receivables/ Payables (including confirmation of Registered MSME Suppliers) and other Advances. The financial impact of this is not ascertainable and to that extent we cannot comment upon the adequacy of provision for Expected Credit loss/doubtful debts/advances to the suppliers. However, non-moving debts and advances to suppliers outstanding beyond 1 year are to the extent of Rs. 1564 Lakhs which is static balance for which confirmations and reconciliations are not available and have not been provided for.</p> <p>Further, Trade payables, Loan & advance and trade receivable (other than above) are subject to reconciliation & confirmation. The financial impact of all this is not ascertainable and to that extent we cannot comment upon the veracity of such balances.</p>					
	b. Type of Audit Qualification : Qualified Opinion					

Contd.. Page 2



- c. **Frequency of qualification :** Quarterly
- d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views :** Unable to estimate
- e. **For Audit Qualification(s) where the impact is not quantified by the auditor :**
- (i) **Management's estimation on the impact of audit qualification :** Unable to ascertain
- (ii) **If management is unable to estimate the impact, reasons for the same :**

The Company takes necessary steps for reconciliations of its accounts with trade receivables/payables and other advances in the ordinary course of business. Any differences which result out of reconciliations are resolved / adjusted in the accounts. The Company always takes necessary steps for speedy recovery of the receivables outstanding. The Management is of the view that the Trade receivables/payables and other advances as shown in the statement of accounts are debts considered good and recoverable in due course of time. The impact, if any, can be quantified only after receipt of confirmation/ reconciliation from remaining parties.

- (iii) **Auditors' Comments on (i) or (ii) above :**
The above comments of the management are self-explanatory and satisfactory.

Sl. No. 2

a. Details of Audit Qualification :

The Company has written back interest payable of Rs. 216 Lakhs (provided prior to FY 2018-19) to unidentified MSME suppliers. Management is of view that these are unidentified and liability no longer required.

b. Type of Audit Qualification : Qualified Opinion

c. Frequency of qualification : One Time

- d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views :** Management is of the view that these are unidentified and liability no longer required. Further the Company has made adequate interest provision for identifiable MSME Suppliers.

Contd.. Page 3



e. For Audit Qualification(s) where the impact is not quantified by the auditor:

- (i) Management's estimation on the impact of audit qualification :
Not Applicable
- (ii) If management is unable to estimate the impact, reasons for the same:
Not Applicable
- (iii) Auditors' Comments on (i) or (ii) above :
Not Applicable

Sl. No. 3

a. Details of Audit Qualification :

Physical verification of inventories: Due to Covid-19 Pandemic lockdown management could not conduct the physical verification of all inventories at reporting date. Hence we were unable to verify the existence/condition of inventories of Rs. 1485 Lakhs raw material, Rs. 243 Lakhs packing materials, Rs. 501 Lakhs work-in-progress, Rs.1441 Lakhs finished goods, Rs. 19 Lakhs stock-in-trade and Rs. 499 Lakhs store items to determine the adjustments that may be required to be made in the value of inventory and consequential effect thereof on financial statement as on March 31, 2020.

b. Type of Audit Qualification : Qualified Opinion

c. Frequency of qualification : One Time

d. For Audit Qualification(s) where the impact is quantified by the auditor,
Management's Views : Unable to estimate

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

- (i) Management's estimation on the impact of audit qualification :
Unable to ascertain as on reporting date.
- (ii) If management is unable to estimate the impact, reasons for the same:

Due to Covid-19 Pandemic lockdown the Management could not conduct the physical verification of all inventories as at the reporting date. However on later dates physical verification was done by an independent firm of Chartered Accountants and necessary care was exercised to arrive at the realisable value of inventories. There are no material differences.

(iii) Auditors' Comments on (i) or (ii) above :

The above comments of the management are self-explanatory and satisfactory.



III.

Signatories :

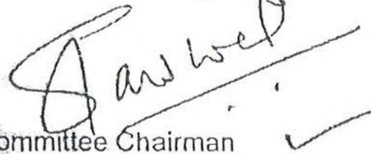
Managing Director



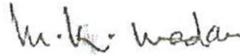
CFO



Audit Committee Chairman



Statutory Auditor



Place : New Delhi

Date : 03.09.2020

