Jagatjit Industries Limited

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Nehru Place, New Delhi - 110019
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The General Manager
Department of Corporate Services,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001

7th September, 2021

Sub : Annual Report for Financial Year ended on 31st March, 2021
Scrip Code No.: 507155

Dear Sir,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosures) Regulations, 2015, we are enclosing herewith the Annual Report of the Company for the Financial Year ended on 31st March, 2021.

The same is for your information and records.

Thanking you,

Yours faithfully,
For JAGATJIT INDUSTRIES LIMITED

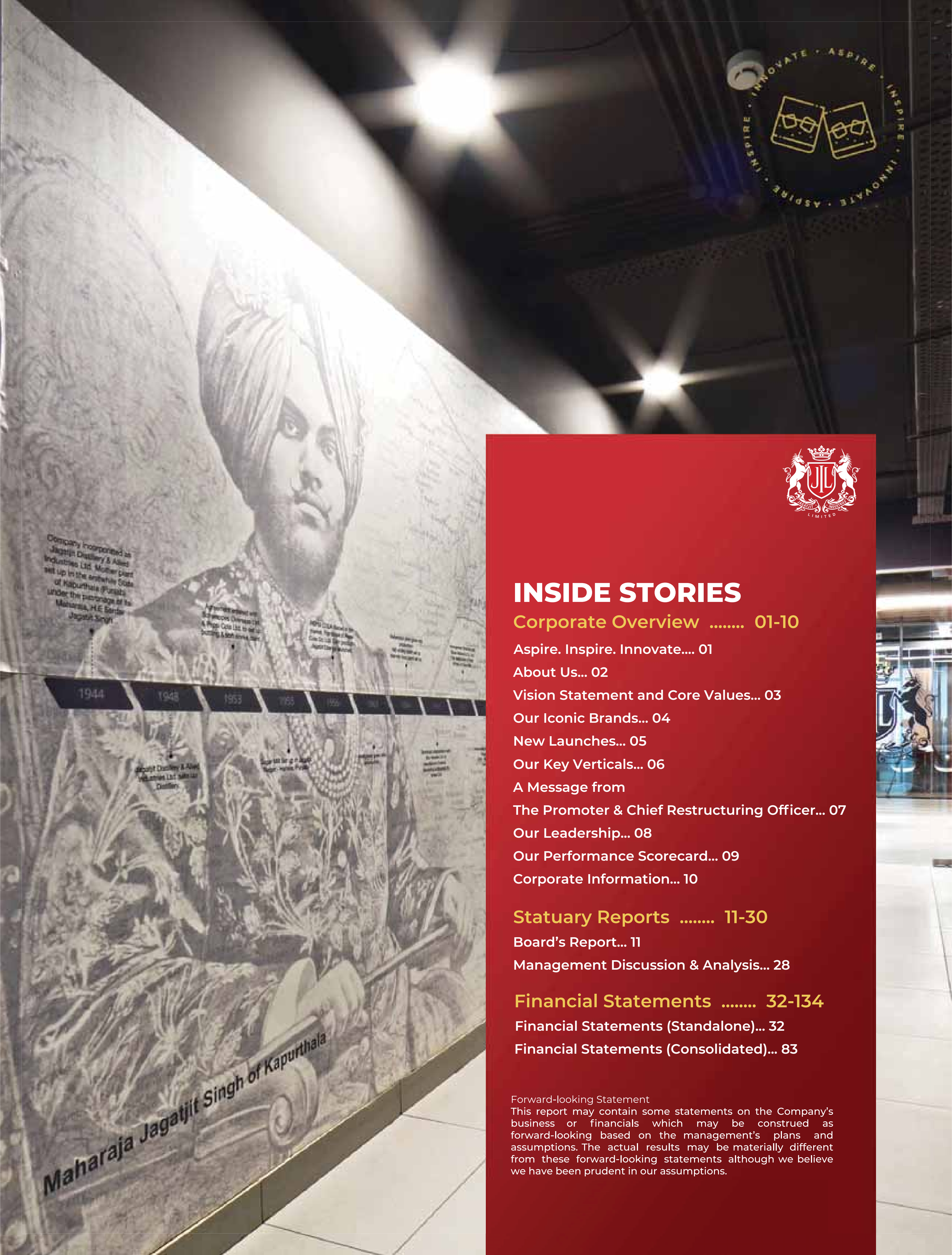
Roopesh Kumar
Company Secretary

Encl : as above

JAGATJIT INDUSTRIES LIMITED

ASPIRE
INSPIRE
INNOVATE

ANNUAL REPORT
2020-21



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Forward-looking Statement

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

ASPIRE
INSPIRE
INNOVATE

The three steps for success begins with:

Aspiring for a goal, leading to being **Inspired** for it and finally striving forward to **Achieve** it.

A mantra Jagatjit Industries Limited has followed through the last around seven decades and continues to do so.

Jagatjit Industries Limited is amongst the most prominent alcoholic beverages manufacturing companies in India. Being one of the key players in the industry we aim to constantly develop and innovate to stay ahead of the continuous challenges and competition. With our ever-evolving approach, we aim to expand our business sustainably.

Our wide range of iconic brands, upscale experience and vast franchise and consumer base are the strengths of the Company which are backed by tested and experienced methods of operation.

We have been consistently improving ourselves aiming to deliver exceptional aged and matured alcoholic beverages taking Indian alcoholic beverages industry to a higher and stronger pedestal.

We are consistently maintaining our focus on product development, packaging and incorporation of the latest and state of the art technologies. We have evolved our business practices into an efficient business mechanism to increase our market share. All through that we have strived to maintain sustainability that has supported to expand our brands further and faster.

ABOUT US

Established in the year 1944 in the State of Punjab with over 75 years of heritage, our Company in the past around seven decades has concentrated on manufacturing, distributing and selling Indian Made Foreign Liquor (IMFL) and Country Liquor (CL).

Manufacturing Quality

In line of our commitment to maintain the product quality and consistent consumer services, our alcoholic beverage Company is an ISO 22000-2022 certified Company. In past around seven decades the Company has concentrated on manufacturing, distributing and selling of quality IMFL and CL at affordable prices to cater the tastes of all strata's of the society.

Sustaining Legacy

Our Company stands on two key principles – guaranteeing quality and assuring customer delight. These principles are incorporated in the DNA of our brands as well.

Through all these years we have successfully maintained the richness of our legacy and adapted to the dynamism of the digital age.

Expanding Reach

The manufacturing unit for our IMFL, CL, ENA, Malt Extract and Malted Milk Food is established at Jagatjit Nagar, District Kapurthala, Punjab. Additionally we have a bottling unit situated at Behror, District Alwar, Rajasthan. Our brands are also manufactured across various locations in India through our Supply Partners and Franchisees.

Exploring Heritage

We are amongst Asia's one of the largest integrated distilleries in manufacturing potable alcohol and producing malt spirit. This separates us from most IMFL manufacturers and we take pride in it.

Constant Evolution

We believe in consistent modernisation, redefining our methodologies and reinvigorating our brands to keep up with the evolving trends.

Keeping Promises

We have committed ourselves to provide our customers with superior brands and exceptional quality at affordable prices.

Living Our Philosophy

Our philosophy, "A Heritage of Quality" has always encouraged us to perform exceptionally at every level, be it manufacturing quality or our relationships with employees, dealers, customers and other stakeholders.

Elaborate Portfolio

Our distinct portfolio comprises Whiskies (Scotch and Blended Indian Whiskies), Gin, Rum, Brandy and Vodka. We also manufacture malt spirit, an essential ingredient for whisky blends.

Vision Statement

Iconic Impactful brands that always make you feel better

Our Manufacturing Capacities

40
Total Liquor Brands

7.2 Million Cases Per Annum
Indian Manufactured Foreign Liquor

4.2 Million Cases Per Annum
Country Liquor

42,600 MT Per Annum
Malted Milk Food

13,800 MT Per Annum
Malted Extract

ISO 22000: 2022
Food Safety Standard Certified.

OUR CORE VALUES

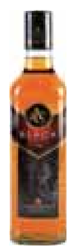
1. Teamwork
2. Ownership
3. Result Oriented
4. Technology Savvy

OUR ICONIC BRANDS

Aristocrat Premium, AC Black, AC Neat and Bonnie Special are popular brands of the Company in the Alcoholic Beverages sector. In order to incorporate sustainable practices, we have been redefining our brand portfolio by adding new brands and strengthening our position and market share across the globe.

WHISKY


Royal Pride Exquisite Whisky

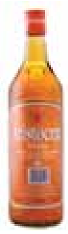

AC Black Whisky


Aristocrat Premium Whisky

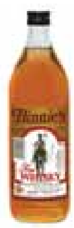

AC Neat Whisky


Aristocrat Old Reserve Whisky

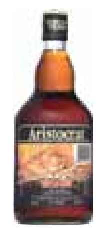

AC Sek C Whisky


Aristocrat Whisky

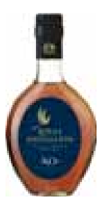

Bonnie Special Whisky

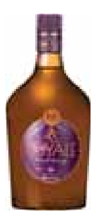

Binnie's Fine Whisky

RUM

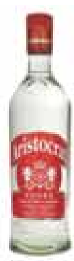

Aristocrat Rum

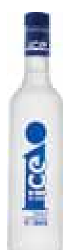
BRANDY


Royal Medallion

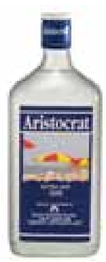

AC Royale

VODKA

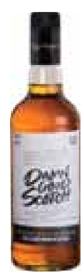

Aristocrat Vodka


IICE Vodka

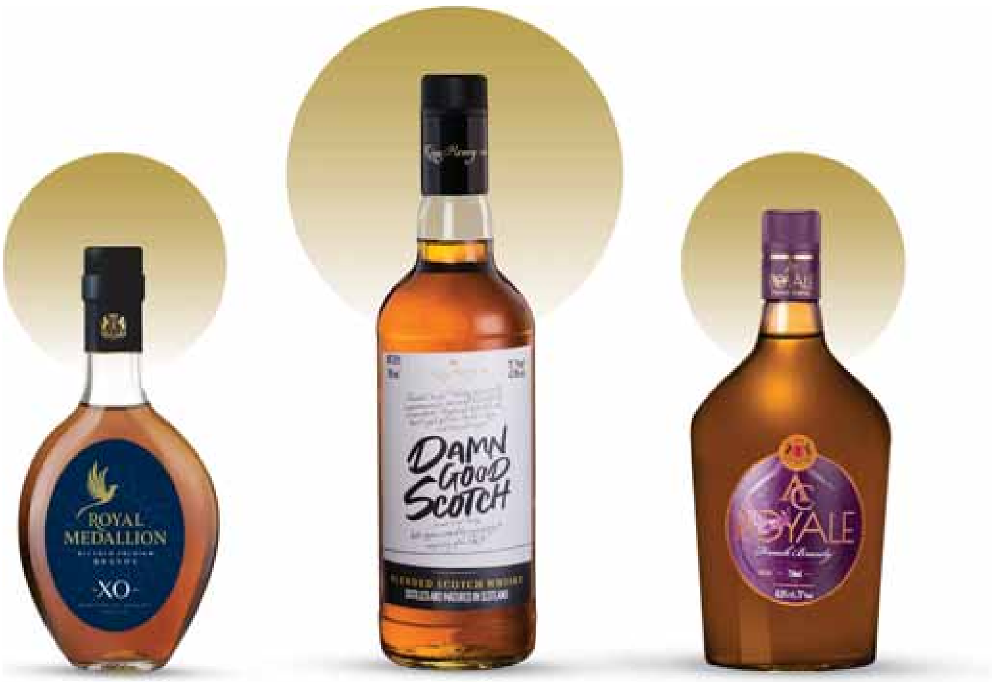
GIN


Aristocrat Dry Gin

SCOTCH


King Henry Damn Good Scotch

NEW LAUNCHES



Royal Medallion

King Henry
Damn Good Scotch

AC Royale

KEY VERTICALS

IMFL

- Manufacturing Whisky, Rum, Gin, Vodka and Brandy.
- We operate in most of the states in India and export semi-deluxe and below categories.

Food-Malted Milk Food and Malt Extract

- We produce high-quality food and distillery grade malt with the best barley for intrinsic demands and sales.
- Contract with Hindustan Unilever Limited for producing their popular malted milk food brands ‘Boost’ and ‘Horlicks’.

Distillery

- Production of high-quality ethanol for alcoholic beverages.
- Extensive distribution across India and Global markets.

Country Liquor

- Involved in producing high-quality Country Liquor in the State of Punjab.

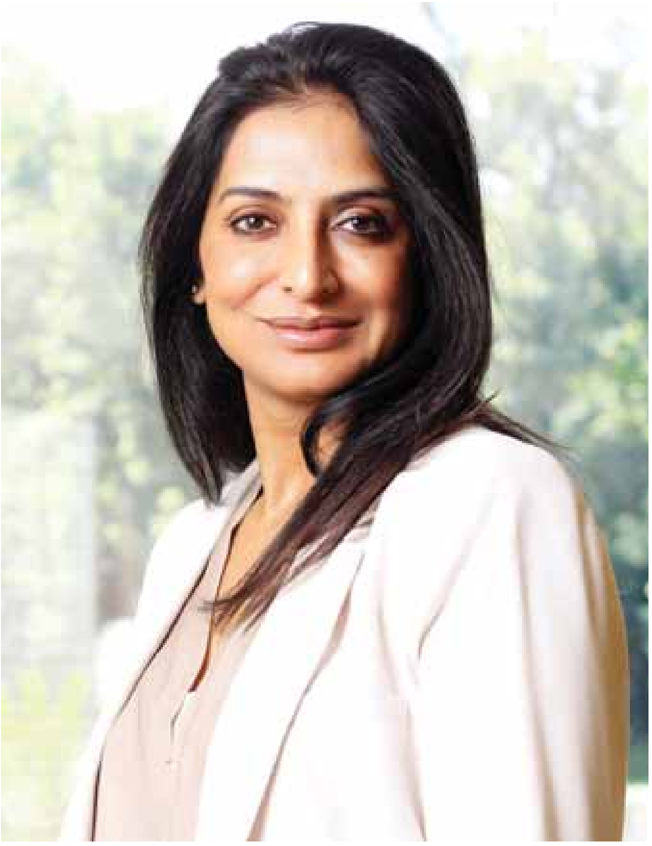
Real Estate

- Leasing of owned real estate properties on rent.
- Own around 2 Lac Sq. Ft. property in Gurugram, Haryana, spread across 4 acres of plot and around 23,000 Sq Ft. property at Ashoka Estate, Connaught Place, New Delhi.

A Message from The Promoter & Chief Restructuring Officer

Dear Shareholders,

I am delighted to share with you the Annual Report for the Financial Year 2020-21 encapsulating our strategy and plans for the future growth and expansion.



The year 2020-21 was filled with challenges for most companies due to the Covid pandemic, but for Jagatjit Industries, it was pivotal. After years of losses, we turned the corner and became profitable. Despite many obstacles, what stood out was our ability to forge ahead and remain steadfast, working on our business model & strategies for long-term sustainable growth.

Our success is attributed mainly to the restructuring efforts that began in 2018 and 2019. The franchise model that started in 2018 came to fruition in some states like Assam, where we saw exponential growth of our brand AC Black going from 0 to 50000 cases in six months and becoming the number two brand in the segment in Assam. Delhi also saw significant growth, as did our Country liquor and exports. Moreover, in IMFL, we focused our energy on turning a few markets around rather than focusing on all.

In Feb 2020, just before the pandemic hit India, the distillery, which was shut down in 2018 because of cash flow issues, was restarted with minor capex investments. This enabled us to produce sanitizers for commercial sales and to support government bodies apart from sales of ENA to beverages sector. In April 2020, when liquor sales were effected across India, we were able to sell Ethanol to other sanitizer manufacturers, creating the initial impetuous for ENA sales. Further, over the course of the year, there was constant improvement in the quality due to our newly acquired technical expertise and as a result, our ENA sales grew to a point where we are now expanding our distillery capacity. We also invested in the automation of two MMF plants to increase productivity and efficiency.

The pandemic undeniably brought vast economic and social repercussions. The demand shock has affected many industries, including ours. It has reduced the consumer's ability to purchase at the market price because of the increased demand for health care and decreased high-risk activities. Likewise, the supply shock subsided our ability to offer our products and services at a given price.

All in all, through combined efforts of all stakeholders and devoted team members, what could have been a drastic year for us ended up being a year of gain with a 65% increase in revenue.

While it is difficult to predict what will happen next in these uncertain times, we continue to strive for another year of growth with minor capex investments by focusing on low hanging fruits. The Jagatjit Team remains resilient, always optimistic and constantly agile in innovating. The attitude born out of our core values and shared vision where no challenge is impossible if we change the lens on how to solve it – we can solve it is what has carried us thus far and will continue to do so in the future.

Roshini Sanah Jaiswal
Promoter & Chief Restructuring Officer

OUR LEADERSHIP
Our Visionaries

Late Mr. L.P. Jaiswal

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

Roshini Sanah Jaiswal

A third-generation promoter and the Company's current managing promoter and Chief Restructuring Officer. She is the grand-daughter of Late Mr. L.P. Jaiswal taking over the reins of the Company since 2015. A Political Science and Economics graduate from New York University, she has over 13 years of experience and expertise in the food and beverage industry. She possesses innate understanding of the liquor industry, having grown up in a family committed to the business for more than seven decades. Prior to this, she found and ran her own entrepreneurial venture. She is deeply committed to the welfare and health of the Company and has joined with the intent of turning around its operations and revive the Company.

KEY EXECUTIVES

Deepankar Barat
President

Ravi Manchanda
Managing Director

Anil Vanjani
Chief Executive Officer & CFO

Chandan Kashikar
Chief People Officer

Santhosh Nair
Head of Supply Chain

Devender Gulia
Head of Sales

Neha Gupta
Head of Marketing

Anil Singal
Head of Accounts & Finance

OUR PERFORMANCE SCORECARD

(₹ in Lacs or as indicated)

Assets

	2020-21***	2019-20***	2018-19***	2017-18***	2016-17***	2015-16***	2014-15**	2013-14*	2012-13*	2011-12*
Fixed Assets (Net Block)	37,217	37,286	38,070	41,333	42,391	43,304	29,742	32,762	34,284	32,348
Investments (Current & Non Current)	1,784	1,823	3,635	3,055	3,107	3,118	1,183	1,229	1,318	298
Current and Non Current Assets	10,279	11,481	21,814	32,340	32,431	43,542	50,787	45,433	48,784	48,733
Total	49,280	50,590	63,519	76,728	77,929	89,964	81,712	79,424	84,386	81,379

Liabilities

	2020-21***	2019-20***	2018-19***	2017-18***	2016-17***	2015-16***	2014-15**	2013-14*	2012-13*	2011-12*
Loans, Liabilities and Provisions (Current & Non Current)	44,668	46,555	54,319	60,556	54,225	54,565	54,888	47,559	47,705	44,894
NET WORTH	4,612	4,035	9,200	16,172	23,704	35,399	26,824	31,865	36,681	36,485

Net Worth Represented by

	2020-21***	2019-20***	2018-19***	2017-18***	2016-17***	2015-16***	2014-15**	2013-14*	2012-13*	2011-12*
Equity Share Capital	4,615	4,615	4,615	4,615	4,615	4,615	4,615	4,615	4,615	4,615
Reserves and Surplus	(3)	(580)	4,585	11,557	19,089	30,784	22,209	27,250	32,066	31,870
Total	4,612	4,035	9,200	16,172	23,704	35,399	26,824	31,865	36,681	36,485

Operating Performance

	2020-21***	2019-20***	2018-19***	2017-18***	2016-17***	2015-16***	2014-15**	2013-14*	2012-13*	2011-12*
Revenue	45,057	27,331	30,387	56,710	84,758	1,15,351	1,24,268	1,37,081	1,45,101	1,60,484
Gross Profit Earnings	1,432	(3,198)	(5,686)	(6,547)	(10,130)	(5,445)	(4,341)	(2,417)	2,418	5,310
Profit before Tax	503	(4,163)	(6,730)	(7,759)	(11,402)	(6,716)	(5,584)	(4,266)	668	2,847
Profit after Tax/ Total Comprehensive Income	577	(5,165)	(6,627)	(7,433)	(11,695)	(6,565)	(4,365)	(4,523)	505	3,510
Earning per Share (₹)	1.15	(11.20)	(15.09)	(16.97)	(26.18)	(15.04)	(10.00)	(10.36)	1.16	8.04

Dividend

	2020-21***	2019-20***	2018-19***	2017-18***	2016-17***	2015-16***	2014-15**	2013-14*	2012-13*	2011-12*
Amount per Share (₹)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rate (%)	0	0	0	0	0	0	0	0	0	0
Book Value per Equity Share (₹)	9.99	8.74	19.93	35.04	51.36	76.70	58.12	69.05	79.48	79.06

Gross Earnings

	2020-21***	2019-20***	2018-19***	2017-18***	2016-17***	2015-16***	2014-15**	2013-14*	2012-13*	2011-12*
As a percentage of Revenue	3.2	(11.7)	(18.7)	(11.5)	(12.0)	(4.7)	(3.5)	(1.8)	1.7	3.3
As a percentage of Fixed Assets	3.8	(8.6)	(14.9)	(15.8)	(23.9)	(12.6)	(14.6)	(7.4)	7.1	16.4
As a percentage of Capital Employed	4.6	(10.3)	(13.2)	(12.5)	(18.0)	(8.1)	(7.5)	(4.1)	3.9	9.2

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

CORPORATE INFORMATION

Board of Directors

Mr. Ravi Manchanda
Managing Director

Mrs. Kiran Kapur
Non-executive Independent Director

Mrs. Anjali Varma
Non-executive Director

Mrs. Asha Saxena
Non-executive Independent Director

Mrs. Sushma Sagar
Non-executive Director

Ms. Vidhi Goel
Non-executive Independent Director

Auditors

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

Registered Office & Works

Jagatjit Nagar,
Dist. Kapurthala - 144 802,
Punjab

Corporate Office

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

Listed on

BSE Limited

Main Bankers

Indusind Bank
Canara Bank
HDFC Bank

Boards' Report

Dear Members,

Your Directors have pleasure in presenting the 76th (Seventy sixth) Annual Report on the business and operations of your Company along with the Audited Financial Statements for the Financial Year ended March 31, 2021.

FINANCIAL SUMMARY

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

(₹ in Lacs)

	2020-21	2019-20
Profit/(Loss) for the year after charging all expenses excluding financing charges and depreciation	4128	(1794)
Deduct : Financing Charges	3025	4211
Cash Profit/(Loss)	**1103**	**(6005)**
Deduct: Depreciation/Amortization	929	965
Profit/(Loss) for the year before taxation and exceptional Items	**174**	**(6970)**
Exceptional Items - Income	**38**	**2868**
Profit/(Loss) for the year before taxation and after exceptional Items	**212**	**(4102)**
Tax Expenses		
- Derecognition of MAT Credit	-	968
- Deferred Tax (Benefit)/Charge	-	(244)
Profit/(Loss) after tax from discontinuing operations	**291**	**(61)**
Profit/(Loss) after tax for the year	**503**	**(4887)**
Other Comprehensive Income		
- Re-measurement (Gains)/Losses on defined Benefit Plans	(74)	278
- Tax Impact on Re-measurement (Gains)/Losses on defined Benefit Plans	-	-
Total Comprehensive Income for the period	577	(5165)

STATE OF COMPANY'S AFFAIRS

During the year under review, the Gross Turnover (including income from Services & Other Sources) was ₹ 45,057 Lacs as compared to ₹ 27,331 Lacs during the previous year. The Company incurred profit before taxation of ₹ 212 Lacs as compared to loss before taxation of ₹ 4,102 Lacs during the previous year.

The outbreak of Covid-19 continues to cause significant disturbances and slowdown of economic activities globally. With the relaxations granted by the State Government of Punjab in the restrictions/ lockdown, the operations of distillery and food division were resumed from 11th April, 2020. Further, the Company entered into "Hand Sanitizer" segment and tied up with various parties for manufacturing/job work of hand sanitizers for sales.

During the year under review, capacity expansion for Malted Milk Food Division (MMF) was done with oven automation and change of vacuum system in order to increase capacity by around 4880 MT per annum.

The Company is continuously focusing on production of Extra Neutral Alcohol (ENA) and has positive bearing on the performance of the Company in FY 2020-21 by utilizing its capacity and expects reasonable overall growth in coming years also. During the year the Company launched its IMFL Brand "AC Black Pure Grain Whisky" in the state of Assam and secured its position in top three selling brands of IMFL in Assam. The Company also launched its prestigious scotch whisky "KH8- Damn Good Scotch" in the state of Punjab, Andhra Pradesh and Rajasthan.

Due to Covid-19 situation, the rental income from real estate properties suffered a setback due to vacancy/reduction in rentals during the year under review. The impact is expected to continue during the current financial year too. Based on the current indicators of future economic conditions, the Board expects to recover the carrying amount of the assets.

TRANSFER TO GENERAL RESERVE

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

DIVIDEND

In view of the inadequate profits, during the year under review, the Board of Directors of your Company do not recommend any dividend.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

CHANGE IN THE NATURE OF BUSINESS, IF ANY

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

SHARE CAPITAL

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

FIXED DEPOSITS

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

As on March 31, 2021, 44 persons whose Fixed Deposits/Loans with the Company amounting to ₹ 38.18 Lacs had become due for payment during the year, did not claim their Deposits/Loans. Out of these, Fixed Deposits/Loans of 4 persons amounting to ₹ 1.75 Lacs have since been paid.

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

HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Holding Company:

M/s LPJ Holdings Private Limited holds 83.90% voting rights in the Company i.e Jagatjit Industries Limited and by virtue of such holding M/s Jagatjit Industries Limited continued to be subsidiary company of M/s LPJ Holdings Private Limited as per the provision of Section 2(87) of the Companies Act, 2013.

Subsidiary and Associate Companies:

During the year under review, M/s. JIL Trading Private Limited, M/s. L. P. Investments Limited, M/s Natwar Liquors Private Limited, M/s. Sea Bird Securities Private Limited, M/s. S. R. K. Investments Private Limited and M/s. Yoofy Computech Private Limited continued to be the subsidiary companies of the Company.

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

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of your Company for the Financial Year 2020-21 are prepared in compliance with the applicable provisions of the Act, Indian Accounting Standards ("Ind ASs") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ((SEBI (LODR) Regulations) which shall be placed before the members in their forthcoming Annual General Meeting (AGM).

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors through resolution by circulation dated January 18, 2021 has approved the appointment [subject to the approval of Members by ordinary resolution] of Ms. Vidhi Goel (DIN: 09031993) as an Additional Non-Executive Independent Director of the Company to hold office for a period of 5 (Five) years with effect from January 18, 2021.

Accordingly, Ms. Vidhi Goel would hold office up to the date of the ensuing AGM. In terms of Section 149 and other relevant provisions of the Companies Act, 2013, Ms. Vidhi Goel, being eligible, is proposed to be appointed as an Independent Director for a term of 5 (five) years with effect from January 18, 2021. Notice proposing her candidature under Section 160 of the Act, has been received from a Member of the Company.

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

The Board is of the opinion that it would be in the interest of the Company to avail services of Ms. Vidhi Goel as Director of the Company and accordingly, recommends her appointment.

Mr. Ravi Manchanda (DIN: 00152760), Managing Director of the Company, was last appointed by the Shareholders of the Company in the Annual General Meeting held in the year 2019 for a term of 2 (Two) years with effect from 27th April, 2019. Accordingly, the Board of Directors, upon the recommendation of the Nomination and Remuneration Committee, in its meeting held on 13th February, 2021 has approved the re-appointment of Mr. Ravi Manchanda, as Managing Director of the Company for another term of 2 (Two) years with effect from 27th April, 2021. The re-appointment is subject to approval of the Shareholders in the ensuing AGM. In view of the contribution of Mr. Ravi Manchanda during his tenure, the Board recommends his re-appointment as Managing Director for a further period of two years.

Retirement by Rotation

In accordance with the provisions of Section 152 of the Act and in terms of the Articles of Association of the Company, Mrs. Sushma Sagar (DIN: 02582144), Non-Executive Director is liable to retire by rotation at the ensuing AGM and being eligible, offers herself for re-appointment. Your Board recommends her re-appointment.

Resignation

During the year under review, Ms. Sonya Jaiswal, independent Director resigned from the Board with effect from 9th November, 2020. The Board places on record its sincere appreciation for the valuable services rendered by Ms. Sonya Jaiswal during her tenure as Director of the Company.

Key Managerial Personnel

During the year under review, Mr. Ravi Manchanda, Managing Director, Mr. Anil Vanjani, Chief Executive Officer, Mr. Anil Girotra, Chief Financial Officer and Mr. Roopesh Kumar, Company Secretary continued to be the Key Managerial Personnel of your Company.

Mr. Anil Girotra, Chief Financial Officer (CFO) of the Company retired w.e.f. 1st April, 2021 and consequently ceased to act as CFO (Key Managerial Personnel) of the Company w.e.f. 1st April, 2021. On the recommendation of the Nomination & Remuneration Committee of the Board of Directors of the Company, the Board of Directors at their meeting held on May 31, 2021 has appointed Mr. Anil Vanjani, Chief Executive Officer of the Company to also act as Chief Financial Officer (CFO) of the Company w.e.f. 1st June, 2021.

MEETINGS OF THE BOARD AND ITS COMMITTEES

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

(a) in the preparation of Annual Accounts for the year ended March 31, 2021, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

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

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

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

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

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

Details in respect of frauds reported by auditors:

There was no instance of fraud reported by the Auditors.

DECLARATION BY INDEPENDENT DIRECTORS

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

NOMINATION AND REMUNERATION POLICY OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

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

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

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

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

ANNUAL PERFORMANCE EVALUATION

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

i) Audit Committee;

ii) Nomination and Remuneration Committee;

iii) Stakeholders' Relationship Committee; and

iv) Corporate Social Responsibility Committee.

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

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

EXTRACT OF ANNUAL RETURN

In accordance with the provisions of Section 92 of the Act read with the Companies (Management and Administration) Rules, 2014, the extract of Annual Return of the Company in Form MGT-9 is available on the website of the Company at www.jagatjit.com.

AUDITORS AND AUDITORS' REPORT

The Members of the Company vide their resolution passed at the 72nd (Seventy Second) AGM read with their resolution passed through postal ballot on 10th November, 2017, appointed M/s. Madan & Associates, Chartered Accountants (Firm Registration Number 000185N) as the Statutory Auditors of the Company who shall hold office of Statutory Auditors until the conclusion of ensuing AGM of the Company.

Upon the recommendation of the Audit Committee, the Board of Directors approved and recommend for shareholders' approval the appointment of M/s V. P. Jain & Associates, Chartered Accountants, New Delhi (FRN 015260N) as Statutory Auditors of the Company for a term of 5 (five) years to hold office from the conclusion of this 76th Annual General Meeting until the conclusion of the 81st Annual General Meeting of the Company to be held in the calendar year 2026.

The Company has received their written consent and a certificate dated 26.07.2021 that they satisfy the criteria provided under Section 141 of the Companies Act, 2013 and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

Accordingly, the Board recommends the resolution in relation to appointment of Statutory Auditors, for the approval by the Members of the Company.

The observations of Statutory Auditor in its reports on standalone and consolidated financial statements are self-explanatory and therefore do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remarks.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Act read with corresponding Rules framed thereunder, M/s. Saqib & Associates, Company Secretaries were appointed as the Secretarial Auditors of the Company to carry out the Secretarial Audit of secretarial and related records of the Company for the Financial Year ended March 31, 2021.

A Secretarial Audit Report submitted by the Secretarial Auditors in Form No. MR-3 forms part of this report and is annexed herewith as **Annexure-1**.

ANNUAL SECRETARIAL COMPLIANCE REPORT

A Secretarial Compliance Report for the financial year ended March 31, 2021 on compliance of all applicable SEBI Regulations and circulars/guidelines issued thereunder, as received from M/s Saqib & Associates, Secretarial Auditors, was submitted to the Bombay stock exchange.

COST AUDIT

In terms of Section 148 of the Act and the Companies (Cost Records and Audit) Rules, 2014 and any amendment thereto, Cost Audit for the Financial Year 2020-21 is not applicable to the Company. However, in view of increased turnover of Extra Neutral Alcohol (ENA), Cost Audit has become applicable for the Financial Year 2021-22.

Pursuant to the provisions of the Section 148(3) of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014, the Board of Directors of your Company, on the recommendation of the Audit Committee, has appointed M/s. P. K. Verma & Co., Cost Accountants, as Cost Auditors for the financial year 2021-22. The remuneration of the Cost Auditors is subject to the ratification of the Members in the ensuing Annual General Meeting.

INTERNAL FINANCIAL CONTROLS

The Company generally has in place adequate Internal Financial Controls with reference to financial statements. During the year, such controls were tested, and the Auditors reported that the Company generally has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls were generally operating effectively as at March 31, 2021. In some areas, the controls were effective but need to be further strengthened. The Company is taking necessary steps to further strengthen the same. The report on the Internal Financial Control issued by M/s. Madan & Associates, Chartered Accountants, the Statutory Auditors of the Company in view of the provisions under the Act is annexed to the Audit Report on the Financial Statements of the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements and for the sake of brevity; the same are not being reproduced here.

RELATED PARTY TRANSACTIONS

All contracts / arrangements / transactions entered into by the Company with Related Parties, as defined under the Act and SEBI (LODR) Regulations, during the Financial Year 2020-21 were at arm's length basis and in the ordinary course of business. As per the provisions of Section 188 of the Act, and Rules made thereunder read with Regulation 23 of SEBI (LODR) Regulations, your Company has obtained necessary approval of the Audit Committee before entering into such transactions and the same has been reviewed periodically.

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

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

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

Since all the transactions which were entered into during the Financial Year 2020-21 were on arm's length basis and were in the ordinary course of business and there was no material related party transaction entered by the Company during the Financial Year 2020-21 as per Related Party Transactions Policy, hence no details are required to be provided in Form AOC-2 prescribed under Clause (h) of Sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

CORPORATE SOCIAL RESPONSIBILITY [CSR]

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

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

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

RISK MANAGEMENT

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

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

REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES

The information required to be disclosed in the Board's Report pursuant to Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2021 is given in a separate Annexure to this report.

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

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

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 forms part of this report and is annexed herewith as **Annexure-2**.

CORPORATE GOVERNANCE

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

Parameters of Statutory compliances evidencing the standards expected from a listed entity have been duly observed and a Report on Corporate Governance as well as the Certificate from a firm of Practicing Company Secretaries confirming compliance with the requirements of Regulation 34 read with Schedule-V of the SEBI (LODR) Regulations forms part of this report and is annexed herewith as **Annexure-3 and 4** respectively.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

LISTING OF SHARES OF THE COMPANY

The shares of your Company are listed on the BSE Limited. The Listing fees for the Financial Year 2021-22 has been paid to the BSE Limited.

RESEARCH AND DEVELOPMENT (R&D)

The Company takes regular steps for R&D in the manufacturing process and optimum utilization of its resources. No major capital investment was made for R&D during the year under review.

CAUTIONARY STATEMENT

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward looking within the meaning of applicable security laws and Regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include economic and political conditions in India and other countries in which the company operates, volatility in interest rates, changes in government regulations and policies, tax laws, statutes and other incidental factors including prevailing Covid-19 conditions throughout the world. The company does not undertake to update these statements.

DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company is committed to providing and promoting a safe and healthy work environment for all its employees. The Company has in place an Anti Sexual Harassment policy in line with the requirements of The Sexual Harassment of women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment.

(a) number of complaints filed during the financial year – Nil

(b) number of complaints disposed of during the financial year – Nil

(c) number of complaints pending as on end of the financial year – Nil

GENERAL

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

1. Issue of equity shares with differential voting rights as to dividend, voting or otherwise.
2. The Managing Director of the Company does not receive any remuneration or commission from any of its subsidiaries.
3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
4. Sweat Equity Shares.
5. Further, the Board of Directors also confirm that the Company is in the regular compliance of applicable provisions of Secretarial Standards issued by the Institute of Company Secretaries of India.

ACKNOWLEDGEMENT

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

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

Ravi Manchanda	**Anjali Varma**
Managing Director	Director
(DIN.00152760)	(DIN. 01250881)

Date: August, 14 2021
Place: New Delhi

Annexure-1

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

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

To,
The Members,
Jagatjit Industries Limited,
Jagatjit Nagar, Dist. Kapurthala,
Punjab - 144802

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Jagatjit Industries Limited** (hereinafter called "the Company") for the audit period covering the financial year ended on 31st March, 2021 ("Audit Period"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2021, according to the provisions of:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

We further report that

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

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

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

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

For Saqib & Associates
Company Secretaries

Sd/-
Mohd Saqib
Proprietor

Date: August 11, 2021
Place: New Delhi

ACS: 48433; CP No.: 18116
UDIN: A048433C000732622

Annexure-2

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

The information under section 134(3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2021 is given below and forms part of the Directors' report.

A. CONSERVATION OF ENERGY

i. The steps taken or impact on conservation of energy:

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

- Installation of VFD on all FD fans of Boiler No-4.
- Installation of VFD on standby vacuum pump at ALKO Plant.
- Installation of VFD on Standby Booster Pump at ETP.
- Enhanced and improved condensate recovery of MMF Plant No-2&3 with condensate recovery system modification.
- Waste heat recovery by heating process water by exchanging high enthalpy of steam condensate at N-Mex plant.
- Replacement of faulty steam traps in oven sections to prevent excess bleeding of steam and to improve collection of steam condensate.
- Replacement of old inefficient motors with new energy efficient motors of class IE-3 in MMF Plants.
- Use of LED lights for street lighting.
- Replacement of old conventional fluorescent/GLS lights with LED fittings at various plants like ALKO, MMF, N-Mex, Boiler etc.
- Use of 100% LED Lights for N-Mex plant.

ii. The steps taken by the Company for utilizing alternate sources of energy:

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

iii. The Capital investment on energy conservation equipment is ₹ 83 Lacs.

B. TECHNOLOGY ABSORPTION.

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

- Installation of energy efficient vacuum pumps for MMF Plant No-2&3 oven vacuum systems.
- Installation of face recognition attendance system in place of finger impression attendance system to comply with Covid-19 safety guidelines.
- Installation of RF tower for wireless communication for online monitoring system at ETP for improved & uninterrupted data communication.
- Installation of Bucket elevator at Boiler No-5 for automatic feeding of bed material in place of manual feeding.
- UT Jet cleaning machine for cleaning Reboiler, Condensor, Spiral to reduce time, Labour & saving of water.
- GSP screw compressor installation (water & power saving)
- Spreading Machine food box chain drive to shifted direct drive with IP 65 motors
- Installation of 02 Nos. new AHUs with EC motors.
- Use of direct drive motors instead of coupled one for scraping sets.

ii. The benefits derived like product improvement, cost reduction, product development or import substitution:

All the steps taken above have resulted in cost reduction, saving of labour and improvement of product quality.

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

iv. The expenditure incurred on research and development.

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

C. Foreign Earnings & Outgo

(₹ In Lacs)

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	Earnings in foreign currency	4562	476
2	Expenditure in Foreign Currency (including value of Imports on C.I.F. value)	723	855

Annexure – 3

CORPORATE GOVERNANCE REPORT

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

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

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

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

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

2. **Board of Directors**

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

   The Board as on March 31, 2021 comprises of six Directors consisting of one executive and five non-executive Directors including three independent directors.

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

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

   The Details of Board of Directors (composition and category), attendance of each director at the meeting of the Board held during the Financial Year 2020-21 and at the last Annual General Meeting (AGM); and also their other Directorships and Committee Memberships / Chairpersonship are given below :

Name of the Director	Category	No. of Board Meetings held during the tenure	No. of Board Meetings attended	No. of other Directorships held as on March 31, 2021*	Committee Membership / Chairmanship in other Companies as on March 31, 2021	Attendance in Last AGM
Mr. Ravi Manchanda	Executive	5	5	8	-	Yes
Mrs. Kiran Kapur	Non-Executive Independent	5	4	1	-	Yes
Mrs. Anjali Varma	Non-Executive Non-independent	5	5	1	-	No
Ms. Sonya Jaiswal **	Non-Executive Independent	3	3	1	-	-
Mrs. Sushma Sagar	Non-Executive Non-Independent	5	4	-	-	No
Mrs. Asha Saxena	Non-Executive Independent	5	5	1	-	No
Ms. Vidhi Goel ***	Non-Executive Independent	1	1	-	-	-

*All other directorships are in unlisted entities.

** Ms. Sonya Jaiswal resigned from the Board effective November 9, 2020

*** Ms. Vidhi Goel appointed on the Board effective January 18, 2021

Board Meetings:

The Board of Directors held five Board Meetings during the period under review i.e. on June 10, 2020, September 3, 2020, September 15, 2020, November 12, 2020 and February 13, 2021.

Inter-se relationship among Directors

None of the Directors has any inter-se relationship.

Details of shareholding of Non-Executive Directors

Sr. No.	Name of Director	No. of Equity shares held as on March 31, 2021
1.	Mrs. Kiran Kapur	100
2.	Mrs. Anjali Varma	100
3.	Mrs. Asha Saxena	-
4.	Mrs. Sushma Sagar	-
5.	Ms. Vidhi Goel	-

Directors' Induction and Familiarization

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

Selection of Independent Directors

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

Your Company has also issued formal appointment letters to all the Independent Directors in the manner provided under the Act. Terms and Conditions for appointment of Independent Directors are available on the website of the Company and can be accessed at www.jagatjit.com.

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

Brief Profile of Director(s) being appointed at the ensuing Annual General Meeting (AGM):

Brief profile of Directors being appointed at the ensuing AGM forms part of the Notice calling the 76th (Seventy Sixth) AGM and the same are not being repeated for the sake of brevity.

Skills/ Expertise/ competence of the Board of Directors including the areas as identified by the Board in the Context of the Company's Business

The Company is mainly engaged in the manufacture of Indian Made Foreign Liquor (IMFL) with the individual Members of its Board of Directors bringing in knowledge and experience from a variety of sectors, demonstrating breadth and depth of management and leadership experience in the following competence areas:

- Financial and business acumen;
- Guiding and setting the pace for Company's operations and future development by aiding implementation of best systems and processes;
- Building effective sales & marketing strategies, corporate branding and advertising functions;
- Overseeing the development and implementation of Risk Management/ GRC tools;
- Management and strategy of the Information Technology function;
- Human Resources Management

Board Evaluation

The process of Board Evaluation has been mentioned in the Boards' Report and the same is not being repeated for the sake of brevity.

Internal Audits and Compliance management

Messrs Mittal Chaudhry & Co., Chartered Accountants (Registration No. 002336N) were appointed as Internal Auditors of the Company for the financial year 2019-20. The Board of Directors at their meeting held on September 15, 2020 have re-appointed him as Internal Auditors for carrying out the internal audit for the financial year 2020-21, who will also Audit and review the internal controls and operating systems and procedures of the Company. The report on findings of Internal Auditors is submitted to the Audit Committee periodically.

Separate Meeting of the Independent Directors:

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

During the Financial Year 2020-21 the Independent Directors met on 13th February, 2021 and *inter alia* discussed:

- The performance of non-Independent Directors and the Board as a whole

- The quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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

3. Audit Committee

As on March 31, 2021 the Audit Committee comprised of Mrs. Kiran Kapur, Mr. Ravi Manchanda, Mrs. Asha Saxena and Ms. Vidhi Goel. Mrs. Kiran Kapur is the Chairperson of the Audit Committee. On November 9, 2020 Ms. Sonya Jaiswal ceased to be the member of the Committee. Ms. Vidhi Goel has been appointed as member of the Committee w.e.f. February 13, 2021.

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

During the year under review the Audit Committee held five meetings i.e. on June 10, 2020, September 3, 2020, September 15, 2020, November 12, 2020 and February 13, 2021.

Attendance record of Audit Committee members

Sr. No.	Name of Members	No. of meetings held during the tenure	Meetings attended
1	Mrs. Kiran Kapur	5	4
2	Mr. Ravi Manchanda	5	5
3	Ms. Sonya Jaiswal	3	3
4	Mrs. Asha Saxena	5	5
5	Ms. Vidhi Goel	-	-

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of Mrs. Kiran Kapur, Mrs. Anjali Varma and Ms. Vidhi Goel. Mrs. Kiran Kapur is the Chairperson of the Nomination and Remuneration Committee. On November 9, 2020 Ms. Sonya Jaiswal ceased to be member of the Committee. Ms. Vidhi Goel has been appointed as member of the Committee w.e.f. February 13, 2021.

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

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

During the year under review, the Nomination and Remuneration Committee held two meetings i.e. on November 12, 2020 and February 13, 2021.

Attendance record of Nomination and Remuneration Committee members

Sr. No.	Name of Members	No. of meetings held during the tenure	Meetings attended
1	Mrs. Kiran Kapur	2	2
2	Mrs. Anjali Varma	2	2
3	Ms. Sonya Jaiswal	1	-
4.	Ms. Vidhi Goel	-	-

Performance evaluation criteria for Independent Directors

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

5. Remuneration of Directors

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

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

Sl. No.	Name of the Directors	Total Sitting Fees Paid (₹)
1.	Mrs. Kiran Kapur	2,20,000
2.	Mrs. Anjali Varma	1,20,000
3.	Mrs. Asha Saxena	2,00,000
4.	Mrs. Sushma Sagar	80,000
5.	Ms. Vidhi Goel	20,000
6.	Ms. Sonya Jaiswal	1,20,000

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

Payment to Executive Director

During the period under review, Mr. Ravi Manchanda, Managing Director was paid remuneration as under :

Sr. No.	Name of the Director	Salary (₹)	*Perquisites & others (₹)	Total (₹)
1	Mr. Ravi Manchanda	21,69,000	14,29,289	35,98,289

* includes contribution to Funds and other allowances

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

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

6. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee comprises of Mrs. Kiran Kapur, Mr. Ravi Manchanda and Ms. Vidhi Goel. Mrs. Kiran Kapur, Independent Director is the Chairperson of the Stakeholders' Relationship Committee. Company Secretary is the Compliance Officer of the Committee. On November 9, 2020 Ms. Sonya Jaiswal ceased to be member of the Committee. Ms. Vidhi Goel has been appointed as member of the Committee w.e.f. February 13, 2021.

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

The Company has not received any complaint from shareholders during the Financial Year ended March 31, 2021.

No transfer was pending on March 31, 2021 for more than 15 days of its receipt.

During the year under review the Stakeholders' Relationship Committee held one meeting on February 13, 2021.

Attendance record of Stakeholders' Relationship Committee members

Sr. No.	Name of Members	No. of meetings held during the tenure	Meetings attended
1.	Mrs. Kiran Kapur	1	1
2.	Mr. Ravi Manchanda	1	1
3.	Ms. Vidhi Goel	-	-

Prohibition of Insider Trading

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

7. General Body Meetings

The AGM of the years 2018 and 2019 of the Company were held at the Registered Office of the Company at Jagatjit Nagar, Distt. Kapurthala -144802, Punjab. The AGM for the year 2020 was held through Video Conferencing (VC) / Other Audio Visual Means (OAVM), for which purpose the Registered Office of the Company situated at Jagatjit Nagar, Distt. Kapurthala–144802, Punjab, was deemed as the venue for the Meeting. The dates and times of the meetings and details of special resolutions passed were as follows:

Sr. No.	Year	Date	Day	Time	Brief Description of Special Resolutions passed
1	2018	December 27, 2018	Thursday	09.30 a.m.	- To borrow in excess of the limit(s) specified under section 180(1)(c) of the Companies Act, 2013 - To approve the limit(s) under section 180(1)(a) of the Companies Act, 2013
2	2019	September 30, 2019	Monday	09.30 a.m.	- To re-appoint Mr. Ravi Manchanda (DIN.00152760) as Managing Director of the Company for a further period of two years. - To re-appoint Mrs. Kiran Kapur (DIN. 02491308) as an Independent Director for a further term of five years.
3	2020	December 31, 2020	Thursday	10.30 a.m.	NIL

Extraordinary General Meeting(s)

Apart from the AGM, no other General Meeting was held during the Financial Year 2020-21.

Postal Ballot

During the year 2020-21, no resolution was passed through postal ballot.

No Resolution requiring Postal Ballot as required by the Companies (Passing of Resolution by Postal Ballot) Rules, 2011, has been placed for Shareholders' approval at this Annual General Meeting.

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

8. Means of Communication

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

9. General Shareholders Information

a) Annual General Meeting

Date	:	September 30, 2021
Time	:	10.30 a.m.
Venue	:	The next Annual General Meeting shall be held as per the advisories issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India through Video Conferencing/other Audio Visual Means as per notice of AGM.
Annual Book Closure	:	Saturday, September 25, 2021 to Thursday, September 30, 2021 (both days inclusive)

b) Financial Year : April 01, 2020 to March 31, 2021

c) Financial Calendar (2021-22) (tentative)

(i)	First Quarter Results	:	Mid of August, 2021
(ii)	Second Quarter Results	:	Mid of November, 2021
(iii)	Third Quarter Results	:	Mid of February, 2022
(iv)	Annual Results for the year ending March 31, 2022	:	By May 30, 2022

d) Dividend Payment Date

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

e) Listing on Stock Exchange

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

The Annual Listing Fees for the Financial Year 2021-22 have been paid to the BSE Limited.

f) Stock Market Data for the period April 01, 2020 to March 31, 2021 at the BSE Limited

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

Month	High	Low	Sensex High	Sensex Low
April, 2020	25.85	18.10	33887.25	27500.79
May, 2020	30.00	24.15	32845.48	29968.45
June, 2020	33.45	25.00	35706.55	32348.10
July, 2020	36.00	30.80	38617.03	34927.20
August, 2020	38.95	32.05	40010.17	36911.23
September, 2020	39.90	30.75	39359.51	36495.98
October, 2020	35.45	30.70	41048.05	38410.20
November, 2020	33.60	28.15	44825.37	39334.92
December, 2020	35.95	30.70	47896.97	44118.10
January, 2021	42.90	34.10	50184.01	46160.46
February, 2021	40.95	35.55	52516.76	46433.65
March, 2021	41.85	35.65	51821.84	48236.35

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

The Securities and Exchange Board of India (SEBI) has amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandating that transfer of securities would not be processed unless the securities are held in the dematerialized form with a depository with effect from 1st April, 2019, other than transposition and transmission of shares.

Any investor who is desirous of transferring shares (which are held in physical form) can do so only after the shares are dematerialized.

i) **Distribution of Shareholding as on March 31, 2021**

Category (in ₹)	No. of Shareholders	% of Share Holders	No. of Shares held	% of Shareholding
Upto - 5000	2699	78.28	340038	0.74
5001 - 10000	310	08.99	225760	0.49
10001 - 20000	172	04.99	258968	0.56
20001 - 30000	74	02.15	188008	0.41
30001 - 40000	47	01.36	165348	0.36
40001 - 50000	29	00.84	137999	0.30
50001 - 100000	61	01.77	425833	0.92
Above - 100000	56	01.62	44406158	96.22
Total	**3448**	**100.00**	**46148112**	**100.00**

j) **Shareholding pattern as on March 31, 2021**

Sr. No.	Category	No. of Shares held	% of total shareholding	% of Voting Rights
1.	Promoters' Holding	1,56,45,365	33.90	92.27
2.	Mutual Funds & UTI	1300	0.00	0.00
3.	Banks, Financial Institutions, Govt. Companies	1772	0.00	0.00
4.	Private Corporate Bodies	14,72,556	3.19	2.15
5.	NRIs/FIIs (other than Promoters)	2,46,244	0.53	0.36
6.	Indian Public	35,70,875	7.75	5.22
	Total	**2,09,38,112**	**45.37**	**100.00**
7.	GDRs (Underlying Shares)	2,52,10,000	54.63	-
	Grand Total	**4,61,48,112**	**100.00**	**100.00**

The Company does not have any share lying in the demat suspense account or unclaimed suspense account.

k) **Outstanding GDRs.**

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

l) **Dematerialisation of Shares and Liquidity**.

The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31, 2021, 1,67,72,997 equity shares being 36.35 % of the total paid-up Capital have been dematerialised.

m) **Plants Location**

The Company has following plants:

Sr. No.	Location
1.	Jagatjit Nagar, Distt. Kapurthala – 144 802, Punjab
2.	Plot No. SP 1-3, Sotanala, RIICO Industrial Area, Behror, Distt. Alwar -301 701, Rajasthan

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

The details for the same have been provided in the Notes to Financial Statements of the Company for the Financial Year 2020-21.

o) **Address for Correspondence**

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

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

Investor E-mail address : Investor@jagatjit.com

p) **Credit Rating** : [ICRA] B+

10. **Other Disclosures**

(i) Related Party Transactions: Please refer the Board's Report for details on Related Party Transactions and Materially Significant Related Party Transactions that may have potential conflict with the interests of Company at large, during the year ended March 31, 2021.

(ii) There has not been any non-compliance, penalty or stricture imposed on the Company by any Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years.

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

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

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

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

(iv) Policy for Determination of Material Subsidiary can be accessed at www.jagatjit.com.

(v) Policy on Related Party Transactions can be accessed at www.jagatjit.com.

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

(vii) On the basis of written representations/ declaration received from the directors, as on March 31, 2021, M/s Saqib & Associates, Company Secretaries in practice, have issued a certificate, confirming that none of the Directors on Board of the Company has been debarred or disqualified from being appointed or continuing as Director of companies by SEBI/ MCA or any such authority.

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

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

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

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

12. Code of Conduct

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

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

Ravi Manchanda	**Anjali Varma**
Managing Director	Director
(DIN.00152760)	(DIN01250881)

Date: August 14, 2021
Place: New Delhi

Declaration as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

Sd/-
Ravi Manchanda
Managing Director
DIN. 00152760

Date: August 14, 2021
Place: New Delhi

Annexure – 4

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members,
JAGATJIT INDUSTRIES LIMITED
Jagatjit Nagar, Dist. Kapurthala - 144 802
Punjab

1. We have examined the compliance of conditions of Corporate Governance by JAGATJIT INDUSTRIES LIMITED ("the Company"), for the year ended on March 31, 2021, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

3. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the year ended March 31, 2021.

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

For Saqib & Associates
Company Secretaries

Sd/-
Mohd Saqib
Proprietor
ACS : 48433; CP No. 18116
UDIN: A048433C000732633

Date: August 11, 2021
Place: New Delhi

Management Discussion & Analysis

Economic Overview

The global economy is projected to grow @ 6.0% in 2021, moderating to 4.9% in 2022. The COVID-19 pandemic has affected every industry, and has disrupted trade, supply chains, work and business models, employment and consumer behaviours. India has been impacted substantially by the second wave of the Covid-19 pandemic. There remains an uncertainty around the duration of the pandemic and the resultant impact on consumer sentiment and demand. Input Inflation may continue during the current year.

Industry Overview

Unlike other emerging economies, alcoholic beverage Industry in India continues to remain quite traditional and is controlled by State Governments. It remains highly regulated with high taxation, restrictions on cross border movements, constraints on production, retailing and other barriers. Despite this, India is still one of the fastest growing alcohol markets in the world.

The Covid-19 pandemic has been ferocious, unrelenting and unprecedented in its scope and coverage. In face of such uncertainty, we relied on our established tenets of communication, engagement, positive support and team working to tide over challenges. The satisfactory outcome has further affirmed our resolve to deepen our principles of sustainability, technology and trust with exceptional standards of governance. In view of the Management, once the world overcomes from the prevailing situations, future growth in the liquor industry in India will be mirrored by continued consumer trend towards premiumisation, motivated by rising affluence, globalised outlook, urbanisation and progressive lifestyles.

Business Overview

Jagatjit Industries Limited (the Company or Jagatjit) was set up in 1944 in the State of Punjab. Its business comprises of Extra Neutral Alcohol (ENA), Indian Made Foreign Liquor (IMFL), Country Liquor (CL), Malted Milk Food (MMF) & Malt Extract (MEX) and Real Estate. The Company has a rich IMFL product portfolio including Whiskies (Blended Indian whiskies and Scotch), Gin, Rum, Brandy and Vodka. In India, the Company has a strong presence in the northern region, and also in the States of Assam, Andhra Pradesh, Telangana, Tamilnadu, Odisha and Meghalaya. Internationally, Jagatjit's products are available in Guinea, Ghana, Togo, Burkina Faso, Angola, Nigeria, USA, Italy, Ivory Coast, UAE, Oman, Kenya and Uganda. The financial year 2020-21 has seen unprecedented unfavourable circumstances due to the impact of COVID-19. Throughout the year, the Management focus has been on health & safety of employees and stakeholders, the introduction of socially distanced safe ways of working, reviving demand and keeping consumers engaged, while reducing costs of operations. For this the Company would like to convey its heartfelt appreciation to its employees and stakeholders for showing resilience and dedication under the challenging circumstances. The outbreak of Covid-19 continues to cause significant disturbances and slowdown of economic activities globally. With the relaxations granted by the State Government of Punjab in the restrictions/ lockdown, the operations of distillery and food division were resumed from April 11, 2020. Further, the Company entered into "Hand Sanitizer" segment and entered into arrangements with various parties for manufacturing/ job work of hand sanitizers for sales.

Operational Overview

A) Liquor

The Company's primary focus of business is in manufacturing, distributing and selling IMFL brands with intent to provide superior brands at affordable prices. During FY 2020-21, the Company sold 1.72 million IMFL cases. The Company is also engaged in manufacturing of Country liquor in the state of Punjab, where it recorded volume of around 1.65 million cases. The Company is continuously focusing on production of Extra Neutral Alcohol (ENA) and it has positive bearing on the performance of the Company in FY 2020-21 by utilising its capacity and expects reasonable overall growth in coming years also. During the year, the Company launched its IMFL Brand "AC Black Pure Grain Whisky" in the state of Assam and secured its position in top three selling brands of IMFL in Assam. The Company also launched its prestigious scotch whisky "KH8- Damn Good Scotch" in the state of Punjab, Andhra Pradesh and Rajasthan.

B) Malted Milk Foods and Dairy Products

The Company has a food division with its own malt house, malt extract plant and a malted milk food manufacturing unit. The malted milk food division (MMF) has four units of tray drying and one unit of spray drying, with a total manufacturing capacity of 110 MT per day of high-quality malted milk food. Presently the Company manufactures around 37000 MT per annum Malted Milk Food nutritional powder for Hindustan Unilever Limited under the Brand name of Horlicks and Boost. During FY 2020-21, capacity expansion for MMF was done with oven automation and change of vacuum system in order to increase capacity by around 4880 MT per annum.

The Company's modern malt house produces malt from the best barley sourced under strict inspection and quality control processes from selected farms in Punjab. This malt is utilised for its own requirements in both the divisions – malted milk food division and distillery. It makes two malt grades – food and distillery grade. Food grade malt is being used for manufacturing of cereal extract and being supplied to Hindustan Unilever Limited for further contract manufacturing of malted milk food. Distillery grade malt is being utilised in the distillery division for processing of malt spirit required for IMFL brands and for sales to buyers.

C) International Brand Portfolio

In the international market, Jagatjit has a full portfolio of brown and white spirits at various price points. Jagatjit is continuously working to fortify its footprint in the international market with

Management Discussion & Analysis (Contd.)

new blends and contemporary packaging. The objective of Jagatjit is to gain a sizeable share of volume in the international market in next 5 years.

D) Real Estate

Jagatjit has various real estate properties. Out of these properties, two main properties, one in Gurugram and other in New Delhi, have been leased out to earn rental income. Its Gurugram property, comprising of approximately 2,00,000 Sq. Ft., is spread over 4 acres of land. The property at Connaught Palace, New Delhi, comprises of two floors at Ashoka Estate admeasuring approximately 23,000 Sq. Ft area. During Covid-19 situation, the rental income of investment properties reduced substantially due to vacancy/ reduction in rentals. The Management is of the opinion that with the end of Covid-19, the real estate demand will increase and the revenues of the Company will improve.

Financial Review

During FY 2020-21, Jagatjit's total income (including income from services and other sources) stood at ₹ 450.57 Crores, as compared to ₹ 273.31 Crores registering a growth of 65% over the previous year.

Jagatjit's beverages segment clocked gross revenue of ₹ 234.17 Crores, as compared to ₹ 80.17 Crores during the previous year. Its food segment clocked revenue of ₹ 155.17 Crores, as compared to ₹ 134.20 Crores during the previous year.

Amount (₹ Crores)

	FY 20-21	FY 19-20
Total Income	450.57	273.31
Material Consumption	202.28	91.47
Excise Duty	22.95	4.61
Staff Costs	66.27	59.94
Others	117.79	135.23
EBITDA	41.28	(17.94)
Finance Cost	30.25	42.11
Depreciation	9.29	9.65
Profit before tax and exceptional items	1.74	(69.70)
Exceptional items : Income	0.38	28.68
Profit Before Tax	2.12	(41.02)
Tax	-	7.24
Profit/(Loss) After Tax from continuing operations	2.12	(48.26)
Profit/(Loss) After Tax from discontinuing operations	2.91	(0.61)
Other Comprehensive Income/ (Loss)	0.74	(2.78)
Total comprehensive Profit After Tax	5.77	(51.65)

The total raw material cost increased to ₹ 202.28 Crores, as compared to ₹ 91.47 Crores during the previous year, Excise duty increased to ₹ 22.95 Crores, as compared to ₹ 4.61 Crores during the previous year, Employee costs increased to ₹ 66.27 Crores, as compared to ₹ 59.94 Crores during the previous year due to increase in turnover and performance of the Company. The Company earned an EBITDA of ₹ 41.28 Crores, as compared to an EBITDA of ₹ (17.94) Crores during the previous year.

Jagatjit earned a profit before taxation of ₹ 2.12 Crores from continuing operations, as compared to loss before taxation of ₹ (41.02) Crores during the previous year. The total comprehensive profit after tax during the year was ₹ 5.77 Crores, as compared to a comprehensive loss of ₹ 51.65 Crores during the previous year.

KEY FINANCIAL RATIOS

Particulars	2020-21	2019-20	Remarks
Debtors Turnover Ratio (Days)	20	69	Due to speedy recovery of present debtors and provisioning of old debtors.
Inventory Turnover Ratio (Days)	4	42	Due to faster movement of inventory.
Interest Coverage Ratio	1.38	0.26	Due to improved earnings of the Company.
Current Ratio	0.43	0.45	-
Debt Equity Ratio	9.69	11.54	Due to reduced debts and improvement in the performance of the Company.
Operating Profit Margin %	9.9	4.8	Due to increase in earnings before interest and tax
Net Profit Margin %	1.3	(17.9)	Due to profit during the current year as compared to loss in previous year.
Return on Net Worth#	-	-	N.A.

Outlook

Jagatjit has a constant endeavour to embrace modernization and to keep up with the changing trends with technological upgradation. The Company is focussing on improved productivity, automation of manufacturing facilities to enhance sales, manage costs and providing value to its customers/ stakeholders. It is a multifaceted endeavour inculcating the long-term interests of each stakeholder including the society, customers, local communities and shareholders. We believe in what's good for society is good for business. The Company is moving towards profitability by

Management Discussion & Analysis (Contd.)

streamlining its brand portfolio, investing in higher-contribution brands, widening its geographical reach, developing export markets, cost optimisation and improving operational efficiencies.

Risks & Concerns

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

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

Raw material risk: Jagatjit runs the risk of fluctuation in raw material prices.

Mitigation measure: The Company's long-standing relationship with most suppliers ensures steady availability of raw materials at competitive prices. It is also striving to reduce costs by value engineering in dry and wet goods and by using standardized packaging material in all segment of business.

Innovation risk: Innovation is ensuring sustainable growth in a market where there are restrictions on advertisement of alcohol.

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

Economic risk: The performance of the Company is dependent on robust consumption, led by rising income levels. This in turn is dependent on robust economic growth, cost of inputs, labour costs and on the basis of disposable income.

Mitigation measure: The Company is focused on driving agility and responsiveness across the value chain. Furthermore, the Company is working on how systems and processes need to change post Covid-19 in order to retain its market share. It is poised for sustainable growth in the coming years. Jagatjit has strong presence in several international markets. A good presence in international markets reduces dependence on domestic consumption. However current economic slowdown due to Covid-19 could be a challenge in the mitigation.

Internal Controls

The Company has robust internal financial controls (IFC) systems, which facilitates orderly and efficient conduct of its business including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. The internal control system facilitates optimum utilisation of available resources to ensure the protection of interest of all stakeholders.

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

Jagatjit's has well established internal control mechanism supported by internal audit systems carried out by professional firms which helps in ensuring strict adherence to policies, safeguarding of its assets and timely preparation of financial statements, documents and reports.

Human Resources

At Jagatjit, we are committed to sustainable work practices and a transparent work culture which helps in attracting and retaining the talented people in the industry. The year gone by brought many challenges owing to Covid led disruptions which posed serious threats to the entire mankind. Amidst all these thought-provoking scenarios, we leveraged use of IT Technology and digital platform to connect with various stakeholders, including our employees.

The Company firmly believes that its human resources are the key enablers for the growth of the Company and, therefore, an important asset. Taking this into account, the Company continued to invest in developing its human capital and establishing its brands in the market to attract and retain the best talent. Jagatjit boasts of well-defined HR policies which ensure alignment of personal goals with professional growth and its human capital stands at around 1540 employees, including permanent factory workmen. Employee relations during the period under review continued to be healthy, cordial and harmonious at all levels and the Company is committed to maintaining good relations with the employees.

Cautionary statement

Statements in the Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may be forward-looking statements. Actual results may differ from those expressed or implied due to various risks and uncertainties. Important factors that could make a difference to the Company's operations include economic and political conditions in India and other countries in which the company operates, volatility in interest rates, changes in government regulations and policies, tax laws, statutes and other incidental factors including prevailing Covid-19 conditions throughout the world. The company does not undertake to update these statements.

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Independent Auditor's Report

To the Members of Jagatjit Industries Limited

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Jagatjit Industries Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2021, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Cash Flow Statement and the Standalone Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its income including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements 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 (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Emphasis of Matter

(i) We draw attention to Note No 2(1)(iv) regarding going concern, Note No. 4(vi) regarding fair value of investment properties, Note No. 6(i)&(ii) regarding loan to employees & provision thereof, Note No 8(ii) regarding provision for advances to others, Note 13(i) regarding amount receivable from group company, Note No 15(i) regarding assets held for sale, Note No 18(iv) regarding non stipulation of terms and conditions of loan, Note No. 22(ii) regarding provision of service tax, Note No. 23(i) regarding provision of interest on outstanding amount of MSME suppliers and note 23(ii) regarding reconciliation of old outstanding of MSME suppliers, Note No 24(iii) regarding amount payable to ex-employee, Note No 24(iv) regarding earlier years expenses payable pending for reconciliation, Note No 26(iii) regarding income from franchisee business, Note No 27(ii) regarding other income, Note No 34(ii) regarding provisions of doubtful debts net of reversal, Note No 41 (i) regarding income from discontinued operations, Note No 45(ii) regarding impact of COVID-19, Note No 45(iii) regarding search conducted by GST Dept. at Head Office and Note No.45(iv) regarding reversal of GST Input credit.

(ii) The Internal Audit system of the company needs to be substantially strengthened in scope, coverage and compliance in respect of Hamira Plant and Head Office operations.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matter to be communicated in our report. For each matter mentioned below, our description of how our audit addressed the matter is provided in that context.

The Key Audit Matter	How the matter was addressed in our audit
(a) Litigation Matters: The company operates in various states within India, exposing it to a variety of different Central and State Laws, regulations and interpretations thereof. In this regulatory environment, there is an inherent risk of litigation and claims. Company operates in the commercial world and is exposed to various claims on account of performance obligations by the company/vendors/service providers. Consequently, provisions and contingent liability disclosures may arise from direct and indirect tax proceeding, legal proceedings including regulatory and other government / department proceedings, as well as investigations by authorities and commercial claims.	Reviewing the outstanding litigations against the Company for consistency with the previous years. Enquire and obtain explanations for movement during the year. Discussing the status of significant known actual and potential litigations with the Company's in-house officials and other senior management personnel who have knowledge of these matters and assessing their responses. Perusing the latest correspondence between the Company and the various tax/legal authorities and review of correspondence with/legal opinions obtained by the management, from external legal advisors, where applicable,

The Key Audit Matter	How the matter was addressed in our audit
At March 31, 2021, the Company's contingent liabilities for legal matters were ₹ 1817 Lakhs (refer Note 37 to the standalone financial statement) and provision for service tax of ₹ 345 Lakhs (refer Note 22(A)). The most significant contingent liability pertains to service tax of ₹ 142 Lakhs, sales tax of ₹ 1314 Lakhs and contractual liability of ₹ 125 Lakhs.. Management applies significant judgment in estimating the likelihood of the future outcome in each case when considering whether, and how much, to provide or in determining the required disclosure for the potential exposure of each matter. This is due to the highly complex nature and magnitude of the legal matters involved along with the fact that resolution of tax and legal proceedings may span over multiple years, and may involve protracted negotiation or litigation. These estimates could change substantially overtime as new facts emerge as each legal case progresses. Given the inherent complexity and magnitude of potential exposures across the Company and the judgment necessary to estimate the amount of provisions required or to determine required disclosures, this is a key audit matter.	for significant matters and considering the same in evaluating the appropriateness of the Company's provisions or disclosures on such matters. Examining the Company's legal expenses and reading the minutes of the board meetings, in order to ensure that all cases have been identified. With respect to tax matters, involving our tax specialists, and discussing with the Company's tax officers, their views and strategies on significant cases, as well as the related technical grounds relating to their conclusions based on applicable tax laws. Assessing the decisions and rationale for provisions held or for decisions not to record provisions or make disclosures. For those matters where management concluded that no provisions should be recorded, considered the adequacy and completeness of the Company's disclosures.
(b) Revenue recognition from sale of products: Revenue from sale of products is recognized when control of products has transferred to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of products. Revenue from the sale of products is measured at the fair value of the consideration received and receivable, net of returns and allowances, discounts and incentives. Revenue generated on account of Royalty as per commercial agreements is subject to waiver in respect of Minimum Guarantee Quantum based on the premise of commercial expediency. Significant judgment is required in estimating accruals relating to allowances, discounts and incentives recognized in relation to sales made during the year.	Our audit procedures included, amongst others, assessing the Company's revenue recognition accounting policy, including those relating to allowances, discounts, and incentives. We understood, evaluated and tested the operating effectiveness of internal controls over recognition of revenue, discounts, and incentives. We performed test of details, on a sample basis, and inspected the underlying documents relating to sales and accrual of discounts and incentives. We tested sales transactions near year end date as well as credit notes issued after the year end date. We discussed and evaluated management assessment of estimates relating to allowances, discounts and incentives and waiver and wherever required verified the approval of appropriate level of those charged with governance. We assessed the disclosures in the standalone financial statements in respect of revenue.
(c) Provision for bad and doubtful trade receivable: Total trade receivable balances as at March 31, 2021 is ₹ 8379 Lakhs out of this ₹ 6349 Lakhs is provided. Trade receivables include dues from state government corporations, distributors, retailer, contract manufacturing units and franchisee partner. The Company makes provision for unsecured trade receivables based on defined policy and wherever management considers necessary. The management applies its judgment and estimates the provision. Timing of collection of dues from customers may differ from the contractual credit period. Significant judgment is involved in management estimates of the amounts unlikely to be ultimately collected.	Our procedures included the following: • Understood, evaluated and tested on a sample basis the design and operating effectiveness of internal controls over trade receivables. Provision of material amount represents weak control. • Performed audit procedures on existence of trade receivables, which included perusing and comparing balance confirmations with books of account, testing subsequent receipts and testing sales transactions on a sample basis. • Evaluated the policy of the Company, performed audit procedures which included analysis of ageing, past trend of bad debts write-off and understanding management's view point of possible impact arising from the COVID-19 pandemic.

The Key Audit Matter	How the matter was addressed in our audit
	• Assessed the disclosures in the standalone Ind AS financial statements for compliance with disclosure requirements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

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

In preparing the standalone financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are 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 a 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 these standalone financial statements.

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 standalone financial statements, 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 financial controls 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 system 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent 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 them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure A"**, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. With respect to matter to be included in the Auditor's report under section 197(16) of the Act:

   In our opinion and according to the information and explanations given to us, the managerial remuneration for the year ended March 31, 2021 has been paid/provided by the Company to its managing director in accordance with the provisions of section 197 read with Schedule V to the Act.

3. As required by Section 143 (3) of the Act, we report that:

   (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

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

   (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) on the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

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

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

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

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

      iii. there has not been delay in transferring amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

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

M. K. Madan
Proprietor
Membership number: 082214

Place: New Delhi
Date: 30-06-2021
UDIN: 21082214AAAADS6709

ANNEXURE–'A'TO THE INDEPENDENT AUDITOR'S REPORT

Statement of the matters specified in paragraph 3 and 4 of the Companies (Auditor's report) Order, 2016 ('the Order')

The Annexure referred to in Independent Auditors' Report to the members of the **Jagatjit Industries Limited ("the company")** on the standalone financial statements for the year ended March 31, 2021, we report that:

(i) In respect of fixed assets:

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

(b) The Company has a programme of annual verification of fixed assets which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Management has done physical verification of fixed assets subsequent to close of the year. On reconciliation of physical verification report with assets record it is observed that certain fixed assets are not physically available which in the opinion of management are not significant.The necessary adjustment entries will be passed in the financial year 2021-22.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company and as certified by the company, the title deeds of immovable properties are held in the name of the Company and are in possession with Canara Bank, for safe custody (certificate awaited from the bank) except in case of immovable properties situated at 4th and 5th Floor, Bhandari House, Nehru Place, New Delhi, 9th& 10th Floor, Ashoka Estate, Barakhamba Road, New Delhi,7th Floor, Shanti Niketan Building, Camac Street, Kolkata 700017, and at 4th Floor, Embassy Center, Nariman Point, Mumbai. It is certified by the management that the company is in possession of these properties.

Title deeds in respect of Immovable Properties as mentioned in Note No. 18 are held by the lenders as Equitable Mortgage against the borrowing.Confirmations from the bank are not received.

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

(ii) As explained to us, inventorieshave been physically verified in phases during the year/close of the year by the Management at reasonable intervals, other than stock of ₹ 400 Lakhs lying with port authorities as at the close of the year and no material discrepancies were found on such physical verification.

(iii) (a) According to information and explanation given to us, the Company granted loan to its subsidiary in earlier years which was provided in previous year. During the year company has granted interest free loan of ₹ 3 Lakhs to its subsidiary for meeting expenses. No stipulation as to repayment thereof have been laid out.

(iv) In our opinion and according to the information and explanations given to us, the Company has not given any loans and made any investment within the meaning of section 185 & 186 of the Act. Thus, paragraph 3 (iv) of the Order is not applicable to the Company.

(v) According to the information and explanation given to us, the company has not accepted any deposits during the year. On the basis of legal opinion, the Company has claimed the amount of Rs 700 Lakhs received in earlier years as exempted deposits. Company is of the view that provision of Section 74(1)(b) of the Act are complied with in pursuance of Rule 19 of the Acceptance of Deposits Rules, 2014. It is also confirmed by the company that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

(vi) According to the information and explanations given to us and on the basis of our review of the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 we are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has generally been regular in depositing undisputed statutory dues, including provident Fund, Employees State insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of the aforesaid statutory dues in arrears as at 31.03.2021 for a period of more than six months from the date they became payable.

(b) (i) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess which have not been deposited as at 31.03.2021 on account of any dispute except as follows:

Sr. No.	Name of Statute	Nature of Dues	Amount (₹) Lakhs	Period for which the amount relates	Forum where dispute is pending.
SERVICE TAX					
1	The Finance Act, 1994	Demand and Penalty towards Management maintenance and Repair Services	18	June, 2005	CESTAT, Chandigarh
2	The Finance Act, 1994	Demand and Penalty towards conversion charge for SMP & Ghee under category of Supply of Tangible Goods	62	May 2008 to April 2010	CESTAT, Chandigarh
3	The Finance Act, 1994	Penalty in the above matter	62	May 2008 to April 2010	CESTAT, Chandigarh
SALES TAX					
4	Sales Tax under Telangana VAT Act	Demand and Penalty on account of VAT on Royalty Income	103	2012–13 to November 2014	Appellate Deputy Commissioner, Hyderabad
5	Sales Tax under Punjab VAT Act & Central Sales Tax Act	Demand and Penalty on account of disallowance of VAT input credit on Rice Husk	220	2010 – 11	Deputy Excise and Taxation Commissioner (Appeals), Jalandhar
6	Sales Tax under Haryana VAT Act	Demand and Penalty on account of disallowance of VAT input credit on Rice Husk	40	2011 -12	Joint Excise & Taxation Commissioner (A), Rohtak
7	Sales Tax under Punjab VAT Act & Central Sales Tax Act	Disallowance of ITC on purchase of Rice Flour	108	2011 -13	VAT Appellate Tribunal
8	Jharkhand VAT Act	Demand in respect of VAT	65	2015-16	Commissioner (Appeals), Ranchi
9	Jharkhand VAT Act	Demand in respect of VAT	8	2016-17	Commissioner (Appeals),
10	Rajasthan VAT Act.	Demand in respect of VAT	629		VAT Commissioner, Rajasthan
11	CGST Act	Demand in respect of Excise Duty	38	2014-17	CGST Commissionerate
12	J&K Value Added Tax	Demand of Tax, Interest & penalty	90	2015-16	Appellate Authority
13.	J&K Value Added Tax	Demand of Tax, Interest & penalty	13	2016-17	Appellate Authority

(ii) Company made provision for service tax of ₹ 345 Lakhs demanded by Orissa State Beverages Corporation Ltd. against their liability to service tax in earlier year. The matter is pending before Service Tax Tribunal Orissa.

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

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

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

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

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

(xiii) According to the information and explanations given to us and on the basis of Legal opinion (regarding maintenance charges of ₹ 226 Lakhs paid to Corporate Facility Management) [refer Note No. 39B(iv)(b)] obtained by the company in earlier years and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Ind AS.

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

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

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

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

M. K. Madan
Proprietor
Membership number: 082214

Place: New Delhi
Date: 30-06-2021
UDIN: 21082214AAAADS6709

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF JAGATJIT INDUSTRIES LIMITED

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

We have audited the internal financial controls with reference to standalone financial statements of Jagatjit Industries Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note of ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to standalone financial statements

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

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

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

Opinion

In our opinion, the Company generally has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls over financial reporting were generally operating effectively as at March 31, 2021, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note") *except in the case of fixed assets (Behror unit) which need to be substantially strengthened.*

Emphasis of Matters:

Internal financial control in respect of trade receivable reconciliation/confirmation, provision for bad and doubtful debts, accounts payable reconciliation/confirmation, updating of status of contingent liabilities, Rolling Cash Plan (HO), recovery of loan & advances from employees/suppliers, revenue recognition of royalty income from franchise operation, revenue recognition of third party supply agreement and operating assessment of control regarding updating the Secretarial Department in respect of borrowings from Group entities where controls were effective but need to be further strengthened.

Our opinion is not modified in respect of these matters.

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

M. K. Madan
Proprietor
Membership number: 082214

Place: New Delhi
Date: 30-06-2021
UDIN: 21082214AAAADS6709

Balance Sheet
as at March 31, 2021

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
1 Non-current assets			
a) Property, plant and equipment	3A	37,217	37,268
b) Other intangible assets	3B	-	-
c) Capital work-in-progress	3C	19	18
d) Right-of-use assets	3D	74	20
e) Investment properties	4	1,753	1,790
f) Financial assets			
i) Investments	5	31	33
ii) Loans	6	259	476
iii) Other financial assets	7	1,840	1,213
g) Other non-current assets	8	199	445
Total non-current assets		**41,392**	**41,263**
2 Current assets			
a) Inventories	9	3,521	4,189
b) Financial assets			
i) Investments			
ii) Trade receivables	10	2,030	2,861
iii) Cash and cash equivalents	11A	599	1,097
iv) Bank balances other than (iii) above	11B	505	-
v) Loans	12	71	57
vi) Other financial assets	13	137	76
c) Other current assets	14	987	1,009
d) Assets classified as held for sale	15	38	38
Total current assets		**7,888**	**9,327**
TOTAL- ASSETS		**49,280**	**50,590**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	4,615	4,615
Other equity	17	(3)	(580)
Total Equity		**4,612**	**4,035**
LIABILITIES			
1 Non-current liabilities			
a) Financial liabilities			
i) Borrowings	18A	21,083	19,919
ii) Other financial liabilities	19	2,807	3,348
iii) Lease liability	20A	51	3
b) Other long term liabilities	21	126	324
c) Provisions	22A	2,321	2,378
Total non-current liabilities		**26,388**	**25,972**
2 Current liabilities			
a) Financial liabilities			
i) Borrowings	18B	263	214
ii) Trade payables	23		
total out standing due of micro & small enterprises		46	32
total outstanding due of other than micro & small enterprises		6,027	6,731
iii) Other financial liabilities	24	5,353	5,872
iv) Lease liability	20B	25	19
b) Other current liabilities	25	6,130	7,270
c) Provisions	22B	436	445
Total current liabilities		**18,280**	**20,583**
Total liabilities		**44,668**	**46,555**
Total equity and liabilities		**49,280**	**50,590**
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements			

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

M. K. Madan
Proprietor
Membership No.: 082214

Place : New Delhi
Date : June 30, 2021
UDIN: 20082214AAAACF7989

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

Ravi Manchanda
Managing Director
DIN: 00152760

Anjali Varma
Director
DIN : 01250881

Anil Vanjani
Chief Executive Officer & CFO

Roopesh Kumar
Company Secretary

Statement of Profit and Loss

for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
1 Income			
a) Revenue from operations	26	42,059	22,528
b) Other income	27	2,998	4,803
Total income		**45,057**	**27,331**
2 Expenses			
a) Cost of material consumed	28	18,546	8,872
b) Purchases of stock-in-trade	29	985	618
c) Changes in inventories of finished goods, work in progress and stock in trade	30	697	(343)
d) Excise duty		2,295	461
e) Employee benefit expenses	31	6,627	5,994
f) Finance cost	32	3,025	4,211
g) Depreciation and amortisation expenses	33	929	965
h) Other expenses	34	11,779	13,523
Total expenses		**44,883**	**34,301**
3 Profit/(loss) before tax		**174**	**(6,970)**
4 Exceptional items	35	38	2,868
5 Profit/(Loss) before tax and after exceptional items		212	(4,102)
6 Tax expense:			
Derecognition of MAT credit		-	968
Deferred tax (credit)/charge		-	(244)
Total tax expenses		**-**	**724**
7 Profit/(Loss) for the period from continuing operations		**212**	**(4,826)**
8 Profit/(Loss) for the period from discontinuing operations	41	**291**	**(61)**
Tax expenses from discontinuing operations			
9 Profit/(Loss) for the period		**503**	**(4,887)**
10 Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurement (gains)/losses on defined benefit plans		(74)	278
Tax impact on re-measurement (gain)/loss on defined benefit plans		-	-
Total Other Comprehensive Income		**(74)**	**278**
11 Total Comprehensive Income for the period (9-10) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)		**577**	**(5,165)**
12 Earnings per share for continuing operations (in ₹):			
Basic & Diluted	36	0.48	(11.06)
Earnings per share for discontinued operations (in ₹):			
Basic & Diluted	36	0.67	(0.14)
Earnings per share (for continuing and discontinued operations) (in ₹):			
Basic & Diluted	36	1.15	(11.20)
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements.			

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

M. K. Madan
Proprietor
Membership No.: 082214

Place : New Delhi
Date : June 30, 2021
UDIN: 20082214AAAACF7989

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

Ravi Manchanda
Managing Director
DIN: 00152760

Anjali Varma
Director
DIN : 01250881

Anil Vanjani
Chief Executive Officer & CFO

Roopesh Kumar
Company Secretary

Standalone Cash Flow Statement

for the year ended March 31, 2021

(₹ in Lakhs)

Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020
A.	**Cash flow from operating activities:**		
	Net loss for the year before tax	503	(4,163)
	Adjustments for:		
	Rent from investment properties	(1,625)	(2,048)
	Fair valuation of investments	-	13
	Depreciation	929	965
	Interest expense	3,025	4,211
	Interest income	(187)	(122)
	Profit on sale of properties, plant and equipment (net)	(38)	(111)
	Fixed Assets written off	10	-
	Provision for investments	-	1,020
	Provision for Loans to subsidiary	-	185
	Bad debts/advances/stock written off	688	933
	Provision for doubtful debts and advances	652	2,976
	Provision for obsolete/damaged inventory	127	146
	Liability no longer required written back towards loans	-	(4,000)
	Liability no longer required written back	(616)	(1,572)
	Provision for Gratuity & Leave Encashment & others	11	154
	Operating profit before working capital changes	**3,479**	**(1,413)**
	Changes in working capital		
	Trade receivables	296	1,390
	Loans, other financial assets and other assets	285	1,145
	Inventories	533	(378)
	Trade payables	(649)	(594)
	Financial liabilities, other liabilities and provisions	(1,415)	1,483
	Cash generated from operations	**2,529**	**1,633**
	Taxes (Paid)/ Received (Net of TDS)	-	-
	Net Cash flow/(used) from operating activities (A)	**2,529**	**1,633**
B.	**Cash flow from investing activities:**		
	Purchase of property, plant and equipment including capital work-in-progress and capital advances	(1,088)	(152)
	Advances against assets held for sale	-	100
	Proceeds from sale of property, plant and equipment	136	176
	Sale of investments	-	745
	Payment to subsidiaries	(4)	1,802
	Interest received (Revenue)	182	136
	Income from investment properties	1,625	2,048
	Release/(Addition) of cash (from)/for restrictive use	(1,324)	254
	Net Cash inflow from investing activities (B)	**(473)**	**5,109**

Standalone Cash Flow Statement (Contd.)

for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
C. Cash flow from financing activities:		
Net Loans (repaid) / taken	517	(6,283)
Leased Payments	(31)	(32)
Loans written back	-	4,000
Interest paid	(3,040)	(4,280)
Net cash used in financing activities (C)	**(2,554)**	**(6,595)**
Net increase/ (decrease) in cash & cash equivalents (A + B + C)	**(498)**	**147**
Cash and cash equivalents at the beginning of the year	1,097	950
Cash and cash equivalents at the end of the year	**599**	**1,097**
Cash & cash equivalents comprises of		
Cash, cheques & drafts (in hand) and remittances in transit	9	26
Balance with scheduled banks	590	1,071
	599	**1,097**

Notes :-

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

2 Figures in brackets indicate cash outgo.

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

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

M. K. Madan
Proprietor
Membership No.: 082214

Place : New Delhi
Date : June 30, 2021
UDIN: 20082214AAAACF7989

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

Ravi Manchanda
Managing Director
DIN: 00152760

Anjali Varma
Director
DIN : 01250881

Anil Vanjani
Chief Executive Officer & CFO

Roopesh Kumar
Company Secretary

Statement of Changes in Equity

for the year ended March 31, 2021

A. Equity share capital:

Issued, subscribed and fully paid up (Share of ₹ 10 each)	No. of shares	Amount in ₹
At April 01, 2019	46,148,112	461,481,120
Increase/(decrease) during the year	-	-
At March 31, 2020	46,148,112	461,481,120
Increase/(decrease) during the year	-	-
At March 31, 2021	**46,148,112**	**461,481,120**

B. Other equity

(₹ in Lakhs)

Particulars	Reserve & Surplus				Other Comprehensive Income	Total
	General Reserve	Capital Redemption	Securities Premium	Retained Earnings	Remeasurement of defined benefit obligations	
Balance as at March 31, 2019	**2,016**	**580**	**3,697**	**(1,376)**	**(332)**	**4,585**
Revaulation adjusted	-	-	-	-	-	-
Profit/(loss) for the year	-	-	-	(4,887)	-	(4,887)
Other comprehensive income for the year	-	-	-	-	(278)	(278)
Balance as at March 31, 2020	**2,016**	**580**	**3,697**	**(6,263)**	**(610)**	**(580)**
Adjustment for Lease liability	-	-	-	-	-	-
Profit/(loss) for the year	-	-	-	503	-	503
Other comprehensive income for the year	-	-	-	-	74	74
Balance as at March 31, 2021	**2,016**	**580**	**3,697**	**(5,760)**	**(536)**	**(3)**

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

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

M. K. Madan
Proprietor
Membership No.: 082214

Place : New Delhi
Date : June 30, 2021
UDIN: 20082214AAAACF7989

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

Ravi Manchanda
Managing Director
DIN: 00152760

Anjali Varma
Director
DIN : 01250881

Anil Vanjani
Chief Executive Officer & CFO

Roopesh Kumar
Company Secretary

Notes on Financial Statements

for the year ended March 31, 2021

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1. Corporate information

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and compliance with Ind AS:

(i) The Company prepared its financial statements in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read together with Rule 4A of the Companies (Indian Accounting Standards) Rules, 2015 as amended, to the extent applicable, and the presentation requirements of Division II of Schedule III to the Companies Act, 2013.

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

(iii) At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items are recognized in the Statement of Profit and Loss in the period in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(iv) The accounts have been prepared on Going concern Basis. The Company has been suffering losses for last seven years and the net worth/ net working capital of the company is negative. During the year turnover of the company has substantially increased to ₹ 42,059 Lakhs from ₹ 22,528 Lakhs in the previous year, accordingly company has substantially reduced losses and is on course of recovery. It is quite hopeful of turning its corner by the end of the next financial year. These conditions indicate the definite improvement and therefore no material uncertinity exists on the company's ability to continue as a going concern.

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

2.2 Current versus non-current classification:

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

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

2.3 Fair value measurement:

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

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

Level I input

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

Level II input

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

Level II inputs include:

- Quoted price for similar assets or liabilities in active market.
- Quoted price for identical or similar assets or liabilities in market that are not active.
- Input other than quoted prices that are observable for the assets or liabilities.
- Interest rate and yield curve observable at commonly quoted interval.
- Implied volatilise.

Notes on Financial Statements (Contd.)

for the year ended March 31, 2021

- Credit spreads.
- Inputs that are derived principally or from corroborated market data co-relation or other means ('market corroborated inputs').

Level III input

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

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

2.4 Functional and presentation currency:

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

2.5 Property, plant and equipment:

(i) Property, plant and equipment

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

Company has been granted leasehold lands for the period of 99 years and accordingly, the same is treated as finance lease. This is treated as part of properties plant and equipment due to duration of lease period and availability of transfer of leasehold rights. In absence of absolute certainty regarding vesting of ownership with the Company at the determination of lease, depreciation is being charged on the revalued figure of Land on straight line basis over the period of lease.

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

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

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

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

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

(ii) Capital work in progress

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

(iii) Depreciation

The Company depreciates property, plant and equipment over the useful life as prescribed in schedule II of the Companies Act, 2013 on the straight-line method from the date the assets are

Notes on Financial Statements (Contd.)

for the year ended March 31, 2021

ready for intended use. Assets in the course of construction and freehold land are not depreciated. In respect of following assets, different useful life is taken than those prescribed in schedule II:

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

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

2.6 Intangible Assets:

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

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

2.7 Impairment of Assets:

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

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

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

2.8 Cash and Cash equivalent:

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

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

2.9 Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

(i) Initial recognition and measurement:

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

(ii) Subsequent measurement of financial assets:

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

(a) Debt instruments at amortized cost.

Notes on Financial Statements (Contd.)

for the year ended March 31, 2021

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

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

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

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

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

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

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

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

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

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

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

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

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

Investment in subsidiaries and associate:

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

(iii) Derecognition of financial assets:

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

(iv) Impairment of financial assets:

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

Notes on Financial Statements (Contd.)

for the year ended March 31, 2021

(v) Subsequent measurement of financial liabilities:

All the financial liabilities are subsequently measured at amortized cost using the effective interest rate method or at fair value through profit and loss. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

(vi) Derecognition of financial liabilities

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

2.10 Inventories

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

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

(ii) Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average basis. In pursuance of IND AS-2 indirect production overheads (estimated by the Management) are allocated for ascertainment of cost of finished goods and work in progress.

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

(iv) Obsolete inventories are identified and written down to net realisable value. Slow moving and defective inventories are identified and provision for the same is made. Inventories are valued on lower of cost or net realizable value.

2.11 Retirement Benefits

Company follows IND AS-19 as detailed below: -

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

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

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

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

Company's liability towards gratuity and compensated absences is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognized in Other Comprehensive Income (OCI) in the period in which they occur. Remeasurement recognized in the Other Comprehensive Income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the defined benefit liability or asset.

Defined benefit costs are categorized as follows:

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

2.12 Revenue Recognition

Revenue is recognized as per Ind AS 115 "Revenue from contract with customers". Revenue from contract with customers is recognized when control of promised goods and services are transferred to customers at an amount

Notes on Financial Statements (Contd.)

for the year ended March 31, 2021

that reflects the consideration which the company expects to receive in exchange for those goods.

(a) Sale of goods and rendering of services: Revenue from sale of goods and rendering of services including export benefits thereon are recognized at the point in time when control of goods or services is transferred to the customer which is usually on dispatch / delivery of goods or services, based on contracts with the customers.

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

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

(d) Interest Income is recorded on time proportion basis using the effective rate of Interest (EIR).

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

(f) Interest on Income Tax refunds, Insurance claims, Export benefits and other refunds are accounted for as and when amounts receivable can be reasonably determined as being acceptable to authorities.

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

(h) Income from franchisees business: Company has entered into supply agreement with few parties. Under the agreement, parties manufacture at their own cost under supervision of the company and sell the same to retailers (Licensees) on behalf of the company. Revenue is recognised net of cost of goods sold.

2.13 Manufacturing policy

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

2.14 Taxation:

Current income tax

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

Deferred tax

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

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

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

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

Notes on Financial Statements (Contd.)

for the year ended March 31, 2021

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

GST paid on acquisition of assets or on incurring expenses:

Expenses and assets are recognised net of the amount of GST paid, except:

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

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

Minimum Alternate Tax

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

2.15 Borrowing Costs:

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

2.16 Foreign Currency Transactions:

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

2.17 Provisions:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of the provisions to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss, net of any reimbursement.

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

2.18 Earning Per Share:

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

2.19 Segment Reporting:

(i) Operating segment:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Company), whose operating results are regularly reviewed by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Operating segments of the Company are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

(ii) **Segment revenue and expenses:**

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

Notes on Financial Statements (Contd.)

for the year ended March 31, 2021

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

2.20 Cash Flow Statement:

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

2.21 Leases:

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(a) the contract involves the use of an identified asset.

(b) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(c) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) renewable every year and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

2.22 Contingent liabilities:

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

2.23 Use of estimates and judgements:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements

Notes on Financial Statements (Contd.)

for the year ended March 31, 2021

and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which it is known/materialised.

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

(i) Property, plant and equipments

(ii) Retirement and other employee benefits

Notes on Financial Statements (Contd.)

for the year ended March 31, 2021

3A. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars		Land Free Hold	Land Lease Hold	Building	Furniture & Fixtures	Plant & Machinery	Other Equipment	Vehicles	Total
(I)	**Cost/deemed cost**								
	As at March 31, 2019	**23,789**	**851**	**6,257**	**265**	**8,788**	**203**	**388**	**40,541**
	Additions			15		47	6	104	172
	Disposals			(50)		(19)		(157)	(226)
	As at March 31, 2020	**23,789**	**851**	**6,222**	**265**	**8,816**	**209**	**335**	**40,487**
	Additions			6	0	888	19		913
	Disposals		(7)	(102)	(0)	(16)	(0)	(13)	(138)
	As at March 31, 2021	**23,789**	**844**	**6,126**	**265**	**9,688**	**228**	**322**	**41,262**
(II)	**Accumulated depreciation**								
	As at March 31, 2019	-	**33**	**796**	**88**	**1,230**	**93**	**255**	**2,495**
	Charge for the year		10	268	26	522	33	24	883
	Disposals			(2)		(19)		(138)	(159)
	As at March 31, 2020	**-**	**43**	**1,062**	**114**	**1,733**	**126**	**141**	**3,219**
	Charge for the year		11	259	18	519	21	24	852
	Disposals		(1)	(8)	(0)	(6)		(11)	(26)
	As at March 31, 2021		**53**	**1,313**	**132**	**2,246**	**147**	**154**	**4,045**
(III)	**Net block**								
	As at March 31, 2020	23,789	808	5,160	151	7,083	83	194	37,268
	As at March 31, 2021	**23,789**	**791**	**4,813**	**133**	**7,442**	**81**	**168**	**37,217**

3B. OTHER INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars		Patent Trade Mark
(I)	**Cost/deemed cost**	
	As at March 31, 2020	10
	As at March 31, 2021	**10**
(II)	**Accumulated depreciation**	
	As at March 31, 2019	**8**
	Amortization for the year	2
	As at March 31, 2020	**10**
	Amortization for the year	-
	As at March 31, 2021	**10**
(III)	**Net block**	
	As at March 31, 2020	-
	As at March 31, 2021	-

Notes on Financial Statements (Contd.)

for the year ended March 31, 2021

3C. CAPITAL WORK IN PROGRESS

(₹ in Lakhs)

Particulars	Patent Trade Mark
As at March 31, 2020	18
As at March 31, 2021	19

3D. RIGHT-OF-USE ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	20	-
Recognised on account of adoption of Ind AS 116 (in respect of building)	-	53
Addition during the year	85	-
Amortisation during the year	31	33
	74	**20**

Footnote(s) :-

(i) Land at various locations have been revalued as on April 01, 2016 by an independent approved valuer on a fair market value basis.

(ii) Estimated amount of capital contracts remaining to be executed is 3 lacs (Previous year : Nil)

(iii) For leasehold land refer note 2.5 regarding Significant Accounting Policy.

4. INVESTMENT PROPERTIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Gross carrying amount at beginning of the year	2,640	2,640
Tranferred from property, plant and equipment	5	-
Additions during the year	4	-
Gross carrying amount at end of the year	**2,649**	**2,640**
Accumulated depreciation at beginning of the year	850	803
Tranferred from property, plant and equipment	1	-
Depreciation charged during the year	45	47
Accumulated depreciation at end of the year	**896**	**850**
Net carrying amount	**1,753**	**1,790**

Footnote(s):

(i) Investment in properties comprises land & building (including allied plant & machinery).

(ii) **Amounts recognised in profit and loss for investment properties**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Rental income (including reimbursement of maintenance expenses) (refer Note 45(ii))	1,931	2,560
Direct operating expenses from property that generated rental income	306	512
Direct operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation	**1,625**	**2,048**
Depreciation for the year	45	47
Profit from investment properties	**1,580**	**2,001**

(iii) Contingent rents recognised as income - Nil.

Notes on Financial Statements (Contd.)

for the year ended March 31, 2021

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

(v) **Fair value**

Particulars	As at March 31, 2021	As at March 31, 2020
Investment properties	21,472	21,464

(vi) **Estimation of fair value**

The company obtained independent valuations for its investment properties on April 01, 2016. The best evidence of fair value is current prices in an active market for similar properties. Fair valuation in respect of transferred from PPE has not been done and hence has been taken at carrying amount.

All resulting fair value estimates for investment properties are included in level 2. Company is of view that there is no significant change in fair value as on March 31, 2021 and hence no valauation is done at year end.

(vii) For details of investment property charged as security of borrowings refer note 18 (i).

5. NON-CURRENT INVESTMENTS

(₹ in Lakhs)

	Particulars	As at March 31, 2021	As at March 31, 2020
(A)	**Equity instruments (fully paid-up)**		
(i)	**Quoted**		
	Milkfood Ltd.	4	5
	1,350 (Previous year: 1,350) Shares of ₹ 10 Each fully paid		
	Punjab National Bank	2	2
	4,965 (Previous year: 4,965) shares of ₹ 2 each fully paid		
(ii)	**Unquoted**		
	In subsidiary companies		
	S.R.K. Investments Pvt. Ltd.	1	1
	10,000 (Previous year: 10,000) Shares of ₹ 10 each fully paid		
	Sea Bird Securities Pvt. Ltd.	1	1
	8,000 (Previous year: 8,000) Shares of ₹ 10 each fully paid		
	JIL Trading Pvt. Ltd.	1	1
	10,000 (Previous year: 10,000) Shares of ₹ 10 each fully paid		
	L.P. Investments Ltd.	1,020	1,020
	10,201,717 (Previous year: 10,201,717) shares of ₹ 10 each fully paid		
	Yoofy Computech Pvt. Ltd.	1	1
	9,999 (Previous year: 9,999) Shares of ₹ 10 each fully paid		
	Natwar Liquors Private Limited	1	1
	10,000 (Previous year: 10,000) Shares of ₹ 10 each fully paid		
(iii)	**Unquoted**		
	In associates		
	Hyderabad Distilleries & Wineries Pvt. Ltd.	2	2
	1,650 (Previous year: 1,650) shares of ₹ 100 each fully paid		
(iv)	**Unquoted**		
	In others		
	Chic Interiors Pvt. Ltd.	0	0
	1,752 (Previous year: 1,752) shares of ₹ 10 each fully paid		

Notes on Financial Statements (Contd.)

for the year ended March 31, 2021

(₹ in Lakhs)

	Particulars	As at March 31, 2021	As at March 31, 2020
(B)	**Investment in preference shares (fully paid-up)**		
(i)	Qube Corporation Pvt. Ltd.	18	18
	1,80,000 (Previous year: 1,80,000) Cumulative Redeemable preference shares of ₹ 10 each		
(C)	**Investment in government securities**		
	6 year National Saving Certificates (lodged with Govt. authorities)	1	1
	TOTAL	**1,052**	**1,053**
	Less: Provisions for impairment in the vaue of investments in L.P. Investment Ltd.	1,021	1,020
		31	**33**

Footnote(s):

(i)	Cost of investment		
	Milkfood Ltd.	1	1
	Punjab National Bank	4	4

6. LOANS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good :		
Loan to subsidiary company	5	2
Loan to employees *(refer footnote (i) & note 39)*	254	474
Unsecured, considered doubtful :		
Loan to subsidiary company (r*efer note 39)*	185	185
Loan others *(refer footnote(ii))*	280	315
Less: Provision for doubtful	(465)	(500)
Total	**259**	**476**

Footnote(s):

(i) Represent recoverable from the senior employees. In absence of stipulations of recovery, the amount is treated as non-current assets and fair value has not been computed. The management is of the view that amount will be recovered in due course of time.

(ii) Represent loan to senior employee of the company. Company is making efforts to recover the loan. During the year company has recovered ₹ 35 Lakhs. As a matter of abundant caution company has provided the amount in earlier year.

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for the year ended March 31, 2021

7. OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured considered good :		
Security deposits	172	*363*
Fixed deposits with bank *(refer footnote-(i))*	1538	778
Margin money accounts *(refer footnote(ii))*	130	72
Unsecured considered doubtful :		
Security deposits	221	51
Others	65	65
Less: Provision for doubtful	(286)	(116)
Total	**1,840**	**1,213**

Footnote(s) :

(i) Includes fixed deposit of ₹ 1,437 Lakhs (Previous year : ₹ 686 Lakhs) with Indusind Bank for security against borrowings and ₹ 90 Lakhs (Previous year : ₹ 80 Lakhs) pledged with Govt. Authority. *(Also refer note no 18(i))*.

(ii) Towards bank guarantees against contractual obligations.

8. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured - considered good		
Capital advances	170	-
Balance with revenue authorities *(refer footnote (i))*	14	78
Advances to suppliers	9	350
Prepaid expenses	6	18
Unsecured - considered doubtful		
Advances to suppliers	1,920	1,584
Others *(refer foot note (ii))*	230	226
Less: Provision for doubtful	(2,150)	(1,811)
Total	**199**	**445**

Footnote(s):

(i) Deposit with authorities against contingent liability as a precondition for filing appeal.

(ii) Includes ₹ 37 Lakhs (Previous year : ₹ 37 Lakhs, given in earlier years and provided for) from ex-director of company. It also includes interest free advance of ₹ 170 Lakhs (Previous year : ₹ 170 Lakhs) given in the earlier years. The amount has been provided as a matter of abundant caution. Company is making efforts to recover the advance and if required will take necessary legal action in the subsequent year.

9. INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw materials [includes in transit of ₹ 400 Lakhs (Previous year : ₹ 504 Lakhs)]	1,450	1,485
Packaging materials	271	243
Work-in-progress	952	502
Finished goods	287	1,441
Stock-in-trade	25	19
Store and spares	536	499
Total	**3,521**	**4,189**

Notes on Financial Statements (Contd.)

for the year ended March 31, 2021

Footnote(s):

(i) Raw materials and packaging materials are net of provision for obsolete inventory of ₹ 453 Lakhs (Previous year : ₹ 389 Lakhs).

10. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	2,030	2,861
Unsecured, considered doubtful	6,349	6,202
	8,379	**9,063**
Less: Allowance for doubtful debts	6,349	6,202
	2,030	**2,861**
Current	**2,030**	**2,861**
Non-current	**-**	**-**

Footnote(s):

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

11A. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	9	26
Bank balance on current accounts	590	1,071
Total	**599**	**1,097**

11B. OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Term deposits		
(With original maturity more than 3 months but less than 12 months, refer footnote (i))	505	-
Total	**505**	**-**

Footnote(s):

(i) Pledged with Indusind Bank for security against interest payment on borrowings.

12. CURRENT LOANS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Loan & advances to employees	71	57
Total	**71**	**57**

Notes on Financial Statements (Contd.)

for the year ended March 31, 2021

13. OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposit	-	7
Margin money accounts	-	7
Interest receivable	5	1
Others *(refer footnote (i))*	132	61
Total	**137**	**76**

Footnote(s):

(i) (a) Includes ₹ 31 Lakhs (Previous year : ₹ 61 Lakhs) towards maintainace charges receivable, ₹ 43 Lakhs (Previous year : Nil) towards expenses incurred on behalf of group entity and ₹ 38 Lakhs (Previous year : Nil) towards contractual obligations.

(b) Includes ₹ 4 Lakhs receivable from a group entity and static more than 3 years. Management is of the view, that the same will be recovered in the next financial year.

14. OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with excise/revenue authorities	48	40
Advance tax	279	275
Income tax refund	157	344
Advances to suppliers	211	114
Prepaid expenses	260	232
Others *(refer footnote (i))*	32	4
Total	**987**	**1,009**

Footnote(s):

(i) Includes ₹ 16 Lakhs (Previous year : Nil) given to corporate lender towards security of interest.

15. ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed assets held for sale	38	38
(Valued at the lower of the estimated net realisable value & carrying amount)		
Total	**38**	**38**

Footnote(s):

(i) In the financial year 2016-17, assets of Glass division were treated as held for sale due to discontinuity of operations of Glass unit at Sahibabad and accordingly these were valued at lower of estimated net realisable value and carrying amount. During the earlier year company had entered upon an agreement to develop and sell a part parcel of leasehold land subject to approval of authorities. The Company has received a sum of ₹ 4627 Lakhs (Previous Year: ₹ 4627 Lakhs) towards part performance of agreement. However pending receipt of formal approval from the lessor i.e. statutory authority for the transfer of lease hold rights in favour of proposed buyer, the same is treated as advance against assets held for sale (refer note 25). Due to Covid-19 Pandemic, the approval could not be obtained during the year under Audit. However, management is hopeful to receive the formal approval within 12 months of the reporting date.

Notes on Financial Statements (Contd.)

for the year ended March 31, 2021

16. SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
75,000,000 (March 31, 2020: 75,000,000) equity shares of ₹ 10/- each	7,500	7,500
Issued, subscribed and fully paid up		
46,148,112 (March 31, 2020: 46,148,112) equity shares of ₹ 10/- each	4,615	4,615
	4,615	**4,615**

Footnote(s):

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

Equity shares	Numbers	Amounts (₹)
Issued, subscribed and fully paid up		
As at April 1, 2019	46,148,112	461,481,120
Increase/(Decrease) during the year	-	-
As at March 31, 2020	**46,148,112**	**461,481,120**
Increase/(Decrease) during the year	-	-
As at March 31, 2021	**46,148,112**	**461,481,120**

(ii) Terms/ rights attached to equity shares

(a) 18,438,112 shares referred to as equity shares are having face value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share and dividend, if declared.

(b) 25,210,000 underlying Equity Shares of ₹ 10/- each fully paid up ranking pari-passu with existing shares were issued in the name of the Depository, The Bank of New York, representing the Global Depository Receipts (GDR) issue. GDRs do not carry any voting rights until they are converted into equity shares.

(c) 2,500,000 Equity Shares of ₹ 10/- each held by LPJ Holdings Pvt. Ltd., fully paid up at a premium of ₹ 20/- per share, as a special series with differential rights to dividend and voting, were issued during the financial year 2004-05. These shares have no right to the dividend and each share carry twenty voting rights as compared to one voting right per existing equity share and were under the lock-in-period of three years from the date of allotment.

(d) The holders of all the above Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in event of liquidation of the Company.

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

	As at March 31, 2021		As at March 31, 2020	
Name of the shareholder	Numbers	Percentage	Numbers	Percentage
(a) The Bank of New York (the Depository) [footnote (ii)(b)]	25,210,000	54.63	25,210,000	54.63
(b) LPJ Holdings Pvt. Ltd. [footnote (ii)(a)]	7,418,648	16.08	7,418,648	16.08
(c) LPJ Holdings Pvt. Ltd. [footnote (ii)(c)]	2,500,000	5.42	2,500,000	5.42

17. OTHER EQUITY

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Capital Redemption Reserve	580	**580**
(b) Securities Premium Reserve	3697	**3,697**
(c) General Reserve	2016	**2,016**
(d) Retained Earning *(refer footnote (iv))*	(5,760)	**(6,263)**
(e) Other Comprehensive Income	(536)	**(610)**
Balance as at the end of reporting period	**(3)**	**(580)**

Notes on Financial Statements (Contd.)

for the year ended March 31, 2021

Footnote(s):

(i) **Capital Redemption Reserve:**

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

(ii) **Securities Premium Reserve**

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

(iii) **General Reserve**

General reserve is created out of profit earned by the company by way of transfer from surplus in the statement of profit & loss. The Company can use this reserve for payment for dividend and issue of fully paid up shares.

(iv) Includes revaluation reserve of ₹ 24,512 Lakhs (Previous year ₹ 24,523 Lakhs) related to land situated at Hamira and Behror.

(v) The disaggregation of changes in each type of reserve, retained earnings and other comprehensive income are disclosed in Statement of Changes in Equity.

18. BORROWINGS

(A) Non current borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
From banks		
Term loan *(refer footnote (i))*	20,163	19,441
From others		
Car loans *(refer footnote (ii))*	51	67
Unsecured		
From other than banks		
Term loans *(refer footnote (iii))*	-	411
Inter corporate loan	869	-
Total	**21,083**	**19,919**

(B) Current borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured		
Inter corporate loan *(refer footnote (iv))*	263	214
Total	**263**	**214**

Footnote(s):

Nature of Security	Terms of Repayment
(i) Rupee loan from Indusind Bank amounting to ₹ 20,652 Lakhs (Previous year : ₹ 19,552 Lakhs) net of processing fee of ₹ 357 Lakhs (Previous year : ₹ 374 Lakhs) is secured against :- (a) office space at 9th and 10th floor, Ashoka Estate, 24 Barakhamba Road, New Delhi (b) Land & Building at Plot No 78, Sector 18, Institutional Area, Gurgaon, Haryana.	Repayable by June-2034. Rate of Interest is 11.75%

Notes on Financial Statements (Contd.)

for the year ended March 31, 2021

Nature of Security	Terms of Repayment
(c) Lien on fixed deposit of ₹ 1,437 Lakhs (Previous year : ₹ 686 Lakhs). *(refer note 7(i))* Current Year ₹ 132 Lakhs (Previous year : ₹ 136 Lakhs) treated as current maturities of long term borrowings *(refer note no. 24)*	
(ii) Car Loans of ₹ 67 Lakhs (Previous year : ₹ 88 Lakhs) are secured by hypothecation of the related cars. Current Year ₹ 16 Lakhs (Previous year : ₹ 21 Lakhs) treated as current maturities of long term borrowings *(refer note no. 24)*	Repayable by March 2025. Rate of Interest 8.25% to 8.75% p.a.
(iii) Paid during the year as prepayment.	
(iv) Includes loan of ₹ 153 Lakhs (Previous year : ₹ 214 Lakhs) from related parties for which term & conditions have not been stipulated and therefore it is treated as repayable on demand.	

19. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	2,807	3,348
Total	**2,807**	**3,348**

Footnote(s):

(i) Addition/Deduction represents the securtiy depsot received/ Paid during the year (Net of the fair value adjustments as per IND AS 109) from the franchise partners/ contact manufactureres.

20. LEASE LIABILITY

A. NON CURRENT LEASE LIABILITY

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Lease liabilities (ROU)	51	3
(refer note 3D)		
Total	**51**	**3**

B. CURRENT LEASE LIABILITY

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Lease liabilities (ROU)	25	19
(refer note 3D)		
Total	**25**	**19**

21. OTHER LONG TERM LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance rental income *(refer footnote (i))*	126	324
Total	**126**	**324**

Footnote(s):

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

Notes on Financial Statements (Contd.)

for the year ended March 31, 2021

22. PROVISIONS

(A) Non current

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Provision for employee benefits		
- Gratuity	1,847	1,878
- Compensated absences	129	78
(b) Provisions against litigations		
- Service tax/ Sales tax	345	422
(refer footnote ii & iii)		
Total	**2,321**	**2,378**

(B) Current

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
- Gratuity	385	323
- Compensated absences	51	122
Total	**436**	**445**

Footnote(s):

(i) Gratuity and compensated absences have been determined by actuary in terms of Ind AS 19 and accordingly provided. *(for detail refer note 38).*

(ii) Includes provision of service tax of ₹ 345 Lakhs (Previous year : ₹ 345 Lakhs) demanded by Orisa State Beverages Corporation against their liability to Service Tax. The matter is subjudice and adjustment will be made in the year of final decision.

(iii) During the year, in pursuance of acceptance of application filed by the company under "Sabka Vishwas Scheme 2019" at Nil amount against service tax demand of ₹ 200 Lakhs,. The Company has expensed off deposit of ₹ 31 Lakhs, reversed the provision of ₹ 49 Lakhs and reduced the contingent liability of ₹ 247 Lakhs.

23. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of Micro and Small Enterprises	46	32
Total outstanding dues of creditors other than Micro & Small Enterprises *(refer footnote (ii))*	6,027	6,731
Total	**6,073**	**6,763**

Footnote(s):

(i) This information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors. Company has provided interest on balance of parties outstanding subsequent to the date of the application for registration and not in respect of the period prior to the date of the registration under MSMED Act. 2006.

(ii) Current year figure includes old balances (non-operative) of ₹ 2061 Lakhs subject to reconciliation. Adjustment, if any, with respect to these trade payable will be carried out after completion of reconciliation process in the next financial year.

Notes on Financial Statements (Contd.)

for the year ended March 31, 2021

(₹ in Lakhs)

(iii)

Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006	As at March 31, 2021	As at March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year		
- Principal amount unpaid	46	32
- Interest due	4	3
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	40	0
- Interest paid beyond the appointed date	2	-
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. (interest calculated on the overdue outstanding at year end)	4	3
The amount of interest accrued and remaining unpaid at the end of the year *(refer note 24)(ii)*	8	4

24. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of long-term borrowings *(refer note 18)*	148	837
Unclaimed matured deposits *(refer footnote (i))*	38	44
Interest accrued but not due	72	87
Interest accrued and due *(refer footnote (ii))*	15	13
Security deposits	2,909	3,304
Employee benefits *(refer footnote (iii))*	874	941
Expenses payable *(refer footnote (iv))*	708	491
Other liabilities	589	155
Total	**5,353**	**5,872**

Footnote(s):

(i) Unclaimed Deposits are not required to be transferred to the Investor Education and Protection Fund (IEPF) in terms of section 125 of the Companies Act, 2013, as these deposits are unclaimed for less than 7 years from the date of their maturity.

(ii) Includes ₹ 8 Lakhs (Previous year : ₹ 4 Lakhs) payable to MSME suppliers.

(iii) Includes ₹ 44 Lakhs (Previous year : ₹ 226 Lakhs) payable to ex-employees on account of full and final settlement which are outstandng for more than one year. Management will review the balances in the financial year 2021-22 and pass the adjustment entry if any on completion of the review.

(iv) Include payables of ₹ 99 Lakhs (Previous year : ₹ 99 Lakhs) related to previous year subject to reconciliation.

Notes on Financial Statements (Contd.)

for the year ended March 31, 2021

25. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advances from customers	412	1,063
Advances received against assets held for sale *(refer note 15(i))*	4,627	4,627
Statutory dues *(refer footnote (i))*	859	1,288
Other liabilities *(refer footnote (ii))*	232	292
Total	**6,130**	**7,270**

Footnote(s):

(i) Includes provision of custom duty of ₹ 240 Lakhs (Previous year : ₹ 303 Lakhs) in respect of goods in transit and provision of excise duty of ₹ 80 Lakhs (Previous year : ₹ 265 Lakhs) in respect of closing stock of finished goods.

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

26. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Sale of products (gross of excise duty) *(refer note (i))*	31,889	12,683
(b) Sale of services (Job work)	9,310	8,610
(c) Other operating revenues *(refer note (ii))*	521	872
(d) Revenue from franchisee business (refer note (iii))	339	363
Total	**42,059**	**22,528**

Footnote(s):

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) **Sale of products comprises**		
(a) Manufactured goods		
Malt & malt extract	3,217	3,208
Processed milk	2,426	1,158
Liquor	23,517	7,035
Other	1,831	648
	30,991	**12,049**
(b) Traded goods		
Petroleum and its products	825	631
Others	73	3
	898	**634**
	31,889	**12,683**
(ii) **Other operating revenues comprises**		
Royalty	346	420
Duty drawbacks	6	17
Scrap sales	116	121
Bottling charges income	-	-
Miscellaneous income	53	314
	521	**872**

Notes on Financial Statements (Contd.)

for the year ended March 31, 2021

(₹ in Lakhs)

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(iii)	**Income from franchisee business**		
	Company has entered into supply agreement with few parties. Under the agreement, parties manufacture at their own cost under supervision of the company and sell the same to retailers (Licencees) on behalf of the company. Revenue is recognised net of cost of goods sold. The gross revenue and cost of goods sold reported are certified by the management as under:		
	Sales from franchisee business	16,093	13,201
	Less : cost of goods sold	15,754	12,838
	Net Revenue	**339**	**363**

27. OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income *(refer footnote (i))*	187	122
Rental maintenance income	302	441
Rent other	4	12
Rent from investment properties	1,629	2,118
Gain on financial instruments at fair value through profit or loss	258	473
Insurance claims	1	9
Liabilities/provisions no longer required written back *(refer footnote (ii)& 22(iii))*	616	1,572
Misc income	1	56
Total	**2,998**	**4,803**

Footnote(s):

(i) Includes interest of ₹ 39 Lakhs (Previous year : ₹ 34 Lakhs) on income tax refund.

(ii) Net of ₹ 68 Lakhs (Previous year : Nil) on account of writing off the advances no longer recoverable.

28. COST OF MATERIAL CONSUMED

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening stock	2,118	2,297
Add: Purchases of raw and packaging materials	18,602	8,693
	20,720	10,990
Less : Closing stock	2,174	2,118
Total	**18,546**	**8,872**

29. PURCHASES OF STOCK-IN-TRADE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Petroleum and its products	805	613
Others	180	5
Total	**985**	**618**

Notes on Financial Statements (Contd.)

for the year ended March 31, 2021

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

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories at the beginning of the year:		
Work-in-progress	501	436
Finished goods	1,441	1,161
Stock-in-trade	19	21
	1,961	**1,618**
Inventories at the end of the year:		
Work-in-progress	952	501
Finished goods	287	1,441
Stock-in-trade	25	19
	1,264	**1,961**
Decrease/(Increase)	**697**	**(343)**

31. EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus	5,850	4,972
Gratuity & compensation for Leave	186	447
Contribution to provident, family pension fund	316	328
Contribution to employees' state insurance	95	113
Staff welfare expenses	180	134
Total	**6,627**	**5,994**

32. FINANCE COST

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expenses on		
Borrowings	2556	3,085
Security Deposit received *(refer footnote (i))*	260	657
Lease liabilities (ROU)	5	4
Other	151	258
Other borrowing cost *(refer footnote (ii))*	53	207
Total	**3,025**	**4,211**

Footnote(s):

(i) Includes ₹ 26 Lakhs (Previous year : Nil) on account of additional interest on the security deposit received persuant to development of Industrial property at Shahibabad and ₹ Nil (Previous year : ₹ 410 Lakhs) on account of full and final settlement with parties from whom security deposit was taken in earlier years.

(ii) Includes ₹ Nil (Previous year : ₹ 82 Lakhs) towards prepayment of loan.

Notes on Financial Statements (Contd.)

for the year ended March 31, 2021

33. DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of property, plant & equipment	853	883
Depreciation of investment property	45	47
Amortisation of intangible assets	-	2
Amortisation of right-of-use assets	31	33
Total	**929**	**965**

34. OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Manufacturing expenses:		
Consumption of Stores and Spare parts	390	280
Power and Fuel	3,158	3,104
Repairs - Buildings	119	65
Plant and machinery	551	233
Excise Duty *(refer footnote (i))*	(185)	196
Other manufacturing expenses	1,443	980
Administrative & Selling expenses:		
Rent	12	36
Rates & Taxes	787	651
Insurance	126	129
Travelling expenses	59	235
Repairs to building	4	22
Other repairs & maintenance	410	265
Bad debts, advances and stock written off	688	933
Provision for doubtful debts and advances *(refer footnote (ii))*	652	2,976
Provision for obsolete stock	127	146
Fixed assets written off	10	2
Directors' sitting fee	8	10
Security expenses	258	261
Forwarding charges	163	88
Advertisement, publicity and sales promotion	1,804	1,137
Auditor's remuneration *(refer footnote (iii))*	26	28
Legal & professional expenses	233	477
Fair value loss on financial instruments	259	486
Miscellaneous expenses *(refer footnote (iv))*	677	783
Total	**11,779**	**13,523**

Footnote(s):

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

(ii) Net of ₹ 760 Lakhs (Previous year : Nil) on account of reversal of provision related to earlier years.

Notes on Financial Statements (Contd.)

for the year ended March 31, 2021

(iii) **Payment to auditor**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
As auditor		
For audit	20	20
For income tax audit	4	4
For limited review	2	2
Out of pocket expenses	-	2
	26	**28**

(iv) Includes IT Expenses ₹ 31 Lakhs (Previous year : ₹ 33 Lakhs), Trade Subscription ₹ 29 Lakhs (Previous year : ₹ 26 Lakhs), Printing & Staionery ₹ 36 Lakhs (Previous year : ₹ 20 Lakhs), Festival Exps ₹ 22 Lakhs (Previous year : ₹ 12 Lakhs), Prior period expenses ₹ 2 Lakhs (Previous year : Nil), Tax paid on perquisite of senior employee ₹ 20 Lakhs (Previous Year : ₹ 24 Lakhs).

35. EXCEPTIONAL ITEMS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Loan no longer required	-	4,000
Profit on sale of property, plant and equipment	38	111
Provision for impairment in value of investment	-	(1,020)
Provision for doubtful loan	-	(185)
Prior period items	-	(38)
Total	**38**	**2,868**

36. EARNINGS PER SHARE (EPS)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net Profit/(Loss) attributable to shareholders (₹ in Lakhs)		
From continuing operations	212	(4,826)
From discontinued operations	291	(61)
Total	503	(4,887)
Weighted average number of equity shares in issue (Nos)	43,648,112*	43,648,112*
Basic / Diluted earnings per share of ₹ 10 each (₹)		
From continuing operations	0.48	(11.06)
From discontinued operations	0.67	(0.14)
Total basic and diluted earnings per share	1.15	(11.20)

Footnote(s):

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

* The preferential allotment of 2,500,000 equity shares, having no right to dividend has not been considered in the above computation of EPS (Refer footnote 16 (ii)c)).

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37. CONTINGENT LIABILITIES:

(₹ in Lakhs)

		As at March 31, 2021	As at March 31, 2020
(a)	Claim against the company not acknowledged as debt :		
	Service tax *(refer footnote (i))*	142	389
	Sales tax / VAT *(refer footnote (ii))*	1,314	1,296
	Employee state insurance/ others *(refer footnote (iii))*	214	214
	Others *(refer footnote (iv))*	147	22
	Total	**1,817**	**1,921**

Footnote(s) :

(i) Service tax

(a) Demand of service tax under service of supply of tangible goods ₹ 124 Lakhs (Previous year : ₹ 124 Lakhs).

(b) Demand of service tax and penalty under management, maintenance and repair services ₹ 18 Lakhs (Previous year : ₹ 18 Lakhs).

(c) Refer note 22(iii) regarding reduction of liability on account of availment of Sabka Vishwas Scheme 2019.

(ii) Sales tax / VAT

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

(b) Demand of sales tax & penalty under Telangana VAT Act on account of VAT on royalty ₹ 103 Lakhs (Previous year ₹ 103 Lakhs).

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

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

(e) Demand of sales tax under Ranchi VAT Act Assessment for FY 2013-14 ₹ Nil (Previous year : ₹ 20 Lakhs).

(f) Demand for disallowance of ITC on purchase of rice flour ₹ 108 Lakhs (Previous year : ₹ 108 Lakhs).

(g) Demand of sales tax under Ranchi VAT Act Assessment for FY 2014-15 Nil (Previous year : ₹ 4 Lakhs).

(h) Demand of sales tax under Ranchi VAT Act Assessment for FY 2015-16 ₹ 65 Lakhs (Previous year : Nil).

(i) Demand of sales tax under Ranchi VAT Act Assessment for FY 2016-17 ₹ 8 Lakhs (Previous year : Nil).

(j) Demand of ₹ 629 Lakhs (Previous year : ₹ 797 Lakhs) on account of non credit of deposited challans from Commercial taxes department, Rajasthan. Management is hopeful that entire demand will be cancelled shortly.

(k) Demand of ₹ 38.25 lacs against Excise audit at UG covering period of April 2014 to June 2017 (Previous year : Nil).

(l) Notice of Demand received from Commercial tax Office Jammu related to FY 2015-16 for ₹ 90 Lakhs (Previous year : Nil).

(m) Notice of Demand received from Commercial tax Office Jammu related to FY 2016-17 for ₹ 13 Lakhs (Previous year : Nil).

(iii) Employee state insurance/employee related

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

(b) Employees related claims ₹ 208 Lakhs (Previous year : ₹ 208 Lakhs).

(iv) Others

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

(b) Claim of ₹ 125 Lakhs (Previous year : Nil) by a supplier in respect of services provided in earlier years which is denied as supplier has not fulfilled the terms and conditions.

(c) There are certain claims against the Company relating to usage of trade mark etc., which have not been acknowledged as debts. The quantum and outcome of such claims is not ascertainable at this stage.

Notes on Financial Statements (Contd.)

for the year ended March 31, 2021

(v) 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.

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

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

38. EMPLOYEE BENEFITS

The Company has classified various employee benefits as under:

(A) Defined contribution plans

During the year, the Company has recognised the following amounts in the statement of profit and loss:

(₹ in Lakhs)

Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020
(i)	Employers' contribution to provident fund	316	328
(ii)	Employers' contribution to employees' state insurance	95	113

Included in 'Contribution to Provident, Family Pension and 'Employees' State Insurance (Refer Note 30)

(B) Defined benefit plans

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

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

			Year ended March 31, 2021		Year ended March 31, 2020	
			Compensated absence	Gratuity	Compensated absence	Gratuity
(i)	**Assumptions**					
	(a)	Discount rate	6.74%	6.74%	6.74%	6.74%
	(b)	Rate of increase in compensation levels	10%	10%	10%	10%
	(c)	Rate of return of plan assets	N.A.	N.A.	N.A.	N.A.
	(d)	Expected average remaining working lives of employees (in years)	12.41	14.47	12.55	15.04
(ii)	**Change in the Present Value of Obligation**					(₹ in Lakhs)
	(a)	Present value of obligation as at biginning of the year*	200	2,201	329	1915
	(b)	Interest cost	13	143	24	136
	(c)	Current/Past service cost	60	126	37	127
	(d)	Benefit paid	(12)	(164)	(35)	(255)
	(e)	Actuarial (gain)/loss on obligations	(82)	(74)	(155)	278
	(f)	Present value of obligation as at end of the year	179	2,232	200	2201

Notes on Financial Statements (Contd.)

for the year ended March 31, 2021

(₹ in Lakhs)

			Year ended March 31, 2021		Year ended March 31, 2020	
			Compensated absence	Gratuity	Compensated absence	Gratuity
(iii)	**Amount recognised in the Balance Sheet**					
	(a)	Present value of obligation as at end of the year	179	2,232	200	2,201
	(b)	Fair Value of Plan Assets as at the year end	-	-	-	-
	(c)	(Asset)/Liability recognised in the Balance Sheet	179	2,232	200	2,201
	Net liabilities recognised in the Balance Sheet accounted for as below:					
	Provision non current (Refer Note 22 A)		129	1,847	78	1878
	Provision current (Refer Note 22 B)		51	385	122	323
(iv)	**Expenses recognised in the Statement of Profit and Loss**					
	(a)	**Under Profit & Loss**				
		Current/Past service cost	60	126	37	127
		Interest cost	13	143	24	136
		Acturial (gain)/loss on obligations	(82)	-	(155)	-
			(9)	**269**	**(94)**	**263**
	(b)	**Remeasurement-other comprehensive Income (OCI)**	0	(74)	-	278
	(c)	**Total Expenses recognised in the Statement of Profit and Loss**	**(9)**	**196**	**(94)**	**541**

(v) **Sensitivity analysis:**

(₹ in Lakhs)

	For the year ended March 31, 2021			
	Compensated absence		Gratuity	
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	(7)	7	(99)	108
Salary increase rate	7	(7)	107	(100)
Employee attrition rate	0	(0)	3	(3)

	For the year ended March 31, 2020			
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	(4)	5	(101)	111
Salary increase rate	4	(4)	110	(102)
Employee turnover	0	(0)	3	(3)

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

Notes on Financial Statements (Contd.)

for the year ended March 31, 2021

39. RELATED PARTY DISCLOSURES

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

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

Description of relationship	Names of related parties
Subsidiary Companies	JIL Trading Pvt. Ltd. S.R.K. Investments Pvt. Ltd Sea Bird Securities Pvt. Ltd. Natwar Liquors Pvt. Ltd. L.P. Investments Ltd. Yoofy Computech Pvt. Ltd
Associates	Hyderabad Distilleries & Wineries Pvt. Ltd.
Promoters, Key Management Personnel and their relatives:	Mr. Ravi Manchanda (Managing Director) Mr. Anil Vanjani (CEO and w.e.f. 01.06.2021 CEO & CFO) Mr. Anil Girotra (CFO, retired on 01.04.2021) Mr Roopesh Kumar (Company Secretary) Mr. Karamjit Singh Jaiswal Ms. Roshni Sanah Jaiswal
Director	Mrs. Kiran Kapur Mrs. Anjali Varma Ms. Sonya Jaiswal (resigned w.e.f. 09.11.2020) Mrs. Sushma Sagar Ms. Vidhi Goel (w.e.f. 18.01.2021) Mrs. Asha Saxena
Enterprises over which Major shareholders, Key Management Personnel and their relatives have significant influence/control :	Milkfood Ltd. Fast Buck Investments & Trading Pvt. Ltd. Corporate Facility Management Galaxy Pet Packaging Pvt. Ltd. Quick Return Investments Company Ltd. Double Durable Investments Ltd. Devyani Construction Pvt. Ltd.

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

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) Subsidiary Companies		
JIL Trading Pvt. Ltd.		
Expenses Incurred by JIL Trading Pvt Ltd	7	10
Advance Given	10	9
Expenses incurred on behalf of JIL Trading Pvt Ltd	1	2
Payment agst Old Outstanding	-	4
S.R.K. Investments Pvt. Ltd.		
Refund of advance	0	1,803
(ii) Associates		
Hyderabad Distilleries & Wineries Pvt. Ltd.		
Payments made on behalf of Associate	4	7
Repayment of loan by Associate on behalf of company	-	3,071

Notes on Financial Statements (Contd.)

for the year ended March 31, 2021

(₹ in Lakhs)

Particulars			For the year ended March 31, 2021	For the year ended March 31, 2020
		Loan taken	35	601
		Repayment of loan to HDWPL	49	492
		Loan written back	-	4,000
(iii)	**Promoters, Key Management Personnel, director and their relatives:**			
	(a)	Mr. Ravi Manchanda		
		Managerial remuneration	36	36
		Refund of advance	-	13
		Loan Recd	700	-
		Loan Repaid	700	-
	(b)	Mr Anil Vanjani		
		Managerial remuneration	157	61
		Advance given	-	1
		Refund of advance	1	-
	(c)	Mr. Anil Girotra		
		Managerial remuneration	116	128
		Refund of advance	12	12
	(d)	Mr. Kewal Krishan Kohli		
		Managerial remuneration	-	25
	(e)	Ms. Roshni Sanah Jaiswal		
		Remuneration	94	98
		Advance given	-	25
		Refund of advance	224	4
		Interest income on advance	18	18
		Payment on behalf of company	7	53
	(f)	Mr. Karamjit Singh Jaiswal		
		Remuneration	-	60
		Refund of advance	-	1
	(g)	Mr. Roopesh Kumar		
		Managerial remuneration	18	17
	(h)	Mrs Kiran Kapur		
		Sitting fee paid	2	2
	(i)	Mrs Anjali Varma		
		Sitting fee paid	1	2
	(j)	Ms Sonya Jaiswal		
		Sitting fee paid	1	3
	(k)	Mrs Sushma Sagar		
		Sitting fee paid	1	1
	(l)	Mrs Asha Saxena		
		Sitting fee paid	2	2
	(m)	Ms. Vidhi Goel		
		Sitting fee paid	0	-
(iv)	**Enterprises over which Major shareholders, Key Management Personnel and their relatives have significant influence / control :**			
	(a)	Milkfood Ltd.		
		Reimbursement of payments made on behalf of company	9	16

Notes on Financial Statements (Contd.)
for the year ended March 31, 2021

(₹ in Lakhs)

Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020
	Advance recd agst building renovation & rent	-	100
	Rental income	41	41
	Decapitalisation of building rennovation amount capitalised in earlier year	-	59
	Rent Paid	1	-
	Purchase/services received	1	12
(b)	Corporate Facilities Management		
	Maintenance charges paid	226	215
(c)	Galaxy Pet Packaging Pvt. Ltd.		
	Loan taken	-	6
	Repayment of loan	5	-
	Sale of investment in Pref. Share	-	18
	Interest paid	0	1
(d)	Quick Return Investment Company Ltd.		
	Loan taken	-	182
	Repayment of loan	51	14
	Sale of investment in Pref. Share	-	81
	Interest paid	17	15
(e)	Double Durable Investments Ltd.		
	Loan taken	-	8
	Repayment of loan	4	2
	Sale of investment in Pref. Share	-	18
	Interest paid	1	1
(f)	Devayani Construction Pvt. Ltd.		
	Loan taken	-	500
	Repayment of loan	-	500
	Interest paid	-	26

(C) Outstanding balance as at end of the year

(₹ in Lakhs)

Particulars			For the year ended March 31, 2021	For the year ended March 31, 2020
(i)	**Subsidiary Companies**			
	(a)	JIL Trading Pvt. Ltd.		
		Receivable/(Payable)	5	1
	(b)	S.R.K. Investments Pvt. Ltd		
		Receivable	-	(0)
	(c)	L.P. Investments Ltd.		
		Receivable *(refer footnote (iii))*	185	185
(ii)	**Associates**			
	Hyderabad Distilleries & Wineries Pvt. Ltd.			
		Inter corporate loan	(2)	(20)
(iii)	**Key Management Personnel and their relatives:**			
	Mr. Ravi Manchanda			
		Receivable	27	26

Notes on Financial Statements (Contd.)

for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Mr. Anil Vanjani		
Receivable	0	1
Mr. Anil Girotra		
Receivable	227	239
Mr. Karamjit Singh Jaiswal/Mrs. Shakun Jaiswal		
Receivable/(Payable)	(20)	(20)
Ms. Roshni Sanah Jaiswal		
Receivable	-	213
(iv) Enterprises over which major Shareholders, Key Management Personnel and their relatives have significant influence/Control		
Milkfood Ltd.		
Receivable/(Payable)	4	(35)
Fast Buck Investments & Trading Pvt. Ltd.		
Receivable/(Payable)	(8)	(8)
Galaxy Pet Packaging Pvt. Ltd.		
Receivable/(Payable)	(2)	(6)
Quick Return Investments Company Ltd.		
Receivable/(Payable)	(146)	(181)
Double Durable Investments Ltd.		
Receivable/(Payable)	(3)	(7)
Devyani Construction Pvt. Ltd.		
Receivable/(Payable)	(23)	(23)
Corporate Facilities Management		
Receivable/(Payable)	(15)	-

Footnote(s) :

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

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

(iii) The company made provision against loan of ₹ 185 Lakhs given to L P Investment Ltd. and investment of ₹ 1,020 Lakhs in Equity Share of L P Investment Ltd in previous year.

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

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

40. SEGMENT INFORMATION

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

Beverages: Segment includes manufacturing and supply of Grain Based Extra Nutural Alcohol, bottled Indian Made Foreign Liquor, Country Liquor, Industrial Alcohol, licensing use of its IMFL brands and Sanitizer.

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

Others: Segment includes sale of Petroleum products.

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

Notes on Financial Statements (Contd.)

for the year ended March 31, 2021

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

(b) The Company's CODM does not review assets and liabilities for each operating segment separately, hence segment disclosures relating to total assets and liabilities have not been furnished.

(A) Segment information

(₹ in Lakhs)

		Beverages		Food		Others		Total	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
(i)	**Segment revenue**								
	Sales, services and other income	25,712	8,477	15,517	13,420	830	631	42,059	22,528
	Less : Excise duty	(2,295)	(461)	-	-	-	-	(2,295)	(461)
	Inter segment sales	-	-	-	-	-	-	-	-
	Unallocated income	-	-	-	-	-	-	-	-
	Total revenue	**23,417**	**8,016**	**15,517**	**13,420**	**830**	**631**	**39,764**	**22,067**
(ii)	**Segment results**								
	Segment results	111	(4,429)	3,012	1,394	11	(5)	3,134	(3,040)
	Unallocated expenditure								
	Other unallocable expenditure net of unallocable income							(65)	(281)
	Finance cost							3,025	4,211
	Profit/(Loss) before exceptional items							**174**	**(6,970)**
	Exceptional items							38	2,868
	Profit/ (Loss) before tax (from continous operations)							**212**	**(4,102)**
	Profit/(Loss) from discountining operations							291	(61)
	Profit/(Loss) before Tax							**503**	**(4,163)**
	Less: Tax expense							-	724
	Profit/ (Loss) after tax							**503**	**(4,887)**

(B) Information about geographical areas:

(₹ in Lakhs)

		2020-21	2019-20
(i)	**Revenue (excluding excise duty)**		
	Within India	35,202	21,591
	Outside India	4,562	476
	Total	**39,764**	**22,067**
(ii)	**Non-current operating assets** *(refer footnote (ii))*		
	Within India	37,309	37,306
	Outside India	-	-

Footnote(s) :

(i) Food segment represents revenue from one customer (Previous year : one customer).

(ii) Non-current operating assets represent property, plant and equipment, capital work-in-progress and intangibale assets.

Notes on Financial Statements (Contd.)

for the year ended March 31, 2021

41. The company has discontinued its operation for Packaging Division with effect from April 1, 2014.The disclosures as required under Indian Accounting Standard - 105 are given below.

(₹ in Lakhs)

		For the year ended March 31, 2021	For the year ended March 31, 2020
(A)	**Revenue**		
	Miscellaneous Income *(Refer footnote (i))*	291	4
	Interest Income	0	1
	Liabilities/provisions no longer required written back	22	84
	Total revenue	**313**	**89**
(B)	**Expenses**		
	Employee benefits expenses		
	Salaries, Wages, Bonus and Gratuity	7	7
	Other expenses		
	Power and fuel	-	-
	Rates & taxes	8	13
	Insurance	-	-
	Travelling expenses	0	0
	Other repairs & maintenance	0	1
	Bad Debts, Advances and Stock written off	-	81
	Provision for Doubtful Debts and advances	-	20
	Security Expenses	5	5
	Legal & professional expenses	1	2
	Miscellaneous expenses	1	21
	Total expenses	**22**	**150**
	Profit/(Loss) for the year (A - B)	**291**	**(61)**
	Less: Tax expense	**-**	**-**
	Profit/(Loss) after tax for the year	**291**	**(61)**
	Total Assets	**46**	46
	Total Liabilities	**4,925**	4,655
	Cash Flow from discontinuing operations included in above		
	- **Operating activities**	**1**	(105)
	- **Investing activities**	**-**	100
	- **Financing activities**	**-**	-

(i) Represent amount received from Gail (India) Ltd. on account of excess tariff charges paid in respect of supply of LNG (Gas) in earlier years.

42. FAIR VALUE

Fair value measurement:

(i) All the financial assets and financial liabilities of the company are carried at amortised cost except investment. Investment in subsidiaries are carried at cost (except in case of permanent impairment) and other investments are carried at fair value.

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

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for the year ended March 31, 2021

43. CAPITAL MANAGEMENT

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

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

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Non-current borrowings	21,083	19,919
Current maturities of non-current borrowings	273	981
Current borrowings	263	214
Less: Cash and cash equivalents	599	1,097
Less: Other bank balances	505	7
Net debt	**20,515**	**20,010**
Equity share capital	4,615	4,615
Other equity	(3)	(580)
Total capital	**4,612**	**4,035**
Gearing ratio	**445%**	**496%**

Company aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements.There have been no breaches in the financial covenants of any interest-bearing borrowings in the current year.

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise borrowings, trade and other payables for running the business of the Company.The Company's principal financial assets include investments, trade and other receivables, cash and cash equivalents, bank balances and security deposits that are out of regular business operations.

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

(a) Market risk

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

i. Interest rate risk

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

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

(₹ in Lakhs)

	March 31, 2021		March 31, 2020	
	1% increase	*1% decrease*	*1% increase*	*1% decrease*
Impact on profit before tax	(224)	224	(257)	257

ii. Foreign currency risk

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

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

Notes on Financial Statements (Contd.)

for the year ended March 31, 2021

iii. ***Commodity price risk***

The Company is affected by the price volatility of certain commodities. The company's long standing relationships with most suppliers ensure steady availability of raw materials at competitive prices.

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty default on its obligations. The Company's exposure to credit risk arises majorly from loan, advances, trade and other receivables. Other financial assets like security deposits and bank deposits are mostly with government authorities and nationalised banks and hence, the Company does not expect any credit risk with respect to these financial assets. With respect to trade receivables, some portion includes dues from state government corporations, risk is limited and considered insignificant by the management. In respect of sale made to other than state government corporation, Company provides expected credit loss on the basis of ageing of trade receivable instead of method of ECL as prescribed in Ind AS 109. Total amount of provision against trade receivable, loan & advances on reporting date is ₹ 9,250 Lakhs.

(c) Liquidity risk

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

(₹ in Lakhs)

	Maturities				Total
	Upto 1 year	1-2 years	2-3 years	Above 3 years	
As at March 31, 2021					
Non-current borrowings	-	227	429	20,427	21,083
Non-current other financial liabilities	-	2,180	581	46	2,807
Current borrowings	263	-	-	-	263
Trade payables	6,073	-	-	-	6,073
Lease Liabilities	25	51	-	-	76
Other financial liabilities	5,353	-	-	-	5,353
Total	**11,714**	**2,458**	**1,010**	**20,473**	**35,655**
As at March 31, 2020					
Non-current borrowings	-	604	314	19,001	19,919
Non-current other financial liabilities	-	660	2,688	-	3,348
Current borrowings	214	-	-	-	214
Trade payables	6,763	-	-	-	6,763
Lease Liabilities	19	3	-	-	22
Other financial liabilities	5,872	-	-	-	5,872
Total	**12,868**	**1,267**	**3,002**	**19,001**	**36,138**

45. OTHER INFORMATION

(i) In view of the un-used tax losses/book losses, no provision of Income Tax has been made during the year. In absence of convincing evidence of future taxable profits, the Company has not recognised deferred tax asset during the year.

(ii) The outbreak of Covid - 2019 continues to cause significant disturbances and slowdown of economic activities globally. With the relaxations granted by the State Government of Punjab in the restrictions/lockdown,the operations of the distillery and food division were resumed from April 11, 2020. Further Company launched new product "Hand sanitizer" and entered into arrangements with various parties for manufacture/procurement of hand sanitizers for sale and distribution. However due to lower margin, Company has focused on manufacturing on job work basis for others. The Company expects earning of reasonable revenue in next financial year. Further Post COVID-19, the rental income of investment property is reduced by ₹ 498 Lakhs during the year due to vacancy/ reduction in the rental. The likely financial impact would be reduction in future income by ₹ 426 Lakhs on annualised basis in next years. 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 in future economic conditions. Given the uncertainities, the final impact on Company's assets in future may differ from that estimated as at the date of approval of these financial results.

Notes on Financial Statements (Contd.)

for the year ended March 31, 2021

(iii) Search operations were conducted at Head Office on August 24, 2020 u/s 67(2) of the CGST Act, 2017. The Company has submitted/provided all documents/explanations against summons issued u/s 70 of the CGST Act, 2017 and no adverse observation/demand is received so far.

(iv) The Internal Auditor has raised the issue of reversal of GST Input credit per Rule 42 of CGST Rule, 2017, Management is looking into the same and will take the appropriate action within the next financial year.

(v) Previous year figures have been reclassified/regrouped wherever necessary to corrospond with current year's classification.

Independent Auditor's Report

To the Members of Jagatjit Industries Limited

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Jagatjit Industries Limited** (hereinafter referred to as the "Holding Company"), and its subsidiaries (Holding Company and its subsidiary together referred to as "the Group") and its associate company, which comprise the consolidated balance sheet as at March 31, 2021, the consolidated statement of profit and loss (including Other Comprehensive Income), the consolidated Cash Flows Statement and the consolidated Statement of Changes in Equity for the year then ended and notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and associate company as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2021, its income including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements 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 (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of matter:

- We draw attention to Note No 2(1)(iv) regarding going concern, Note No. 4(vi) regarding fair value of investment properties, Note No. 6(i)&(ii) regarding loan to employees & provision thereof, Note No 8(ii) regarding provision for advances to others, Note 13(i) regarding amount receivable from group company, Note No 15(i) regarding assets held for sale, Note No 18(iv) regarding non stipulation of terms and conditions of loan, Note No. 22(ii) regarding provision of service tax, Note No. 23(i) regarding provision of interest on outstanding amount of MSME suppliers and note 23(ii) regarding reconciliation of old outstanding of MSME suppliers, Note No 24(iii) regarding amount payable to ex-employee, Note No 24(iv) regarding earlier years expenses payable pending for reconciliation, Note No 26(iii) regarding income from franchisee business, Note No 27(ii) regarding other income, Note No 34(ii) regarding provisions of doubtful debts net of reversal, Note No 41 (i) regarding income from discontinued operations, Note No 45(ii) regarding impact of COVID-19, Note No 45(iii) regarding search conducted by GST Dept. at Head Office and Note No.45(iv) regarding reversal of GST Input credit.
- The Internal Audit system of the Holding Company needs to be substantially strengthened in scope, coverage and compliance in respect of Hamira Plant and Head Office operations.

Our opinion is not qualified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matter to be communicated in our report. For each matter mentioned below, our description of how our audit addressed the matter is provided in that context.

The Key Audit Matter	How the matter was addressed in our audit
(a) Litigation Matters: The Group operates in various states within India, exposing it to a variety of different Central and State Laws, regulations and interpretations thereof. In this regulatory environment, there is an inherent risk of litigation and claims. Consequently, provisions and contingent liability disclosures may arise from direct and indirect tax proceeding, legal proceedings including regulatory and other government/ department proceedings, as well as investigations by authorities and commercial claims.	Reviewing the outstanding litigations against the Group for consistency with the previous years. Enquire and obtain explanations for movement during the year. Discussing the status of significant known actual and potential litigations with the Group's in-house officials and other senior management personnel who have knowledge of these matters and assessing their responses.

The Key Audit Matter	How the matter was addressed in our audit
At March 31, 2021, the Group's contingent liabilities for legal matters were ₹ 1817 Lakhs (refer Note 37 to the consolidated financial statement) and provision for service tax aggregating to ₹ 345 Lakhs (refer Note 22(A)). The most significant contingent liability pertains to service tax of ₹ 142 Lakhs and sales tax of ₹ 1314 Lakhs. Management applies significant judgment in estimating the likelihood of the future outcome in each case when considering whether, and how much, to provide or in determining the required disclosure for the potential exposure of each matter. This is due to the highly complex nature and magnitude of the legal matters involved along with the fact that resolution of tax and legal proceedings may span over multiple years, and may involve protracted negotiation or litigation. These estimates could change substantially overtime as new facts emerge as each legal case progresses. Given the inherent complexity and magnitude of potential exposures across the Group and the judgment necessary to estimate the amount of provisions required or to determine required disclosures, this is a key audit matter.	Reading the latest correspondence between the Group and the various tax/legal authorities and review of correspondence with/legal opinions obtained by the management, from external legal advisors, where applicable, for significant matters and considering the same in evaluating the appropriateness of the Group's provisions or disclosures on such matters. Examining the Group's legal expenses and reading the minutes of the board meetings, in order to ensure that all cases have been identified. With respect to tax matters, involving our tax specialists, and discussing with the Group's tax officers, their views and strategies on significant cases, as well as the related technical grounds relating to their conclusions based on applicable tax laws. Assessing the decisions and rationale for provisions held or for decisions not to record provisions or make disclosures. For those matters where management concluded that no provisions should be recorded, considered the adequacy and completeness of the Group's disclosures.
(b) Revenue recognition from sale of products: Revenue from sale of products is recognized when control of products has transferred to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of products. Revenue from the sale of products is measured at the fair value of the consideration received and receivable, net of returns and allowances, discounts and incentives. Significant judgment is required in estimating provisions relating to allowances, discounts and incentives recognized in relation to sales made during the year.	Our audit procedures included, amongst others, assessing the Group's revenue recognition accounting policy, including those relating to allowances, discounts, and incentives. We understood, evaluated and tested the operating effectiveness of internal controls over recognition of revenue, discounts, and incentives. We performed test of details, on a sample basis, and inspected the underlying documents relating to sales and provisions of discounts and incentives. We tested sales transactions near year end date as well as credit notes issued after the year end date. We discussed and evaluated management assessment of estimates relating to allowances, discounts and incentives. We assessed the disclosures in the consolidated financial statements in respect of revenue.
(c) Provision for bad and doubtful trade receivable: Total trade receivable balances as at March 31, 2021 is ₹ 8379 Lakhs out of this ₹ 6349 Lakhs is provided. Trade receivables include dues from state government corporations, distributors, retailers, contract manufacturing units and franchisee partner. The Group makes provision for unsecured trade receivables based on defined policy and wherever management considers necessary. The management applies its judgment and estimates the provision. Timing of collection of dues from customers may differ from the contractual credit period. Significant judgment is involved in management estimates of the amounts unlikely to be ultimately collected.	Our procedures included the following: • Understood, evaluated and tested on a sample basis the design and operating effectiveness of internal controls over trade receivables. Provision of material amount represents weak control. • Performed audit procedures on existence of trade receivables, which included reading and comparing balance confirmations with books of account, testing subsequent receipts and testing sales transactions on a sample basis. • Evaluated the policy of the Company, performed audit procedures which included analysis of ageing, past trend of bad debts write-off and understanding management's view point of possible impact arising from the COVID-19 pandemic. • Assessed the disclosures in the standalone Ind AS financial statements for compliance with disclosure requirements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate in accordance with the Indian Accounting Standard (Ind AS)specified under 133 of the Act and other accounting principles generally accepted in India. 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 the assets of each company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, respective management and Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company 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 of its associate are responsible for overseeing the financial reporting process of each company.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are 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 a 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 these consolidated financial statements.

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 consolidated financial statements, 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 financial controls 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 Group has adequate internal financial controls system 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 management.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of Holding company included in the consolidated financial statements of which

we are the independent auditors. For the other entities included in the consolidated financial 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 believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in Other Matters paragraph is sufficient and appropriate to provide a basis for audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company included in consolidated financial statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of six subsidiaries, whose financial statements reflect total assets of ₹ 98 Lakhs as at March 31, 2021, total revenues of ₹ 2 Lakh, total net profit of Nil, total comprehensive loss of Nil for the year ended March 31, 2021 and net cash inflows amounting to Nil 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 these subsidiaries, is based solely on the audit reports of other auditors.

The Consolidated Financial Statements also include the Group's share of net profit (including other comprehensive income) of ₹13 Lakhs for the year ended March 31, 2021 as considered in the Statements, in respect of an associate company, whose financial statements have been audited by other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements as mentioned below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Holding Company's Management.

Report on Other Legal and Regulatory Requirements

1. With respect to matter to be included in the Auditor's report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies and associate company incorporated in India, the managerial remuneration for the year ended March 31, 2021 has been paid/provided by the Holding Company, its subsidiaries and associate company incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V of the Act; and

2. As required by Section 143 (3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and associate as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

(a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of aforesaid consolidated financial statements;

(b) in our opinion proper books of account as required by law relating to preparation of aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) the consolidated balance sheet, the consolidated statement of profit and loss including other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flow dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements

(d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) on the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 taken on record by the Board of Directors of the holding Company and the report of the statutory auditor of its subsidiaries incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in **"Annexure A"**; and

(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and associate, as noted in the 'Other Matters' paragraph:

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

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

iii. there has been no delay in transferring amounts which were required to be transferred, to the Investor Education and Protection Fund by the Group.

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

M. K. Madan
Proprietor
Membership number: 082214

Place: New Delhi
Date: 30-06-2021
UDIN: 21082214AAAADT6476

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF JAGATJIT INDUSTRIES LIMITED

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

In conjunction with our audit of the consolidated financial statements of Jagatjit Industries Limited (hereinafter referred to as "the Holding Company") its subsidiaries (the Holding and its subsidiaries together referred as 'the Group") and its associate as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies, and associate company, which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiaries and associate, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountant of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies and associate company incorporated in India in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

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

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

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

Opinion

According to the information and explanation given to us and based on our audit and based on the audit report of other auditors of subsidiaries companies and associate company, in our opinion the Holding Company and such companies incorporated in India which are its subsidiary companies and associate company have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note") except in case of fixed assets *(Behror unit of Holding Company) which needs to be substantially strengthened.*

Emphasis of Matters:

Internal financial control in respect of trade receivable reconciliation/confirmation, provision for bad and doubtful debts, accounts payable reconciliation/confirmation, updating of status of contingent liabilities, Rolling Cash Plan (HO), recovery of loan & advances from employees/suppliers, revenue recognition of royalty income from franchise operation, revenue recognition of third party supply agreement and operating assessment of control regarding updating the Secretarial Department in respect of borrowings from Group entities where controls were effective but need to be further strengthened.

Our opinion is not modified in respect of these matters.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to six subsidiary companies and an associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

M. K. Madan
Proprietor
Membership number: 082214

Place: New Delhi
Date: 30-06-2021
UDIN: 21082214AAAADT6476

Consolidated Balance Sheet

as at March 31, 2021

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
1 Non-current assets			
a) Property, plant and equipment	3A	37,217	37,268
b) Other intangible assets	3B	-	-
c) Capital work-in-progress	3C	19	18
d) Right-of-use assets	3D	74	20
e) Investment properties	4	1,753	1,790
f) Financial assets			
i) Investments	5	572	585
ii) Loans	6	264	484
iii) Other financial assets	7	1,841	1,214
g) Other non-current assets	8	199	447
Total non-current assets		**41,939**	**41,826**
2 Current assets			
a) Inventories	9	3,521	4,189
b) Financial assets			
i) Investments			
ii) Trade receivables	10	2,030	2,861
iii) Cash and cash equivalents	11A	603	1,100
iv) Bank balances other than (iii) above	11B	505	
v) Loans	12	71	57
vi) Other financial assets	13	137	76
c) Other current assets	14	987	1,009
d) Assets classified as held for sale	15	38	38
Total current assets		**7,892**	**9,330**
TOTAL- ASSETS		**49,831**	**51,156**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	4,615	4,615
Other equity	17	455	(109)
Non Controlling Interest		(4)	(4)
Total Equity		**5,066**	**4,502**
Liabilities			
1 Non-current liabilities			
a) Financial liabilities			
i) Borrowings	18A	21,169	20,006
ii) Other financial liabilities	19	2,807	3,348
iii) Lease liability	20A	51	3
b) Other long term liabilities	21	126	323
c) Provisions	22A	2,321	2,378
Total non-current liabilities		**26,474**	**26,058**
2 Current liabilities			
a) Financial liabilities			
i) Borrowings	18B	266	217
ii) Trade payables	23		
total out standing due of micro & small enterprises		46	32
total outstanding due of other than micro & small enterprises		6,034	6,739
iii) Other financial liabilities	24	5,354	5,872
iv) Lease liability	20B	25	19
b) Other current liabilities	25	6,130	7,271
c) Provisions	22B	436	446
Total current liabilities		**18,291**	**20,596**
Total liabilities		**44,765**	**46,654**
Total equity and liabilities		**49,831**	**51,156**
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements			

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

M. K. Madan
Proprietor
Membership No.: 082214

Date : June 30, 2021
Place : New Delhi
UDIN: 20082214AAAACG6832

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

Ravi Manchanda
Managing Director
DIN: 00152760

Anjali Varma
Director
DIN: 01250881

Anil Vanjani
Chief Executive Officer & CFO

Roopesh Kumar
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

(₹ in Lakhs)

	Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
1	**Income**			
	a) Revenue from operations	26	42,060	22,528
	b) Other income	27	2,999	4,803
	Total income		**45,059**	**27,331**
2	**Expenses**			
	a) Cost of material consumed	28	18,546	8,872
	b) Purchases of stock-in-trade	29	985	618
	c) Changes in inventories of finished goods, work in progress and stock in trade	30	697	(343)
	d) Excise duty		2,295	461
	e) Employee benefit expenses	31	6,627	5,994
	f) Finance cost	32	3,025	4,211
	g) Depreciation and amortisation expenses	33	929	965
	h) Other expenses	34	11,781	13,526
	Total expenses		**44,885**	**34,304**
3	**Profit/(loss) before tax**		**174**	**(6,973)**
4	**Exceptional items**	35	38	2,833
5	**Profit/(Loss) before tax and after exceptional items**		212	(4,140)
6	**Tax expense:**			
	Current Tax		(1)	1
	MAT Credit for the year		1	(1)
	Derecognition of MAT credit		-	979
	Deferred tax (credit)/charge		-	(244)
	Total tax expenses		**-**	**735**
7	**Profit/(Loss) for the period from continuing operations**		**212**	**(4,875)**
	Less : Non Controlling Interest			
	Add : Share of Net Profit/(Loss) of Associates		(13)	**477**
8	**Profit/(Loss) after Tax and after share of Associates for the period from continuing operations**		**199**	**(4,398)**
9	**Profit/(Loss) for the period from discontinuing operations**	41	**291**	**(61)**
	Tax expenses from discontinuing operations			**-**
10	**Profit/(Loss) for the period**		**490**	**(4,459)**
11	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	Re-measurement (gains)/losses on defined benefit plans		(74)	278
	Tax impact on re-measurement (gain)/loss on defined benefit plans		-	-
	Total Other Comprehensive Income		**(74)**	**278**
12	**Total Comprehensive Income for the period (10 - 11) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)**		**564**	**(4,737)**
13	**Profit/(Loss) for the year attributable to**			
	Equity shareholders of the Holding Company		490	(4,459)
	Non-controlling interest		-	-
			490	**(4,459)**
14	**Other Comprehensive (Income)/Loss attributable to**			
	Equity shareholders of the Holding Company		(74)	278
	Non-controlling interest		-	-
			(74)	**278**
15	**Earnings per share for continuing operations (in ₹):**			
	Basic & Diluted	36	0.45	(10.08)
	Earnings per share for discontinued operations (in ₹):			
	Basic & Diluted	36	0.67	(0.14)
	Earnings per share (for continuing and discontinued operations) (in ₹):			
	Basic & Diluted	36	1.12	(10.22)
	Summary of significant accounting policies	2		
	The accompanying notes are an integral part of the financial statements.			

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

M. K. Madan
Proprietor
Membership No.: 082214

Date : June 30, 2021
Place : New Delhi
UDIN: 20082214AAAACG6832

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

Ravi Manchanda
Managing Director
DIN: 00152760

Anjali Varma
Director
DIN: 01250881

Anil Vanjani
Chief Executive Officer & CFO

Roopesh Kumar
Company Secretary

Consolidated Cash Flow Statement

for the year ended March 31, 2021

(₹ in Lakhs)

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A.	**Cash flow from operating activities:**		
	Net loss for the year before tax	503	(4,201)
	Adjustments for:		
	Rent from investment properties	(1,625)	(2,048)
	Fair valuation of investments	-	13
	Depreciation	929	965
	Dividend Received	0	
	Interest expense	3,025	4,211
	Interest income	(187)	(122)
	Fixed Assets Write off / Impairment of Goodwill	10	1,249
	Profit on sale of properties, plant and equipment (net)	(39)	(111)
	Bad debts/advances/stock written off	688	933
	Captial Advance write off	-	2,971
	Provision for doubtful debts and advances	652	2,976
	Provision for obsolete/damaged inventory	127	146
	Liability no longer required written back towards loans	(1)	(6,979)
	Liability no longer required written back	(616)	(1,572)
	Provision for Gratuity & Leave Encashment	11	154
	Operating profit before working capital changes	**3,477**	**(1,415)**
	Changes in working capital		
	Trade receivables	296	1,390
	Loans, other financial assets and other assets	285	1,149
	Inventories	533	(378)
	Trade payables	(651)	(598)
	Financial liabilities, other liabilities and provisions	(1,415)	1,482
	Cash generated from operations	**2,525**	**1,630**
	Taxes (Paid)/ Received (Net of TDS)		-
	Net Cash flow/(used) from operating activities (A)	**2,525**	**1,630**
B.	**Cash flow from investing activities:**		
	Purchase of property, plant and equipment including capital work-in-progress and capital advances	(1,088)	(152)
	Advances against assets held for sale	-	100
	Proceeds from sale of property, plant and equipment	136	176
	Security Deposit with NSDL	-	(1)
	Sale of investments	1	746
	Interest received (Revenue)	182	136
	Income from investment properties	1,625	2,048
	Release/(Addition) of cash (from)/for restrictive use	(1,324)	254
	Net Cash inflow from investing activities (B)	**(468)**	**3,307**

Consolidated Cash Flow Statement (Contd.)

for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
C. Cash flow from financing activities:		
Net Loans (repaid)/taken	517	(7,447)
Leased Payments	(31)	(32)
Loans written back	-	6,971
Interest paid	(3,040)	(4,280)
Net cash used in financing activities (C)	**(2,554)**	**(4,788)**
Net increase/ (decrease) in cash & cash equivalents (A + B + C)	**(497)**	**149**
Cash and cash equivalents at the beginning of the year	1,100	951
Cash and cash equivalents at the end of the year	**603**	**1,100**
Cash & cash equivalents comprises of		
Cash, cheques & drafts (in hand) and remittances in transit	9	26
Balance with scheduled banks	594	1,074
	603	**1,100**

Notes :-

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

2 Figures in brackets indicate cash outgo.

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

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

M. K. Madan
Proprietor
Membership No.: 082214

Date : June 30, 2021
Place : New Delhi
UDIN: 20082214AAAACG6832

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

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Managing Director
DIN: 00152760

Anjali Varma
Director
DIN: 01250881

Anil Vanjani
Chief Executive Officer & CFO

Roopesh Kumar
Company Secretary

Consolidated Statement of Changes in Equity

for the year ended March 31, 2021

A. Equity share capital:

Issued, subscribed and fully paid up (Share of ₹ 10 each)	No. of shares	Amount in ₹
At April 01, 2019	46,148,112	461,481,120
Increase/(decrease) during the year	-	-
At March 31, 2020	46,148,112	461,481,120
Increase/(decrease) during the year	-	-
At March 31, 2021	**46,148,112**	**461,481,120**

B. Other equity

(₹ in Lakhs)

Particulars	Reserve & Surplus				Other Comprehensive Income	Total
	General Reserve	Capital Redemption	Securities Premium	Retained Earnings	Remeasurement of defined benefit obligations	
Balance as at March 31, 2019	**2,136**	**580**	**3,697**	**(1,453)**	**(332)**	**4,628**
Revaulation adjusted				-		-
Profit/(loss) for the year	-		-	(4,459)	-	(4,459)
Other comprehensive income for the year	-		-	-	(278)	(278)
Balance as at March 31, 2020	**2,136**	**580**	**3,697**	**(5,912)**	**(610)**	**(109)**
Adjustment for Lease liability				-		-
Profit/(loss) for the year				490		490
Other comprehensive income for the year					74	74
Balance as at March 31, 2021	**2,136**	**580**	**3,697**	**(5,422)**	**(536)**	**455**

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

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

M. K. Madan
Proprietor
Membership No.: 082214

Date : June 30, 2021
Place : New Delhi
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For and on behalf of the Board of Directors of
JAGATJIT INDUSTRIES LIMITED

Ravi Manchanda
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DIN: 00152760

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Chief Executive Officer & CFO

Roopesh Kumar
Company Secretary

Notes on Consolidated Financial Statements

for the year ended March 31, 2021

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1. Corporate information

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

The company has six subsidiaries and one associate which are domiciled in India and incorporated under the provisions of the Indian Companies Act, 1956. The company and its subsidiaries together referred as "the Group". The activities of subsidiary companies are not significant. The expression company used in succeeding paragraph means Jagatjit Industries Limited (Holding Company).

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 (A) Basis of preparation and compliance with Ind AS:

(i) The Group prepared its financial statements in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read together with Rule 4A of the Companies (Indian Accounting Standards) Rules, 2015 as amended, to the extent applicable, and the presentation requirements of Division II of Schedule III to the Companies Act, 2013.

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

(iii) At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items are recognized in the Statement of Profit and Loss in the period in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(iv) The accounts have been prepared on Going concern Basis. The Company has been suffering losses for last seven years and the net worth/ net working capital of the company is negative. During the year turnover of the Company has substantially increased to ₹ 42,059 Lakhs from ₹ 22,528 Lakhs in the previous year, accordingly company has substantially reduced losses and is on course of recovery. It is quite hopeful of turning its corner by the end of the next financial year. These conditions indicate the definite improvement and therefore no material uncertainty exists on the Company 's ability to continue as a going concern.

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

(B) Basis of Consolidation

The Consolidated Financial Statements comprises the financial statement of the Company, its six subsidiaries and one associate as disclosed in Note No 45 (v). The Financial Statements of the subsidiaries and associates used in the consolidation are drawn up to the same reporting date as that of the parent company i.e. year ended March 31, 2021.

(C) Principles of Consolidation

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

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

(iii) The Consolidated Financial Statements include the share of profit/loss of the associate company (to the extent of value of investment) which has been accounted for using equity method as per Indian Accounting Standard 110 - Consolidated Financial Statements. Accordingly, the share of profit/loss from the associate company has been added/ deducted to the cost of Investments.

(iv) Goodwill represents the difference between the company's share in net worth and cost of acquisition of subsidiary at each stage of acquisition of investment. Goodwill arising on consolidation is not amortized but is tested for

Notes on Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

impairment on annual basis.

(v) Non-controlling interest in the net assets of the consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit/loss for the year of the subsidiaries attributable to non-controlling interest is identified and adjusted against the profit/loss after tax of the Group in order to arrive at the income attributable to shareholders of the Company.

2.2 Current versus non-current classification:

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

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

2.3 Fair value measurement:

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

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

Level I input

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

Level II input

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

Level II inputs include:

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

Level III input

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

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

2.4 Functional and presentation currency:

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

2.5 Property, plant and equipment:

(i) Property, plant and equipment

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

The Group has been granted leasehold lands for the

Notes on Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

period of 99 years and accordingly, the same is treated as finance lease. This is treated as part of properties plant and equipment due to duration of lease period and availability of transfer of leasehold rights. In absence of absolute certainty regarding vesting of ownership with the Group at the determination of lease, depreciation is being charged on the revalued figure of Land on straight line basis over the period of lease.

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

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

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

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

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

(ii) **Capital work in progress**

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

(iii) **Depreciation**

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

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

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

2.6 Intangible Assets:

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

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

2.7 Impairment of Assets:

At the end of each reporting period, the Group assesses

Notes on Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

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

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

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

2.8 Cash and Cash equivalent:

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

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

2.9 Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when a Group becomes a party to the contractual provisions of the instruments.

(i) Initial recognition and measurement:

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

(ii) Subsequent measurement of financial assets:

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

(a) Debt instruments at amortized cost.

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

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

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

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

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

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

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

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

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

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

Debt instruments included within the FVTOCI category are measured initially as well as at

Notes on Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

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

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

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

Investment in subsidiaries and associate:

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

(iii) Derecognition of financial assets:

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

(iv) Impairment of financial assets:

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

(v) Subsequent measurement of financial liabilities:

All the financial liabilities are subsequently measured at amortized cost using the effective interest rate method or at fair value through profit and loss. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

(vi) Derecognition of financial liabilities

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

2.10 Inventories

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

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

(ii) **Finished goods and work in progress:** Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average basis. In pursuance of IND AS-2 indirect production overheads (estimated by the Management) are allocated for ascertainment of cost of finished goods and work in progress.

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

(iv) Obsolete inventories are identified and written down to net realisable value. Slow moving and defective inventories are identified and provision for the same is made. Inventories are valued on lower of cost or net realizable value.

Notes on Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

2.11 Retirement Benefits

The Group follows IND AS-19 as detailed below: -

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

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

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

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

Group's liability towards gratuity and compensated absences is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognized in Other Comprehensive Income (OCI) in the period in which they occur. Remeasurement recognized in the Other Comprehensive Income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the defined benefit liability or asset.

Defined benefit costs are categorized as follows:

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

2.12 Revenue Recognition

Revenue is recognized as per Ind AS 115 "Revenue from contract with customers". Revenue from contract with customers is recognized when control of promised goods and services are transferred to customers at an amount that reflects the consideration which the Group expects to receive in exchange for those goods.

(a) Sale of goods and rendering of services: Revenue from sale of goods and rendering of services including export benefits thereon are recognized at the point in time when control of goods or services is transferred to the customer which is usually on dispatch / delivery of goods or services, based on contracts with the customers.

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

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

(d) Interest Income is recorded on time proportion basis using the effective rate of Interest (EIR).

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

(f) Interest on Income Tax refunds, Insurance claims, Export benefits and other refunds are accounted for as and when amounts receivable can be reasonably determined as being acceptable to authorities.

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

(h) Income from franchisees business: The Group has entered into supply agreement with few parties. Under the agreement, parties manufacture at their own cost under supervision of the Group and sell the same to retailers (Licensees) on behalf of the Group. Revenue is recognised net of cost of goods sold.

2.13 Manufacturing policy

The main raw material of the Company is broken rice which is used to produce ENA. It is sold in market as such along with internal usage in Indian Made Foreign Liquor (IMFL) and Country Liquor (CL). Manufacturing policy of the Indian alcoholic spirit market is highly regulated by the States who control the alcoholic beverage industry. The Indian liquor

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for the year ended March 31, 2021

industry has been experiencing challenges such as state policies with respect to import & export from one state to the other, production constraints with respect to the pack sizes and type of packaging, price control and increasing state levies & duties.

2.14 Taxation:

Current income tax

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

Deferred tax

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

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

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

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

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

GST paid on acquisition of assets or on incurring expenses:

Expenses and assets are recognised net of the amount of GST paid, except:

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

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

Minimum Alternate Tax

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

2.15 Borrowing Costs:

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

2.16 Foreign Currency Transactions:

Foreign Currency Transactions involving export sales are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the customs rate on the date of dispatch of goods. The difference between the rates recorded and the rates on the date of actual realization is transferred to difference in exchange fluctuation account. At the year end, the balances are converted at the year end rate and difference if any between the book balance and converted amount are transferred to the exchange fluctuation account. The premium or discount arising at the

Notes on Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

inception of a forward exchange contract is amortized as expenses / income over the life of the contract. Any profit or loss arising on cancellation or renewal of such a forward contract is recognized as income / expenses for the period. Non-monetary items that are measured in historical cost in a foreign currency are not retranslated.

2.17 Provisions:

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of the provisions to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss, net of any reimbursement.

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

2.18 Earning Per Share:

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

2.19 Segment Reporting:

(i) Operating segment:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Company), whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Operating segments of the Company are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

(ii) Segment revenue and expenses:

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

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

2.20 Cash Flow Statement:

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

2.21 Leases:

The Group as a lessee

The Group's lease asset classes primarily consist of leases for buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(a) the contract involves the use of an identified asset.

(b) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and

(c) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) renewable every year and low value leases. For these short-term and low-value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement

Notes on Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Group changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately.

The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

2.22 Contingent liabilities:

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

2.23 Use of estimates and judgements:

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

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

(i) Property, plant and equipments

(ii) Retirement and other employee benefits

Notes on Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

3A. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars		Land Free Hold	Land Lease Hold	Building	Furniture & Fixtures	Plant & Machinery	Other Equipment	Vehicles	Total
(I)	**Cost/deemed cost**								
	As at March 31, 2019	**23,789**	**851**	**6,257**	**265**	**8,788**	**203**	**388**	**40,541**
	Additions			15		47	6	104	172
	Disposals			(50)		(19)		(157)	(226)
	As at March 31, 2020	**23,789**	**851**	**6,222**	**265**	**8,816**	**209**	**335**	**40,487**
	Additions			6	0	888	19		913
	Disposals		(7)	(102)	(0)	(16)	(0)	(13)	(138)
	As at March 31, 2021	**23,789**	**844**	**6,126**	**265**	**9,688**	**228**	**322**	**41,262**
(II)	**Accumulated depreciation**								
	As at March 31, 2019	-	**33**	**796**	**88**	**1,230**	**93**	**255**	**2,495**
	Charge for the year		10	268	26	522	33	24	883
	Disposals			(2)		(19)		(138)	(159)
	As at March 31, 2020	**-**	**43**	**1,062**	**114**	**1,733**	**126**	**141**	**3,219**
	Charge for the year		**11**	**259**	**18**	**519**	**21**	**24**	852
	Disposals		(1)	(8)	(0)	(6)		(11)	(26)
	As at March 31, 2021		**53**	**1,313**	**132**	**2,246**	**147**	**154**	**4,045**
(III)	**Net block**								
	As at March 31, 2020	23,789	808	5,160	151	7,083	83	194	37,268
	As at March 31, 2021	**23,789**	**791**	**4,813**	**133**	**7,442**	**81**	**168**	**37,217**

3B. OTHER INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars		Patent Trade Mark	Goodwill	Total
(I)	**Cost/deemed cost**			
	As at March 31, 2020	10	1,249	1,259
	As at March 31, 2021	**10**		**10**
(II)	**Accumulated depreciation**			
	As at March 31, 2019	**8**		**8**
	Amortization for the year	2	1,249	1,251
	As at March 31, 2020	**10**	**1,249**	**10**
	Amortization for the year	-		-
	As at March 31, 2021	**10**		**10**
(III)	**Net block**			
	As at March 31, 2020	-		-
	As at March 31, 2021	-		-

Notes on Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

3C. CAPITAL WORK IN PROGRESS

(₹ in Lakhs)

Particulars	
As at March 31, 2020	18
As at March 31, 2021	19

3D. RIGHT-OF-USE ASSETS

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	20	-
Recognised on account of adoption of Ind AS 116 (in respect of building)	-	53
Addition during the year	85	-
Amortisation during the year	31	33
	74	**20**

Footnote(s) :-

(i) Land at various locations have been revalued as on April 01, 2016 by an independent approved valuer on a fair market value basis.

(ii) Estimated amount of capital contracts remaining to be executed is 3 lacs (Previous year : Nil)

(iii) For leasehold land refer note 2.5 regarding Significant Accounting Policy.

4. INVESTMENT PROPERTIES

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Gross carrying amount at beginning of the year	2,640	2,640
Tranferred from property, plant and equipment	5	-
Additions during the year	4	-
Gross carrying amount at end of the year	**2,649**	**2,640**
Accumulated depreciation at beginning of the year	850	803
Tranferred from property, plant and equipment	1	-
Depreciation charged during the year	45	47
Accumulated depreciation at end of the year	**896**	**850**
Net carrying amount	**1,753**	**1,790**

Footnote(s):

(i) Investment in properties comprises land & building (including allied plant & machinery).

(ii) **Amounts recognised in profit and loss for investment properties**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Rental income (including reimbursement of maintenance expenses) (refer Note 45(ii))	1,931	2,560
Direct operating expenses from property that generated rental income	306	512
Direct operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation	**1,625**	**2,048**
Depreciation for the year	45	47
Profit from investment properties	**1,580**	**2,001**

(iii) Contingent rents recognised as income - Nil.

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

Notes on Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

(v) **Fair Value**

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Investment properties	21,472	21,464

(vi) **Estimation of fair value**

The company obtained independent valuations for its investment properties on April 01, 2016. The best evidence of fair value is current prices in an active market for similar properties. Fair valuation in respect of transferred from PPE has not been done and hence has been taken at carrying amount.

All resulting fair value estimates for investment properties are included in level 2. Company is of view that there is no significant change in fair value as on March 31, 2021 and hence no valauation is done at year end.

(vii) For details of investment property charged as security of borrowings refer note 18 (i).

5. NON-CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars		As at March 31, 2021	As at March 31, 2020
(A)	**Equity instruments (fully paid-up)**		
(i)	**Quoted**		
	Milkfood Limited		
	1,350 Shares (March 31, 2020 : 1350) of ₹ 10 each fully paid	4	5
	Punjab National Bank		
	4,965 Shares (March 31, 2020 : 4965) of ₹ 2 each fully paid	2	2
	GlaxoSmithKline Consumer Healthcare Limited		
	Nil (March 31, 2020 : 4) of ₹ 10 each fully paid	-	0
	Indage Vintners Limited		
	100 Shares (March 31, 2020 : 100) of ₹ 10 each fully paid	0	0
	McDowell Holdings Limited		
	6 Shares (March 31, 2020 : 6) of ₹ 10 each fully paid	0	0
	Nestle India Limited		
	4 Shares (March 31, 2020 : 4) of ₹ 10 each fully paid	0	0
	Radico Khaitan Limited		
	10 Shares (March 31, 2020 : 10) of ₹ 2 each fully paid	0	0
	Shreno Limited		
	Nil Shares (March 31, 2020 : 12) of ₹ 100 each fully paid	-	0
	Hindustan Unilever Ltd		
	17 Shares (March 31, 2020 : 0) of ₹ 1 each fully paid	0	-
	Anheuser Busch India Indev Limited (SABMiller India Limited)		
	103 Shares (March 31, 2020 : 103) of ₹ 10 each fully paid	0	0
	Taurus The Starshare		
	2500 Shares (March 31, 2020 : 2500) of ₹ 10 each	1	1
	United Breweries Limited		
	5 Shares (March 31, 2020 : 5) of ₹ 1 each fully paid	0	0
	United Breweries (Holdings) Limited		
	3 Shares (March 31, 2020 : 3) of ₹ 10 each fully paid	0	0
	United Spirits Limited		
	40 Shares (March 31, 2020 : 40) of ₹ 2 each fully paid	0	0

Notes on Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

(₹ in Lakhs)

	Particulars	As at March 31, 2021	As at March 31, 2020
(ii)	**Unquoted**		
	In associates		
	Hyderabad Distilleries and Wineries Pvt Ltd	3	3
	3150 Shares (March 31, 2020 : 3150) of ₹ 100 each fully paid up		
	Add : Group Share of Profit/(Loss) upto March 31, 2021	462	474
	In others		
	Mohan Meakin		
	100 (March 31, 2020 : 100) shares of ₹ 5 each fully paid	0	0
	Janta Co-operative Sugar Mills Ltd.		
	50 Shares (March 31, 2020 : 50) of ₹ 100 each fully paid	0	0
	Panipat Co-operative Sugar Mills Ltd.		
	2 Shares (March 31, 2020 : 2) of ₹ 100 each fully paid	0	0
	Traders Bank Limited		
	1 Share (March 31, 2020 : 1) of ₹ 4 each fully paid	0	0
	LPJ Holdings Pvt. Limited.		
	600 Shares (March 31, 2020 : 600) of ₹ 10 each fully paid	81	81
(B)	**Investment in Preference Shares (fully paid-up)**		
	Qube Corporation Pvt. Ltd.		
	1,80,000 (March 31, 2020 : 1,80,000) Cumulative Redeemable Preference Shares of ₹ 10 each.	18	18
(C)	**Investment in government securities**		
	Quoted		
	6 year National Saving Certificates (lodged with Government Authorities)	1	1
	Total	**572**	**585**

Footnote(s):

(i)	Cost of investment		
	Milkfood Ltd.	1	1
	Punjab National Bank	4	4

6. LOANS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good :		
Loan	10	10
Loan to employees *(refer footnote (i) & note 39)*	254	474
Unsecured, considered doubtful :		
Loan others *(refer footnote(ii))*	280	315
Less: Provision for doubtful	(280)	(315)
Total	**264**	**484**

Footnote(s):

(i) Represent recoverable from the senior employees. In absence of stipulations of recovery, the amount is treated as non-current assets and fair value has not been computed. The management is of the view that amount will be recovered in due course of time.

(ii) Represent loan to senior employee of the company. The Group is making efforts to recover the loan. During the year company has recovered ₹ 35 Lakhs. As a matter of abundant caution the group has provided the amount in earlier year.

Notes on Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

7. OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured considered good :		
Security deposits	173	*364*
Fixed deposits with bank *(refer footnote-(i))*	1538	778
Margin money accounts *(refer footnote(ii))*	130	72
Unsecured considered doubtful :		
Security deposits	221	51
Others	65	65
Less: Provision for doubtful	(286)	(116)
Total	**1,841**	**1,214**

Footnote(s) :

(i) Includes fixed deposit of ₹ 1437 Lakhs (Previous year : ₹ 686 Lakhs) with Indusind Bank for security against borrowings and ₹ 90 lacs (Previous year : ₹ 80 lacs) pledged with Govt. Authority. *(Also refer note no 18(i))*.

(ii) Towards bank guarantees against contractual obligations.

8. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured - considered good		
Capital advances	170	1
Balance with revenue authorities *(refer footnote (i))*	14	78
Advances to suppliers	9	350
Prepaid expenses	6	18
Others		1
Unsecured - considered doubtful		
Advances to suppliers	1,920	1,584
Others *(refer foot note (ii))*	230	226
Less: Provision for doubtful	(2,150)	(1,811)
Total	**199**	**447**

Footnote(s):

(i) Deposit with authorities against contingent liability as a precondition for filing appeal.

(ii) Includes ₹ 37 Lakhs (Previous year : ₹ 37 Lakhs, given in earlier years and provided for) from ex-director of company. It also includes interest free advance of ₹ 170 Lakhs (Previous year : ₹ 170 Lakhs) given in the earlier years. The amount has been provided as a matter of abundant caution. The Group is making efforts to recover the advance and if required will take necessary legal action in the subsequent year.

Notes on Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

9. INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw materials [includes in transit of ₹ 400 Lakhs (Previous year : ₹ 504 Lakhs)]	1,450	1,485
Packaging materials	271	243
Work-in-progress	952	502
Finished goods	287	1,441
Stock-in-trade	25	19
Store and spares	536	499
Total	**3,521**	**4,189**

Footnote(s):

(i) Raw materials and packaging materials are net of provision for obsolete inventory of ₹ 453 Lakhs (Previous year : ₹ 389 Lakhs).

10. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	2,030	2,861
Unsecured, considered doubtful	6,349	6,202
	8,379	**9,063**
Less: Allowance for doubtful debts	6,349	6,202
	2,030	**2,861**
Current	**2,030**	**2,861**
Non-current	**-**	**-**

Footnote(s):

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

11A. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	9	26
Bank balance on current accounts	594	1,074
Total	**603**	**1,100**

11B. OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Term deposits		
(With original maturity more than 3 months but less than 12 months, refer footnote(i))	505	-
Total	**505**	**-**

Footnote(s):

(i) Pledged with Indusind Bank for security against interest payment on borrowings.

Notes on Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

12. CURRENT LOANS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Loan & advances to employees	71	57
Total	**71**	**57**

13. OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposit	-	7
Margin money accounts	-	7
Interest receivable	5	1
Others *(refer footnote (i))*	132	61
Total	**137**	**76**

Footnote(s):

(i) (a) Includes ₹ 31 Lakhs (Previous year : ₹ 61 Lakhs) towards maintainace charges receivable ₹ 43 Lakhs (Previous year : Nil) towards expenses incurred on behalf of group entity and ₹ 38 Lakhs (Previous year : Nil) towards contractual obligations.

(b) Includes ₹ 4 Lakhs receivable from a group entity and static more than 3 years. Management is of the view, that the same will be recovered in the next financial year.

14. OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with excise/revenue authorities	48	40
Advance tax	279	275
Income tax refund	157	344
Advances to suppliers	211	114
Prepaid expenses	260	232
Others *(refer footnote (i))*	32	4
Total	**987**	**1,009**

Footnote(s):

(i) Includes ₹ 16 Lakhs (Previous year : Nil) given to corporate lender towards security of interest.

15. ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed assets held for sale	38	38
(Valued at the lower of the estimated net realisable value & carrying amount)		
Total	**38**	**38**

Footnote(s):

(i) In the financial year 2016-17, assets of Glass division were treated as held for sale due to discontinuity of operations of Glass unit at Sahibabad and accordingly these were valued at lower of estimated net realisable value and carrying amount. During the earlier year company had entered upon an agreement to develop and sell a part parcel of leasehold land subject to approval of authorities. The Group has received a sum of ₹ 4627 Lakhs (Previous Year: ₹ 4627 Lakhs) towards part performance of agreement. However pending receipt of formal approval from the lessor i.e. statutory authority for the transfer of lease hold rights in favour of proposed buyer, the same is trated as as advance against assets held for sale (refer note 25). Due to Covid-19 Pandemic, the approval could not be obtained during the year under Audit. However, management is hopeful to receive the formal approval within 12 months of the reporting date.

Notes on Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

16. SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
75,000,000 (March 31, 2020: 75,000,000) equity shares of ₹ 10/- each	7,500	7,500
Issued, subscribed and fully paid up		
46,148,112 (March 31, 2020: 46,148,112) equity shares of ₹ 10/- each	4,615	4,615
	4,615	**4,615**

Footnote(s):

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

Equity shares	Numbers	Amounts (₹)
Issued, subscribed and fully paid up		
As at April 1, 2019	46,148,112	461,481,120
Increase/(Decrease) during the year	-	-
As at March 31, 2020	**46,148,112**	**461,481,120**
Increase/(Decrease) during the year	-	-
As at March 31, 2021	**46,148,112**	**461,481,120**

(ii) Terms/ rights attached to equity shares

(a) 18,438,112 shares referred to as equity shares are having face value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share and dividend, if declared.

(b) 25,210,000 underlying Equity Shares of ₹ 10/- each fully paid up ranking pari-passu with existing shares were issued in the name of the Depository, The Bank of New York, representing the Global Depository Receipts (GDR) issue. GDRs do not carry any voting rights until they are converted into equity shares.

(c) 2,500,000 Equity Shares of ₹ 10/- each held by LPJ Holdings Pvt. Ltd., fully paid up at a premium of ₹ 20/- per share, as a special series with differential rights to dividend and voting, were issued during the financial year 2004-05. These shares have no right to the dividend and each share carry twenty voting rights as compared to one voting right per existing equity share and were under the lock-in-period of three years from the date of allotment.

(d) The holders of all the above Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in event of liquidation of the Company.

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

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	Numbers	Percentage	Numbers	Percentage
(a) The Bank of New York (the Depository) [footnote (ii)(b)]	25,210,000	54.63	25,210,000	54.63
(b) LPJ Holdings Pvt. Ltd. [footnote (ii)(a)]	7,418,648	16.08	7,418,648	16.08
(c) LPJ Holdings Pvt. Ltd. [footnote (ii)(c)]	2,500,000	5.42	2,500,000	5.42

17. OTHER EQUITY

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Capital Redemption Reserve	580	**580**
(b) Securities Premium Reserve	3697	**3,697**
(c) General Reserve	2136	**2,136**
(d) Retained Earning *(refer footnote (iv))*	(5,422)	**(5,912)**
(e) Other Comprehensive Income	(536)	**(610)**
Balance as at the end of reporting period	**455**	**(109)**

Notes on Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

Footnote(s):

(i) **Capital Redemption Reserve:**

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

(ii) **Securities Premium Reserve**

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

(iii) **General Reserve**

General reserve is created out of profit earned by the company by way of transfer from surplus in the statement of profit & loss. The Company can use this reserve for payment for dividend and issue of fully paid up shares.

(iv) Includes revaluation reserve of ₹ 24,512 Lakhs (Previous year ₹ 24,523 Lakhs) related to land situated at Hamira and Behror.

(v) The disaggregation of changes in each type of reserve, retained earnings and other comprehensive income are disclosed in Statement of Changes in Equity.

18. BORROWINGS

(A) Non current borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
From banks		
Term loan *(refer footnote (i))*	20,163	19,441
From others		
Car loans *(refer footnote (ii))*	51	67
Unsecured		
From other than banks		
Term loans *(refer footnote (iii))*	-	411
Inter corporate loan	954	86
From Directors	1	1
Total	**21,169**	**20,006**

(B) Current borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured		
Inter corporate loan *(refer footnote (iv))*	266	217
Total	**266**	**217**

Footnote(s):

Nature of Security	Terms of Repayment
(i) Rupee loan from Indusind Bank amounting to ₹ 20,652 Lakhs (Previous year : ₹ 19,552 Lakhs) net of processing fee of ₹ 357 Lakhs (Previous year : ₹ 374 Lakhs) is secured against :- (a) Office space at 9th and 10th floor, Ashoka Estate, 24 Barakhamba Road, New Delhi (b) Land & Building at Plot No 78, Sector 18, Institutional Area, Gurgaon, Haryana.	Repayable by June-2034. Rate of Interest is 11.75%

Notes on Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

Nature of Security		Terms of Repayment
	(c) Lien on fixed deposit of ₹ 1437 Lakhs (Previous year : ₹ 686 Lakhs). *(refer note 7(i))* Current Year ₹ 132 Lakhs (Previous year : ₹ 136 Lakhs) treated as current maturities of long term borrowings *(refer note no. 24)*	
(ii)	Car Loans of ₹ 67 Lakhs (Previous year : ₹ 88 Lakhs) are secured by hypothecation of the related cars. Current Year ₹ 16 Lakhs (Previous year : ₹ 21 Lakhs) treated as current maturities of long term borrowings *(refer note no. 24)*	Repayable by March, 2025. Rate of interest 8.25% to 8.75% p.a.

(iii) Paid during the year as prepayment.

(iv) Includes loan of ₹ 156 Lakhs (Previous year : ₹ 217 Lakhs) from related parties for which term & conditions have not been stipulated and therefore it is treated as repayable on demand.

19. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	2,807	3,348
Total	**2,807**	**3,348**

Footnote(s):

(i) Addition/ Deduction represents the securtiy depsot received/ Paid during the year (Net of the fair value adjustments as per IND AS 109) from the franchise partners/contact manufactureres.

20. LEASE LIABILITY

(A) Non current lease liability

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Lease liabilities (ROU)	51	3
(refer note 3D)		
Total	**51**	**3**

(B) Current lease liability

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Lease liabilities (ROU)	25	19
(refer note 3D)		
Total	**25**	**19**

21. OTHER LONG TERM LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance rental income *(refer footnote (i))*	126	323
Total	**126**	**323**

Footnote(s):

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

Notes on Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

22. PROVISIONS

(A) Non current

(₹ in Lakhs)

Particulars		As at March 31, 2021	As at March 31, 2020
(a)	Provision for employee benefits		
	- Gratuity	1847	1,878
	- Compensated absences	129	78
(b)	Provisions against litigations		
	- Service tax/ Sales tax	345	422
	(refer footnote ii & iii)		
Total		**2321**	**2378**

(B) Current

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
- Gratuity	385	323
- Compensated absences	51	122
- Provision for Income Tax	0	1
Total	**436**	**446**

Footnote(s):

(i) Gratuity and compensated absences have been determined by actuary in terms of Ind AS 19 and accordingly provided. *(for detail refer note 38).*

(ii) Includes provision of service tax of ₹ 345 Lakhs (Previous year : ₹ 345 Lakhs)demanded by Orisa State Beverages Corporation against their liability to Service Tax. The matter is subjudice and adjustment will be made in the year of final decision.

(iii) During the year, in pursuance of acceptance of application filed by the company under "Sabka Vishwas Scheme 2019" at Nil amount against service tax demand of ₹ 200 Lakhs. The Group has expensed off deposit of ₹ 31 Lakhs, reversed the provision of ₹ 49 Lakhs and reduced the contingent liability of ₹ 247 Lakhs.

23. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of Micro and Small Enterprises	46	32
Total outstanding dues of creditors other than Micro & Small Enterprises *(refer footnote (ii))*	6,034	6,739
Total	**6,080**	**6,771**

Footnote(s):

(i) This information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group. This has been relied upon by the auditors. The Group has provided interest on balance of parties outstanding subsequent to the date of the application for registration and not in respect of the period prior to the date of the registration under MSMED Act. 2006.

(ii) Current year figure includes old balances (non-operative) of ₹ 2,061 Lakhs subject to reconciliation. Adjustment, if any, with respect to these trade payable will be carried out after completion of reconciliation process in the next financial year.

Notes on Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

(₹ in Lakhs)

(iii) Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006	As at March 31, 2021	As at March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year		
- Principal amount unpaid	46	32
- Interest due	4	3
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	40	0
- Interest paid beyond the appointed date	2	-
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. (interest calculated on the overdue outstanding at year end)	4	3
The amount of interest accrued and remaining unpaid at the end of the year *(refer note 24)(ii)*	8	4

24. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of long-term borrowings *(refer note 18)*	148	837
Unclaimed matured deposits *(refer footnote (i))*	38	44
Interest accrued but not due	72	87
Interest accrued and due *(refer footnote (ii))*	15	13
Security deposits	2,909	3,304
Employee benefits *(refer footnote (iii))*	874	941
Expenses payable *(refer footnote (iv))*	708	491
Other liabilities	590	155
Total	**5,354**	**5,872**

Footnote(s):

(i) Unclaimed Deposits are not required to be transferred to the Investor Education and Protection Fund (IEPF) in terms of section 125 of the Companies Act, 2013, as these deposits are unclaimed for less than 7 years from the date of their maturity.

(ii) Includes ₹ 8 Lakhs (Previous year : ₹ 4 Lakhs) payable to MSME suppliers.

(iii) Includes ₹ 44 Lakhs (Previous year : ₹ 226 Lakhs) payable to ex-employees on account of full and final settlement which are outstandng for more than one year. Management will review the balances in the financial year 2021-22 and pass the adjustment entry if any on completion of the review.

(iv) Include payables of ₹ 99 Lakhs (Previous year : ₹ 99 Lakhs) related to previous year subject to reconciliation.

Notes on Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

25. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advances from customers	412	1,063
Advances received against assets held for sale *(refer note 15(i))*	4,627	4,627
Statutory dues *(refer footnote (i))*	859	1,289
Other liabilities *(refer footnote (ii))*	232	292
Total	**6,130**	**7,271**

Footnote(s):

(i) Includes provision of custom duty of ₹ 240 Lakhs (Previous year : ₹ 303 Lakhs) in respect of goods in transit and provision of excise duty of ₹ 80 Lakhs (Previous year : ₹ 265 Lakhs) in respect of closing stock of finished goods.

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

26. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Sale of products (gross of excise duty) *(refer note (i))*	31,889	12,683
(b) Sale of services (Job work)	9,310	8,610
(c) Other operating revenues *(refer note (ii))*	522	872
(d) Revenue from franchisee business (refer note (iii))	339	363
Total	**42,060**	**22,528**

Footnote(s):

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) **Sale of products comprises**		
(a) Manufactured goods		
Malt & malt extract	3,217	3,208
Processed milk	2,426	1,158
Liquor	23,517	7,035
Other	1,831	648
	30,991	**12,049**
(b) Traded goods		
Petroleum and its products	825	631
Others	73	3
	898	**634**
	31,889	**12,683**
(ii) **Other operating revenues comprises**		
Royalty	346	420
Duty drawbacks	6	17
Scrap sales	116	121
Bottling charges income	-	-
Miscellaneous income	53	314
Dividend Received	0	
LTCG on sale of investment	1	
	522	**872**

Notes on Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

(₹ in Lakhs)

Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020
(iii)	**Income from franchisee business**		
	The Group has entered into supply agreement with few parties. Under the agreement, parties manufacture at their own cost under supervision of the company and sell the same to retailers (Licencees) on behaf of the company. Revenue is recognised net of cost of goods sold. The gross revenue and cost of goods sold reported are certified by the management as under:		
	Sales from franchisee business	16,093	13,201
	Less : cost of goods sold	15,754	12,838
	Net Revenue	**339**	**363**

27. OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income *(refer footnote (i))*	187	122
Rental maintenance income	302	441
Rent other	4	12
Rent from investment properties	1,629	2,118
Gain on financial instruments at fair value through profit or loss	258	473
Insurance claims	1	9
Liabilities/provisions no longer required written back *(refer footnote (ii)& 22(iii))*	617	1,572
Misc income	1	56
Total	**2,999**	**4,803**

Footnote(s):

(i) Includes interest of ₹ 39 Lakhs (Previous year : ₹ 34 Lakhs) on income tax refund.

(ii) Net of ₹ 68 Lakhs (Previous year : Nil) on account of writing off the advances no longer recoverable.

28. COST OF MATERIAL CONSUMED

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening stock	2,118	2,297
Add: Purchases of raw and packaging materials	18,602	8,693
	20,720	10,990
Less : Closing stock	2,174	2,118
Total	**18,546**	**8,872**

29. PURCHASES OF STOCK-IN-TRADE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Petroleum and its products	805	613
Others	180	5
Total	**985**	**618**

Notes on Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

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

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories at the beginning of the year:		
Work-in-progress	501	436
Finished goods	1,441	1,161
Stock-in-trade	19	21
	1,961	**1,618**
Inventories at the end of the year:		
Work-in-progress	952	501
Finished goods	287	1,441
Stock-in-trade	25	19
	1,264	**1,961**
Decrease/(Increase)	**697**	**(343)**

31. EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus	5,850	4,972
Gratuity & compensation for Leave	186	447
Contribution to provident, family pension fund	316	328
Contribution to employees' state insurance	95	113
Staff welfare expenses	180	134
Total	**6,627**	**5,994**

32. FINANCE COST

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expenses on		
Borrowings	2556	3,085
Security Deposit received *(refer footnote (i))*	260	657
Lease liabilities (ROU)	5	4
Other	151	258
Other borrowing cost *(refer footnote (ii))*	53	207
Total	**3,025**	**4,211**

Footnote(s):

(i) Includes ₹ 26 Lakhs (Previous year : Nil) on account of additional interest on the security deposit received persuant to devlopment of Industrial property at Shahibabad and Nil (Previous year : ₹ 410 Lakhs) on account of full and final settlement with parties from whom security deposit was taken in earlier years.

(ii) Includes Nil (Previous Year : ₹ 82 Lakhs) towards prepayment of loan.

Notes on Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

33. DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of property, plant & equipment	853	883
Depreciation of investment property	45	47
Amortisation of intangible assets	-	2
Amortisation of right-of-use assets	31	33
Total	**929**	**965**

34. OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Manufacturing expenses:		
Consumption of Stores and Spare parts	390	280
Power and Fuel	3,158	3,104
Repairs - Buildings	119	65
Plant and machinery	551	233
Excise Duty *(refer footnote (i))*	(185)	196
Other manufacturing expenses	1,443	980
Administrative & Selling expenses:		
Rent	12	36
Rates & Taxes	787	652
Insurance	126	129
Travelling expenses	59	235
Repairs to building	4	22
Other repairs & maintenance	410	265
Bad debts, advances and stock written off	688	933
Provision for doubtful debts and advances *(refer footnote (ii))*	652	2,976
Provision for obsolete stock	127	146
Fixed assets written off	10	2
Directors' sitting fee	8	10
Security expenses	258	261
Forwarding charges	163	88
Advertisement, publicity and sales promotion	1,804	1,137
Auditor's remuneration *(refer footnote (iii))*	27	29
Legal & professional expenses	233	478
Fair value loss on financial instruments	259	486
Miscellaneous expenses *(refer footnote (iv))*	678	783
Total	**11,781**	**13,526**

Footnote(s):

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

(ii) Net of ₹ 760 Lakhs (Previous year : Nil) on account of reversal of provision related to earlier years.

Notes on Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

(iii) **Payment to auditor**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
As auditor		
For audit	21	21
For income tax audit	4	4
For limited review	2	2
Out of pocket expenses	-	2
	27	**29**

(iv) Includes IT Expenses ₹ 31 Lakhs (Previous year : ₹ 33 Lakhs), Trade Subscription ₹ 29 Lakhs (Previous year : ₹ 26 Lakhs), Printing & Staionery ₹ 36 Lakhs (Previous year : ₹ 20 Lakhs), Festival Exps ₹ 22 Lakhs (Previous year : ₹ 12 Lakhs), Prior period expenses ₹ 2 Lakhs (Previous year : Nil), Tax paid on perquisite of senior employee ₹ 20 Lakhs (Previous Year : ₹ 24 Lakhs).

35. EXCEPTIONAL ITEMS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Loan no longer required	-	6,979
Profit on sale of property, plant and equipment	38	111
Capital advances written off	-	(2,970)
Impairment of Goodwill	-	(1,249)
Prior period items	-	(38)
Total	**38**	**2,833**

36. EARNINGS PER SHARE (EPS)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net Profit/(Loss) attributable to shareholders (₹ in Lakhs)		
From continuing operations	199	(4,398)
From discontinued operations	291	(61)
Total	490	(4,459)
Weighted average number of equity shares in issue (Nos)	43,648,112*	43,648,112*
Basic/Diluted earnings per share of ₹ 10/- each (₹)		
From continuing operations	0.45	(10.08)
From discontinued operations	0.67	(0.14)
Total basic and diluted earnings per share	1.12	(10.22)

Footnote(s):

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

* The preferential allotment of 2,500,000 equity shares, having no right to dividend has not been considered in the above computation of EPS (Refer footnote 16 (ii)c)).

Notes on Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

37. CONTINGENT LIABILITIES:

(₹ in Lakhs)

		As at March 31, 2021	As at March 31, 2020
(a)	Claim against the company not acknowledged as debt :		
	Service tax *(refer footnote (i))*	142	389
	Sales tax /VAT *(refer footnote (ii))*	1,314	1,296
	Employee state insurance/others *(refer footnote (iii))*	214	214
	Others *(refer footnote (iv))*	147	22
	Total	**1,817**	**1,921**

Footnote(s) :

(i) Service tax

(a) Demand of service tax under service of supply of tangible goods ₹ 124 Lakhs (Previous year : ₹ 124 Lakhs).

(b) Demand of service tax and penalty under management, maintenance and repair services ₹ 18 Lakhs (Previous year : ₹ 18 Lakhs).

(c) Refer note 22(iii) regarding reduction of liability on account of availment of Sabka Vishwas Scheme 2019.

(ii) Sales tax / VAT

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

(b) Demand of sales tax & penalty under Telangana VAT Act on account of VAT on royalty ₹ 103 Lakhs (Previous year ₹ 103 Lakhs).

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

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

(e) Demand of sales tax under Ranchi VAT Act Assessment for FY 2013-14 Nil (Previous year : ₹ 20 Lakhs).

(f) Demand for disallowance of ITC on purchase of rice flour ₹ 108 Lakhs (Previous year : ₹ 108 Lakhs).

(g) Demand of sales tax under Ranchi VAT Act Assessment for FY 2014-15 Nil (Previous year : ₹ 4 Lakhs).

(h) Demand of sales tax under Ranchi VAT Act Assessment for FY 2015-16 ₹ 65 Lakhs (Previous year : Nil).

(i) Demand of sales tax under Ranchi VAT Act Assessment for FY 2016-17 ₹ 8 Lakhs (Previous year : Nil).

(j) Demand of ₹ 629 Lakhs (Previous year : ₹ 797 Lakhs) on account of non credit of deposited challans from Commercial taxes department, Rajasthan. Management is hopeful that entire demand will be cancelled shortly.

(k) Demand of ₹ 38 lacs against Excise audit at UG covering period of April 2014 to June 2017 (Previous year : Nil).

(l) Notice of Demand received from Commercial tax Office Jammu related to FY 2015-16 for ₹ 90 Lakhs (Previous year : Nil).

(m) Notice of Demand received from Commercial tax Office Jammu related to FY 2016-17 for ₹ 13 Lakhs (Previous year : Nil).

(iii) Employee state insurance/employee related

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

(b) Employees related claims ₹ 208 Lakhs (Previous year : ₹ 208 Lakhs).

(iv) Others

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

(b) Claim of ₹ 125 Lakhs (Previous year : Nil) by a supplier in respect of services provided in earlier years which is denied as supplier has not fulfilled the terms and conditions.

(c) There are certain claims against the Group relating to usage of trade mark etc., which have not been acknowledged as debts. The quantum and outcome of such claims is not ascertainable at this stage.

(v) 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.

Notes on Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

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

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

38. EMPLOYEE BENEFITS

The Group has classified various employee benefits as under:

(A) Defined contribution plans

During the year, the Group has recognised the following amounts in the statement of profit and loss:

(₹ in Lakhs)

Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020
(i)	Employers' contribution to provident fund	316	328
(ii)	Employers' contribution to employees' state insurance	95	113

Included in 'Contribution to Provident, Family Pension and 'Employees' State Insurance (Refer Note 30)

(B) Defined benefit plans

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

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

(₹ in Lakhs)

			Year ended March 31, 2021		Year ended March 31, 2020	
			Compensated absence	Gratuity	Compensated absence	Gratuity
(i)	**Assumptions**					
	(a)	Discount rate	6.74%	6.74%	6.74%	6.74%
	(b)	Rate of increase in compensation levels	10%	10%	10%	10%
	(c)	Rate of return of plan assets	N.A.	N.A.	N.A.	N.A.
	(d)	Expected average remaining working lives of employees (in years)	12.41	14.47	12.55	15.04
(ii)	**Change in the Present Value of Obligation**					
	(a)	Present value of obligation as at biginning of the year*	200	2,201	329	1915
	(b)	Interest cost	13	143	24	136
	(c)	Current/Past service cost	60	126	37	127
	(d)	Benefit paid	(12)	(164)	(35)	(255)
	(e)	Actuarial (gain)/loss on obligations	(82)	(74)	(155)	278
	(f)	Present value of obligation as at end of the year	179	2,232	200	2201

Notes on Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

(₹ in Lakhs)

			Year ended March 31, 2021		Year ended March 31, 2020	
			Compensated absence	Gratuity	Compensated absence	Gratuity
(iii)	**Amount recognised in the Balance Sheet**					
	(a)	Present value of obligation as at end of the year	179	2,232	200	2,201
	(b)	Fair Value of Plan Assets as at the year end	-	-	-	-
	(c)	(Asset) / Liability recognised in the Balance Sheet	179	2,232	200	2,201
	Net liabilities recognised in the Balance Sheet accounted for as below:					
	Provision non current (Refer Note 22 A)		129	1,847	78	1878
	Provision current (Refer Note 22 B)		51	385	122	323
(iv)	**Expenses recognised in the Statement of Profit and Loss**					
	(a)	**Under Profit & Loss**				
		Current/Past service cost	60	126	37	127
		Interest cost	13	143	24	136
		Acturial (gain)/loss on obligations	(82)	-	(155)	-
			(9)	**269**	**(94)**	**263**
	(b)	**Remeasurement-other comprehensive Income (OCI)**	0	(74)	-	278
	(c)	**Total Expenses recognised in the Statement of Profit and Loss**	**(9)**	**196**	**(94)**	**541**

(v) **Sensitivity analysis:**

(₹ in Lakhs)

	For the year ended March 31, 2021			
	Compensated absence		Gratuity	
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	(7)	7	(99)	108
Salary increase rate	7	(7)	107	(100)
Employee attrition rate	0	(0)	3	(3)

(₹ in Lakhs)

	For the year ended March 31, 2020			
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	(4)	5	(101)	111
Salary increase rate	4	(4)	110	(102)
Employee turnover	0	(0)	3	(3)

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

Notes on Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

39. RELATED PARTY DISCLOSURES

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

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

Description of relationship	Names of related parties
Associates	Hyderabad Distilleries & Wineries Pvt. Ltd.
Promoters, Key Management Personnel and their relatives:	Mr. Ravi Manchanda (Managing Director) Mr. Anil Vanjani (CEO and w.e.f. 01.06.2021 CEO & CFO) Mr. Anil Girotra (CFO, retired on 01.04.2021) Mr Roopesh Kumar (Company Secretary) Mr. Karamjit Singh Jaiswal Ms. Roshni Sanah Jaiswal
Director	Mrs. Kiran Kapur Mrs. Anjali Varma Ms. Sonya Jaiswal (resigned w.e.f. 09.11.2020) Mrs. Sushma Sagar Ms. Vidhi Goel (w.e.f. 18.01.2021) Mrs. Asha Saxena
Enterprises over which Major shareholders, Key Management Personnel and their relatives have significant influence / control :	Milkfood Ltd. Fast Buck Investments & Trading Pvt. Ltd. Corporate Facility Management Galaxy Pet Packaging Pvt. Ltd. Quick Return Investments Company Ltd. Double Durable Investments Ltd. Devyani Construction Pvt. Ltd. Blue Skies Investments Private Limited Palm Beach Investments Private Limited Ashwa Buildcon Limited Hybrid Holdings Pvt Ltd

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

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) Associates		
Hyderabad Distilleries & Wineries Pvt. Ltd.		
Payments made on behalf of Associate	4	7
Repayment of loan by Associate on behalf of company	-	3,071
Loan taken	35	2,408
Repayment of loan to HDWPL	49	492
Loan written back	-	6,979
(ii) Promoters, Key Management Personnel, director and their relatives:		
(a) Mr. Ravi Manchanda		
Managerial remuneration	36	36
Refund of advance	-	13
Loan Recd	700	-
Loan Repaid	700	-

Notes on Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

(₹ in Lakhs)

Particulars			For the year ended March 31, 2021	For the year ended March 31, 2020
	(b)	Mr Anil Vanjani		
		Managerial remuneration	157	61
		Advance given	-	1
		Refund of advance	1	-
	(c)	Mr. Anil Girotra		
		Managerial remuneration	116	128
		Refund of advance	12	12
	(d)	Mr. Kewal Krishan Kohli		
		Managerial remuneration	-	25
	(e)	Ms. Roshni Sanah Jaiswal		
		Remuneration	94	98
		Advance given	-	25
		Refund of advance	224	4
		Interest income on advance	18	18
		Payment on behalf of company	7	53
	(f)	Mr. Karamjit Singh Jaiswal		
		Remuneration	-	60
		Refund of advance	-	1
	(g)	Mr. Roopesh Kumar		
		Managerial remuneration	18	17
	(h)	Mrs Kiran Kapur		
		Sitting fee paid	2	2
	(i)	Mrs. Anjali Varma		
		Sitting fee paid	1	2
	(j)	Ms. Sonya Jaiswal		
		Sitting fee paid	1	3
	(k)	Mrs. Sushma Sagar		
		Sitting fee paid	1	1
	(l)	Mrs. Asha Saxena		
		Sitting fee paid	2	2
	(m)	Ms. Vidhi Goel		
		Sitting fee paid	0	-
(iii)	**Enterprises over which Major shareholders, Key Management Personnel and their relatives have significant influence / control :**			
	(a)	Milkfood Ltd.		
		Reimbursement of payments made on behalf of company	9	16
		Advance recd agst building renovation & rent	-	100
		Rental income	41	41
		Decapitalisation of building rennovation amount capitalised in earlier year	-	59
		Rent Paid	1	-
		Purchase/services received	1	12
	(b)	Corporate Facilities Management		
		Maintenance charges paid	226	215

Notes on Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(c) Galaxy Pet Packaging Pvt. Ltd.		
Loan taken	-	6
Repayment of loan	5	-
Sale of investment in Pref. Share	-	18
Interest paid	0	1
(d) Quick Return Investment Company Ltd.		
Loan taken	-	182
Repayment of loan	51	14
Sale of investment in Pref. Share	-	81
Interest paid	17	15
(e) Double Durable Investments Ltd.		
Loan taken	-	8
Repayment of loan	4	2
Sale of investment in Pref. Share	-	18
Interest paid	1	1
(f) Devayani Construction Pvt. Ltd.		
Loan taken	-	500
Repayment of loan	-	500
Interest paid	-	26

(C) Outstanding balance as at end of the year

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) Associates		
Hyderabad Distilleries & Wineries Pvt. Ltd.		
Inter corporate loan	(86)	(104)
(ii) Key Management Personnel and their relatives:		
Mr. Ravi Manchanda		
Receivable	27	26
Mr. Anil Vanjani		
Receivable	0	1
Mr. Anil Girotra		
Receivable	227	239
Mr. Karamjit Singh Jaiswal/Mrs. Shakun Jaiswal		
Receivable/(Payable)	(20)	(20)
Ms. Roshni Sanah Jaiswal		
Receivable	-	213
(iii) Enterprises over which major Shareholders, Key Management Personnel and their relatives have significant influence / Control		
Milkfood Ltd.		
Receivable/(Payable)	4	(35)
Fast Buck Investments & Trading Pvt. Ltd.		
Receivable/(Payable)	(8)	(8)

Notes on Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Galaxy Pet Packaging Pvt. Ltd.		
Receivable/(Payable)	(2)	(6)
Quick Return Investments Company Ltd.		
Receivable/(Payable)	(146)	(181)
Double Durable Investments Ltd.		
Receivable/(Payable)	(3)	(7)
Devyani Construction Pvt. Ltd.		
Receivable/(Payable)	(23)	(23)
Blue Skies Investments Private Limited		
Receivable/(Payable)	2	2
Palm Beach Investments Private Limited		
Receivable/(Payable)	3	3
Snowwhite Holdings Private Limited		
Receivable/(Payable)	1	1
Hybrid Holdings Pvt Ltd		
Receivable/(Payable)	(2)	(2)
Ashwa Buildcon Limited		
Receivable/(Payable)	0	(0)
Corporate Facilities Management		
Receivable/(Payable)	(15)	-

Footnote(s) :

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

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

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

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

40. SEGMENT INFORMATION

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

Beverages: Segment includes manufacturing and supply of Grain Based Extra Nutural Alcohol, bottled Indian Made Foreign Liquor, Country Liquor, Industrial Alcohol, licensing use of its IMFL brands and Sanitizer.

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

Others: Segment includes sale of Petroleum products.

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

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

(b) The respective company's CODM does not review assets and liabilities for each operating segment separately, hence segment disclosures relating to total assets and liabilities have not been furnished.

Notes on Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

(A) Segment information

(₹ in Lakhs)

		Beverages		Food		Others		Total	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
(i)	**Segment revenue**								
	Sales, services and other income	25,712	8,477	15,517	13,420	830	631	42,059	22,528
	Less : Excise duty	(2,295)	(461)	-	-	-	-	(2,295)	(461)
	Inter segment sales	-	-	-	-	-	-	-	-
	Unallocated income	-	-	-	-	-	-	-	-
	Total revenue	**23,417**	**8,016**	**15,517**	**13,420**	**830**	**631**	**39,764**	**22,067**
(ii)	**Segment results**								
	Segment results	111	(4,429)	3,012	1,394	11	(5)	3,134	(3,040)
	Unallocated expenditure								
	Other unallocable expenditure net of unallocable income							(65)	(278)
	Finance cost							3,025	4,211
	Profit/(Loss) before exceptional items							**174**	**(6,973)**
	Exceptional items							38	2,833
	Add : Share of Net Profit/(Loss) of Associates							(13)	477
	Profit/ (Loss) before tax (from continous operations)							**199**	**(3,663)**
	Profit/(Loss) from discountining operations							291	(61)
	Profit/(Loss) before Tax							**490**	**(3,724)**
	Less: Tax expense							-	735
	Profit/ (Loss) after tax							**490**	**(4,459)**

(B) Information about geographical areas:

(₹ in Lakhs)

		2020-21	2019-20
(i)	**Revenue (excluding excise duty)**		
	Within India	35,202	21,591
	Outside India	4,562	476
	Total	**39,764**	**22,067**
(ii)	**Non-current operating assets** *(refer footnote (ii))*		
	Within India	37,309	37,306
	Outside India	-	-

Footnote(s) :

(i) Food segment represents revenue from one customer (Previous year : one customer).

(ii) Non-current assets represent property, plant and equipment, capital work-in-progress and intangibale assets.

Notes on Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

41. The Group has discontinued its operation for Packaging Division with effect from April 1, 2014.The disclosures as required under Indian Accounting Standard - 105 are given below.

(₹ in Lakhs)

		For the year ended March 31, 2021	For the year ended March 31, 2020
(A)	**Revenue**		
	Miscellaneous Income *(Refer footnote (i))*	291	4
	Interest Income	0	1
	Liabilities/provisions no longer required written back	22	84
	Total revenue	**313**	**89**
(B)	**Expenses**		
	Employee benefits expenses		
	Salaries, Wages, Bonus and Gratuity	7	7
	Other expenses		
	Power and fuel	-	-
	Rates & taxes	8	13
	Insurance	-	-
	Travelling expenses	0	0
	Other repairs & maintenance	0	1
	Bad Debts, Advances and Stock written off	-	81
	Provision for Doubtful Debts and advances	-	20
	Security Expenses	5	5
	Legal & professional expenses	1	2
	Miscellaneous expenses	1	21
	Total expenses	**22**	**150**
	Profit/(Loss) for the year (A - B)	**291**	**(61)**
	Less: Tax expense	**-**	**-**
	Profit/(Loss) after tax for the year	**291**	**(61)**
	Total Assets	**46**	46
	Total Liabilities	**4,925**	4,655
	Cash Flow from discontinuing operations included in above		
	- **Operating activities**	**1**	(105)
	- **Investing activities**	**-**	100
	- **Financing activities**	**-**	-

(i) Represent amount received from Gail (India) Ltd. on account of excess tariff charges paid in respect of supply of LNG (Gas) in earlier years.

42. FAIR VALUE

Fair value measurement:

(i) All the financial assets and financial liabilities of the Group are carried at amortised cost except investment. Investments are carried at fair value.

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

43. CAPITAL MANAGEMENT

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

Notes on Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

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

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Non-current borrowings	21,169	20,006
Current maturities of non-current borrowings	981	981
Current borrowings	266	217
Less: Cash and cash equivalents	603	1,100
Less: Other bank balances	505	7
Net debt	**21,308**	**20,097**
Equity share capital	4,615	4,615
Other equity	455	(109)
Total capital	**5,070**	**4,506**
Gearing ratio	**420%**	**446%**

The Group aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements.There have been no breaches in the financial covenants of any interest-bearing borrowings in the current year.

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise borrowings, trade and other payables for running the business of the Company.The Group's principal financial assets include investments, trade and other receivables, cash and cash equivalents, bank balances and security deposits that are out of regular business operations.

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

(a) Market risk

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

i. Interest rate risk

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

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

	March 31, 2021		March 31, 2020	
	1% increase	*1% decrease*	*1% increase*	*1% decrease*
Impact on profit before tax	(224)	224	(257)	257

ii. Foreign currency risk

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

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

iii. Commodity price risk

The Group is affected by the price volatility of certain commodities. The Group's long standing relationships with most suppliers ensure steady availability of raw materials at competitive prices.

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty default on its obligations. The Group's exposure to credit risk arises majorly from loan, advances, trade and other receivables. Other financial assets like security deposits and bank deposits are mostly with government authorities and nationalised banks and hence, the Group does not expect any

Notes on Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

credit risk with respect to these financial assets. With respect to trade receivables, some portion includes dues from state government corporations, risk is limited and considered insignificant by the management. In respect of sale made to other than state government corporation, Group provides expected credit loss on the basis of ageing of trade receivable instead of method of ECL as prescribed in Ind AS 109. Total amount of provision against trade receivable, loan & advances on reporting date is ₹ 9,065 Lakhs.

(c) Liquidity risk

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

(₹ in Lakhs)

	Maturities				Total
	Upto 1 year	1-2 years	2-3 years	Above 3 years	
As at March 31, 2021					
Non-current borrowings	-	227	429	20,513	21,169
Non-current other financial liabilities		2,180	581	46	2,807
Current borrowings	266	-	-	-	266
Trade payables	6,080	-	-	-	6,080
Lease Liabilities	25	51	-	-	76
Other financial liabilities	5,354	-	-	-	5,354
Total	**11,725**	**2,458**	**1,010**	**20,559**	**35,752**
As at March 31, 2020					
Non-current borrowings	-	691	314	19,001	20,006
Non-current other financial liabilities		660	2,688	-	3,348
Current borrowings	217	-	-	-	217
Trade payables	6,770	-	-	-	6,770
Lease Liabilities	19	3	-	-	22
Other financial liabilities	5,872	-	-	-	5,872
Total	**12,878**	**1,354**	**3,002**	**19,001**	**36,235**

45. OTHER INFORMATION

(i) In view of the un-used tax losses/book losses, no provision of Income Tax has been made during the year. In absence of convincing evidence of future taxable profits, the Group has not recognised deferred tax asset during the year.

(ii) The outbreak of Covid - 2019 continues to cause significant disturbances and slowdown of economic activities globally. With the relaxations granted by the State Government of Punjab in the restrictions/lockdown,the operations of the distillery and food division were resumed from April 11, 2020. Further Group launched new product "Hand sanitizer" and entered into arrangements with various parties for manufacture/procurement of hand sanitizers for sale and distribution. However due to lower margin, Group has focused on manufacturing on job work basis for others. The Group expects earning of reasonable revenue in next financial year. Further Post COVID-19, the rental income of investment property is reduced by ₹ 498 Lakhs during the year due to vacancy/reduction in the rental. The likely financial impact would be reduction in future income by ₹ 426 Lakhs on annualised basis in next years. 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 in future economic conditions. Given the uncertainities, the final impact on Group's assets in future may differ from that estimated as at the date of approval of these financial results.

(iii) Search operations were conducted at Head Office of the Holding Company on August 24, 2020 u/s 67(2) of the CGST Act, 2017. The Company has submitted/provided all documents/explanations against summons issued u/s 70 of the CGST Act, 2017 and no adverse observation/demand is received so far.

(iv) The Internal Auditor has raised the issue of reversal of GST Input credit per Rule 42 of CGST Rule, 2017, Management is looking into the same and will take the appropriate action within the next financial year.

Notes on Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

(v) Enterprises consolidated as subsidiary in accordance with Indian Accounting Standrad 110 - Consolidated Financial Statements.

Name of the Subsidiary Company	Country of incorporation	As on March 31, 2021	As on March 31, 2020
JIL Trading Pvt. Ltd	India	100%	100%
S.R.K. Investments Pvt. Ltd.	India	100%	100%
Sea Bird Securities Pvt. Ltd.	India	80%	80%
L.P. Investments Ltd.	India	98.26%	98.26%
Yoofy Computech Pvt Ltd	India	99.99%	99.99%
Natwar Liquors Pvt Ltd	India	100.00%	100.00%

(vi) Significant Enterprises consolidated as Associates in accordance with Indian Accounting Standard 28 - Investment in Associates and Joint Ventures

Name of the Associates	Country of incorporation	As on March 31, 2021	As on March 31, 2020
Hyderabad Distilleries & Wineries Pvt. Ltd	India	33.16%*	33.16%*

*held through subsidiary

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

(vii) Additional information as required by Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/ Associates:

Summary of Net Assets, Share in consolidated profit and share in Other Comprehensive income

	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount (₹ in Lakhs)	As a % of consolidated net loss	Amount (₹ in Lakhs)	As a % of consolidated other comprehensive Income	Amount (₹ in Lakhs)	As a % of consolidated total comprehensive income	Amount (₹ in Lakhs)
31-Mar-2021								
Parent :								
Jagatjit Industries Ltd	100.12	4,612	100.08	503	100	74	(99.73)	577
Subsidiary :								
JIL Trading Pvt Ltd	(0.19)	(9)	(0.05)	(0)			(0.00)	(0)
S.R.K. Investments Pvt Ltd	(0.07)	(3)	(0.02)	(0)			(0.01)	(0)
Sea Bird Securities Pvt Ltd	(0.06)	(3)	0.03	0			(0.00)	0
L.P. Investments Ltd	(3.71)	(171)	0.09	0			(0.23)	0
Natwar Liquors Pvt Ltd	0.01	0	(0.06)	(0)			(0.02)	(0)
Yoofy Computech Pvt Ltd	(0.01)	(0)	(0.07)	(0)			(0.01)	(0)
Sub Total	**96.09**	**4,426**	**(100.00)**	**503**	**100**	**74**	**(100.00)**	**577**
Inter-Company Elimination & Consolidation Adjustments	3.91	180					-	-
	100.00	**4,606**						**577**
Non-controlling interest in subsidiary		**(4)**						
Share of profit/(loss) in Associate		464						(13)
Total		**5066**						**564**

Notes on Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount (₹ in Lakhs)	As a % of consolidated net loss	Amount (₹ in Lakhs)	As a % of consolidated other com-prehensive Income	Amount (₹ in Lakhs)	As a % of consolidated total com-prehensive income	Amount (₹ in Lakhs)
31-Mar-20								
Parent :								
Jagatjit Industries Ltd	100.08	4035	(99.72)	(4,887)	100	(278.00)	(99.73)	(5,165.00)
Subsidiary :								
JIL Trading Pvt Ltd	(0.19)	(8)	(0.00)	(0)			(0.00)	(0)
S.R.K. Investments Pvt Ltd	(0.07)	(3)	(0.01)	9			(0.01)	9
Sea Bird Securities Pvt Ltd	(0.05)	(2)	(0.00)	(0)			(0.00)	(0)
L.P. Investments Ltd	(4.24)	(171)	(0.24)	(12)			(0.23)	(12)
Natwar Liquors Pvt Ltd	0.01	1	(0.02)	(1)			(0.02)	(1)
Yoofy Computech Pvt Ltd	0.00	-	(0.01)	(1)			(0.01)	(1)
Sub Total	**95.54**	**3,852**	**(100.00)**	**(4,892)**	**100**	**(278)**	**(100.00)**	**(5,170)**
Inter-Company Elimination & Consolidation Adjustments	4.46	180					-	1,205
	100.00	**4,032**						(3,965)
Impairment of Goodwill (on account of consolidation)								(1,249)
Non-controlling interest in subsidiary		**(4)**						
Share of profit/(loss) in Associate		474						477
Total		**4,502**						**(4,737)**

(viii) Previous year figures have been reclassified/regrouped wherever necessary to corrospond with current year's classification.

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(All amount ₹ in Lacs unless otherwise stated)

Sl. No.	Particulars	Details	Details	Details	Details	Details	Details
1	**Name of the subsidiary**	**JIL Trading Private Limited**	**L.P. Investments Limited**	**Sea Bird Securities Private Limited**	**S. R. K. Investments Private Limited**	**Yoofy Computech Private Limited**	**Natwar Liquors Private Limited**
2	Reporting period	March 31, 2021	March 31, 2021	March 31,2021	March 31,2021	March 31,2021	March 31,2021
3	Share Capital	1.00	1038.25	1.00	1.00	1.00	1.00
4	Reserves & Surplus	(9.69)	(1212.96)	(3.71)	(4.27)	(1.31)	(0.58)
5	Total Assets	2.02	13.59	81.00	0.31	0.02	0.63
6	Total Liabilities	2.02	13.59	81.00	0.31	0.02	1.00
7	Investments	-	1.83	81.00	-	-	(0.58)
8	Turnover	0.13	1.00	0.44	0.19	-	-
9	Profit Before Taxation	(0.25)	(0.43)	(0.14)	(0.11)	(0.35)	(0.28)
10	Provision for Taxation	-	-	-	-	-	-
11	Profit After Taxation	(0.25)	(0.43)	(0.14)	(0.11)	(0.35)	(0.28)
12	Proposed Dividend	-	-	-	-	-	-
13	% of shareholding	100.00	98.26	80.00	100.00	99.99	100.00

Notes :

1. Names of subsidiaries which are yet to commence operations - Nil
2. Name of subsidiary which has been liquidated or sold during the year - Nil

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(All amount ₹ in Lacs unless otherwise stated)

Sl. No.	Name of associate	Hyderabad Distilleries and Wineries Private Limited
1.	Latest audited Balance Sheet Date	March 31, 2021
2.	Shares of Associate held by the Company at the year end :	
	(i) Number of Shares	3124*
	(ii) Amount of Investment	3.12*
	(iii) Extent of holding %	32.88*
3.	Description of how there is significant influence	*
4.	Reason why the associate is not consolidated	Consolidated
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	460.49
6.	Profit/Loss for the year	
	i. Considered in Consolidation	(13)
	ii. Not considered in Consolidation	(28)

* The Company holds 1,650 equity shares of ₹ 100/- each aggregating to ₹ 1,65,000. M/s L. P. Investments Limited, (a subsidiary Company in which Jagatjit Industries Limited holds 98.26% of capital) is holding 1,500 equity shares of ₹ 100 each aggregating to ₹ 1,50,000 (the indirect holding of the Company amounts to 1,474 equity shares). Taken together, direct and indirect holding of the Company aggregates to 3,124 equity shares of ₹ 100/- each amounting to ₹ 3,12,400 which is 32.88% of the Share Capital of M/s Hyderabad Distilleries and Wineries Private Limited.

Notes :

1. Names of associates or joint ventures which are yet to commence operations – Nil
2. Names of associates or joint ventures which have been liquidated or ceased during the year – Nil

Date : June 30, 2021
Place : New Delhi

Roopesh Kumar
Company Secretary

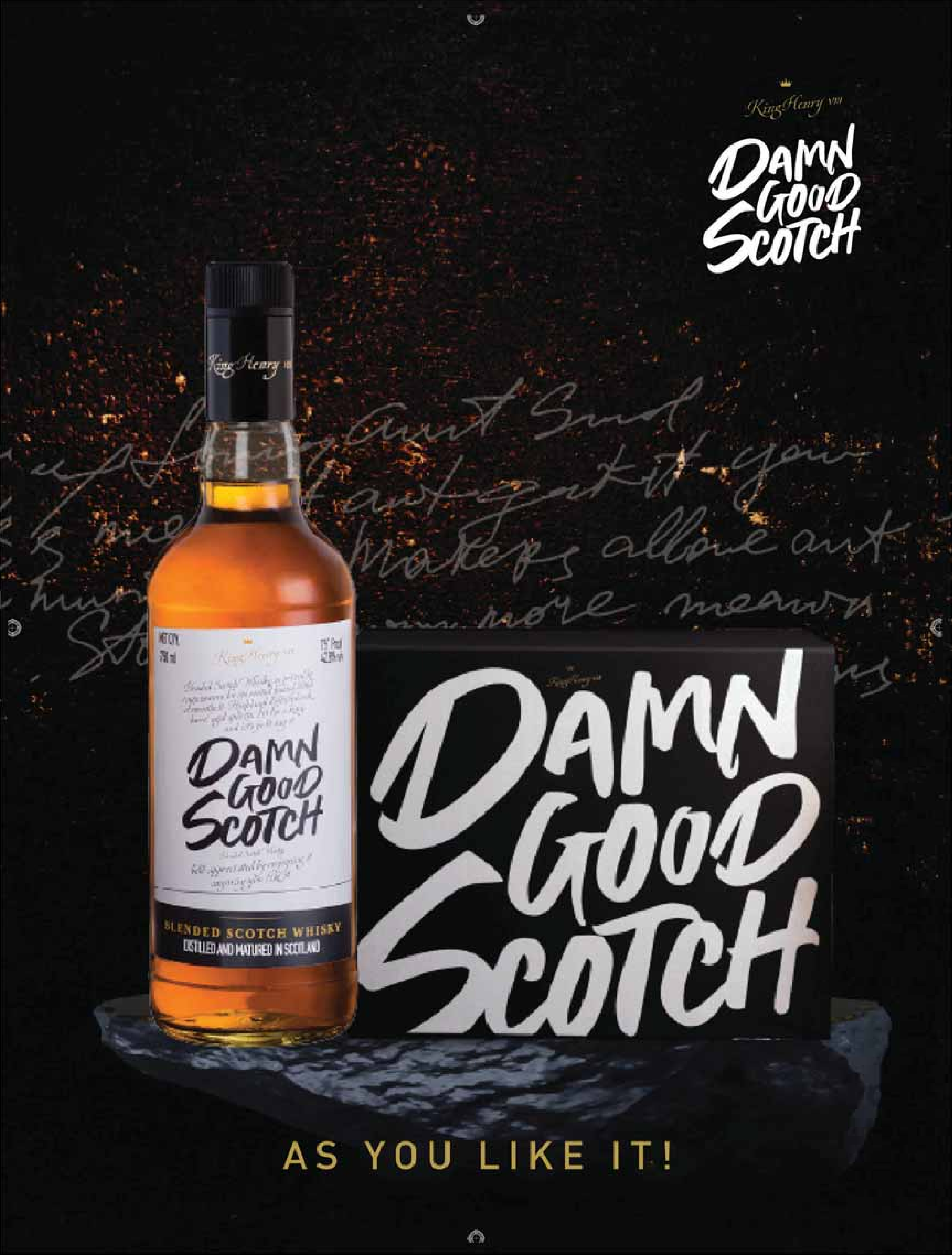
Anil Vanjani
Chief Executive Officer & CFO

Ravi Manchanda
Managing Director
DIN: 00152760

Anjali Varma
Director
DIN : 01250881

Notes

Notes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