Jagatjit Industries Limited

4th Floor, Bhandari House 91,
Nehru Place, New Delhi – 110019
Tel: +91 11 26432641 / 42
Fax: +91 11 41618524 / 26441850

The BSE Limited,
Corporate Relationship Department,
1st Floor, New Trading Ring,
Rotunda Building, P.J. Towers, Dalal Street,
Fort, Mumbai- 400 001
022-22723121, 2037, 2061

6th September, 2022

Sub : Annual Report for Financial Year ended on 31st March, 2022
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, 2022.

The same is for your information and records.

Thanking you,

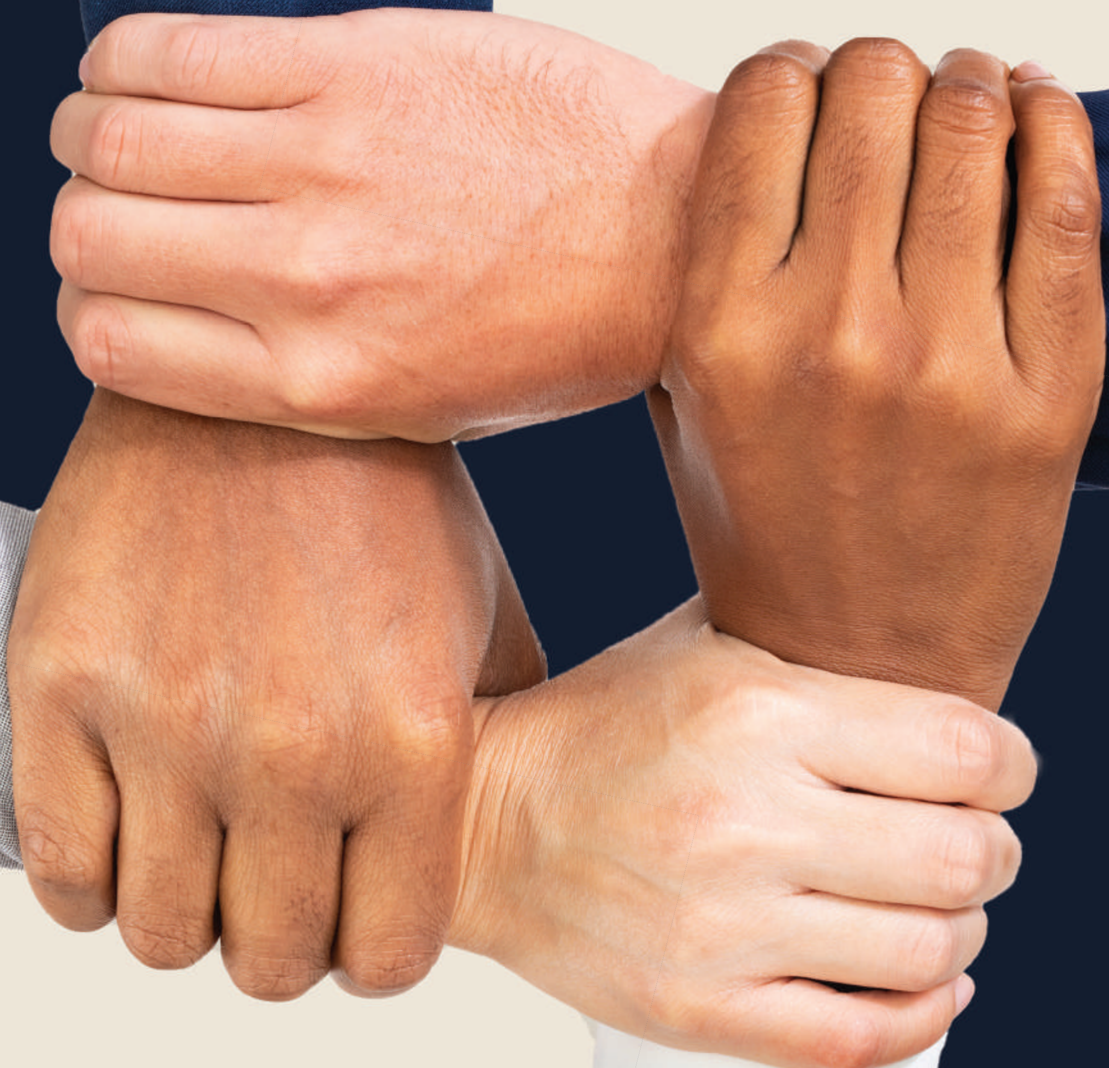
Yours faithfully,
For JAGATJIT INDUSTRIES LIMITED

JAGATJIT INDUSTRIES LTD. New Delhi

Roopesh Kumar
Company Secretary

Encl : as above

OUR SUCCESS IS OUR TEAM



Annual Report

2021-2022

JAGATJIT INDUSTRIES LIMITED

INSIDE STORIES

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.

OUR SUCCESS IS OUR TEAM

At Jagatjit Industries Limited, we believe that effective teamwork is one of the key factors that contributes to a company's success. Our ability to hire the right people and shape them into a team focused on results has been one of the main reasons for our success.

We constantly support one another and work collaboratively to overcome all challenges & barriers in order to achieve unified success and deliver more value for our customers, shareholders & other stakeholders.

Being one of the key players in the industry, we continue to carve our own path to success. The latest accomplishments are truly the product of our collaborative efforts and never ending pursuit to remain focussed on sustainability.

Our diverse portfolio of iconic brands, superior quality, large franchise and consumer base are the company's strengths backed by efficient business practices.
Throughout, we have worked hard to ensure sustainability, which has allowed us to expand our business further and faster.

ABOUT US

Founded in the year 1944 with a heritage spanning over 78 years, Jagatjit Industries Limited is one of the most prominent companies manufacturing IMFL (Indian Made Foreign Liquor) & CL (Country Liquor) in India.

Manufacturing Quality

In line of our commitment to maintain the product quality and consistent consumer experience, we are a FSSC 22000 – Food Safety Systems Certified Company. We strive to provide our customers with premium brands and superior quality at affordable prices.

Sustaining Legacy

We hold the unique distinction of being one of Asia's largest integrated distilleries manufacturing alcoholic beverages and producing malt spirit. Two fundamental tenets of our business are ensuring quality and customer delight. These values are also ingrained in the DNA of our brands.

National Presence

We have a state-of-the-art manufacturing base in Jagatjit Nagar, Kapurthala District, Punjab along with our other modern manufacturing unit in Behror, Rajasthan. We also have collaborations with bottlers all over India giving us a truly national presence.

Constant Evolution

We believe in embracing modernization, redefining our methodologies and reinvigorating our brands to keep up with the evolving trends. Over the years, we have maintained the richness of our heritage and adapted to the dynamism of the digital age to deliver more value for our customers, shareholders and other stakeholders.

Living Our Philosophy

Our guiding philosophy, "A Heritage of Quality" permeates every aspect of our operations; quality in manufacturing, technology and relationships with its employees, dealers, customers and other stakeholders.

Elaborate Portfolio

As one of the largest IMFL (Indian Made Foreign Liquor) players in the country, we manufacture an entire range of alcoholic beverages i.e. Scotch, Whisky, Vodka, Gin, Rum & Brandy keeping in mind our promise – 'To provide superior products to the customers at an affordable price'.

VISION STATEMENT

Iconic Impactful brands that always make you feel better

Our Manufacturing Capacities

40	**7.2** Million Cases Per Annum	**4.2** Million Cases Per Annum	**42,600** MT Per Annum	**13,800** MT Per Annum	**FSSC** 22000
Total Liquor Brands	Indian Manufactured Foreign Liquor	Country Liquor	Malted Milk Food	Malted Extract	Food Safety Systems Certified

Our Core Values

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

KEY VERTICALS

IMFL (Indian Made Foreign Liquor):

- One of the largest IMFL players in the country
- Manufacturing an entire range of alcoholic beverages i.e. Scotch, Whisky, Vodka, Gin, Rum & Brandy
- We have a solid distribution network across India and global markets

Malted Milk Food and Malt Extract:

- Producing high-quality food and distillery grade malt with the best barley to meet intrinsic demand and boost sales
- Contract with Hindustan Unilever Limited for producing their popular malted milk food brands ‘Boost’ & ‘Horlicks’
- Forayed into Institutional sales with the launch of Milkfood Smart Milk (Malted Milk Food with Cocoa)

Distillery:

- Production of high quality ethanol for alcoholic beverages
- Cutting-edge manufacturing base located in Jagatjit Nagar, Punjab & our other modern manufacturing unit in Behror, Rajasthan
- Extensive distribution across India and global markets

Country Liquor (CL) & Rajasthan Made Liquor (RML):

- Producing high-quality Country Liquor in the state of Punjab & Rajasthan
- Obtained licenses for manufacturing & distribution of RML (Rajasthan Made Liquor) across Rajasthan

Real Estate:

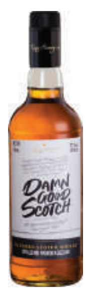
- Leasing of owned real estate properties on rent
- Own around 2 lac sq. ft. property in Gurugram, Haryana spread across 4 acres of plot and around 23,000 sq. ft. property at Ashoka Estate, Connaught Place, New Delhi

OUR ICONIC BRANDS

We have an exquisitely crafted brand portfolio keeping in mind the need state of the consumers and our constant desire to strengthen our position and market share across the globe.

The company's focus brands in the Alco-Bev sector are Aristocrat Premium, AC Black, Royal Pride & Damn Good Scotch.

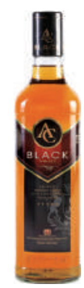
SCOTCH



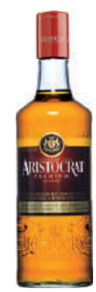
King Henry
Damn Good Scotch

WHISKY

Royal Pride
Exquisite Whisky

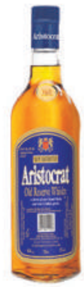


AC Black
Whisky



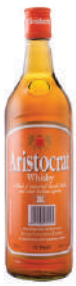
Aristocrat
Premium Whisky

AC Neat
Whisky



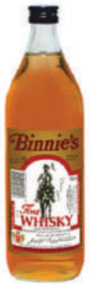
Aristocrat Old Reserve
Whisky

AC Sek C
Whisky



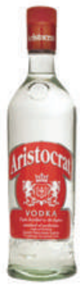
Aristocrat
Whisky

Bonnie Special
Whisky



Binnie's Fine
Whisky

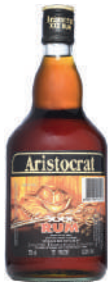
VODKA



Aristocrat
Vodka

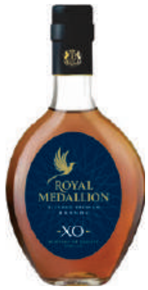
IICE
Vodka

RUM

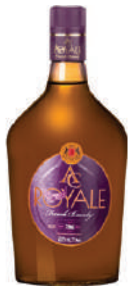


Aristocrat
Rum

BRANDY

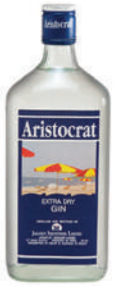


Royal
Medallion



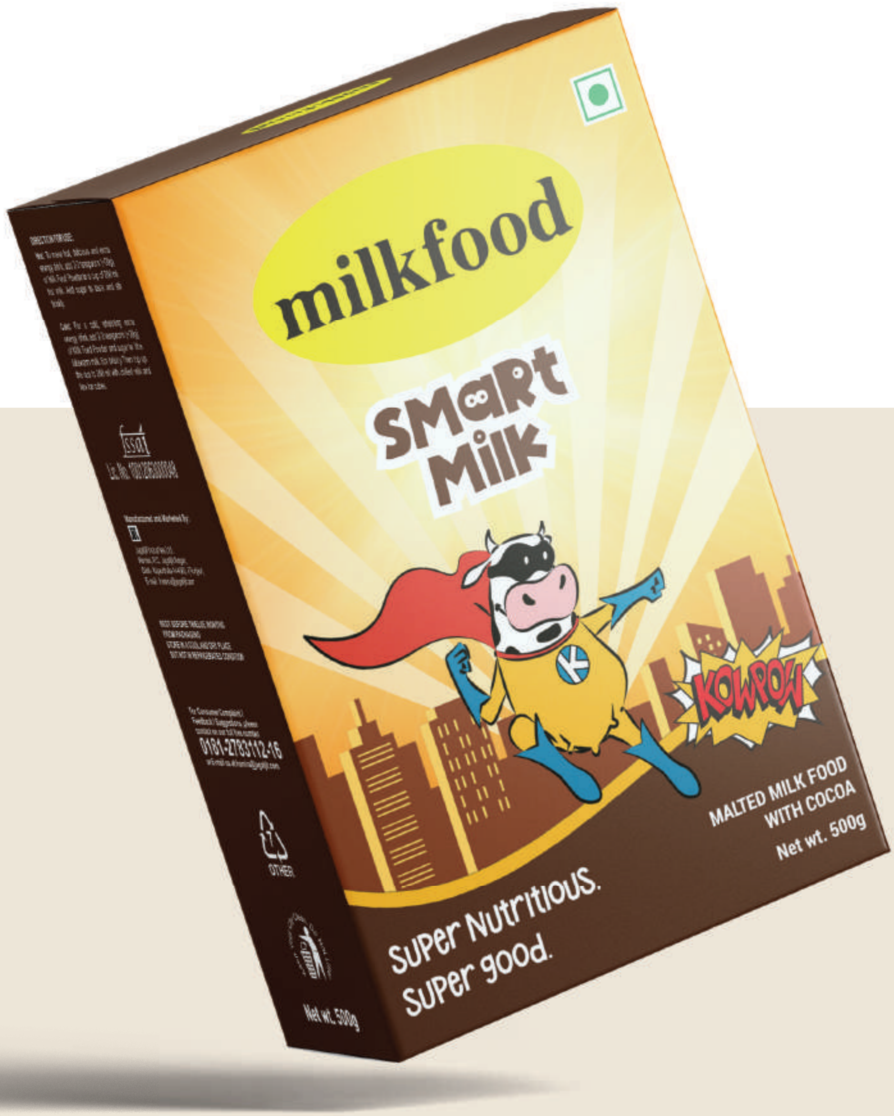
AC
Royale

GIN



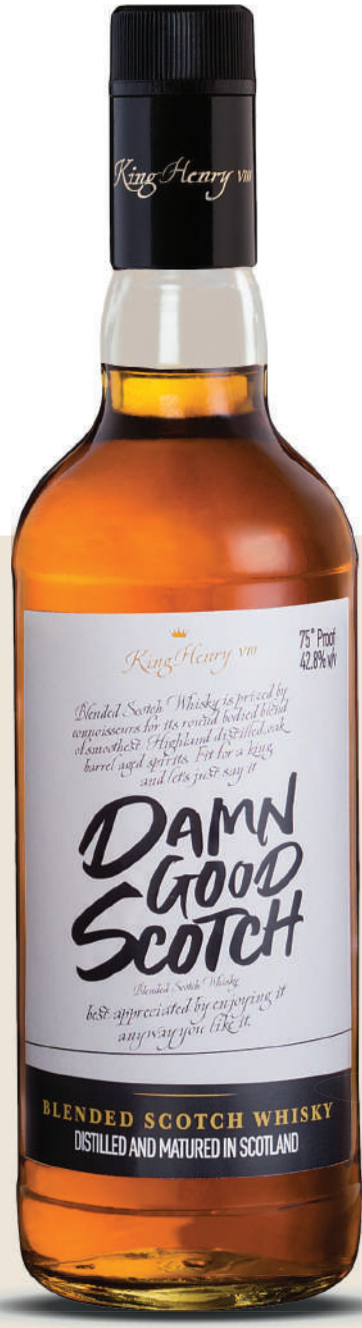
Aristocrat Dry
Gin

NEW LAUNCHES

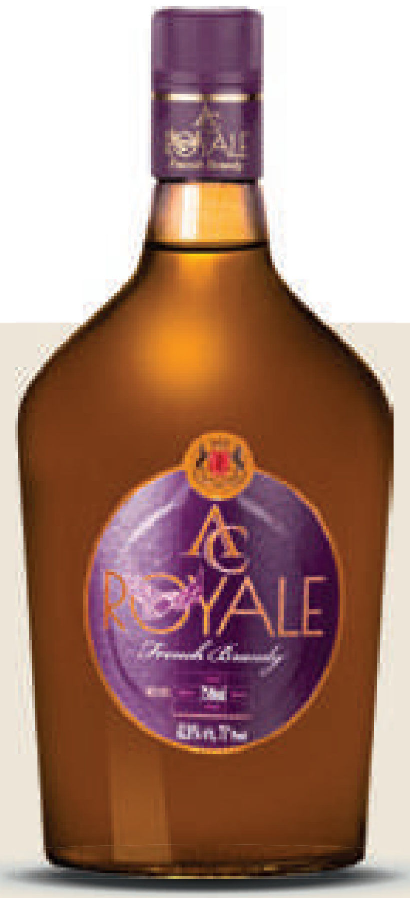


MALTED MILK
FOOD

Royal Medallion



King Henry
Damn Good Scotch



AC Royale

A MESSAGE FROM

The Promoter & Chief Restructuring Officer

Dear Shareholders,

I am delighted to share with you the Annual Report for the Financial Year 2021-22 encapsulating our strategy and plans for the future growth and expansion.

Despite the challenges induced by COVID-19, I am pleased to inform you that Jagatjit Industries Ltd. has again showcased good performance. Over the past 78 years of our existence, we have served our customers with indigenously crafted products that have a lasting impression on them. The grit & resilience that all of us have shown has kept the boat floating. Since our inception in the year 1944, we have served millions of hearts with our products.

The Indian market has also gone through many ups and downs that started with the pandemic & continued to date due to the global scenarios. The impact of these can still be felt in the procurement of raw materials, shipments, and reaching the end consumers. The supply-chain metrics are still reeling under hurdles posing everyday problems to companies across the world.

However, we continue to carve a newly found success road to become once again one of the most favorite alcohol brands in India. The recent achievements have truly been a result of our collective efforts and never-ending pursuit to make Jagatjit a name synonym to customers not only in India but in prominent international markets. In India, we have expanded into newer markets namely Andaman & Nicobar Island, Pondicherry along with the states of Maharashtra & West Bengal. Our team has also made a mark by entering the international markets such as USA, Italy, Mauritius & Kenya.

It has truly been an exceptional year for us here at Jagatjit. It has been a year of prominent announcements that will be instrumental in paving the way for the future. It brings us immense joy to obtain licenses for manufacturing & distribution of RML (Rajasthan Made Liquor) in Rajasthan; entering RML segment with our brands Bonnie Whisky & Dune Vodka. The celebrations continued with an astounding year-over-year (YoY) overall liquor volume growth of 41% with IMFL sales volume growth of 55%. The agility coupled with a strong focus has enabled our team to scale newer heights by utilizing the best of their abilities. Today we are proud to say that we continue to grow with a registered revenue growth of 12%. Taking it a notch further, we have also announced the CAPEX Investment of ₹ 200 crores in setting up a new grain-based ethanol plant in Hamira, Punjab.

Each and every employee here has contributed in their own way to fortify our offerings and we are now planning to introduce a new product 'Milkfood Smart Milk' in the malted milk food segment. This new beginning in the institutional sales channel with ‘Smart Milk’ will further propel our growth journey.

On behalf of the Board and every member of the senior leadership team, our stakeholders, I would like to thank each and every associate for their hard work and commitment to the company. Their focus and the attitude of ‘never giving up’ has enabled us to write our own success story while navigating a volatile market and ending the year with respectable business. The approach that no obstacle is insurmountable if we modify the way we look at how to solve problems - we can solve it - is what has taken us this far and will get us through the rest of the journey. This fundamental belief comes from our shared vision at Jagatjit.

Roshini Sanah Jaiswal
Promoter & Chief Restructuring Officer

Place: New Delhi
Date: 22/07/2022

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 14 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

Ravi Manchanda
Managing Director

Anil Vanjani
Chief Executive Officer & CFO

Chandan Kashikar
Chief People Officer

Devender Gulia
Head of Sales & Marketing

Anil Singal
Head of Accounts & Finance

OUR PERFORMANCE SCORECARD

Assets

(₹ in Lacs or as indicated)

	2021-22***	2020-21***	2019-20***	2018-19***	2017-18***	2016-17***	2015-16***	2014-15**	2013-14*	2012-13*
Fixed Assets (Net Block)	36,921	37,217	37,286	38,070	41,333	42,391	43,304	29,742	32,762	34,284
Investments (Current & Non Current)	1,749	1,784	1,823	3,635	3,055	3,107	3,118	1,183	1,229	1,318
Current and Non Current Assets	10,650	10,279	11,481	21,814	32,340	32,431	43,542	50,787	45,433	48,784
Total	49,320	49,280	50,590	63,519	76,728	77,929	89,964	81,712	79,424	84,386

Liabilities

	2021-22***	2020-21***	2019-20***	2018-19***	2017-18***	2016-17***	2015-16***	2014-15**	2013-14*	2012-13*
Loans, Liabilities and Provisions (Current & Non Current)	44,562	44,668	46,555	54,319	60,556	54,225	54,565	54,888	47,559	47,705
NET WORTH	4,758	4,612	4,035	9,200	16,172	23,704	35,399	26,824	31,865	36,681

Net Worth Represented by

	2021-22***	2020-21***	2019-20***	2018-19***	2017-18***	2016-17***	2015-16***	2014-15**	2013-14*	2012-13*
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	143	(3)	(580)	4,585	11,557	19,089	30,784	22,209	27,250	32,066
Total	4,758	4,612	4,035	9,200	16,172	23,704	35,399	26,824	31,865	36,681

Operating Performance

	2021-22***	2020-21***	2019-20***	2018-19***	2017-18***	2016-17***	2015-16***	2014-15**	2013-14*	2012-13*
Revenue	50,392	45,057	27,331	30,387	56,710	84,758	1,15,351	1,24,268	1,37,081	1,45,101
Gross Profit Earnings	1,062	1,432	(3,198)	(5,686)	(6,547)	(10,130)	(5,445)	(4,341)	(2,417)	2,418
Profit before Tax	66	503	(4,163)	(6,730)	(7,759)	(11,402)	(6,716)	(5,584)	(4,266)	668
Profit after Tax/Total Comprehensive Income	89	577	(5,165)	(6,627)	(7,433)	(11,695)	(6,565)	(4,365)	(4,523)	505
Earning per Share (₹)	0.14	1.15	(11.20)	(15.09)	(16.97)	(26.18)	(15.04)	(10.00)	(10.36)	1.16

Dividend

	2021-22***	2020-21***	2019-20***	2018-19***	2017-18***	2016-17***	2015-16***	2014-15**	2013-14*	2012-13*
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 (₹)	10.31	9.99	8.74	19.93	35.04	51.36	76.70	58.12	69.05	79.48

Gross Earnings

	2021-22***	2020-21***	2019-20***	2018-19***	2017-18***	2016-17***	2015-16***	2014-15**	2013-14*	2012-13*
As a percentage of Revenue	2.1	3.2	(11.7)	(18.7)	(11.5)	(12.0)	(4.7)	(3.5)	(1.8)	1.7
As a percentage of Fixed Assets	2.9	3.8	(8.6)	(14.9)	(15.8)	(23.9)	(12.6)	(14.6)	(7.4)	7.1
As a percentage of Capital Employed	3.0	4.2	(10.3)	(13.2)	(12.5)	(18.0)	(8.1)	(7.5)	(4.1)	3.9

* 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. Sushma Sagar
Non-executive Director

Ms. Vidhi Goel
Non-executive Independent Director

STATUTORY AUDITORS

M/S V.P. Jain & Associates
Chartered Accountants,
New Delhi
(Firm Registration Number 015260N)

REGISTERED OFFICE & WORKS :

Jagatjit Nagar,
Distt. Kapurthala – 144 802
Punjab

CORPORATE OFFICE :

4th Floor, Bhandari House,
91, Nehru Place,
New Delhi – 110019

LISTED ON

BSE Limited

MAIN BANKERS

Kotak Mahindra Bank Limited
Indusind Bank

Boards' Report

Dear Members,

Your Directors have pleasure in presenting the 77th (Seventy Seventh) Annual Report on the business and operations of your Company along with the Audited Financial Statements for the Financial Year ended 31st March, 2022.

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)

	2021-22	2020-21
Profit/(Loss) for the year after charging all expenses excluding financing charges and depreciation	3961	4128
Deduct : Financing Charges	2882	3025
Cash Profit/(Loss)	**1079**	**1103**
Deduct: Depreciation/Amortization	996	929
Profit/(Loss) for the year before taxation and exceptional Items	**83**	**174**
Exceptional Items –Income	**-**	**38**
Profit/(Loss) for the year before taxation and after exceptional Items	**83**	**212**
Tax Expenses		
- Income tax adjustment related to earlier years	4	-
Profit/(Loss) after tax from discontinuing operations	**(17)**	**291**
Profit/(Loss) after tax for the year	**62**	**503**
Other Comprehensive Income		
- Fair value changes in Equity Instruments	1	-
- Re-measurement Gains/(Losses) on defined Benefit Plans	26	74
- Tax Impact on Re-measurement Gains/(Losses) on defined Benefit Plans	-	-
Total Comprehensive Income for the period	89	577

STATE OF COMPANY'S AFFAIRS

During the year under review, the Gross Turnover (including income from Services & Other Sources) was ₹ 50,392 Lakhs as compared to ₹ 45,057 Lakhs during the previous year. The Company earned a profit before taxation of ₹ 83 Lakhs as compared to profit before taxation of ₹ 212 Lakhs during the previous year.

During the last two years, the Company has turned around its operations and bottom line. During the year under review, the decrease in profit is due to unprecedented increase in the cost of production and due to second and third wave of Covid-19 pandemic. Even though the pandemic situation is under control for the time being, apprehensions are being raised by the medical fraternity that it may resurface again and if such situation arises it will have adverse impact on the future functioning /operations of the Company.

The Company's primary focus is in the business of manufacturing, distributing and selling of IMFL brands with intent to provide superior brands at affordable prices. During Financial Year 2021-22, the Company sold 2.66 million IMFL cases. The Company is also engaged in manufacturing of Country liquor in the state of Punjab, where it recorded volume of around 2.09 million cases. During the year the Company has also expanded into newer markets namely Andaman & Nicobar Island, Pondicherry, Maharashtra and West Bengal. The Company is continuously focusing on production of Extra Neutral Alcohol (ENA) and it had positive bearing on the performance of the Company in Financial Year 2021-22 by utilising its capacity and expects reasonable overall growth in future years also.

During Covid-19 situation, the rental income of investment properties reduced due to reduction in rentals and vacation of some portion of properties by the tenants. However, post Covid pandemic, the demand for the rental properties is showing positive signs and the Board is of the opinion that once the real estate demand increases, the revenues from this segment will improve.

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.

EMPLOYEES STOCK INCENTIVE PLAN

Pursuant to the approval of shareholders in the 76th Annual General Meeting held on 30th September, 2021, the Company has introduced and implemented the "Jagatjit Industries Limited Stock Incentive Plan, 2021" ("JIL SIP 2021" / "Plan"), in accordance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The Nomination and Remuneration Committee ("NRC Committee") of your Board administers and monitors the JIL SIP 2021. During the year under review the NRC Committee had granted 8,37,584 stock options at an exercise price of ₹ 10/- per stock option on 20th January, 2022.

Disclosures required under Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 relating to Employees Stock Options as at 31st March, 2022 are given in '**Annexure 1**' to this Report.

Further, a certificate from the Secretarial Auditors on the implementation of the Company's Employees Stock Incentive Plan will be available at the ensuing Annual General Meeting for the inspection of the Members.

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 31st March, 2022, 34 persons whose Fixed Deposits/Loans with the Company amounting to ₹ 26.40 Lacs had become due for payment, did not claim their Deposits/Loans. Out of these, Fixed Deposits/Loans of 4 persons amounting to ₹ 2.20 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 provisions 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 2021-22 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 statements of subsidiary/ associate companies is being provided as Annexure in Form AOC–1 to the consolidated financial statements of the Company and therefore not being repeated to avoid duplication.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment

Ms. Vidhi Goel (DIN: 09031993), who was appointed as an Additional Director (Non-Executive, Independent) of the Company by the Board of Directors with effect from 18th January, 2021 and in respect of whom the Company had received a notice in writing from a Member proposing her candidature for the office of an Independent Director, was appointed as an Independent Director of the Company at the Annual General Meeting of the Company held on 30th September, 2021 to hold office for a period of 5 (Five) years with effect from 18th January, 2021.

Retirement by Rotation

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

Resignation

Mrs. Asha Saxena, Independent Director has resigned from the Board due to some personal reasons with effect from 25th April, 2022. The Board places on record its sincere appreciation for the valuable services rendered by Mrs. Saxena during her tenure as an Independent Director of the Company and is taking necessary steps to fill the vacancy caused due to her resignation.

Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate of non-disqualification of Directors forms part of this report.

Key Managerial Personnel

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

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 31st March, 2022, 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 the 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 forms part of this report. The policy is available on the website of the Company i.e. www.jagatjit.com.

The same 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 Policy 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 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 affirmed 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 76th (Seventy Sixth) AGM, appointed 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 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 Auditors' Report does not contain any qualification, reservation or adverse remarks. Other observations of the Statutory Auditors in their reports on standalone and consolidated financial statements are self-explanatory and therefore do not call for any further comments.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Act read with corresponding Rules framed thereunder, M/s. 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 31st March, 2022.

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-2**.

ANNUAL SECRETARIAL COMPLIANCE REPORT

A Secretarial Compliance Report for the financial year ended 31st March, 2022 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 was not applicable to the Company till the Financial Year 2020-21. However, in view of the increased turnover of Extra Neutral Alcohol (ENA), Cost Audit has become applicable from the Financial Year 2021-22 and the Audit will be completed within the due date.

The Company is maintaining applicable Cost Records as specified under Section 148 of the Companies Act, 2013 and the records for the Financial Year 2021-22 shall be audited by the Cost Auditors M/s. P. K. Verma & Co., Cost Accountants.

Pursuant to the provisions of the Section 148(3) of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014, the appointment of the Cost Auditors for the financial year 2022-23 will be made in due course. The remuneration of the Cost Auditors shall be subject to the ratification of the members in the 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 on 31st March, 2022. In some areas, the controls were effective but need to be further strengthened. The Company is taking necessary steps to further strengthen the same. In view of the provisions under the Act the report on the Internal Financial Control issued by M/s. V. P. Jain & Associates, Chartered Accountants, the Statutory Auditors of the Company 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 repeated.

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 2021-22 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 on 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. 35 of the Standalone Financial Statements, forming part of the Annual Report.

Since all the transactions which were entered into during the Financial Year 2021-22 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 2021-22 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, in terms of Section 135(5) of the Act, 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 31st March, 2022 forms part of this report.

The above 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 same 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-3**.

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 M/s. Saqib & Associates, Practising Company Secretary, 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-4**.

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 2022-23 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 Report 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.

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 confirms that the Company is in regular compliance of applicable provisions of Secretarial Standards issued by the Institute of Company Secretaries of India.

ACKNOWLEDGEMENT

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

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

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

Date : 30th May, 2022
Place : New Delhi

Annexure-1

DISCLOSURE UNDER REGULATION 14 OF SEBI (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2014

<table>
<tr><th>Sl. No.</th><th>Particulars</th><th>Jagatjit Industries Limited – Stock Incentive Plan 2021 ("JIL SIP – 2021"/ "the Plan")</th></tr>
<tr><td>1.</td><td>Any material change in the Plan and whether the Plan is in compliance with the regulations</td><td>The Shareholders had approved the Plan in their meeting held on 30th September, 2021. No changes are carried out in the Plan.
Further, the Plan is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.</td></tr>
<tr><td>2.</td><td colspan="2">Following disclosures are made on the website of the Company - http://jagatjit.com/investors</td></tr>
<tr><td>A.</td><td colspan="2">Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.
Members may refer to the audited financial statement prepared as per Indian Accounting Standards (Ind AS) for the financial year 2021-22, available on http://jagatjit.com/investors</td></tr>
<tr><td>B.</td><td colspan="2">Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time.
Basic and Diluted EPS for the year ended 31st March, 2022 is ₹ 0.14.</td></tr>
<tr><td>C.</td><td colspan="2">Details related to the Plan :</td></tr>
<tr><td>(i)</td><td colspan="2">A description of the Plan that existed at any time during the year, including the general terms and conditions of the Plan, including-</td></tr>
<tr><td></td><td>(a) Date of shareholders' approval</td><td>The Plan has been approved by a resolution passed in the meeting of the Board of Directors of the Company held on 14th August, 2021 and shareholders in their meeting held on 30th September, 2021. The Plan has been approved for Eligible Employees of Jagatjit Industries Limited.</td></tr>
<tr><td></td><td>(b) Total number of stock options approved under the Plan</td><td>The maximum number of Options approved pursuant to the Plan are 46,00,000 (Forty six Lac) which shall be convertible into equal number of Equity Shares of the Company.</td></tr>
<tr><td></td><td>(c) Vesting requirements</td><td>As per the plan, vesting period shall commence after minimum One (1) year from the grant date and it may extend upto maximum of Three (3) years from the grant date, at the discretion of and in the manner prescribed by the Nomination and Remuneration Committee of the Board.</td></tr>
<tr><td></td><td>(d) Exercise price or pricing formula</td><td>The Options shall be granted to the employee at face value.</td></tr>
<tr><td></td><td>(e) Maximum term of stock options granted</td><td>There should be a minimum period of one year between the grant of options and vesting of options and such maximum period as may be determined by the Board, but not exceeding three years.
Unless otherwise decided by the Board, the options granted shall vest over three years in the manner as under:<table><tr><td>On completion of Year 1 from the date of grant</td><td>20% of options granted</td></tr><tr><td>On completion of Year 2 from the date of grant</td><td>30% of options granted</td></tr><tr><td>On completion of Year 3 from the date of grant</td><td>50% of options granted</td></tr></table></td></tr>
<tr><td></td><td>(f) Source of shares (primary, secondary or combination)</td><td>Primary</td></tr>
<tr><td></td><td>(g) Variation in terms of stock options</td><td>Not Applicable</td></tr>
<tr><td>(ii)</td><td>Method used to account for the Plan - Intrinsic or fair value</td><td>Fair value</td></tr>
</table>

(iii)	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	The Company had opted for using the fair value method for expensing of the options. Hence, same is not applicable.
(iv)	Option Movement during the year	
Sl. No.	**Particulars**	**Details**
1	Number of options outstanding at the beginning of the period	46,00,000
2	Number of options granted during the year	8,37,584
3	Number of options forfeited / lapsed during the year	0
4	Number of options vested during the year	0
5	Number of options exercised during the year	0
6	Number of shares arising as a result of exercise of options	0
7	Money realized by exercise of options (INR), if scheme is implemented directly by the Company	0
8	Loan repaid by the Trust during the year from exercise price received	Not applicable since the Scheme is implemented directly
9	Number of options outstanding at the end of the year	37,62,416
10	Number of options exercisable at the end of the year	0
(v)	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	(i) Weighted average exercise price of Options outstanding at the end of the year whose:

Particulars	SIP
Exercise price equals market price	–
Exercise price is greater than market price	–
Exercise price is less than market price	₹ 10/-

(ii) Weighted average fair value of Options outstanding at the end of the year whose:

Particulars	SIP
Exercise price equals market price	–
Exercise price is greater than market price	–
Exercise price is less than market price	₹ 68.14/-

(vi) Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to –

(a) Senior managerial personnel;

Name & Designation of the Employee	Number of options granted during the year	Exercise Price per Share
Mr. Anil Vanjani, Chief Executive Officer & CFO	306667	₹ 10/-
Mr. Chandan Kashikar Chief People Officer	306667	₹ 10/-

<table>
<tr><td></td><td></td><td>

Name & Designation of the Employee	Number of options granted during the year	Exercise Price per Share
Mr. Devender Gulia Director- Sales	138000	₹ 10/-
Mr. Anil Singal, V.P. (F&A)	86250	₹ 10/–

</td></tr>
<tr><td>(b)</td><td>any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and</td><td>–</td></tr>
<tr><td>(c)</td><td>identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.</td><td>–</td></tr>
<tr><td>vii.</td><td>A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:</td><td></td></tr>
<tr><td>(a)</td><td>the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;</td><td>

The weighted-average values of share price of option granted	68.14
Exercise price	10/-
Expected volatility	50.63
Expected option life, (Vesting & exercise period) in years	Vesting period – Minimum 1 year and maximum 3 years
Expected dividends,	0.00%
Average Risk-free interest rate	5.82%

</td></tr>
<tr><td>(b)</td><td>the method used and the assumptions made to incorporate the effects of expected early exercise;</td><td>Not Applicable</td></tr>
<tr><td>(c)</td><td>how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and</td><td>Expected volatility was determined on the basis of historical share price of the Company.</td></tr>
<tr><td>(d)</td><td>whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.</td><td>Volatility and Risk Free rate has been considered that takes care of Market Conditions.</td></tr>
</table>

Annexure-2

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

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

To,
The Members,
Jagatjit Industries Limited,
Jagatjit Nagar, 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 **M/s Jagatjit Industries Limited** (hereinafter called "the Company") for the audit period covering the financial year ended on 31st March, 2022 ("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 2022, 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, 2018 (Not applicable to the Company during the Audit Period);

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

   (e) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021 (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, 2021 (Not applicable to the Company during the Audit Period);

   (h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018 (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. There was no changes in the composition of the Board of Directors during the period under review.

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.

Note: *This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.*

For Saqib & Associates
Company Secretaries

Sd/-
Mohd Saqib
Proprietor
ACS: 48433; CP No.: 18116
UDIN: A048433D000369171
Peer Review Cert. No. 2019/2022

Date: 30th May, 2022
Place: New Delhi

Annexure-A

This Secretarial Audit report of even date is to be read along with this letter:

a) Maintenance of Secretarial and other laws records/compliance is the responsibility of the management of the Company. My responsibility is to express an opinion on such records/ compliance, based on my examination.

b) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records.

c) I have not verified the correctness and appropriateness of the financial statements of the company.

d) Where ever required, I have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.

For Saqib & Associates
Company Secretaries

Sd/-
Mohd Saqib
Proprietor
ACS: 48433; CP No.: 18116
Peer Review Cert. No. 2019/2022

Date: 30th May, 2022
Place: New Delhi

Annexure-3

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 31st March, 2022 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:

- Compressor cooling water 35 KL/day of Fermentation area was utilized in the GSP process.
- Installation of LED bulbs of 45 W in Fermentation, Alko & CL bottling plants replacing 450W lights.
- Replacement of 40 W tubes with 24 W LED bulbs in CL Bottling.
- Street Lights of 250/400W were replaced with 45 W LED bulbs.
- 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 (Continuous improvement).
- Use of LED lights for street lighting (Continuous improvement).
- Use of 100% LED Lights for 7 MW Power Plant.
- Converted HP steam to LP steam for Mesh Kettles at N-Mex-2 to enhance self power generation through Turbine.
- Used Treated effluent water for Ash Conditioning at Boiler No-5.
- Reduced the fresh water supply pressure to control/ reduce the water consumption.

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 ₹ 163 Lacs.

B. TECHNOLOGY ABSORPTION

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

- Installation of New 410 TR Electric Chiller in place of old & inefficient VAM Machines.
- Installation of new 200 M*3/Hr FRP Pultruded cooling tower for ALKO Plant.
- 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.
- Installed Fiber Optical Cable with Manageable Technology from IT Room to CL Plant, IMFL Plant, Sale Dispatch Section, Railway gate (Termination Point).
- Implemented Centralized Surveillance Monitoring System for viewing all CCTV Cameras of Food & Liquor Division.
- Implemented & Installed QR Based Track & Trace System including all Software and Hardware for dispatching supplies(Cases) for Delhi and Chhattisgarh as per respective State Excise Policies.

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) - N/A

iv. The expenditure incurred on research and development.

No major 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, 2022	As at March 31, 2021
1	Earnings in foreign currency	2795	4562
2	Expenditure in Foreign Currency (including value of Imports on C.I.F. value)	1322	723

Annexure – 4

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. Company's Philosophy on Corporate Governance

For Jagatjit Industries Limited, good corporate governance means adoption of best practices to ensure that the Company operates not only within the regulatory framework, but also guided by broader business ethics. The adoption of such corporate practices based on transparency and proper disclosures ensures accountability of the persons in charge of the Company and brings benefits to investors, customers, creditors, employees and the society at large.

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 31st March, 2022 comprised 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 2021-22 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 period	No. of Board Meetings attended	No. of other Directorships held as on March 31, 2022*	Committee Membership / Chairmanship in other Companies as on March 31, 2022	Attendance in Last AGM
Mr. Ravi Manchanda	Executive	6	6	8	-	Yes
Mrs. Kiran Kapur	Non-Executive Independent	6	6	1	-	Yes
Mrs. Anjali Varma	Non-Executive Non-independent	6	6	1	-	No
Mrs. Sushma Sagar	Non-Executive Non-Independent	6	3	-	-	No
Mrs. Asha Saxena**	Non-Executive Independent	6	3	1	-	No
Ms. Vidhi Goel	Non-Executive Independent	6	5	-	-	No

* All other directorships are in unlisted entities.

** Mrs. Asha Saxena resigned from the Board effective 25th April, 2022.

Board Meetings:

The Board of Directors held six Board Meetings during the period under review i.e. on 31st May, 2021, 30th June, 2021, 7th August, 2021, 14th August, 2021, 13th November, 2021 and 14th February, 2022.

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, 2022
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.

Skills / Expertise/ Competencies Matrix of the Board of Directors

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. The matrix below highlights the skills and expertise, which are currently available with the Board of Directors of the Company.

Skills/Expertise/Competencies	Mr. Ravi Manchanda	Mrs. Kiran Kapur	Mrs. Anjali Varma	Mrs. Sushma Sagar	Mrs. Asha Saxena*	Ms. Vidhi Goel
Financial and Business acumen and experience	✓	✓	✓	✓	✓	✓
Strategic thinking and planning	✓	✓	✓	✓	✓	✓
Building effective sales and marketing strategies	✓	✓	✓	✓	✓	✓
Implementation of Risk Management	✓	✓	✓	✓	✓	✓
People management and leadership	✓	✓	✓	✓	✓	✓
Corporate Governance, legal and regulatory	✓	✓	✓	✓	✓	✓

* Mrs. Asha Saxena resigned from the Board effective 25th April, 2022.

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.

Mrs. Asha Saxena (DIN: 08079652), Independent Director of the Company, has resigned due to her personal reasons, with effect from 25th April, 2022. Mrs. Asha Saxena has confirmed that she has resigned due to her personal reasons and there is no other material reason for resignation as Independent Director of the Company.

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 77th (Seventy Seventh) AGM and the same are not being repeated for the sake of brevity.

Board Evaluation

The process of Board Evaluation has been mentioned in the 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 2020-21. The Board of Directors at their meeting held on 14th August, 2021 have re-appointed them as Internal Auditors for carrying out the internal audit for the financial year 2021-22, 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 placed 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 financial year without the presence of non-independent Directors and members of the Management.

During the Financial Year 2021-22 the Independent Directors met on February 14, 2022 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 31st March, 2022 the Audit Committee comprised of Mrs. Kiran Kapur, Mr. Ravi Manchanda, Mrs. Asha Saxena and Ms. Vidhi Goel. Mrs. Kiran Kapur, Independent Director, is the Chairperson of the Audit Committee.

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

During the year under review the Audit Committee held four meetings i.e. on 30th June, 2021, 14th August, 2021, 13th November, 2021 and 14th February, 2022.

Attendance record of Audit Committee members

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

4. Nomination and Remuneration Committee

As on 31st March, 2022 the Nomination and Remuneration Committee comprises of Mrs. Kiran Kapur, Mrs. Anjali Varma and Ms. Vidhi Goel. Mrs. Kiran Kapur, Independent Director, is the Chairperson of the Nomination and Remuneration Committee.

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

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

During the year under review, the Nomination and Remuneration Committee held three meetings i.e. on 31st May, 2021, 7th August, 2021 and 20th January, 2022.

Attendance record of Nomination and Remuneration Committee members

Sr. No.	Name of Members	No. of meetings held during the period	Meetings attended
1	Mrs. Kiran Kapur	3	3
2	Mrs. Anjali Varma	3	3
3	Ms. Vidhi Goel	3	2

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 includes 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. 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.

Mr. Roopesh Kumar, Company Secretary is the Compliance Officer of the Committee.

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 31st March, 2022.

During the year under review the Stakeholders Relationship Committee held one meeting on 14th February, 2022

Attendance record of Stakeholders Relationship Committee members

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

The Company has institutionalized the process for identifying, minimizing and mitigating risks which is periodically reviewed. However, the Company is not required to constitute Risk Management Committee of the Board of Directors.

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.

6. 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	2,80,000
2.	Mrs. Anjali Varma	1,80,000
3.	Mrs. Asha Saxena	1,00,000
4.	Mrs. Sushma Sagar	60,000
5.	Ms. Vidhi Goel	2,00,000

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	46,12,397	1,10,496	47,22,893

* 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 Executive Director.

7. General Body Meetings

The AGM of the year 2019 of the Company was held at the Registered Office of the Company at Jagatjit Nagar, Distt. Kapurthala -144802, Punjab. The AGM for the years 2020 and 2021 were 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	2019	30th September, 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.
2	2020	31st December, 2020	Thursday	10.30 a. m.	NIL
3	2021	30th September, 2021	Thursday	10.30 a. m.	- To re-appoint Mr. Ravi Manchanda (DIN 00152760) as Managing Director of the Company.
					- To approve "Jagatjit Industries Limited Stock Incentive Plan, 2021" and grant of employee stock options to the eligible employees of the Company

Sr. No.	Year	Date	Day	Time	Brief Description of Special Resolutions passed
					- To approve "Jagatjit Industries Limited Stock Incentive Plan, 2021"and grant of employee stock options to the eligible employees of a group company including its subsidiary(ies) or its associate company(ies) and/or of holding company(ies).

Extraordinary General Meeting(s)

Apart from the AGM, no other General Meeting was held during the Financial Year 2021-22.

Postal Ballot

During the Financial Year 2021-22, no resolution was passed through postal ballot.

No Resolution is proposed to be conducted through Postal Ballot as required by the Companies (Passing of Resolution by Postal Ballot) Rules, 2011.

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	:	30th September, 2022
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	:	Monday, 26th September, 2022 to Friday, 30th September, 2022 (both days inclusive)

b) Financial Year : 01st April, 2021 to 31st March, 2022

c) Financial Calendar (2022-23) (tentative)

(i)	First Quarter Results	:	Mid of August, 2022
(ii)	Second Quarter Results	:	Mid of November, 2022
(iii)	Third Quarter Results	:	Mid of February, 2023
(iv)	Annual Results for the year ending 31st March, 2023	:	By 30th May, 2023

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 2022-23 have been paid to the BSE Limited.

f) Stock Market Data for the period 01st April, 2021 to 31st March, 2022 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, 2021	40.95	35.10	50375.77	47204.50
May, 2021	48.80	35.30	52013.22	48028.07
June, 2021	62.00	41.85	53126.73	51450.58
July, 2021	83.90	62.60	53290.81	51802.73
August, 2021	80.00	59.00	57625.26	52804.08
September, 2021	69.10	56.25	60412.32	57263.90
October, 2021	71.00	60.90	62245.43	58551.14
November, 2021	69.35	58.05	61036.56	56382.93
December, 2021	66.60	56.40	59203.37	55132.68
January, 2022	86.95	69.25	61475.15	56409.63
February, 2022	74.95	59.95	59618.51	54383.20
March, 2022	64.45	57.55	58890.92	52260.82

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 Board has delegated the authority for approving transfer, transmission, transposition, dematerialisation of shares etc. to the Share Transfer Committee. A summary of transactions so approved by the Committee is placed at the next Board Meeting. The Company obtains an annual certificate from Practising Company Secretaries as per the requirement of Regulation 40(9) of Listing Regulations and the same is filed with the Stock Exchange.

In terms of amended Regulation 40 of Listing Regulations w.e.f. 1st April, 2019, transfer of securities in physical form shall not be processed unless the securities are held in the demat mode with a Depository Participant. Further, with effect from 24th January, 2022, SEBI has made it mandatory for listed companies to issue securities in demat mode only while processing any investor service requests viz. issue of duplicate share certificates, exchange/sub-division/ splitting/ consolidation of securities, transmission/ transposition of securities etc. vide its Circular dated 25th January, 2022, SEBI has clarified that listed entities shall now issue a Letter of Confirmation in lieu of the share certificate while processing any of the aforesaid investor service request. The Company is making due compliance with the relevant regulations/ circulars.

Simplified Norms for processing Investor Service Request

SEBI, vide its Circular dated 3rd November, 2021, has made it mandatory for holders of physical securities to furnish PAN, KYC and Nomination/Opt-out of Nomination details to avail any investor service. Folios wherein any one of the above mentioned details are not registered by 1st April, 2023 shall be frozen. The concerned Members are therefore urged to furnish PAN, KYC and Nomination/ Opt out of Nomination by submitting the prescribed forms duly filled by email from their registered email id to roopesh.kumar@jagatjit.co.in or by sending a physical copy of the prescribed forms duly filled and signed by the registered holders to the Company.

i) Distribution of Shareholding as on March 31, 2022

Category (in ₹)	No. of Shareholders	% of Share Holders	No. of Shares held	% of Shareholding
Upto - 5000	3336	80.52	386930	0.84
5001 - 10000	342	08.25	254036	0.55
10001 - 20000	193	04.66	290709	0.63
20001 - 30000	78	01.88	194773	0.42
30001 - 40000	47	01.13	165905	0.36
40001 - 50000	22	00.53	102945	0.22
50001 - 100000	69	01.67	483402	1.05
Above - 100000	56	01.35	44269412	95.93
Total	**4143**	**100.00**	**46148112**	**100.00**

j) Shareholding pattern as on March 31, 2022

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	20,87,929	4.53	3.05
5.	NRIs/FIIs (other than Promoters)	2,46,615	0.54	0.36
6.	Indian Public	29,55,131	6.40	4.32
	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 31st March, 2022, 1,67,80,769 equity shares being 36.36 % 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 2021-22.

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 ACUITE BB- / Outlook: Stable

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 31st March, 2022.

(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 31st March, 2022, M/s Saqib & Associates, Practising Company Secretary, has 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.

(viii) Your Board affirms that, there are no such instances where the Board has not accepted any recommendation of any committee of the Board during the financial year.

(ix) Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Your 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

(x) The Company has complied with Corporate Governance Requirements specified in Regulations 17 to 27 and Regulation 46 of the SEBI (LODR) Regulations.

11. 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: 30th May, 2022
Place: New Delhi

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 M/s JAGATJIT INDUSTRIES LIMITED ("the Company"), for the year ended on 31st March, 2022, as stipulated in Regulations 17 to 27 and clauses (b) to (i) & (t) 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 31st March, 2022.

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: A048433D000369193
Peer Review Cert. No. 2019/2022

Date: 30th May, 2022
Place: New Delhi

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s Jagatjit Industries Limited having CIN **L15520PB1944PLC001970** and having its registered office at Jagatjit Nagar, Distt. Kapurthala Punjab - 144802 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that None of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Directors	DIN	Date of Appointment in Company
1	Mr. Ravi Manchanda	00152760	06/10/2008
2	Mrs. Kiran Kapur	02491308	27/11/2008
3	Mrs. Anjali Varma	01250881	21/04/2014
4	Mrs. Asha Saxena	08079652	15/03/2018
5	Mrs. Sushma Sagar	02582144	15/03/2018
6	Ms. Vidhi Goel	09031993	18/01/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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: A048433D000387596
Peer Review Cert. No. 2019/2022

Date: 30th May, 2022
Place: New Delhi

CEO/ CFO CERTIFICATION

The Board of Directors
Jagatjit Industries Limited
Jagatjit Nagar, Distt. Kapurthala
Punjab-144802

I hereby certify that:

(a) I have reviewed financial statements and the cash flow statement for the year ended on 31st March, 2022 and that to the best of our knowledge and belief:

   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Company's Auditors and the Audit Committee of the Company's Board of Directors, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) I have indicated to the Auditors and the Audit Committee:

   (i) significant changes in internal control over financial reporting during the year;

   (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   (iii) instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
Anil Vanjani
Chief Executive Officer & CFO

Date : 30th May, 2022
Place : New Delhi

Management Discussion & Analysis

Economic Overview

With a population of more than 1.3 billion, India is amongst the world's largest populated Country. Over the past decade, the Country's integration into the global economy has been accompanied by economic growth and it has now emerged as a global player. Due to Covid-19 shock, the Government and Reserve Bank of India took several monetary and fiscal policy measures to support and safeguard against the adverse impact of the crisis on the economy.

The war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. At the same time, economic damage from the conflict will contribute to a significant slowdown in global growth in 2022 and add to inflation. Global growth is projected to slow from an estimated 6.1% in 2021 to 3.6% in 2022 and 2023. War induced commodity price increases and broadening price pressures have led to 2022 inflation projections of 5.7% in advanced economies and 8.7% in emerging markets and developing economies. Multilateral efforts to respond to the humanitarian crisis, prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change and end the pandemic are essential. *(Source: IMF Global Economic Outlook, April' 22)*

Industry Overview

Alcoholic beverages manufacturing is considered a sunrise industry due to high growth potential and increasing social acceptance. The Indian made foreign liquor (IMFL) segment constituted 65% in terms of valuation in the Indian liquor industry. This segment is divided into whisky, rum, brandy, vodka and gin. Growth in urban population coupled with the increasing disposable income is projected to propel the market growth of alcoholic beverages.

Unlike other emerging economies, alcoholic beverage Industry in India continues to remain quite traditional and is controlled by State Governments. The governance and pricing models for alcoholic beverages vary widely across the states. The states through their excise policies control the entire supply chain of alcoholic bevearges from manufacturing and distribution to registration and retail. There are frequent and ad-hoc changes in these policies, creating uncertainty and preventing manufacturers/ distillers to plan their investments. Despite this, India is still one of the fastest growing alcohol markets in the world.

In view of the future growth potential of the liquor industry in India, the Liquor Market continue to be mirrored by consumer trend towards premiumisation, motivated by rising affluence, globalised outlook, urbanisation and progressive lifestyles.

The Extra Neutral Alcohol (ENA) market in India is projected to grow at a CAGR of 4.4% during 2021-2026. In India, annual production capacity of ENA accounts for nearly 3 billion litres. It is the primary raw material for producing alcoholic beverages. It typically contains 96% of alcohol by volume. The increasing production and consumption of potable alcohol, which is produced from ENA in India, is fuelled by increased disposable incomes, rising western influence, changing attitudes towards drinking and significant shift from Country Liquor (CL) to Indian Made Foreign Liquor (IMFL). (Source: IMARC Group, Business Wire)

Business Overview

Jagatjit Industries Limited (the Company or Jagatjit) was set up in 1944 in the State of Punjab. Its business comprises of manufacturing and sale 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. During the year the Company has also expanded into newer markets namely Andaman & Nicobar Island, Pondicherry, Maharashtra and West Bengal. Internationally, Jagatjit's products are available in Guinea, Ghana, Togo, Burkina Faso, Mali, Angola, Nigeria, USA, Italy, Ivory Coast, UAE, Oman, Kenya, Mauritius & Congo.

Financial Year 2021-22 started on a difficult note with lockdown restrictions due to the second wave of Covid-19. Even though the pandemic situation is under control for the time being, there are apprehensions raised by the medical fraternity that it may resurface again. If such situation arises again the same may have adverse impact on the functioning /operations of the Company.

Barring the aforesaid deterrents, the Company does not foresee any major threats to its growth and market share in the coming years. The existing capacity should take care of the Company's requirement at least for the next Five years and the Company does not foresee any technological obsolescence for its products.

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 Financial Year 2021-22, the Company sold 2.66 million IMFL cases. The Company is also engaged in manufacturing of Country liquor in the state of Punjab, where it recorded volume of around 2.09 million cases. The Company is continuously focusing on production of Extra Neutral Alcohol (ENA) and it had positive bearing on the performance of the Company in Financial Year 2021-22 by utilising its capacity and expects reasonable overall growth in future years also.

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

Management Discussion & Analysis (Contd.)

Malted Milk Food nutritional powder for Hindustan Unilever Limited under the Brand name of Horlicks and Boost.

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 and Rajasthan. 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 M/s Hindustan Unilever Limited for further contract manufacturing of malted milk food and to M/s Continental Milkose (India) Limited.

C) International Brand Portfolio

In the international market, Jagatjit has IMFL product portfolio at various price points. Jagatjit is continuously working to fortify its footprint in the international market with new blends and contemporary packaging. The objective of Jagatjit is to gain a sizeable share of volume in the international market in next few 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 Place, 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 mainly due to reduction in rentals. However, post Covid pandemic, the demand for the rental properties is showing positive signs. The Management is of the opinion that once the real estate demand will increase the revenues of the Company will improve.

Financial Review

During Financial Year 2021-22, Jagatjit's total income (including income from services and other sources) stood at ₹ 503.92 Crores, as compared to ₹ 450.57 Crores registering a growth of 11.84% over the previous year.

Jagatjit's beverages segment clocked gross revenue of ₹ 269.94 Crores, as compared to ₹ 234.17 Crores during the previous year. Its food segment clocked revenue of ₹ 162.36 Crores, as compared to ₹ 155.17 Crores during the previous year. A financial overview for the year under review and previous year is given as below:

Amount (₹ Crores)

	FY 21-22	FY 20-21
Total Income	503.92	450.57
Material Consumption	250.45	202.28
Excise Duty	6.19	22.95
Staff Costs	70.24	66.27
Others	137.43	117.79
EBITDA	39.61	41.28
Finance Cost	28.82	30.25
Depreciation	9.96	9.29
Profit before tax and exceptional items	0.83	1.74
Exceptional items : Income	0	0.38
Profit Before Tax	0.83	2.12
Tax	0.04	-
Profit/(Loss) After Tax from continuing operations	0.79	2.12
Profit/(Loss) After Tax from discontinuing operations	(0.17)	2.91
Other Comprehensive Income/ (Loss)	0.27	0.74
Total comprehensive Profit After Tax	0.89	5.77

The total raw material cost increased to ₹ 250.45 Crores, as compared to ₹ 202.28 Crores during the previous year, Excise duty decreased to ₹ 6.19 Crores, as compared to ₹ 22.95 Crores during the previous year, Employee costs increased to ₹ 70.24 Crores, as compared to ₹ 66.27 Crores during the previous year due to increase in turnover and performance of the Company. The Company earned an EBITDA of ₹ 39.61 Crores, as compared to an EBITDA of ₹ 41.28 Crores during the previous year.

Jagatjit earned a profit before taxation of ₹ 0.83 Crores from continuing operations, as compared to profit before taxation of ₹ 2.12 Crores during the previous year. The total comprehensive profit after tax during the year was ₹ 0.89 Crores, as compared to a comprehensive profit of ₹ 5.77 Crores during the previous year.

Management Discussion & Analysis (Contd.)

KEY FINANCIAL RATIOS

Particulars	2021-22	2020-21*	Justification/ Remarks for significant changes
Debtors Turnover Ratio (Days)	22	21	-
Inventory Turnover Ratio (Days)	53	72	Increase in sale as compared with previous year resulting in better inventory ratio.
Interest Coverage Ratio	1.37	1.38	-
Current Ratio	0.54	0.51	-
Debt Equity Ratio	4.54	4.66	-
Operating Profit Margin %	6.6	7.8	-
Net Profit Margin %	0.14	1.12	During the year, the Company faced the challenges of increased commodity prices along with continued Covid-19 pandemic which effected operational performance of the company.
Return on Net Worth#	-	-	N.A.

** Previous year ratios have been revised based on the disclosure requirements under 'Additional Regulatory Information (ARI) pursuant to amendment to Schedule III of the Companies Act, 2013 vide MCA Notification No. GSR 207(E) dated 24.03.2021 w.e.f. 01.04.2021.*

Outlook

At Jagatjit, it is a continuous endeavour to modernize technology and upgradation of facilities as way to future growth of the business. The Company is on the path of focusing on the increased productivity, upgradation of manufacturing facilities, optimisation of cost for providing value to its customers and stake holders. It is a multifaceted endeavour to take care long term interest of all stakeholders including society. The Company is working hard to streamline and invest in high contribution brands, develop international markets, and optimize its workings for long term benefit of all.

Risks & Concerns

Risk is an integral and unavoidable component of business. Given the challenging and dynamic environment of operations, your company is committed to manage risk for accomplishment of its goals.

Though risks cannot be eliminated, an effective risk management program ensures that risks are reduced, avoided, mitigated or shared. Following are the identified key business risks of the Company:

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.

Inflation and cost of production risk: Jagatjit like other companies is part of Indian economy and is facing risk of inflation and high fluctuation in commodity 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. Jagatjit has its presence in several international markets. A good presence in international markets reduces dependence on domestic consumption.

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 the 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

Management Discussion & Analysis (Contd.)

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 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 Company continues to focus on employee core connect, engagement, learning and development to build a workplace that is safe engaging and productive. Employees are presented with various learning opportunities to enhance career growth.

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 continues 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 1600 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 Covid-19 conditions throughout the world. The Company does not undertake to update these statements.

Standalone Financial Statements

Consolidated Financial Statements

Independent Auditor's Report

TO THE MEMBERS OF JAGATJIT INDUSTRIES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Jagatjit Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total 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 (SAs). 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 ethical 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 audit opinion on the standalone financial statements.

Emphasis of matter:

We draw attention to the below mentioned notes to the accompanying standalone financial statements which more fully describes the matters.

Note no 6(iii)(b) regarding loan to ex-employee, Note no 12(i) regarding pending approval from UPSIDC, Note No 17(i) regarding classification of security deposit received, Note no 22 (ii) regarding write back and reversal of provisions, Note No 40(i) regarding going concern & impact of COVID-19 and Note No 40(iii) regarding GST,

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 standalone financial statements for the financial year ended March 31,2022. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying standalone financial statements.

The Key Audit Matter	How the matter was addressed in our audit
1) **Litigation Matters:** (as described in note 33 of the financial statements) 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. 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. At March 31, 2022, the Company's contingent liabilities for legal matters were ₹1134 lacs (previous year ₹ 1817 lacs) and provision for legal matters ₹ Nil (Previous year ₹ 345 lacs). Company has written back the amount of ₹ 345 lacs pertaining to service tax (refer footnote 22(ii) (previous year ₹ Nil).	**Our procedures included the following:** • Obtained an understanding of the Company's process with respect to completeness and recognition of tax contingencies/ claims and provisions. • Read the confirmations, on sample basis, from the Company's external legal counsel on tax litigations and evaluated the independence, objectivity and competency of the Company's specialists involved. • Read relevant tax laws and discussed with the management, to understand the underlying matters in the demand orders / notices and basis for management judgement and estimates and write back of service tax liability of 345 lacs.

The Key Audit Matter	How the matter was addressed in our audit
The Contingent liability pertaining to protective disallowances of sales promotion expenses for the earlier years is ₹ 5657 lacs (previous year (₹ 5657 lacs) under Income Tax Act. The Contingent Liability for Sales tax matters is ₹ 756 lacs (previous year ₹ 1314 lacs) and for service tax is ₹ 142 lacs (previous year ₹ 142 lacs.)	• Included tax specialists in our team to perform an evaluation of assumptions used by the management and relevant judgements passed by the authorities, including the interpretation of the relevant tax laws. • Assessed the related disclosures in the standalone financial statements for compliance with disclosure requirements.
2) **Revenue recognition from sale of products/ Royalty and Franchise agreements** (Note no 21 of the standalone financial statements) Revenue from sale of products is recognised when control of products has been transferred to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Revenue from sale of products is measured at the fair value of the consideration received or 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. At year end, amounts of discounts and incentives that have been incurred and not yet issued to customers are estimated and accrued. Significant judgement is required in estimating accruals relating to discounts and incentives recognised in relation to sales made during the year.	**Our procedures included the following:** • Assessed the Company's revenue recognition accounting policy for sale of products/ royalty and franchise business including those relating to discounts and incentives. • Understood, evaluated and tested on sample basis the design and operating effectiveness of key internal controls over recognition and measurement of revenue, discounts, and incentives. • Performed test of details on a sample basis and inspected the underlying accounting documents relating to sales and accrual of discounts and incentives. • Tested on a sample basis, sales transactions near year end date as well as credit notes issued to customers after the year end date. • Obtained an understanding of and evaluated underlying data used in management assessment of estimates relating to discounts and incentives. • Performed analytical procedures on revenue, discounts and incentives. • Assessed the disclosures in the standalone financial statements in respect of revenue, discounts and incentives for compliance with disclosure requirements.
3) **Provision for trade receivables** (as described in note 10 of the standalone financial statements) Trade receivable balances of ₹ 7822 lacs represent significant portion of the total assets as at March 31, 2022. Provision for expected credit loss at reporting date is significant at ₹ 4506 lacs. Trade receivables include dues from state government corporations, distributors, retailers contract manufacturing units and franchise partners. The Company records expected credit loss for unsecured trade receivables based on defined policy following simplified approach and wherever management considers necessary applying its judgment and estimates. 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 significant 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 assumptions used by management to calculate the expected credit loss for trade receivables through audit procedures which included analysis of ageing, past trend of bad debts write-off. • Assessed the disclosures in the standalone 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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance Report etc. included in Annual Report, but does not include the standalone 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. The information included in the Annual report i.e. Directors Report, Management Discussion and Analysis, Corporate Governance Report, etc. is expected to be made available to us after the date of this auditor's report and therefore we will report on any material inconsistency, if any, on receipt of the Annual Report in accordance with prescribed standard of auditing.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the 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.

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

Auditor's Responsibilities for the Audit of the Standalone Financial 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 standalone 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 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 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2022 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 A"**; and
- **(g)** with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act read with schedule V, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- **(h)** 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 been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
  - **iv.** (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

    (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

    (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - **v.** The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year and therefore the requirement of compliance of Sec 123 of the Act are not applicable.

2 As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **"Annexure B"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **V. P. Jain & Associates**
Chartered Accountants
Firm's registration number: 015260N

Sarthak Madaan
Partner
Membership number: 547131

Place: New Delhi
Date: 30-05-2022
UDIN: 22547131ALZXFJ5993

ANNEXURE 'A' REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

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 over financial reporting of **Jagatjit Industries Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the 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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were generally operating effectively as at 31st March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Emphasis of Matters:

Internal Control needs to be further strengthened in respect of following:

i) Trade receivables/Trade Payables, recovery of loan & advances from employees/suppliers .

ii) Inventory valuation in respect of stores and spares is done through manual system instead of automation system.

iii) Updating of contingent liabilities and obtaining the confirmations from the advocates as an ongoing process.

iv) Revenue recognition of royalty income from franchise operation/ third party supply agreement.

Our opinion is not modified in respect of these matters.

For **V. P. Jain & Associates**
Chartered Accountants
Firm's registration number: 015260N

Sarthak Madaan
Partner
Membership number: 547131

Place : New Delhi
Date : 30-05-2022
UDIN: 22547131ALZXFJ5993

ANNEXURE B REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

Reg. Jagatjit Industries Limited (Company)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and beliefs, we state that:

(i) In respect of Company's Property, Plant and Equipment:

(a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.

(b) The Company has a programme of annual verification of Property, Plant and Equipment to cover all the items in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the said programme, certain Property, Plant and Equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than those that have been taken on lease and the lease agreements are duly executed in favour of the Company) are held in the name of the Company except as stated in note 3A(ii) of the financial statements. Original copy of title deeds in respect of Asoka estate (9th and 10th floor), New Delhi and R& D Centre Gurugram have not been produced as the same are deposited as security with banks under loan agreement as confirmed by the management. Certificate of the Bank for handover of title deeds in earlier years is on the record with the Company.

(d) The Company has not revalued any of its Property, Plant and Equipment (including Right of use assets) during the year.

(e) On the basis of the information's and explanations given to us and examination of records, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us and on the basis of test checks on a limited scale and relying on the assertions of management, the quarterly returns and statements comprising (stock statements, book debt statements, and statements on ageing analysis of the debtors) filed by the Company with such banks are in agreement with the unaudited books of account of the Company, of the respective quarters, except for the following:

Quarter	Name of the bank	Nature of the Current Asset	As per Unaudited Books of Accounts	Amount as per Quarterly return & statements	Amount of Difference	Remarks
June, 2021	Kotak Bank	Trade Receivable Inventory - Raw Material Inventory - Finished Goods Inventory - Stores & Spares	N.A.	N.A.	N.A.	N.A.
Sep, 2021	Kotak Bank	Trade Receivable	3,198	3,280	(82)	Management has explained that the figures given to the bank were provisional and prior to limited review. Further as per management the difference is immaterial in view of utilisation of CC limit of Rs169 Lakhs as on 30.09.2021 against sanctioned limit of Rs 1500 Lakhs. We have test checked the details given to the bank with the books of accounts and found the explanations given by the management to be in order.
		Inventory - Raw Material, Stores & Spares & Packing Material	2,630	2,661	(31)	Management has explained that the figures given to the bank were provisional and prior to limited review. Further as per the management, the difference is immaterial in view of utilisation of CC limit of Rs169 Lakhs as on 30.09.2021 against sanctioned limit of Rs 1500 Lakhs. The individual differences in various items, as explained by the management is on account of change in classification due to inadvertence. Further the age wise details submitted are certified by the management and we have relied upon the same.
		Inventory - Finished Goods including WIP	1,325	1,480	(155)	Management has explained that the figures given to the bank were provisional and prior to limited review at a higher figure due to valuation difference. Further utilisation of CC limit is of Rs169 Lakhs as on 30.09.2021 against sanctioned limit of Rs 1500 Lakhs. The individual differences in various items, as explained by the management is on account of change in classification. Further the age wise details submitted are certified by the management and we have relied upon the same.
		Total Current Assets	**7,153**	**7,421**	**(268)**	

Quarter	Name of the bank	Nature of the Current Asset	As per Unaudited Books of Accounts	Amount as per Quarterly return & statements	Amount of Difference	Remarks
Dec, 2021	Kotak Bank	Trade Receivable	3,732	3,562	170	Management has explained that the figures given to the bank were provisional and prior to limited review and without considering non trade debtors and debtors more than 90 days. Further it has been explained that utilisation of CC limit is of Rs 390 Lakhs as on 31.12.2021 against sanctioned limit of Rs 1500 Lakhs. We have test checked the details given to the bank with the books of accounts and found the explanations given by the management is in order.
		Inventory - Raw Material, Stores & Spares & Packing Material	2,336	2,374	(38)	Management has explained that the figures given to the bank were provisional and prior to limited review. Further as per the management, the difference is immaterial in view of utilisation of the CC Limit of Rs. 390 Lakhs as on 31.12.2021 against sanctioned limit of Rs 1500 Lakhs. The individual differences in various items, as explained by the management is on account of change in classification due to inadvertence. Further the age wise details submitted are certified by the management and we have relied upon the same.
		Inventory - Finished Goods including WIP	1,535	1,124	411	Management has explained that the figures given to the bank were provisional and prior to limited review. Further utilisation of CC limit is of Rs390 Lakhs as on 31.12.2021 against sanctioned limit of Rs 1500 Lakhs. The individual differences in various items, as explained by the management is on account of change in classification. Further the age wise details submitted are certified by the management and we have relied upon the same.
		Total Current Assets	**7,603**	**7,060**	**543**	

Quarter	Name of the bank	Nature of the Current Asset	As per Unaudited Books of Accounts	Amount as per Quarterly return & statements	Amount of Difference	Remarks
Mar, 2022	Kotak Bank	Trade Receivable (Current)	3,202	2,985	217	Management has explained that the Figures given to the bank are provisional, prior to audit and without considering non-operational Debtors and Debtors more than 90 days. We have test check the revised figures (as per books of account) given to us and found the explanation given by the management in order.
		Inventory - Raw Material, Stores & Spares & Packing Material	2,645	2,682	(37)	Management has explained that the figures given to the bank were provisional and prior to audit. Further as per the management, utilisation of the CC Limit is of Rs. 345 Lakhs as on 31.03.2022 against sanctioned limit of Rs 1500 Lakhs. The individual differences in various items, as explained by the management is on account of change in classification due to inadvertence. Further the age wise details submitted are certified by the management and we have relied upon the same.
		Inventory - Finished Goods including WIP	1,088	767	321	Management has explained that the figures given to the bank were provisional and prior to audit. Further utilisation of CC limit is of Rs345 Lakhs as on 31.03.2022 against sanctioned limit of Rs 1500 Lakhs. The individual differences in various items, as explained by the management is on account of change in classification due to inadvertence. Further the age wise details submitted are certified by the management and we have relied upon the same.
		Total Current Assets	**6,935**	**6,434**	**501**	

(iii) (a) (i) The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to Companies, firms, Limited liability partnership or any other parties during the year except an amount of ₹ 170 lakhs given to related parties. The Balance outstanding as at the end of the year in respect of these loans is ₹ 16 Lakhs

(ii) The Company has given loan to its employees in the nature of staff advances in ordinary course of business which are being recovered on regular basis and hence not prejudicial to the interest of the company.

(iii) As informed, the Company has not given any advance to suppliers during the year which are in the nature of loans. Hence reporting under this clause is not applicable.

(b) (i) Terms of loan of ₹ 7 Lakhs to associate are not prejudicial to the interest of the company as company is charging interest on same at bank borrowing rate. An interest free loan of ₹ 163 Lakhs (net) given to related parties, which is considered by the management not prejudicial to the interest of the Company as it is in the ordinary course of business.

(ii) In view of the comments expressed in clause (iii)(a)(iii) above, reporting under this clause with regard to the advances in the nature of the loan are prejudicial to the interest of the company is not applicable.

(c) With regard to the repayment of outstanding amount due from related parties where no stipulations are laid for repayment, management is of the view that the same will be recovered in the subsequent year.

(d) In view of no stipulations laid out for loans to the related parties, the requirement of overdue for more than ninety days are not applicable.

(e) No loan granted by the Company during the year which has fallen due has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.

(f) The Company has granted advances in the nature of loan to the extent of ₹ 170 Lakhs to related parties (100% of total loans/ advances granted during the year) whose terms of repayment are not specified. However, a sum of ₹ 156 Lakhs has been received back during the year.

(iv) In our opinion and according to the information and explanations given to us and certified by the company loans and investments made are in compliance of section 185 and 186 of the Act except ₹ 163 lakhs (net) given to related party which is interest free. However, a sum of ₹ 156 Lakhs has been received back during the year.

(v) The Company has not accepted any deposit during the year. On the basis of legal opinion, the amount of ₹ 700 lacs received in earlier years is claimed as exempt deposits. Further, ₹ 405 Lakhs received as advance against supplies as mentioned in note 19 (ii) of the financial statements in the opinion of the management is not a deemed deposit within the meaning of sec 2(31) read with Acceptance of Deposit (rules) 2014. In light of above company has also confirmed 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 Goods and Service tax, provident Fund, Employees State insurance, income tax, sales 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 31.03.2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues as referred to in sub clause (a) which have not been deposited as at 31.03.2022 on account of any dispute other than disclosed as below:

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

Sr. No.	Name of Statute	Nature of Dues	Amount (₹) Lakhs	Period for which the amount relates	Forum where dispute is pending
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	CGST Act	Demand in respect of Excise Duty	38	2014-17	CGST Commissionerate
11	J&K Value Added Tax	Demand of Tax, Interest & penalty	90	2015-16	Appellate Authority
12.	J&K Value Added Tax	Demand of Tax, Interest & penalty	13	2016-17	Appellate Authority
13	Dehradun Tax Act	Demand of Sales Tax	71	2016-17	Commissioner (Appeals), Uttarakhand

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) The Company has not defaulted in the repayment of the Loans and interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or any other lender.

(c) According to the information and explanations given to us, Company has applied the term loans (Including working capital term loans) for the purposes for which the same have been obtained.

d) Current ratio less than one generally indicates the utilisation of short term fund for long term purposes, however that is not a conclusive evidence. The dip in the current ratio and reduction in long term sources of funds of Rs 75 lacs vis a vis long term application of funds, as explained by the management, is on account of operational losses in earlier years prior to financial year 2020-21. It is explained by the management that it has not utilised short term bank borrowings for long term purposes during the year. We have relied upon the assertion of management.

(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary, Joint venture or associates.

(f) The Company has not raised any loan on the pledge of securities held in its subsidiary, hence the requirement of reporting under this clause is not applicable.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally), hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) To the best of our knowledge no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) As represented by the Management, there was no whistle blower complaints received by the Company during the year (and upto the date of this audit report).

(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 based on our examination of the records of the Company and as certified by the management, 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, etc as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business. However, it needs to be further strengthened in terms of scope, timely completion and compliance of the observations.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) As per the information available and to the best of our knowledge in our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has incurred cash losses ₹ 504 Lakhs during the financial year (Previous year - Nil).

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) Provisions of section 135 are not applicable to the company and hence reporting under this clause is not applicable.

For **V. P. Jain & Associates**
Chartered Accountants
Firm's registration number: 015260N

Sarthak Madaan
Partner
Membership number: 547131

Place: New Delhi
Date: 30-05-2022
UDIN: 22547131ALZXFJ5993

Standalone Balance Sheet

as at March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
1 Non-current assets			
a) Property, plant and equipment	3A	36,921	37,217
b) Other intangible assets	3B	-	-
c) Capital work-in-progress	3C	16	19
d) Right-of-use assets	3D	44	74
e) Investment property	4	1,718	1,753
f) Financial assets			
i) Investments	5	31	31
ii) Trade receivables	10	115	-
iii) Loans	6	244	260
iv) Other financial assets	7(A)	1,929	1,903
g) Other non-current assets	8(A)	109	199
Total non-current assets		**41,127**	**41,456**
2 Current assets			
a) Inventories	9	3,733	3,521
b) Financial assets			
i) Investments		-	-
ii) Trade receivables	10	3,202	2,030
iii) Cash and cash equivalents	11 (A)	209	599
iv) Bank balances other than (iii) above	11 (B)	-	505
v) Other financial assets	7(B)	98	161
c) Other current assets	8(B)	913	970
d) Assets classified as held for sale	12	38	38
Total current assets		**8,193**	**7,824**
TOTAL- ASSETS		**49,320**	**49,280**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13	4,615	4,615
Other equity	14	142	(3)
Total Equity		**4,757**	**4,612**
LIABILITIES			
1 Non-current liabilities			
a) Financial liabilities			
i) Borrowings	15(A)	20,760	21,083
ii) Lease liabilities	16(A)	19	51
iii) Other financial liabilities	17(A)	5,969	5,608
b) Provisions	18(A)	1,995	2,321
c) Other non-current liabilities	19(A)	786	126
Total Non current liabilities		**29,529**	**29,189**
2 Current liabilities			
a) Financial liabilities			
i) Borrowings	15(B)	837	411
ii) Lease liabilities	16(B)	32	25
iii) Trade payables	20		
total outstanding due of micro enterprises & small enterprises		27	46
total outstanding due of other than micro enterprises & small enterprises		5,550	5,823
iv) Other financial liabilities	17(B)	1,392	2,609
b) Provisions	18(B)	449	436
c) Other current liabilities	19(B)	6,747	6,129
Total current liabilities		**15,034**	**15,479**
Total liabilities		**44,563**	**44,668**
TOTAL EQUITY AND LIABILITIES		**49,320**	**49,280**
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the standalone financial statements			

As per our report of even date
For V.P. Jain & Associates
Chartered Accountants
FRN: 015260N

Sarthak Madaan
Partner
Membership No.: 547131

Place : New Delhi
Date : 30.05.2022
UDIN: 22547131ALZXFJ5993

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 Statement of Profit and Loss

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
1 Income			
a) Revenue from operations	21	45,145	42,059
b) Other income	22	5,247	2,998
Total income		**50,392**	**45,057**
2 Expenses			
a) Cost of material consumed	23	23,588	18,546
b) Purchases of stock-in-trade	24	1,281	985
c) Changes in inventories of finished goods, work in progress and stock in trade	25	176	697
d) Excise duty on sale		619	2,295
e) Employee benefit expenses	26	7,024	6,627
f) Finance cost	27	2,882	3,025
g) Depreciation and amortisation expenses	28	996	929
h) Other expenses	29	13,743	11,779
Total expenses		**50,309**	**44,883**
3 Profit/(loss) before exceptional items and tax		**83**	**174**
4 Exceptional items	30	-	38
5 Profit/(Loss) before tax		83	212
6 Tax expense:			
Income tax adjustment related to earlier years		4	-
Total tax expenses		**4**	**-**
7 Profit/(Loss) for the year from continuing operations		**79**	**212**
8 Profit/(Loss) for the year from discontinued operations	32	**(17)**	**291**
Tax expenses from discontinued operations		-	-
9 Profit/(Loss) for the year		**62**	**503**
10 Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Fair value changes on Equity Instruments		1	-
Re-measurement gains/(losses) on defined benefit plans		26	74
Tax impact on re-measurement gain/(loss) on defined benefit plans		-	-
Total Other Comprehensive Income		**27**	**74**
11 Total Comprehensive Income for the year (9+10) (Comprising Profit/(Loss) and Other Comprehensive Income for the year)		**89**	**577**
12 Earnings per equity share for continuing operations (in ₹):			
Basic	31	0.18	0.48
Diluted		0.18	0.48
Earnings per equity share for discontinued operations (in ₹):			
Basic	31	(0.04)	0.67
Diluted		(0.04)	0.67
Earnings per equity share (for continuing and discontinued operations) (in ₹):			
Basic	31	0.14	1.15
Diluted		0.14	1.15
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the standalone financial statements			

As per our report of even date
For **V.P. Jain & Associates**
Chartered Accountants
FRN: 015260N

Sarthak Madaan
Partner
Membership No.: 547131

Place : New Delhi
Date : 30.05.2022
UDIN: 22547131ALZXFJ5993

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, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Cash flow from operating activities:		
Net profit for the year after tax	62	503
Adjustments for:		
Rent from investment properties	(1,182)	(1,625)
Employee Stock option expenses	56	-
Depreciation	996	929
Interest expense	2,882	3,025
Interest income	(122)	(187)
Profit on sale of properties, plant and equipment (net)	(98)	(38)
Fixed Assets written off	-	10
Bad debts/advances/stock written off	1,554	688
Allowance for expected credit loss	26	652
Provision for obsolete/damaged inventory	5	127
Liability/provisions no longer required written back	(3,206)	(616)
Provision for Gratuity & Leave Encashment & others	33	11
Operating profit before working capital changes	**1,006**	**3,479**
Changes in working capital		
Trade receivables	(844)	296
Other financial assets and other assets	454	285
Inventories	(222)	533
Trade payables	355	(649)
Financial liabilities, other liabilities and provisions	665	(1,415)
Cash generated from operations	**1,414**	**2,529**
Taxes (Paid)/ Received (Net of TDS)	-	-
Net cash generated from operating activities (A)	**1,414**	**2,529**
B. Cash flow from investing activities:		
Purchase of property, plant and equipment including capital work-in-progress and capital advances	(481)	(1,088)
Proceeds from sale of property, plant and equipment	114	136
Payment to subsidiaries & associates	(11)	(4)
Interest received (Revenue)	128	182
Income from investment properties	1,182	1,625
Release/(Addition) of cash (from)/for restrictive use	67	(1,324)
Net Cash generated/(used) from investing activities (B)	**999**	**(473)**

Standalone Cash Flow Statement (Contd.)

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
C. Cash flow from financing activities:		
Net Loans (repaid) / taken	103	517
Payment of lease liability	(25)	(31)
Interest paid	(2,881)	(3,040)
Net cash used in financing activities (C)	**(2,803)**	**(2,554)**
Net increase/ (decrease) in cash & cash equivalents (A + B + C)	**(390)**	**(498)**
Cash and cash equivalents at the beginning of the year	599	1,097
Cash and cash equivalents at the end of the year	209	599
Cash & cash equivalents comprises of (refer note 11(A))		
Cash, cheques & drafts (in hand) and remittances in transit	9	9
Balance with scheduled banks	200	590
	209	**599**

Notes :-

1. The aforesaid Standalone Cash Flow Statement has been prepared under the "Indirect Method" and in accordance with Ind AS -7 "Statement of Cash Flows".
2. Figures in brackets indicate cash outgo.

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

As per our report of even date
For V.P. Jain & Associates
Chartered Accountants
FRN: 015260N

Sarthak Madaan
Partner
Membership No.: 547131

Place : New Delhi
Date : 30.05.2022
UDIN: 22547131ALZXFJ5993

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 Statement of Changes in Equity
for the year ended March 31, 2022

A. Equity share capital:

Issued, subscribed and fully paid up (Share of ₹ 10 each)	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
Balance at the beginning of the year	46,148,112	461,481,120	46,148,112	461,481,120
Changes during the year	-	-	-	-
Balance at the end of the year	**46,148,112**	**461,481,120**	**46,148,112**	**461,481,120**

B. Other equity

(₹ in Lakhs)

Particulars	Reserve & Surplus					Total
	General Reserve	Capital Redemption	Securities Premium	Retained Earnings	Share option Outstanding account	
Balance as at April 01, 2020	**2,016**	**580**	**3,697**	**(6,873)**	**-**	**(580)**
Profit/(loss) for the year	-	-	-	503	-	**503**
Other comprehensive income for the year						
Re-measurement gains/(losses) on defined benefit plans	-	-	-	74	-	74
Balance as at March 31, 2021	**2,016**	**580**	**3,697**	**(6,296)**	**-**	**(3)**
Created during the year	-	-	-	-	56	56
Profit/(loss) for the year	-	-	-	62	-	62
Other comprehensive income for the year						
Fair value changes on Equity instruments	-	-	-	1	-	1
Re-measurement gains/(losses) on defined benefit plans	-	-	-	26	-	26
Balance as at March 31, 2022	**2,016**	**580**	**3,697**	**(6,207)**	**56**	**142**

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

As per our report of even date
For V.P. Jain & Associates
Chartered Accountants
FRN: 015260N

Sarthak Madaan
Proprietor
Membership No.: 547131

Place : New Delhi
Date : 30.05.2022
UDIN: 22547131ALZXFJ5993

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 to Standalone Financial Statements

for the year ended March 31, 2022

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 with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS"), 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 Ind AS Financial Statements have been prepared on a going concern *(refer Note 40(i))* 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 statements 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

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

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 which has been 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 certainity 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 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.

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

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.

(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.

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

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.

(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.

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

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 Payment of 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 Lakhs.

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 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

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

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) Duty Drawback is accounted for on accrual basis.

(i) 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.

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.

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

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.

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.

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

2.21 Leases:

The Company as a lessee

The Company's lease asset classes consist of leases for buildings and Plant and equipment. 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:

(i) The contract involves the use of an identified asset

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

(iii) 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 twelve months or less (short-term leases) 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. As a lessee, the Company determines the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. Certain lease arrangements include 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. 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 span 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 re measured with a corresponding adjustment to the related ROU asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset 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 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.

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

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

3A. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Land Free Hold	Land Lease Hold	Building	Furniture & Fixtures	Plant & Equipment	Other Equipment	Vehicles	Total
(I) Gross carrying amounts								
As at March 31, 2020	**23,789**	**851**	**6,222**	**265**	**8,816**	**209**	**335**	**40,487**
Additions	-	-	6	-	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**
Additions	-	-	10	14	556	60	1	**641**
Disposals	-	-	-	-	-	(0)	(108)	**(108)**
As at March 31, 2022	**23,789**	**844**	**6,136**	**279**	**10,244**	**288**	**215**	**41,795**
(II) Accumulated depreciation								
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**
Reversals	-	(1)	(8)	(0)	(6)	-	(11)	(26)
As at March 31, 2021	**-**	**53**	**1,313**	**132**	**2,246**	**147**	**154**	**4,045**
Charge for the year	-	11	256	14	589	26	25	921
Reversals	-	-	-	-	-	(0)	(92)	(92)
As at March 31, 2022	**-**	**64**	**1,569**	**146**	**2,835**	**173**	**87**	**4,874**
(III) Net carrying amounts								
As at March 31, 2021	**23,789**	**791**	**4,813**	**133**	**7,442**	**81**	**168**	**37,217**
As at March 31, 2022	**23,789**	**780**	**4,567**	**133**	**7,409**	**115**	**128**	**36,921**

3B. OTHER INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Patent Trade Mark
(I) Gross carrying amount	
As at March 31, 2021	10
As at March 31, 2022	**10**
(II) Accumulated depreciation	
As at March 31, 2020	**10**
Amortization for the year	-
As at March 31, 2021	**10**
Amortization for the year	-
As at March 31, 2022	**10**
(III) Net carrying amounts	
As at March 31, 2021	-
As at March 31, 2022	-

Notes to Standalone Financial Statements (Contd.)
for the year ended March 31, 2022

3C. CAPITAL WORK IN PROGRESS

As at March 31, 2021	19
As at March 31, 2022	16

(3C.1) Capital work-in-progress ageing schedule

Capital work in progress	Amount in CWIP for a period of				
	<1 yr	1-2 yr	2-3 yrs	>3 yrs	Total
Projects in progress	16	-	-	-	16
Projects temporarily suspended	-	-	-	-	-

(3C.2) There are no projects overdue as on date or has exceeded its cost compared to its original plan.

3D. RIGHT-OF-USE ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	74	20
(In respect of building taken on lease)		
Addition during the year	-	85
Deletion during the year	-	-
Amortisation during the year	30	31
Balance at the end of the year	**44**	**74**

Footnote(s) :-

(i) For details of Property, plant and equipment charged as security of borrowings. Refer Note 15B(ii) & (iii).

(ii) Title deeds of all immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company, except property having carrying value of ₹ 40 Lakhs in respect of which the execution of flat buyers agreement with builder is under process. However the Company is in effective physical possession of the property since inception.

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

(iv) Estimated amount of capital contracts remaining to be executed is ₹ 2 Lakhs (Previous year : ₹ 3 Lakhs).

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

4. INVESTMENT PROPERTY

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Gross carrying amount at beginning of the year	2,649	2,640
Transferred from property, plant and equipment	-	5
Additions during the year	10	4
Gross carrying amount at end of the year	**2,659**	**2,649**
Accumulated depreciation at beginning of the year	896	850
Transferred from property, plant and equipment	-	1
Depreciation during the year	45	45
Accumulated depreciation at the end of the year	**941**	**896**
Net carrying amount at the end of the year	**1,718**	**1,753**

Footnote(s):

(i) Investment properties include a sum of ₹ 60 Lakhs (Previous year : ₹ 64 Lakhs) on account of allied plant & machinery installed in the properties.

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rental income (including reimbursement of maintenance expenses)	1,464	1,931
Direct operating expenses from property that generated rental income	249	298
Direct operating expenses from property that did not generate rental income	32	8
Profit from investment properties before depreciation	**1,183**	**1,625**
Depreciation for the year	45	45
Profit from investment properties	**1,138**	**1,580**

(iii) Contingent rents recognised as income - Nil.

(iv) Company has entered into lease agreements on different dates for a period of maximum 3 years. The lease(s) can be terminated at the option of lessor/lessee with notice period of three months. During the year the property situated at Institutional Area, Gurugram, Haryana, admeasuring 66,710 sqft area remained vacant due to continuing COVID -19 Pandemic, resulting in decrease in rental income. With the improved COVID-19 pandemic situation, in future, the Company expects to let out the same to new tenant'(s).

(v) Fair value

Particulars	As at March 31, 2022	As at March 31, 2021
Investment properties	21,482	21,472

(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, 2022, however the fresh valuation will be taken, once Covid Pandamic is over.

(vii) For details of investment property charged as security of borrowings refer note 15 (i) (a) & (b).

(viii) Title deeds (Flat Buyer's agreement) of investment properties are held in the name of the Company.

5. NON-CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(A) Equity instruments (fully paid-up)		
(i) **Quoted**		
Milkfood Ltd.		
1,350 (Previous year : 1,350) Shares of ₹ 10/- each fully paid	4	4
Punjab National Bank		
4,965 (Previous year : 4,965) shares of ₹ 2/- each fully paid	2	2
(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
1,02,01,717 (Previous year : 1,02,01,717) shares of ₹ 10 each fully paid		

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

(₹ in Lakhs)

	Particulars	As at March 31, 2022	As at March 31, 2021
	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.		
	1,650 (Previous year : 1,650) shares of ₹ 100 each fully paid	2	2
(iv)	**Unquoted**		
	In others		
	Chic Interiors Pvt. Ltd.		
	1,752 (Previous year : 1,752) shares of ₹ 10 each fully paid	0	0
(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)	2	2
	Gross value before impairment	**1,053**	**1,053**
	Less: Provisions for impairment in the vaue of investments in L.P. Investment Ltd. & in Govt. Securities	1,022	1,022
	Net Value	**31**	**31**

Footnote(s):

(i) Aggregate amount of cost of quoted Investments is ₹ 5 Lakhs (Previous year : ₹ 5 Lakhs).

(ii) Aggregate amount of cost of unquoted Investments ₹ 1045 Lakhs (Previous year : ₹ 1045 Lakhs).

(iii) For mode of valuation refer Note 37.

6. LOANS

(A) Non-current

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good :		
Loan to related parties (*refer footnote (i) & Note-35)*	16	5
(subsidiary Company/Associates)		
Loan to employees *(refer footnote (ii))*	27	27
Unsecured- Credit Impaired :		
Loan to related parties (*refer note 35)*	185	185
(subsidiary Company)		
Loan employees/others *(refer footnote (iii))*	436	508
Less: Allowance for expected credit loss	(420)	(465)
Total	**244**	**260**

Footnote(s):

(i) Represent 6.55% of total loans without specifying any terms or period of repayment.

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

(ii) Represent recoverable from Managing Director constituting 11.07% of the total loan. In absence of terms or period of repayment, 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.

(iii) (a) Includes ₹ 235 Lakhs (Previous year : ₹ 280 Lakhs) recoverable from a senior employee which has been provided as a matter of abundant caution in earlier year. The Company has recovered ₹ 45 Lakhs during the year.

(b) It also includes a sum of ₹ 201 Lakhs (net of part amount of full and final settlement which is under process) due from an Ex-employee. Management is hopeful to adjust/recover the loan in the next year.

(iv) No loans are due by Directors or other officers of the company or any of them either severally or jointly with any other person other than mentioned in note no (ii) above.

7. OTHER FINANCIAL ASSETS

(A) Non-current: (₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured considered good :		
Security deposits	205	172
Fixed deposits with bank *(refer footnote-(i))*	1,532	1,538
Margin money accounts *(refer footnote-(ii))*	105	130
Others *(refer footnote-(iii))*	87	63
Unsecured considered doubtful:		
Security deposits	285	221
Others	7	65
Less: Allowance for doubtful deposits & loans	(292)	(286)
Total	**1,929**	**1,903**

(B) Current: (₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advances to employees	59	71
Interest receivable	-	5
Others	39	85
Total	**98**	**161**

Footnote(s) :

(i) Includes fixed deposit of ₹ 1438 Lakhs (Previous year : ₹ 1437 Lakhs) with IndusInd Bank for security against borrowings (Also refer note no 15(i)) and ₹ 94 Lakhs (Previous year : ₹ 90 Lakhs) pledged with Govt. Authorities as security.

(ii) Towards bank guarantees against contractual/statutory obligations.

(iii) Includes Interest receivables ₹ 21 Lakhs (Previous year : NIL) on loan given to group Company, ₹ 16 Lakhs (Previous year : ₹ 16 Lakhs) security deposit against loan taken from related party and ₹ 50 Lakhs (including ₹ 40 Lakhs given in the earlier years) as advance to other party. The Company has recovered ₹ 65 Lakhs during the year and is hopeful of recovery of the principal amount along with interest in the subsequent period.

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

8. OTHER ASSETS

(A) Non-current

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured - considered good		
Capital advances	-	170
Balance with revenue authorities *(refer footnote (i))*	15	14
Advances to suppliers *(refer footnote (ii))*	89	9
Prepaid expenses	5	6
Unsecured - considered doubtful		
Advances to suppliers	1,851	1,920
Others *(refer footnote (iii))*	240	230
Less: Allowance for doubtful advances	(2,091)	(2,150)
Total	**109**	**199**

(B) Current

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with excise/revenue authorities	58	48
Income tax refund for earlier years	272	279
TDS recoverable	59	157
Advances to suppliers	270	210
Prepaid expenses	254	260
Others	-	16
Total	**913**	**970**

Footnote(s):

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

(ii) Pertaining to earlier years considered good for recovery and the management is making effort to recover/adjust the same in the subsequent year.

(iii) Includes ₹ 37 Lakhs (Previous year : ₹ 37 Lakhs given in earlier years and provided for) from Director of the Company and 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 Company is making efforts to recover the advance and is hopeful that the same will be received in the subsequent year.

9. INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials [includes in-transit of ₹ 635 Lakhs (Previous Year : ₹ 400 Lakhs)]	1,189	1,159
Packaging materials *(refer footnote - (i))*	617	562
Work-in-progress	218	626
Finished goods	808	613
Stock-in-trade	62	25
Stores and spare parts	839	536
Total	**3,733**	**3,521**

Footnote(s):

(i) Packaging materials are net of provision for obsolete inventory of ₹ 453 Lakhs (Previous year : ₹ 453 Lakhs).

(ii) The mode of valuation of inventories has been described in Note 2.10.

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

10. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables (Gross)		
Unsecured, considered good	3,202	2,030
Receivable which have significant increase in credit risk	181	-
Receivable credit impaired	4,372	6,349
Less: Allowance for expected credit loss		
Receivable which have significant increase in credit risk	66	-
Receivable credit impaired	4,372	6,349
Net Trade receivables		
Unsecured, considered good	3,202	2,030
Receivable which have significant increase in credit risk	115	-
Receivable credit impaired	-	-
Current	**3,202**	**2,030**
Non-current (considered good by the management)	**115**	**-**

Ageing of Trade receivables from due date of payment:

Particulars	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2022:						
a) Undisputed trade receivables						
- considered good	3,100	102	-	-	-	3,202
- which have significant increase in credit risk	-	-	106	75	-	181
- which are credit impaired	-	-	-	-	3,530	3,530
	3,100	**102**	**106**	**75**	**3,530**	**6,913**
b) Disputed trade receivables						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- which are credit impaired	-	-	-	-	842	842
	-	**-**	**-**	**-**	**842**	**842**
Less: Expected Credit Loss	-	-	61	5	4,372	4,438
	3,100	**102**	**45**	**70**	**-**	**3,317**
As at March 31, 2021:						
a) Undisputed trade receivables						
- considered good	1,425	575	30	-	-	2,030
- which have significant increase in credit risk	-	-	-	-	-	-
- which are credit impaired	35	5	7	89	5,497	5,633
	1,460	**580**	**37**	**89**	**5,497**	**7,663**
b) Disputed trade receivables						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- which are credit impaired	-	15	-	5	696	716
	-	**15**	**-**	**5**	**696**	**716**
Less: Expected Credit Loss	35	20	7	94	6,193	6,349
	1,425	**575**	**30**	**-**	**-**	**2,030**

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

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.

(ii) Allowance for expected credit loss is made on the simplified approach of provisions based in earlier years.

11A. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	9	9
Bank balance on current accounts	161	590
Term deposits	39	-
(With original Maturity less than 3 months.)		
Total	**209**	**599**

11B. OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Term deposits		
(With original Maturity more than 3 months but less than 12 months)	-	505
Total	**-**	**505**

12. ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Property, plant & equipment held for sale	38	38
(Valued at the lower of the fair value less cost to sell & carrying amount)		
Total	**38**	**38**

Footnote(s):

(i) During the financial year 2017-18, the Company entered into an agreement of sale for development and disposal thereafter a part of leasehold land of Glass division at Sahibabad due to discontinuity of operations. In pursuance of the said agreement, the Company has received a sum of ₹ 4627 Lakhs (towards part performance of the agreement). Recognition of revenue has been deferred, pending approval from the lessor (UPSIDC). The Company has entered into tripartite MOU for development of entire property in pursuance of Board Resolution dated 14.08.2021. It was expected that obligations would be performed by 31.03.2022 but due to Covid-19 Pandemic, the approval could not be obtained. Negotiations are under process to extend the performance of the agreement by mutual consent. However, management is hopeful to receive the formal approval by the end of the next financial year.

(ii) Lease deed is in the name of the Company.

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

13. SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised		
75,000,000 (March 31, 2021: 75,000,000) equity shares of ₹ 10/- each	7,500	7,500
Issued, subscribed and fully paid up		
46,148,112 (March 31, 2021: 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, 2020	46,148,112	461,481,120
Increase/(Decrease) during the year	-	-
As at March 31, 2021	**46,148,112**	**461,481,120**
Increase/(Decrease) during the year	-	-
As at March 31, 2022	**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 in the proportion to their shareholdings.

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

	As at March 31, 2022		As at March 31, 2021	
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

(iv) Details of shares held by promoter in the Company

	As at March 31, 2022		As at March 31, 2021		
Name of the promoter	Numbers of shares held	Percentage of shares held	Numbers of shares held	Percentage of shares held	% change during the year
Mr. Karamjit Singh Jaiswal	5,31,880	1.15%	5,31,880	1.15%	-
Ms. Roshini Sanah Jaiswal	74,816	0.16%	74,816	0.16%	-
Mrs. Shakun Jaiswal	100	0.00%	100	0.00%	-
LPJ Holdings Pvt. Ltd.	74,18,648	16.08%	74,18,648	16.08%	-
LPJ Holdings Pvt. Ltd. (Special Series Shares)	25,00,000	5.42%	25,00,000	5.42%	-

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

(Contd.)

Name of the promoter	As at March 31, 2022		As at March 31, 2021		% change during the year
	Numbers of shares held	Percentage of shares held	Numbers of shares held	Percentage of shares held	
K. S. J. Finance & Holdings Pvt. Ltd.	11,92,256	2.58%	11,92,256	2.58%	-
R. J. Shareholdings Pvt. Ltd.	5,76,000	1.25%	5,76,000	1.25%	-
S. J. Finance And Holdings (P) Ltd.	11,30,304	2.45%	11,30,304	2.45%	-
Quick Return Investment Company Ltd.	1,14,904	0.25%	1,14,904	0.25%	-
Double Durable Investments Ltd.	1,11,657	0.24%	1,11,657	0.24%	-
Fast Buck Investments & Trading Pvt. Ltd.	9,88,900	2.14%	9,88,900	2.14%	-
Snowhite Holdings Pvt. Ltd.	2,100	0.00%	2,100	0.00%	-
Orissa Holdings Ltd. (OCB)	10,03,800	2.18%	10,03,800	2.18%	-

14. OTHER EQUITY

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Capital Redemption Reserve	580	580
(b) Securities Premium	3,697	3,697
(c) General Reserve	2,016	2,016
(d) Share Option Outstanding Account	56	-
(e) Retained Earning *(refer footnote (v))*	(6,207)	(6,296)
Balance as at the end of reporting period	**142**	**(3)**

Footnote(s):

(i) Capital Redemption Reserve:

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

(ii) Securities Premium

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 Securities 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. There are no restrictions on utilisation of the reserve except in case of declaration of dividend out of Reserves as prescribed under The Companies (Declaration and Payment of Dividend) Rules,2014 read with Section 123 of The Companies Act 2013.

(iv) Share Option Outstanding Account

Pursuant to the approval of the Board of Directors of the Company in their meeting(s) held on 7th August, 2021 and 14th August, 2021 and consequent approval of the shareholders of the Company in the 76th Annual General Meeting held on 30th September, 2021, the Nomination and Remuneration Committee of the Board of Directors of the Company, has granted options numbering to 8,37,584 (Fair value ₹ 571 Lakhs) as Stock Incentive Plan on 20th January, 2022 to the Eligible Employees of the Company under the "Jagatjit Industries Limited Stock Incentive Plan 2021" complying the Companies Act read with Securities and exchange Board of India (share based employee benefits and sweat equity regulations) 2021. Amount of ₹ 56 Lakhs pertaining to this year has been accounted for as employee benefit expenses and a corresponding Reserve has been created for the same.

(v) Includes revaluation reserve of ₹ 24,501 Lakhs (Previous year : ₹ 24,512 Lakhs) related to land situated at Hamira and Behror. The figure of retained earnings is in negative as company had suffered losses prior to and after revaluation up to financial year 2019-20.

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

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

15. BORROWINGS

(A) Non current borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
From banks		
Term loan *(refer footnote (i))*	19,980	20,163
From others		
Car loans *(refer footnote (iii))*	35	51
Unsecured		
Inter corporate loan from related party	745	869
Total	**20,760**	**21,083**

(B) Current borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Cash credits from banks *(refer footnote (ii))*	352	-
Current maturity of long term loan from bank *(refer footnote (i))*	184	132
Current maturity of long term car loan *(refer footnote (iii))*	17	16
Unsecured		
Inter corporate loan from related parties*(refer footnote (iv))*	284	263
Total	**837**	**411**

Footnote(s):

Nature of Security	Terms of Repayment
(i) Rupee loan from IndusInd Bank amounting to ₹ 20,164 Lakhs (Previous Year : ₹ 20,295 Lakhs) net of processing fee of ₹ 330 Lakhs (Previous Year : ₹ 357 Lakhs) is secured against :- (a) office space at 9th and 10th floor, Ashoka Estate, 24 Barakhamba Road, New Delhi (b) Land and Building at Plot No 78, Sector 18, Institutional Area, Gurugram, Haryana. (c) Lien on fixed deposit of ₹ 1438 Lakhs (Previous year: ₹ 1437 Lakhs) on exclusive basis. (Refer note 7(i)). (d) Equitable Mortgage over 4th and 5th Floors of Okhla Property owned by Group Concern. (e) Equitable Mortgage over House No. 82, Sundar Nagar, New Delhi owned by Promotors.	Date of maturity: June-2034, no of installments due: 147, Rate of Interest is 11.75% p.a.
(ii) Cash Credit limits are part of working capital facilities availed from Kotak Mahindra Bank.	This limit is secured by first and Exclusive charge on Current Assets and movable fixed assets of Hamira Plant, Punjab both present and future, equitable mortgage on residential property at New Friends Colony owned by group concern and personal guarantee of promotors.
(iii) Car Loans of ₹ 51 Lakhs (Previous Year : ₹ 67 Lakhs) are secured by hypothecation of the related cars.	Date of maturity : March-2025 no of installments due : 36. Rate of interest 8.25% to 8.75% p.a.

(iv) Includes loan of ₹ 162 Lakhs taken from related parties for which term of repayments have not been stipulated and therefore it is treated as repayable on demand.

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

(v) The company has utilised the borrowings from banks and financial institutions for the specific purposes for which it has been borrowed. There has been no default with regard to repayment of borrowing and interest during the year and there are no overdue on this account as on the date of balance sheet. The company has not been declared as wilful defaulter by any bank or financial institution or any other lender.

16. LEASE LIABILITIES

A. Non-current

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liabilities (ROU)	19	51
Total	**19**	**51**

B. Current

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liabilities (ROU)	32	25
Total	**32**	**25**

17. OTHER FINANCIAL LIABILITIES

(A) Non-current

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposits *(refer footnote (i))*	5,969	5,608
Total	**5,969**	**5,608**

(B) Current

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unclaimed matured deposits *(refer footnote (ii))*	26	38
Interest accrued but not due	72	72
Interest accrued and due *(refer footnote (iii))*	222	220
Security deposits	58	108
Employee benefits *(refer footnote (iv))*	550	874
Expenses payable	390	708
Other liabilities *(refer footnote (v))*	74	589
Total	**1,392**	**2,609**

Footnote(s):

(i) During the year, the Company has changed the classification of security deposits received from the franchisee partners/Stockists/Tenants and has treated the amount of ₹ 2517 Lakhs as non- current liability in respect of the various agreements which have expired during the year or expiring within the 12 months of the reporting date on the premise that the security deposits will continue on the basis of past trend/trade practice prevalent in the liquor industry in respect of the franchisee business and there is a provision in the existing agreements to extend its tenure for future period. Accordingly, the figures for the corresponding previous year have been reclassified.

(ii) 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.

(iii) Includes ₹ 6 Lakhs (Previous Year : ₹ 8 Lakhs) payable to MSME suppliers.

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

(iv) Includes ₹ 71 Lakhs (Previous Year : ₹ 44 Lakhs) payable to ex-employees on account of full and final settlement which are outstanding for more than one year.

(v) Includes ₹ 60 Lakhs (Previous year: ₹ 60 Lakhs) on account of business surplus payable to ex-franchisee partner pertaining to earlier years pending final settlement.

18. PROVISIONS

A. Non-current

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Provision for employee benefits		
- Gratuity	1,857	1,847
- Compensated absences	138	129
(b) Provisions for litigations		
- Service tax/ Sales tax	-	345
(refer note 22(ii)(f))		
Total	**1,995**	**2,321**

B. Current

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
- Gratuity	374	385
- Compensated absences	75	51
Total	**449**	**436**

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 34).*

19. OTHER LIABILITIES

(A) Non-current

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred rental income *(refer footnote (i))*	381	126
Others *(refer footnote (ii))*	405	-
Total	**786**	**126**

(B) Current

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advances from customers	369	412
Advances received against property, plant & equipment held for sale *(refer note 12(i))*	4,627	4,627
Statutory dues *(refer footnote (iii))*	1,459	859
Other liabilities *(refer footnote (i))*	292	231
Total	**6,747**	**6,129**

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

Footnote(s):

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

(ii) Represents advance received from customer for enhancing the production capacity of the Plant which is being adjusted from the job work service income on regular intervals as per the stipulations laid out in the agreement. Management is of the view that the same is exempt deposit within the meaning of sec 2(31) of the Companies Act 2013, read with Acceptance of deposit (rules) 2014.

(iii) Includes provision of custom duty of ₹ 381 Lakhs (Previous Year : ₹ 240 Lakhs) in respect of goods in transit and provision of excise duty of ₹ 283 Lakhs (Previous Year : ₹ 80 Lakhs) in respect of closing stock of finished goods.

20. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of Micro Enterprise and Small Enterprises	27	46
Total outstanding dues of other than Micro Enterprise & Small Enterprises	5,550	5,823
Total	**5,577**	**5,869**

Ageing schedule of Trade payable from the date of transaction:

Particulars	As at March 31, 2022				
	< 1 Year	1-2 Years	2-3 Years	> 3 Years	Total
a) Undisputed trade payables					
MSME	20	-	-	7	27
Others	4,610	177	122	587	5,496
Total	**4,630**	**177**	**122**	**594**	**5,523**
b) Disputed trade payables					
MSME	-	-	-	-	-
Others	-	-	-	54	54
Total	-	-	-	**54**	**54**
Balance as on March 31, 2022	**4,630**	**177**	**122**	**648**	**5,577**

Particulars	As at March 31, 2021				
	< 1 Year	1-2 Years	2-3 Years	> 3 Years	Total
a) Undisputed trade payables					
MSME	41	-	-	5	46
Others	4,069	201	562	931	5,763
Total	**4,110**	**201**	**562**	**936**	**5,809**
b) Disputed trade payables					
MSME	-	-	-	-	-
Others	-	-	-	60	60
Total	-	-	-	**60**	**60**
Balance as on March 31, 2021	**4,110**	**201**	**562**	**996**	**5,869**

Footnote(s):

(i) This information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

(ii) **Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year		
- Principal Amount Unpaid	27	46
- Interest due	1	4
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	0	40
- Interest paid beyond the Appointed date	0	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.	1	4
The amount of interest accrued and remaining unpaid at the end of the year (refer note 17(B) (iii))	6	8

21. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Sale of products (including excise duty) *(refer note (i))*	35,182	31,889
(b) Sale of services (Job work)	8,808	9,310
(c) Other operating revenues *(refer note (ii))*	867	521
(d) Revenue from franchisee business (refer note (iii))	288	339
Total revenue from operations	**45,145**	**42,059**

Footnote(s):

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Sale of products comprises		
(a) Manufactured goods		
Malt & malt extract	3,349	3,217
Processed milk	3,439	2,426
ENA/Liquor sales	24,561	23,517
By Product/Others	2,436	1,831
	33,785	**30,991**
(b) Traded goods		
Petroleum products	1,296	825
Others	101	73
	1,397	**898**
	35,182	**31,889**
(ii) Other operating revenues comprises		
Royalty	641	346
Duty drawbacks *(refer footnote (iv))*	66	6
Scrap sales	98	116
Commission/Marketing income	62	53
	867	**521**

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

(₹ in Lakhs)

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
(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 unconfirmed and certified by the management as under:		
	Sales from franchisee business	21,243	16,093
	Less : Cost of goods sold	20,955	15,754
	Net Revenue	**288**	**339**

(iv) During the year, duty drawback income has been accounted for on accrual basis instead of receipt basis in earlier years. Refer Note no 2.12(h) of the accounting policy.

22. OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income *(refer footnote (i))*	122	187
Rental maintenance income	188	302
Profit on sale of vehicle	98	-
Rent other	2	4
Rent from investment properties	1,276	1,629
Gain on financial instruments at fair value through profit or loss	307	258
Liabilities/provisions no longer required written back *(refer footnote(ii))*	3,206	616
Misc. income *(refer footnote(iii))*	48	2
Total other income	**5,247**	**2,998**

Footnote(s):

(i) Includes interest of ₹ 13 Lakhs (Previous year : ₹ 39 Lakhs) on income tax refund.

(ii) Includes write back/reversal of :

(a) provisions of ₹ 390 Lakhs made in earlier years against receivables on account of receipt of dues.

(b) old non-active trade payables of ₹ 616 Lakhs no longer considered to be payable.

(c) provision for bad and doubtful debts and advances of ₹ 2015 Lakhs made in earlier years written off during the year as no longer considered receivable.

(d) non-active long outstanding security deposits of ₹ 40 Lakhs considered no longer payable.

(e) provisions of sales tax of ₹ 20 Lakhs made in earlier years against which no demand/ case is pending before any authority.

(f) reversal of provision of service tax of ₹ 345 Lakhs created in the books in the earlier years on the basis of demand raised by Orissa state Beverage Corporation in the initial year. Management has taken an opinion that the transactions between the company and Corporation are in the nature of purchase and sales and do not come within the ambit of "Taxable service" u/s 65 (19) read with section 65 (105)(zzb) of the Finance Act 1994.

(iii) Includes ₹ 45 Lakhs (Previous year : NIL) gain on foreign exchange fluctuation.

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

23. COST OF MATERIAL CONSUMED

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventory at the beginning of the year	2,174	2,118
Add: Purchases of raw and packaging materials	23,673	18,602
	25,847	**20,720**
Less: Inventory at the end of the year	2,259	2,174
Total	**23,588**	**18,546**

24. PURCHASES OF STOCK-IN-TRADE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Petroleum products	1,281	805
Others	0	180
Total	**1,281**	**985**

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

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the beginning of the year:		
Finished goods	613	1,441
Stock-in-trade	25	19
Work-in-progress	626	501
	1,264	**1,961**
Inventories at the end of the year:		
Finished goods	808	613
Stock-in-trade	62	25
Work-in-progress	218	626
	1,088	**1,264**
Decrease/(Increase)	**176**	**697**

26. EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	6,085	5,776
Share based payments *(refer footnote 14(iv))*	56	-
Gratuity & compensated absences *(refer note 34)*	327	260
Contribution to provident, family pension fund	324	316
Contribution to employees' state insurance	98	95
Staff welfare expenses	134	180
Total	**7,024**	**6,627**

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

27. FINANCE COST

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on:		
Borrowings	2,388	2,556
Security deposit received	358	260
Lease liabilities	8	5
Other (including bill discounting charges/ on statutory dues)	124	151
Other borrowing cost	4	53
Total	**2,882**	**3,025**

28. DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on property, plant & equipment	921	853
Depreciation on investment property	45	45
Amortisation of right-of-use assets	30	31
Total	**996**	**929**

29. OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Consumption of Stores and Spare parts	427	390
Power and Fuel	5,025	3,158
Repairs - Buildings	142	119
Plant and machinery	384	551
Excise Duty *(refer footnote (i))*	203	(185)
Contractual manufacturing cost	993	940
Cartage & Others	345	503
Rent (net)	25	12
Rates & Taxes	897	787
Insurance	123	126
Travelling expenses	131	59
Repairs to building	14	4
Other repairs & maintenance	324	410
Bad debts, advances and stock written off	1,554	688
Allowance for expected credit loss	26	652
Provision for obsolete inventory	5	127
Property, plant & equipment written off	-	10
Directors' fee	9	8
Security Expenses	292	258
Forwarding charges	253	163
Advertisement, publicity and sales promotion	989	1,804
Auditor's remuneration *(refer footnote (ii))*	22	26
Legal & professional expenses	367	233
Fair value loss on financial instruments	332	259
Miscellaneous expenses *(refer footnote (iii))*	861	677
Total	**13,743**	**11,779**

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

Footnote(s):

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

(ii) **Payment to statutory auditor**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
As auditor		
For audit	17	20
For tax audit	-	4
For limited review	5	2
	22	**26**

*other auditors expenses included in legal & professional expenses.

(iii) Miscellaneous Expenses include :

A sum of ₹ 65 Lakhs on account of settlement of contractual claim of ₹ 125 Lakhs pertaining to earlier year. information & technology expenses of ₹ 55 Lakhs (Previous year : ₹ 31 Lakhs), trade subscription ₹ 31 Lakhs (Previous year : ₹ 29 Lakhs), printing & stationery ₹ 32 Lakhs (Previous year : ₹ 36 Lakhs), festival expenses ₹ 33 Lakhs (Previous year : ₹ 22 Lakhs), prior period expenses of ₹ 38 Lakhs (Previous year : ₹ 2 Lakhs) and tax on perquisite ₹ 18 Lakhs (Previous year : ₹ 20 Lakhs).

30. EXCEPTIONAL ITEMS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit on sale of property, plant and equipment	-	38
Total	-	**38**

31. EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holder by weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holder by weighted average number of equity shares outstanding during the year plus weighted average number of equity shares that would be issued on conversion of all dilutive potential equity shares in to equity shares.

Profit and share data used in the basic and diluted EPS computation.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net Profit/(Loss) attributable to shareholders (₹ in Lakhs)		
From continuing operations	79	212
From discontinued operations	(17)	291
Total	**62**	**503**
Weighted average number of equity shares used for computing basic earning per share *(refer footnote (i))*	43,648,112	43,648,112
Weighted average number of equity shares used for computing diluted earning per share *(refer footnote (i))*	44,485,696	43,648,112
Basic earnings per share of ₹ 10 each (₹)		
From continuing operations	0.18	0.48
From discontinued operations	(0.04)	0.67
Total basic earnings per share	0.14	1.15
Diluted earnings per share of ₹ 10 each (₹)		
From continuing operations	0.18	0.48
From discontinued operations	(0.04)	0.67
Total diluted earnings per share	0.14	1.15

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

Footnote(s):

(i) 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 13 (ii)(c)).

32. PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS

The Company has discontinued its operations at Sahibabad glass division. The disclosures as required under Indian Accounting Standard - 105 are given below.

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(A) Revenue		
Miscellaneous Income	-	291
Interest Income	-	0
Liabilities/provisions no longer required written back	34	22
Total revenue	**34**	**313**
(B) Expenses		
Employee benefits expenses		
Salaries, Wages, Bonus and Gratuity	7	7
Other expenses		
Rates & Taxes	5	8
Travelling expenses	0	0
Other repairs & maintenance	0	0
Bad Debts and advances written off	32	-
Security expenses	5	5
Legal & professional expenses	1	1
Miscellaneous expenses	1	1
Total expenses	**51**	**22**
Profit/(Loss) for the year (A - B)	**(17)**	**291**
Less: Tax expense	-	-
Profit/(Loss) after tax for the year	**(17)**	**291**
Total Assets	**46**	**46**
Total Liabilities	**4,630**	**4,633**
Cash Flow from discontinued operations included in above		
- Operating activities	-	1
- Investing activities	-	-
- Financing activities	-	-

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

33. CONTINGENT LIABILITIES:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Claim against the company not acknowledged as debt :		
Service tax *(footnote (i))*	142	142
Sales tax/VAT *(footnote (ii))*	756	1,314
Employee state insurance/others *(footnote (iii))*	214	214
Others *(footnote (iv))*	22	147
Total	**1,134**	**1,817**

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).

(ii) Sales tax / VAT

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

(b) 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).

(c) 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).

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

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

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

(g) Demand of ₹ Nil (Previous year : ₹ 629 Lakhs) on account of non credit of deposited challans from commercial taxes department, Rajasthan.

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

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

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

(k) Demand of sales tax under Dehradun VAT Act Assessment for FY 2016-17 ₹ 71 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) Refer note 29 (iii) regarding reduction of liability of ₹ 125 Lakhs on account of full & final settlement.

(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 to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

(v) Income Tax Act, 1961

(a) Protective addition of ₹ 5657 Lakhs and substantive addition of ₹ 107 Lakhs made in the assessment proceedings u/s 153A of the Income Tax Act, 1961, in earlier years on account of sales promotion expenses and alleged accomodation purchases respectively were deleted by CIT (A) except ₹ 77 Lakhs against which department filed an appeal and company filed cross objection to the confirmed addition before the ITAT which is pending for adjudication. For assessment year 2009-10 and 2010-11, ITAT has dismissed the second appeal of Department regarding relief of sales promotion expenses of 2655 Lakhs. The company has strong legal reasons that appeal of the Department will be dismissed and company will get the remaining relief of ₹ 77 Lakhs.

(b) Company has also filed an application for compounding relating to TDS matters and certain other matters are pending before High Court, tax impact of which is not ascertainable at this stage.

(c) An intimation order under section 143(1) of the Act pertaining to Assessment year 2020-21, disallowing the employees contribution to Provident Fund of ₹ 250 Lakhs under section 36(i)(va) of the Act resulting in creation of demand of ₹ 45 Lakhs and adjustment of the same against the refund, by ommitting to carry forward the brought forward losses/ unabsorbed depreciation, has been received by the company against which it has filed an appeal and rectification application under section 154 of the Act. Company has received the rectification order in its favour with regard to adjustment of brought forward losses. The appeal is subjudice and company has been legally advised of its success with regard to aforementioned disallowance and consequently cancellation of demand.

(d) Assessment under section 147 in respect of assessment year 2016-17 has been made by making certain disallowances/ addition of ₹ 445 Lakhs on account of late deposit of provident fund and alleged bogus purchases resulting in reduction of carry forward of losses to the same extent. The Company have filed appeal before First appellate authority and has strong legal reasons to get relief.

(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.

34. 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, 2022	For the year ended March 31, 2021
(i) Employers' contribution to provident fund	324	316
(ii) Employers' contribution to employees' state insurance	98	95

Included in 'Contribution to Provident, Family Pension and 'Employees' State Insurance (Refer Note 26)

(B) Defined benefit plans

The benefit of Gratuity is payable as per the Payment of Gratuity Act, 1972 or maximum gratuity payable under the said Act, which ever is lower. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

(C) Compensated absences cover the Company's liability for sick and earned leave. The liability has been recognised on actuarial valuation basis.

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

(₹ in Lakhs)

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Compensated absence	Gratuity	Compensated absence	Gratuity
(i) **Assumptions**				
(a) Discount rate	7.15%	7.15%	6.74%	6.74%
(b) Attrition rate	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)	12.40	14.34	12.41	14.47
(ii) **Change in the Present Value of Obligation**				
(a) Present value of obligation as at beginning of the year	180	2,232	200	2,201
(b) Interest cost	11	142	13	143
(c) Current/Past service cost	69	123	60	126
(d) Benefit paid	(28)	(240)	(11)	(164)
(e) Actuarial (gain)/loss on obligations	(19)	(26)	(82)	(74)
(f) Present value of obligation as at end of the year	213	2,231	180	2,232
(iii) **Amount recognised in the Balance Sheet**				
(a) Present value of obligation as at end of the year	213	2,231	180	2,232
(b) Fair Value of Plan Assets as at the year end	-	-	-	-
(c) (Asset) / Liability recognised in the Balance Sheet	213	2,231	180	2,232
Net liabilities recognised in the Balance Sheet accounted for as below:				
Provision non current (Refer Note 19 A)	138	1,857	129	1847
Provision current (Refer Note 19 B)	75	374	51	385
(iv) **Expenses recognised in the Statement of Profit and Loss**				
(a) Under Profit & Loss				
Current/Past service cost	69	123	60	126
Interest cost	11	142	13	143
Actuarial (gain)/loss on obligations	(19)	-	(82)	-
(b) Total Expenses recognised in the Statement of Profit and Loss	**61**	**266**	**(9)**	**269**
(c) Remeasurement-other comprehensive Income (OCI)	-	(26)	-	(74)
	61	**240**	**(9)**	**195**

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

(v) **Sensitivity analysis:**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022			
	Compensated absence		Gratuity	
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	(7)	7	(98)	107
Salary increase rate	7	(7)	107	(99)
Employee attrition rate	0	0	5	(5)

Particulars	For the year ended March 31, 2021			
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	(7)	7	(99)	108
Salary increase rate	7	(7)	107	(100)
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.

35. 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
Holding Company	LPJ Holdings Private Limited
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
Associate	Hyderabad Distilleries & Wineries Pvt. Ltd.
Key Managerial Personnel and their relatives:	Mr. Ravi Manchanda (Managing Director) Mr. Anil Vanjani (CEO & CFO) Mr Roopesh Kumar (Company Secretary) Mr. Karamjit Singh Jaiswal Ms. Roshini Sanah Jaiswal
Director	Mrs. Kiran Indra Kapur Mrs. Anjali Varma Mrs. Sushma Sagar Ms. Vidhi Goel Mrs. Asha Saxena(Resigned w.e.f. 25.04.2022)
Enterprises over which Major shareholders, Key Managerial 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 Investment Company Ltd. Double Durable Investment Ltd. Devyani Construction Pvt. Ltd. Ashwa Buildcon Limited Mata Construction & Builders Pvt Ltd Swanrose India Pvt. Ltd. Anjani Estates Ltd.

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

(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, 2022	For the year ended March 31, 2021
(i) Subsidiary Companies		
(a) JIL Trading Pvt. Ltd.		
Expenditure incurred by JIL Trading on behalf of the Company	7	7
Advance given	10	10
Expenses incurred on behalf of JIL Trading Pvt. Ltd.	2	1
(b) Natwar Liquors Pvt. Ltd.		
Expenditure incurred by Natwar Liquors Pvt. Ltd. on behalf of the Company	1	-
Advance given	1	-
(ii) Associates		
Hyderabad Distilleries & Wineries Pvt. Ltd.		
Advance Given	7	-
Loan taken	16	35
Payment made on behalf of associate	18	4
Repayment of loan to HDWPL	2	49
TDS booked in respect of earlier year	4	-
Interest received	1	-
(iii) Key Managerial Personnel, director and their relatives:		
(a) Mr. Ravi Manchanda		
Managerial remuneration	47	36
Loan received	350	700
Repayment of loan	350	700
(b) Mr. Anil Vanjani		
Managerial remuneration	265	157
Advance given	-	-
Refund of advance	-	1
(c) Ms. Roshini Sanah Jaiswal		
Managerial remuneration	94	94
Refund of advance	-	224
Interest receivable on advance	-	18
Expenses incurrred on behalf of the Company	17	7
Amount paid against expenses on behalf of the Company	17	-
(d) Mr. Roopesh Kumar		
Managerial remuneration	21	18
(e) Mrs. Kiran Indira Kapur		
Sitting fee paid	3	2
(f) Mrs. Anjali Varma		
Sitting fee paid	2	1
(g) Ms. Sonya Jaiswal		
Sitting fee paid	-	1
(h) Mrs. Sushma Sagar		
Sitting fee paid	1	1

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

(₹ in Lakhs)

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
(i)	Mrs. Asha Saxena		
	Sitting fee paid	1	2
(j)	Ms. Vidhi Goel		
	Sitting fee paid	2	0
(iv)	**Enterprises over which Major shareholders, Key Managerial Personnel and their relatives have significant influence / control :**		
(a)	**Milkfood Ltd.**		
	Expenses incurred by company on behalf of Milkfood Ltd.	12	9
	Rental income	41	41
	Expenses incurred by Milkfood Ltd. on behalf of the Company	2	2
	Payment made to vendor on behalf of the Company	17	-
(b)	**Corporate Facilities Management**		
	Maintenance charges paid	160	226
(c)	**Galaxy Pet Packaging Pvt. Ltd.**		
	Repayment of loan	-	5
	Interest paid	0	0
(d)	**Quick Return Investment Company Ltd.**		
	Repayment of loan	-	51
	Interest paid	12	17
(e)	**Double Durable Investment Ltd.**		
	Repayment of loan	-	4
	Interest paid	0	1
(f)	**Devayani Construction Pvt. Ltd.**		
	Loan received	320	-
	Repayment of loan	320	-
	Interest paid	6	-
(g)	**Ashwa Buildcon Ltd.**		
	Advance given	271	-
	Refund of advance	294	-
	Interest Recd	21	-
	Payment on behalf of Ashwa Buildcon Ltd.	-	3
(h)	**Mata Construction & Builders Pvt. Ltd.**		
	Loan received	-	985
	Repayment of loan	110	7
	Interest paid	97	9
(i)	**Swanrose India Pvt. Ltd.**		
	Advance given/payment made on behalf of the Company	156	55
	Refund of advance	156	20
	Sale of others (Santizers)	432	12
	Rental income	1	0
(j)	**Anjani Estates Pvt. Ltd.**		
	Provision for Loan	4	-

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

(C) Outstanding balance as at end of the year

(₹ in Lakhs)

Particulars			For the year ended March 31, 2022	For the year ended March 31, 2021
(i)	Subsidiary Companies			
	(a)	JIL Trading Pvt. Ltd.		
		Receivable/(Payable)	10	5
	(b)	L.P. Investments Ltd.		
		Receivable *(refer footnote (iii))*	185	185
	(c)	Natwar Liquors Pvt. Ltd.		
		Receivable/(Payable)	0	-
(ii)	Associates			
	Hyderabad Distilleries & Wineries Pvt. Ltd.			
	Loan to Associate		6	(2)
(iii)	Key Managerial Personnel and their relatives:			
	(a)	Mr. Ravi Manchanda		
		Receivable	27	27
	(b)	Mr. Anil Girotra (resigned w.e.f. 01-04-2021)		
		Receivable	201	227
	(c)	Mr. Karamjit Singh Jaiswal/Mrs. Shakun Jaiswal		
		Receivable/(Payable)	(20)	(20)
	(d)	Mrs. Anjali Varma		
		Receivable/(Payable)	37	37
(iv)	Enterprises over which major Shareholders, Key Managerial Personnel and their relatives have significant influence / Control			
	(a)	Milkfood Ltd.		
		Receivable/(Payable)	(4)	4
	(b)	Fast Buck Investments & Trading Pvt. Ltd.		
		Receivable/(Payable)	(8)	(8)
	(c)	Galaxy Pet Packaging Pvt. Ltd.		
		Receivable/(Payable)	(2)	(2)
	(d)	Quick Return Investments Company Ltd.		
		Receivable/(Payable)	(156)	(146)
	(e)	Double Durable Investments Ltd.		
		Receivable/(Payable)	(3)	(3)
	(f)	Devyani Construction Pvt. Ltd.		
		Receivable/(Payable)	(28)	(23)
	(g)	Corporate Facility Management		
		Receivable/(Payable)	(13)	(15)
	(h)	Ashwa Buildcon Ltd.		
		Receivable/(Payable)	21	23
	(i)	Mata Constructions Buildings Pvt. Ltd.		
		Receivable/(Payable)	(869)	(978)
	(j)	Swanrose India Pvt. Ltd.		
		Receivable/(Payable)	141	49
	(k)	Anjani Estates Pvt. Ltd.		
		Receivable/(Payable)	4	4

Footnote(s) :

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

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

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

(iii) The Company has made provision against loan of ₹ 185 Lakhs given to L P Investment Ltd., investment of ₹ 1020 Lakhs in Equity Share of L P Investment Ltd. and ₹ 37 Lakhs given to Director in earlier year. During the year, provision of ₹ 4 Lakhs has been made against the outstanding amount from Anjani Estates Pvt. Ltd.

(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.

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

36. 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 CODM does not review assets and liabilities for each operating segment separately, hence segment disclosures relating to total assets and toal liabilities have not been furnished. The Company's business segments are as under:

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

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

Others: Segment includes trading of Petroleum products.

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

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'.

(A) Primary segment information

(₹ in Lakhs)

		Beverages		Food		Others		Total	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
(i)	**Segment revenue**								
	Sales, services and other income	27,613	25,712	16,236	15,517	1,296	830	45,145	42,059
	Less : Excise duty	(619)	(2,295)					(619)	(2,295)
	Inter segment sales	—	—	—	—	—	—	—	—
	Unallocated income	—	—	—	—	—	—	-	-
	Total revenue	**26,994**	**23,417**	**16,236**	**15,517**	**1,296**	**830**	**44,526**	**39,764**
(ii)	**Segment results**								
	Segment results	2,062	111	1,005	3,012	9	11	3,076	3,134
	Unallocable Expenditure net of Unallocable Income							111	(65)
	Finance cost							2,882	3,025
	Profit/(Loss) before exceptional items and tax							**83**	**174**
	Exceptional items							-	38
	Profit/ (Loss) before tax (from continuing operations)							**83**	**212**
	Profit/(Loss) From discontinued operations							(17)	291
	Profit/(Loss) before Tax							**66**	**503**
	Less: Tax expense:							4	-
	Profit/ (Loss) after tax							**62**	**503**

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

(B) **Information about geographical areas:**

(₹ in Lakhs)

		2021-22	2020-21
(i)	**Revenue (excluding excise duty)**		
	Within India	41,731	35,202
	Outside India	2,795	4,562
	Total	**44,526**	**39,764**
(ii)	**Non-current operating assets (refer footnote (ii))**		
	Within India	36,981	37,310
	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, right of use (ROU) and intangible assets.

37. 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 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.

38. CAPITAL MANAGEMENT

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity. For the purpose of the Company's capital management, includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders.

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. The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirements of the financials covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. The capital structure is monitored on the basis of net debt to equity and maturity profile of the overall debt portfolio of the Company.

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current borrowings	20,760	21,083
Current borrowings	837	411
Less: Cash and cash equivalents	209	599
Less: Other bank balances	0	505
Net debt	**21,388**	**20,390**
Equity share capital	4,615	4,615
Other equity	142	(3)
Total capital	**4,757**	**4,612**
Gearing ratio	**4.50**	**4.42**

In order to achieve this overall objective, the company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements.

No significant changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021 except as stated in note 14(iv).

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's principal financial liabilities comprise borrowings, security deposits received, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations. The company's principal financial assets include trade and other receivables, cash and cash equivalents and security deposits that are out of regular business operations.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors. The company's senior management oversees the management of these risks.

(a) **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument that will fluctuate because of changes in market prices. Market risk comprises of 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. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

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 current borrowings rates are at fixed rates and no loan is on variable 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)

	As at March 31, 2022		As at March 31, 2021	
	1% increase	*1% decrease*	*1% increase*	*1% decrease*
Impact on profit before tax	(232	232	(224)	224

ii. ***Foreign currency risk***

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

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

iii. ***Commodity price risk***

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of spirit alcohol/liquor and manufacuring of malted food products and therefore require a continuous supply of Barley/Nakku/Husk/etc. The Company's Board of Directors have developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The company's long standing relationships with most suppliers ensure steady availability of raw materials at competitive prices.

The following table shows the effect of price changes on Husk, Barley & Nakku

(₹ in Lakhs)

	As at March 31, 2022		As at March 31, 2021	
	1% increase	*1% decrease*	*1% increase*	*1% decrease*
Impact on profit before tax	(180)	180	(143)	143

(b) **Credit risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty defaults 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, 15 % includes dues from state government corporations, where probability of default is remote. In respect to sales made to other than state government corporations, Company provides expected credit loss on the basis of simplified approach as prescribed under Ind AS 109. Total amount of provision against trade receivable, loan & advances on reporting date is ₹ 7241 Lakhs (previous year ₹ 9250 Lakhs) The Company's management reviews trade receivables/ advances on periodic basis and take necessary mitigation measures, wherever required.

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

(c) **Liquidity risk**

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings/ deposits received in the ordinary course of business.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, 2022					
Non-current borrowings	-	541	712	19,507	20,760
Non-current other financial liabilities	-	-	-	5,969	5,969
Current borrowings	837	-	-	-	837
Trade payables	5,577	-	-	-	5,577
Lease liabilities	32	19	-	-	51
Other financial liabilities	1,392	-	-	-	1,392
Total	**7,838**	**560**	**712**	**25,476**	**34,586**
As at March 31, 2021					
Non-current borrowings	-	227	429	20,427	21,083
Non-current other financial liabilities	-	-	-	5,608	5,608
Current borrowings	411	-	-	-	411
Trade payables	5,869	-	-	-	5,869
Lease liabilities	25	51	-	-	76
Other financial liabilities	2,609	-	-	-	2,609
Total	**8,914**	**278**	**429**	**26,035**	**35,656**

40. OTHER INFORMATION

(i) The company has turned around its operations and bottom line from the Financial year ended 31.03.2021. The accounts have been prepared on Going concern Basis. Net Worth/ Net working capital of the company is still in negative. During the year, Total revenue of the company including other income has increased to ₹ 50,392 Lakhs from ₹ 45,057 Lakhs in the previous year. Profit from continuing operations for the period has fallen from ₹ 212 Lakhs to ₹ 79 Lakhs due to unprecedental increase in the cost of production and due to second and third wave of COVID during the financial year 2021-22. The Company's ability to continue as going concern is dependent upon the increased revenue from operations and gross margin. The management is hopeful of increasing the revenues and gross margins by improving the turnover and adopting the cost saving measures. Therefore, no material uncertainity exists on the company's ability to continue as a going concern.

(ii) In view of the brought forward losses/ unabsorbed depreciation/ book losses, no provision of Income Tax has been made during the year. In absence of virtual certainity of future taxable profits, the Company has not recognised deferred tax assets during the year.

(iii) As per the report of the GST audit, the company has claimed an excess input credit of ₹ 27.66 Lakhs on account of non compliance of sec 16(2)(c)d of the GST Act. However certain court judgments on this issue have come in favour of the company and therefore management is of the view that there is no need to reverse this input credit.

(iv) Previous year figures have been reclassified/regrouped wherever necessary to this year's classification.

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

41 DISCLOSURE RELATED TO KEY FINANCIAL RATIOS:

Key financial ratios	Numerator	Denominator	For the year ended 31 March, 2022	For the year ended 31 March, 2021	% Variance	Reason for variance exceeding 25% as compared to preceding year
(a) Current ratio *(in times)*	Current assets	Current liabilities	0.54	0.51	8%	
(b) Debt-equity ratio *(in times)*	Total debt	Equity	4.54	4.66	-3%	
(c) Debt service coverage ratio *(in times)*	Earnings available for debt service: = Net Profit after taxes + Non cash operating expenses + Interest - Non Cash Income- Profit on sale of Fixed Assets, etc.	Debt service= Interest and lease payments + Principal repayments	2.01	7.30	-72%	During the year, the Company faced the challanges of increase commodity prices along with continue COVID-19, which effected operational performance of the Company. Further there was increase in current debt.
(d) Return on equity (in %)	Net profits after taxes	Average shareholder's equity	1.32%	11.63%	-89%	During the year, the Company faced the challanges of increase commodity prices along with continue COVID-19, which effected operational performance of the Company.
(e) Inventory turnover Ratio*(in times)*	Cost of material consumed +Purchase of stock -in -trade	Average inventory	6.86	5.07	35%	Increase in sale as compared with previous year resulting in the better inventories ratio.
(f) Trade receivables turnover ratio (in times) (refer footnote(i))	Revenue from operation	Average accounts receivable	16.89	17.20	-2%	
(g) Trade payables turnover ratio (in times) (refer footnote(ii))	Net credit purchases	Average trade payables	4.36	3.10	41%	Increase in cost of purchases and reversal of creditors no longer considered payable.
(h) Net capital turnover ratio *(in times)*	Net sales	Working capital	(6.60)	(5.49)	20%	
(i) Net profit ratio (in %)	Net profits after taxes	Net sales	0.14%	1.20%	-89%	During the year, the Company faced the challanges of increase commodity prices along with continue COVID-19, which effected operational performance of the Company.
(j) Return on capital employed *(in %)*	Earning before interest and taxes	Capital employed	9%	10%	-18%	

Footnote

(i) In the absence of the figure of net credit sales, total revenue from operations has been considered for computing Trade Receivables ratio.

(ii) In the absence of the figure of net credit purchases, total purchases have been considered for computing Trade Payables ratio.

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

42 BORROWINGS SECURED AGAINST CURRENT ASSETS

Quarter	Name of the bank	Nature of the Current Asset	As per Unaudited Books of Accounts	Amount as per Quarterly return & statements	Amount of Difference	Reason for Differences
June, 2021	Kotak Bank	Trade Receivable Inventory - Raw Material Inventory - Finished Goods Inventory - Stores & Spares	N.A	N.A	N.A	No borrowings during the quarter
Sep, 2021	Kotak Bank	Trade Receivable	3,198	3,280	-82	The Figures adopted in MSOD report are provisional and before limited review. Further the difference is immaterial in view of utilisation of CC limit is of Rs. 169 Lakhs as on 30.09.2021 against sanctioned limit of Rs. 1500 Lakhs
		Inventory - Raw Material, Stores & Spares & Packing Material	2,630	2,661	-31	The Figures adopted in MSOD report are provisional and before limited review. Further the difference is immaterial in view of utilisation of CC limit is of Rs. 169 Lakhs as on 30.09.2021 against sanctioned limit of Rs. 1500 Lakhs
		Inventory - Finished Goods including WIP	1,325	1,480	-155	The Figures adopted in MSOD report are provisional and before limited review. The difference is on account of valuation taken at higher figure due to inadvertence. Further utilisation of CC limit is of Rs. 169 Lakhs as on 30.09.2021 against sanctioned limit of Rs. 1500 Lakhs.
		Total Current Assets	**7,153**	**7,421**	**-268**	
Dec, 2021	Kotak Bank	Trade Receivable	3,732	3,562	170	The Figures adopted in MSOD report are provisional, before limited review and are without considering Non Trade Debtors and Debtors more than 90 days. Further the utilisation of CC limit is of Rs. 390 Lakhs as on 31.12.2021 against sanctioned limit of Rs. 1500 Lakhs.

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

Quarter	Name of the bank	Nature of the Current Asset	As per Unaudited Books of Accounts	Amount as per Quarterly return & statements	Amount of Difference	Reason for Differences
		Inventory - Raw Material, Stores & Spares & Packing Material	2,336	2,374	-38	The Figures adopted in MSOD report are provisional and before limited review. Further the difference is immaterial in view of utilisation of the CC Limit of Rs. 390 Lakhs as on 31.12.2021 against sanctioned limit of Rs. 1500 Lakhs.
		Inventory - Finished Goods including WIP	1,535	1,124	411	The Figures adopted in MSOD report are provisional and before limited review. The difference is on account of valuation taken at lower figure due to inadvertence. Further utilisation of CC limit is of Rs. 390 Lakhs as on 31.12.2021 against sanctioned limit of Rs. 1500 Lakhs.
		Total Current Assets	**7,603**	**7,060**	**543**	
Mar, 2022	Kotak Bank	Trade Receivable (Current)	3,202	2,985	217	In MSOD Report non-operational Debtors and Debtors more than 90 days has not been considered.
		Inventory - Raw Material, Stores & Spares & Packing Material	2,645	2,682	-37	The Figures adopted in MSOD report are provisional and before audit. Further the utilisation of the CC Limit was Rs. 345 Lakhs against sanctioned limit of Rs.1500 Lakhs.
		Inventory - Finished Goods including WIP	1,088	767	321	The Figures adopted in MSOD report are provisional and before audit. The difference is on account of valuation taken at lower figure due to inadvertence. Further utilisation of CC limit is of Rs. 345 Lakhs as on 31.03.2022 against sanctioned limit of Rs. 1500 Lakhs.
		Total Current Assets	**6,935**	**6,434**	**501**	

Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2022

43. RELEVANT ADDITIONAL REGULATORY INFORMATION: (OTHER THAN DISCLOSED IN THE RESPECTIVE NOTES)

(i) The operating cycle of the company is assumed to be of twelve months in absence of clearly identifiable normal operating cycle and accordingly assets/ liabilities have been claissified as current/ non current.

(ii) No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(iii) The Company did not have any transactions with companies struck off under section 248 of the Companies Act 2013 and section 560 of the Companies Act, 1956.

(iv) The company has not granted any loans or advances in the nature of loans to promoters, directors, Key Managerial Person and the related parties except as stated in the note 6(i) and (ii) either severally or jointly with any other person which is either repayable on demand or without specifying any terms or period of demand .

(v) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with companies (restriction on number of layers) rules 2017.

(vi) Company has not applied any accounting policy retrospectively or has made a restatement of items in Financial statements or has reclassified items in the Financial statements.

(vii) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries), or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(viii) The Company have not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries), or

b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ix) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(x) The Company does not have any such transaction which are not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act,1961).

(xi) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the code becomes effective and the related rules to determine the financial impact are published.

(xii) Provisions of Sec 135 of the Companies Act 2013 are not applicable to the company.

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, 2022, 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, 2022, 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 the below mentioned notes to the accompanying consolidated financial statements which more fully describes the matters.

Note no 6(iii)(b) regarding loan to ex-employee, Note no 12(i) regarding pending approval from UPSIDC, Note No 17(i) regarding classification of security deposit received, Note no 22 (ii) regarding write back and reversal of provisions, Note No 40(i) regarding going concern & impact of COVID-19 and Note No 40(iii) regarding GST.

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
1) Litigation Matters: (as described in note 33 of the financial statements.) 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. At March 31, 2022, the Group's contingent liabilities for legal matters were ₹ 1134 Lakhs (previous year ₹ 1817 Lakhs) and provision for legal matter NIL (Previous year ₹ 345 Lakhs). The Group has written back the amount of ₹ 345 Lakhs pertaining to service tax (refer footnote 22(ii) (previous year ₹ Nil).	**Our procedures included the following:** • Obtained an understanding of the Group's process with respect to completeness and recognition of tax contingencies/ claims and provisions. • Read the confirmations, on sample basis, from the Group's external legal counsel on tax litigations and evaluated the independence, objectivity and competency of the Group's specialists involved. • Read relevant tax laws and discussed with the management, to understand the underlying matters in the demand orders / notices and basis for management judgement and estimates and write back of service tax liability of ₹ 345 Lakhs. • Included tax specialists in our team to perform an evaluation of assumptions used by the management and relevant judgements passed by the authorities, including the interpretation of the relevant tax laws.

The Key Audit Matter	How the matter was addressed in our audit
The most significant contingent liability pertains to protective disallowance of sales promotion expenses of ₹ 5657 Lakhs (previous year (₹ 5657 Lakhs) under Income Tax Act, sales tax of ₹ 756 lakhs (previous year ₹ 1314 Lakhs) and service tax of ₹ 142 Lakhs (previous year ₹ 142 Lakhs)	• Assessed the related disclosures in the standalone financial statements for compliance with disclosure requirements.
2) **Revenue recognition from sale of products/ Royalty and Franchise agreements** (Note no 21 of the consolidated financial statements) Revenue from sale of products is recognised when control of products has been transferred to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Revenue from sale of products is measured at the fair value of the consideration received or 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. At year end, amounts of discounts and incentives that have been incurred and not yet issued to customers are estimated and accrued. Significant judgement is required in estimating accruals relating to discounts and incentives recognised in relation to sales made during the year.	**Our procedures included the following:** Assessed the group's revenue recognition accounting policy for sale of products/ royalty and franchise business including those relating to discounts and incentives. • Understood, evaluated and tested on sample basis the design and operating effectiveness of key internal controls over recognition and measurement of revenue, discounts, and incentives. • Performed test of details on a sample basis and inspected the underlying accounting documents relating to sales and accrual of discounts and incentives. • Tested on a sample basis, sales transactions near year end date as well as credit notes issued to customers after the year end date. • Obtained an understanding of and evaluated underlying data used in management assessment of estimates relating to discounts and incentives. • Performed analytical procedures on revenue, discounts and incentives. • Assessed the disclosures in the standalone financial statements in respect of revenue, discounts and incentives for compliance with disclosure requirements.
3) **Provision for trade receivables** (as described in note 10 of the consolidated financial statements) Trade receivable balances of ₹ 7822 Lakhs represent significant portion of the total assets as at March 31, 2022. Provision for expected credit loss at reporting date is significant at ₹ 4506 Lakhs. Trade receivables include dues from state government corporations, distributors, retailers contract manufacturing units and franchise partners. The group records expected credit loss for unsecured trade receivables based on defined policy following simplified approach and wherever management considers necessary applying its judgment and estimates. 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 significant 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 assumptions used by management to calculate the expected credit loss for trade receivables through audit procedures which included analysis of ageing, past trend of bad debts write-off. • Assessed the disclosures in the standalone 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 group 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 ₹ 97 Lakhs as at March 31, 2022, total revenues of ₹ Nil, total net loss of ₹ 3 Lakhs, total comprehensive loss of ₹ 3 Lakhs for the year ended March 31, 2022 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 loss (including other comprehensive income) of ₹ 11 Lakhs for the year ended March 31, 2022 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 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 Group 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 consolidated 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 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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 group 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 the requirements of section 197(16) of the Act read with schedule V, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the group to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) 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 group has disclosed the impact of pending litigations on its financial position in its 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, required to be transferred, to the Investor Education and Protection Fund by the group;

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the group to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the group from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The group has not declared or paid any dividend during the year and has not proposed final dividend for the year and therefore the requirement of compliance of Sec 123 of the Act are not applicable.

For **VP Jain & Associates**
Chartered Accountants
Firm's registration number: 015260N

Sarthak Madan
Partner
Membership number: 547131

Place : New Delhi
Date : 30-05-2022
UDIN : 22547131ALZYFJ3542

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, 2022, 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

Groups'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. Group'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 group are being made only in accordance with authorizations of management and directors of the group; 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

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were generally operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the group 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").

Emphasis of Matters:

Internal Control needs to be further strengthened in respect of following:

i) Trade receivables/Trade Payables, recovery of loan & advances from employees/suppliers .

ii) Inventory valuation in respect of stores and spares is done through manual system instead of automation system.

iii) Updating of contingent liabilities and obtaining the confirmations from the advocates as an ongoing process.

iv) Revenue recognition of royalty income from franchise operation/ third party supply agreement.

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 **VP Jain & Associates**
Chartered Accountants
Firm's registration number: 015260N

Sarthak Madan
Partner
Membership number: 547131

Place : New Delhi
Date : 30-05-2022
UDIN : 22547131ALZYFJ3542

Consolidated Balance Sheet
as at March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
1 Non-current assets			
a) Property, plant and equipment	3A	36,921	37,217
b) Other intangible assets	3B	-	-
c) Capital work-in-progress	3C	16	19
d) Right-of-use assets	3D	44	74
e) Investment property	4	1,718	1,753
f) Financial assets			
i) Investments	5	562	572
ii) Trade receivables	10	115	-
iii) Loans	6	241	265
iv) Other financial assets	7(A)	1,930	1,904
g) Other non-current assets	8(A)	109	199
Total non-current assets		**41,656**	**42,003**
2 Current assets			
a) Inventories	9	3,733	3,521
b) Financial assets			
i) Investments		-	-
ii) Trade receivables	10	3,202	2,030
iii) Cash and cash equivalents	11 (A)	213	603
iv) Bank balances other than (iii) above	11 (B)	-	505
v) Other financial assets	7(B)	98	161
c) Other current assets	8(B)	913	970
d) Assets classified as held for sale	12	38	38
Total current assets		**8,197**	**7,828**
TOTAL- ASSETS		**49,853**	**49,831**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13	4,615	4,615
Other equity	14	588	455
Non Controlling Interest		(4)	(4)
Total Equity		**5,199**	**5,066**
LIABILITIES			
1 Non-current liabilities			
a) Financial liabilities			
i) Borrowings	15(A)	20,846	21,169
ii) Lease liabilities	16(A)	19	51
iii) Other financial liabilities	17(A)	5,969	5,608
b) Provisions	18(A)	1,995	2,321
c) Other non-current liabilities	19(A)	786	126
Total Non current liabilities		**29,615**	**29,275**
2 Current liabilities			
a) Financial liabilities			
i) Borrowings	15(B)	837	414
ii) Lease liabilities	16(B)	32	25
iii) Trade payables	20		
total outstanding due of micro enterprises & small enterprises		27	46
total outstanding due of other than micro enterprises & small enterprises		5,555	5,830
iv) Other financial liabilities	17(B)	1,392	2,610
b) Provisions	18(B)	449	436
c) Other current liabilities	19(B)	6,747	6,129
Total current liabilities		**15,039**	**15,490**
Total liabilities		**44,654**	**44,765**
TOTAL-EQUITY AND LIABILITIES		**49,853**	**49,831**
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the consolidated financial statements			

As per our report of even date
For V.P. Jain & Associates
Chartered Accountants
FRN: 015260N

Sarthak Madaan
Partner
Membership No.: 547131

Place : New Delhi
Date : 30.05.2022
UDIN: 22547131ALZYFJ3542

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, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

	Particulars		Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
1	**Income**				
	a)	Revenue from operations	21	45,145	42,060
	b)	Other income	22	5,247	2,999
	Total income			**50,392**	**45,059**
2	**Expenses**				
	a)	Cost of material consumed	23	23,588	18,546
	b)	Purchases of stock-in-trade	24	1,281	985
	c)	Changes in inventories of finished goods, work in progress and stock in trade	25	176	697
	d)	Excise duty on sale		619	2,295
	e)	Employee benefit expenses	26	7,024	6,627
	f)	Finance cost	27	2,882	3,025
	g)	Depreciation and amortisation expenses	28	996	929
	h)	Other expenses	29	13,746	11,781
	Total expenses			**50,312**	**44,885**
3	**Profit/(loss) before exceptional items end tax**			**80**	**174**
4	**Exceptional items**		30	-	38
5	**Profit/(Loss) before tax**			**80**	**212**
6	**Tax expense:**				
	Current Tax			-	(1)
	MAT Credit for the year			-	1
	Income tax adjustment related to earlier years			4	-
	Total tax expenses			**4**	**-**
7	**Profit/(Loss) for the year from continuing operations**			**76**	**212**
	Less : Non Controlling Interest				
	Add : Share of Net Profit/(Loss) of Associates			**(11)**	**(13)**
8	**Profit/(Loss) after tax and share of Associates for the year from continuing operations**			**65**	**199**
9	**Profit/(Loss) for the year from discontinued operations**		32	**(17)**	**291**
	Tax expenses from discontinued operations				
10	**Profit/(Loss) for the year**			**48**	**490**
11	**Other Comprehensive Income**				
	Items that will not be reclassified to profit or loss				
	Fair value changes on Equity Instruments			1	-
	Re-measurement gains/(losses) on defined benefit plans			26	74
	Tax impact on re-measurement gain/(loss) on defined benefit plans			-	-
	Total Other Comprehensive Income			**27**	**74**
12	**Total Comprehensive Income for the year (10 +11) (Comprising Profit/(Loss) and Other Comprehensive Income for the year)**			**75**	**564**
13	**Profit/(Loss) for the year attributable to**				
	Equity shareholders of the Holding Company			48	490
	Non-controlling interest			-	-
				48	**490**
14	**Other Comprehensive Income/(Loss) for the year attributable to**				
	Equity shareholders of the Holding Company			27	74
	Non-controlling interest			-	-
				27	**74**
15	**Earnings per equity share for continuing operations (in ₹):**				
	Basic		31	0.15	0.45
	Diluted			0.15	0.45
	Earnings per equity share for discontinued operations (in ₹):				
	Basic		31	(0.04)	0.67
	Diluted			(0.04)	0.67
	Earnings per equity share (for continuing and discontinued operations) (in ₹):				
	Basic		31	0.11	1.12
	Diluted			0.11	1.12
	Summary of significant accounting policies		2		
The accompanying notes are an integral part of the consolidated financial statements					

As per our report of even date
For V.P. Jain & Associates
Chartered Accountants
FRN: 015260N

Sarthak Madaan
Partner
Membership No.: 547131

Place : New Delhi
Date : 30.05.2022
UDIN: 22547131ALZYFJ3542

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, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Cash flow from operating activities:		
Net profit for the year after tax	59	503
Adjustments for:		
Rent from investment properties	(1,182)	(1,625)
Prior Period adjustment	(1)	-
Employee Stock option expenses	56	-
Depreciation	996	929
Interest expense	2,882	3,025
Interest income	(122)	(187)
Profit on sale of properties, plant and equipment (net)	(98)	(39)
Property, plant & equipment written off	-	10
Bad debts/advances/stock written off	1,554	688
Allowance for expected credit loss	26	652
Provision for obsolete/damaged inventory	5	127
Liability/provisions no longer required written back Loans	-	(1)
Liability/provisions no longer required written back	(3,206)	(616)
Provision for Gratuity & Leave Encashment & others	33	11
Operating profit before working capital changes	**1,002**	**3,477**
Changes in working capital		
Trade receivables	(844)	296
Other financial assets and other assets	454	285
Inventories	(222)	533
Trade payables	354	(651)
Financial liabilities, other liabilities and provisions	665	(1,415)
Cash generated from operations	**1,409**	**2,525**
Taxes (Paid)/ Received (Net of TDS)	-	-
Net Cash flow/(used) from operating activities (A)	**1,409**	**2,525**
B. Cash flow from investing activities:		
Purchase of property, plant and equipment including capital work-in-progress and capital advances	(481)	(1,088)
Proceeds from sale of property, plant and equipment	114	136
Payment to associates	(6)	-
Sale of investments	-	1
Interest received (Revenue)	128	182
Income from investment properties	1,182	1,625
Release/(Addition) of cash (from)/for restrictive use	67	(1,324)
Net Cash inflow from investing activities (B)	**1,004**	**(468)**

Standalone Cash Flow Statement (Contd.)

for the year ended March 31, 2022

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
C. Cash flow from financing activities:		
Net Loans (repaid) / taken	103	517
Payment of lease liabilities	(25)	(31)
Interest paid	(2,881)	(3,040)
Net cash used in financing activities (C)	**(2,803)**	**(2,554)**
Net increase/ (decrease) in cash & cash equivalents (A + B + C)	**(390)**	**(497)**
Cash and cash equivalents at the beginning of the year	603	1,100
Cash and cash equivalents at the end of the year	213	603
Cash & cash equivalents comprises of (refer note 11A)		
Cash, cheques & drafts (in hand) and remittances in transit	9	9
Balance with scheduled banks	204	594
	213	**603**

Notes :-

1 The aforesaid Consolidated 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 consolidated financial statements.

As per our report of even date
For V.P. Jain & Associates
Chartered Accountants
FRN: 015260N

Sarthak Madaan
Partner
Membership No.: 547131

Place : New Delhi
Date : 30.05.2022
UDIN: 22547131ALZYFJ3542

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 Changes in Equity

for the year ended March 31, 2022

A. Equity share capital:

Issued, subscribed and fully paid up (Share of ₹ 10 each)	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
Balance at the beginning of the year	46,148,112	461,481,120	46,148,112	461,481,120
Changes during the year	-	-	-	-
Balance at the end of the year	**46,148,112**	**461,481,120**	**46,148,112**	**461,481,120**

B. Other equity

(₹ in Lakhs)

Particulars	Reserve & Surplus					Total
	General Reserve	Capital Redemption	Securities Premium	Retained Earnings	Share option Outstanding account	
Balance as at April 01, 2020	**2,136**	**580**	**3,697**	**(6,521)**	**-**	**(108)**
Profit/(loss) for the year	-	-	-	490	-	490
Other comprehensive income for the year						
Re-measurement gains/(losses) on defined benefit plans	-	-	-	74	-	74
Balance as at March 31, 2021	**2,136**	**580**	**3,697**	**(5,957)**	**-**	**456**
Created during the year	-	-	-	-	56	56
Profit/(loss) for the year	-	-	-	48	-	48
Other comprehensive income for the year	-	-	-	-	-	-
Fair value changes on Equity instruments				1		1
Re-measurement gains/(losses) on defined benefit plans				26		26
Balance as at March 31, 2022	**2,136**	**580**	**3,697**	**(5,882)**	**56**	**588**

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

As per our report of even date
For V.P. Jain & Associates
Chartered Accountants
FRN: 015260N

Sarthak Madaan
Proprietor
Membership No.: 547131

Place : New Delhi
Date : 30.05.2022
UDIN: 22547131ALZYFJ3542

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 to Consolidated Financial Statements

for the year ended March 31, 2022

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 144802, Punjab, India. Its shares are listed on the BSE Limited. The Company is primarily engaged in the manufacture and sale of Liquor products and job work for food products. The Company has manufacturing plants at Kapurthala (Punjab), 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 Group'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 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.

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

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items are 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.

(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 40(iv)&(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, 2022.

(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 impairment on annual basis.

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

(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 statements 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 ₹ 26,779 Lakhs has been transferred to retained earnings.

The Group has been granted leasehold lands for the period of 99 years which has been treated as part of properties plant and equipment due to duration of

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

lease period and availability of transfer of leasehold rights. In absence of absolute certainity 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 of the Group, 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 as SLM basis.

2.7 Impairment of Assets:

At the end of each reporting period, the Group 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

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

extent of impairment loss (if any). When it is not possible to estimate the recoverable amount of the cash generating unit to which the asset belong recoverable amount is the higher of fair value less cost of disposal and value in use. In assessing the value in use, the estimated future cash flow is discounted at their present value using the pre-tax discount rate that reflects current market assessment of time value of money and the risks specific to the assets for which the estimates of future cash flow have not been adjusted.

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

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 each reporting date at fair value. Fair value movements are recognized in OCI. However, the Group recognizes interest income, impairment

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

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.

(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) have been allocated for ascertainment of cost of finished goods.

(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

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, 2015 and accordingly liability is

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

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 dispatched / delivery of goods or services, based on contracts with the customers.

(b) Sales include goods sold by contract manufacturers (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) Duty Drawback is accounted for on accrual basis.

(i) 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 recognized net of cost of goods sold.

2.13 Manufacturing policy

The main raw material of the Group 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

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

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 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

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

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 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.

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 consist of leases for buildings and Plant and equipment. 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:

(i) The contract involves the use of an identified asset

(ii) The Group has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) 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 twelve months or less (short-term leases) 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. As a lessee, the Group determines the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. Certain lease arrangements include 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. 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 span of the lease term and useful life of the underlying asset.

ROU assets are evaluated for recoverability whenever events

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

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 re measured with a corresponding adjustment to the related ROU asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset 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 consolidated Ind AS financial statements.

2.23 Use of estimates and judgments:

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

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

(i) Property, plant and equipments

(ii) Retirement and other employee benefits

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

3A. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars		Land Free Hold	Land Lease Hold	Building	Furniture & Fixtures	Plant & Equipment	Other Equipment	Vehicles	Total
(i)	**Gross carrying amounts**								
	As at March 31, 2020	**23,789**	**851**	**6,222**	**265**	**8,816**	**209**	**335**	**40,487**
	Additions	-	-	6	-	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**
	Additions	-	-	10	14	556	60	1	**641**
	Disposals	-	-	-	-	-	(0)	(108)	**(108)**
	As at March 31, 2022	**23,789**	**844**	**6,136**	**279**	**10,244**	**288**	**215**	**41,795**
(ii)	**Accumulated depreciation**								
	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**
	Reversals	-	(1)	(8)	(0)	(6)	-	(11)	(26)
	As at March 31, 2021	**-**	**53**	**1,313**	**132**	**2,246**	**147**	**154**	**4,045**
	Charge for the year	-	11	256	14	589	26	25	921
	Reversals	-	-	-	-	-	(0)	(92)	(92)
	As at March 31, 2022	**-**	**64**	**1,569**	**146**	**2,835**	**173**	**87**	**4,874**
(iii)	**Net carrying amounts**								
	As at March 31, 2021	**23,789**	**791**	**4,813**	**133**	**7,442**	**81**	**168**	**37,217**
	As at March 31, 2022	**23,789**	**780**	**4,567**	**133**	**7,409**	**115**	**128**	**36,921**

3B. OTHER INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars		Patent Trade Mark	Goodwill	Total
(i)	**Gross carrying amounts**			
	As at March 31, 2021	10	1,249	1,259
	As at March 31, 2022	10	1,249	1,259
(ii)	**Accumulated depreciation**			
	As at March 31, 2020	**10**	**1,249**	**1,259**
	Amortization for the year	-	-	
	As at March 31, 2021	**10**	**1,249**	**1,259**
	Amortization for the year	-	-	
	As at March 31, 2022	**10**	**1,249**	**1,259**
(iii)	**Net carrying amounts**			
	As at March 31, 2021	-	-	-
	As at March 31, 2022	-	-	-

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

3C. CAPITAL WORK IN PROGRESS

As at March 31, 2021	19
As at March 31, 2022	16

(3C.1) Capital work-in-progress ageing schedule

Capital work in progress	Amount in CWIP for a period of				
	<1 yr	1-2 yr	2-3 yrs	>3 yrs	Total
Projects in progress	16	-	-	-	16
Projects temporarily suspended	-	-	-	-	-

(3C.2) There are no projects overdue as on date or has exceeded its cost compared to its original plan.

3D. RIGHT-OF-USE ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	74	20
(In respect of building taken on lease)		
Addition during the year	-	85
Deletion during the year	-	-
Amortisation during the year	30	31
Banlance at the end of the year	**44**	**74**

Footnote(s) :-

(i) For details of Property, plant and equipment charged as security of borrowings. Refer Note 15B(ii) & (iii).

(ii) Title deeds of all immovable properties (other than properties where the Holding Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Holding Company, except property having carrying value of ₹ 40 Lakhs in respect of which the execution of flat buyers agreement with builder is under process. However the Holding Company is in effective physical possession of the property since inception.

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

(iv) Estimated amount of capital contracts remaining to be executed is ₹ 2 Lakhs (Previous year : ₹ 3 Lakhs).

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

4. INVESTMENT PROPERTIES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Gross carrying amount at beginning of the year	2,649	2,640
Transferred from property, plant and equipment	-	5
Additions during the year	10	4
Gross carrying amount at end of the year	**2,659**	**2,649**
Accumulated depreciation at beginning of the year	896	850
Transferred from property, plant and equipment	-	1
Depreciation during the year	45	45
Accumulated depreciation at the end of the year	**941**	**896**
Net carrying amount at the end of the year	**1,718**	**1,753**

Footnote(s):

(i) Investment properties include a sum of ₹ 60 Lakhs (Previous year : ₹ 64 Lakhs) on account of allied plant & machinery installed in the properties.

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rental income (including reimbursement of maintenance expenses)	1,463	1,931
Direct operating expenses from property that generated rental income	249	298
Direct operating expenses from property that did not generate rental income	32	8
Profit from investment properties before depreciation	**1,182**	**1,625**
Depreciation for the year	45	45
Profit from investment properties	**1,137**	**1,580**

(iii) Contingent rents recognised as income - Nil.

(iv) The Group has entered into lease agreements on different dates for a period of maximum 3 years. The lease(s) can be terminated at the option of lessor/lessee with notice period of three months. During the year the property situated at Institutional Area, Gurugram, Haryana, admeasuring 66,710 sqft area remained vacant due to continuing COVID -19 Pandemic, resulting in decrease in rental income. With the improved COVID-19 pandemic situation, in future, the Group expects to let out the same to new tenant'(s).

(v) Fair value

Particulars	As at March 31, 2022	As at March 31, 2021
Investment properties	21,482	21,472

(vi) Estimation of fair value

The Group 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. The Group is of view that there is no significant change in fair value as on March 31, 2022, however the fresh valuation will be taken, once Covid Pandamic is over.

(vii) For details of investment property charged as security of borrowings refer note 15 (i) (a) & (b).

(viii) Title deeds (Flat Buyer's agreement) of investment properties are held in the name of the Holding Company.

5. NON-CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(A) Equity instruments (fully paid-up)		
(i) **Quoted**		
Milkfood Limited		
1,350 Shares (March 31, 2021 : 1350) of ₹ 10 each fully paid	4	4
Punjab National Bank		
4,965 Shares (March 31, 2021 : 4965) of ₹ 2 each fully paid	2	2
Indage Vintners Limited		
100 Shares (March 31, 2021 : 100) of ₹ 10 each fully paid	0	0
McDowell Holdings Limited		
6 Shares (March 31, 2021 : 6) of ₹ 10 each fully paid	0	0
Nestle India Limited		
4 Shares (March 31, 2021 : 4) of ₹ 10 each fully paid	0	0
Radico Khaitan Limited		
10 Shares (March 31, 2021 : 10) of ₹ 2 each fully paid	0	0
Hindustan Unilever Ltd		
17 Shares (March 31, 2021 : 17) of ₹ 1 each fully paid	0	0
Anheuser Busch India Indev Limited (SABMiller India Limited)		
103 Shares (March 31, 2021 : 103) of ₹ 10 each fully paid	0	0

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

(₹ in Lakhs)

	Particulars	As at March 31, 2022	As at March 31, 2021
	Taurus The Starshare		
	2500 Units (March 31, 2021 : 2500) of ₹ 10 each	1	1
	United Breweries Limited		
	5 Shares (March 31, 2021 : 5) of ₹ 1 each fully paid	0	0
	United Breweries (Holdings) Limited		
	3 Shares (March 31, 2021 : 3) of ₹ 10 each fully paid	0	0
	United Spirits Limited		
	40 Shares (March 31, 2021 : 40) of ₹ 10 each fully paid	0	0
(ii)	**Unquoted**		
	In associates		
	Hyderabad Distilleries and Wineries Pvt Ltd	3	3
	3150 Shares (March 31, 2021 : 3150) of ₹ 100 each fully paid up		
	Add : Group Share of Profit/(Loss) upto March 31,2022	452	462
	In others		
	Mohan Meakin Limited		
	100 (March 31, 2021 : 100) shares of ₹ 5 each fully paid	0	0
	Janta Co-operative Sugar Mills Ltd.		
	Nil (March 31, 2021 : 50) of ₹ 100 each fully paid	-	0
	Panipat Co-operative Sugar Mills Ltd.		
	Nil (March 31, 2021 : 2) of ₹ 100 each fully paid	-	0
	Traders Bank Limited		
	Nil (March 31, 2021 : 1) of ₹ 4 each fully paid	-	0
	LPJ Holdings Pvt. Limited.		
	600 Shares (March 31, 2021 : 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, 2021 : 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)	2	2
	Gross Value before impairment	**563**	**573**
	Less: Provisions for impairment in the vaue of investments in L.P. Investment Ltd. & in Govt. Securities	**1**	**1**
	Net value	**562**	**572**

Footnote(s):

(i) Aggregate amount of cost of quoted Investments is ₹ 5 Lakhs (Previous year : ₹ 5 Lakhs).

(ii) Aggregate amount of cost of unquoted Investments ₹ 102 Lakhs (Previous year : ₹ 102 Lakhs).

(iii) For mode of valuation refer Note 37.

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

6. LOANS

(A) Non-current

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good :		
Loan to related parties *(refer footnote (i) & Note-35)*	13	10
Loan to employees *(refer footnote (ii))*	27	27
Unsecured- Credit Impaired :		
Loan to employees/others *(refer footnote (iii))*	436	508
Less: Allowance for expected credit loss	(235)	(280)
Total	**241**	**265**

Footnote(s):

(i) Represent 5.39% of total loans without specifying any terms or period of repayment.

(ii) Represent recoverable from Managing Director constituting 11.20% of the total loan. In absence of terms or period of repayment, 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.

(iii) (a) Includes ₹ 235 Lakhs (Previous year : ₹ 280 Lakhs) recoverable from a senior employee which has been provided as a matter of abundant caution in earlier year. The Group has recovered ₹ 45 Lakhs during the year.

(b) It also includes a sum of ₹ 201 Lakhs (net of part amount of full and final settlement which is under process) due from an Ex-employee. Management is hopeful to adjust/recover the loan in the next year.

(iv) No loans are due by Directors or other officers of the Group or any of them either severally or jointly with any other person other than mentioned in note no (ii) above.

7. OTHER FINANCIAL ASSETS

(A) Non-current:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured considered good :		
Security deposits	205	173
Fixed deposits with bank *(refer footnote-(i))*	1,532	1,538
Margin money accounts *(refer footnote-(ii))*	105	130
Others *(refer footnote-(iii))*	88	63
Unsecured considered doubtful:		
Security deposits	285	221
Others	7	65
Less: Allowance for doubtful deposits & loans	(292)	(286)
Total	**1,930**	**1,904**

(B) Current:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advances to employees	59	71
Interest receivable	-	5
Others	39	85
Total	**98**	**161**

Footnote(s) :

(i) Includes fixed deposit of ₹ 1438 Lakhs (Previous year : ₹ 1437 Lakhs) with IndusInd Bank for security against borrowings (Also refer note no 15(i)) and ₹ 94 Lakhs (Previous year : ₹ 90 Lakhs) pledged with Govt. Authorities as security.

(ii) Towards bank guarantees against contractual/statutory obligations.

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

(iii) Includes interest receivables ₹ 21 Lakhs (Previous year : ₹ NIL) on loan given to group Company, ₹ 16 Lakhs (Previous year : ₹ 16 Lakhs) security deposit against loan taken from related party and ₹ 50 Lakhs (including ₹ 40 Lakhs given in the earlier years) as advance to other party. The Group has recovered ₹ 65 Lakhs during the year and is hopeful of recovery of the principal amount along with interest in the subsequent period.

8. OTHER ASSETS

(A) Non-current (₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured - considered good		
Capital advances	-	170
Balance with revenue authorities *(refer footnote (i))*	15	14
Advances to suppliers *(refer footnote (ii))*	89	9
Prepaid expenses	5	6
Unsecured - considered doubtful		
Advances to suppliers	1,851	1,920
Others *(refer footnote (iii))*	240	230
Less: Allowance for doubtful advances	(2,091)	(2,150)
Total	**109**	**199**

(B) Current (₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with excise/revenue authorities	58	48
Income tax refund for earlier years	272	279
TDS recoverable	59	157
Advances to suppliers	270	210
Prepaid expenses	254	260
Others	-	16
Total	**913**	**970**

Footnote(s):

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

(ii) Pertaining to earlier years considered good for recovery and the management is making effort to recover/adjust the same in the subsequent year.

(iii) Includes ₹ 37 Lakhs (Previous year : ₹ 37 Lakhs given in earlier years and provided for) from Director of the Group and 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 is hopeful that the same will be received in the subsequent year.

9. INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials [includes in-transit of ₹ 635 Lakhs (Previous Year : ₹ 400 Lakhs)]	1,189	1,159
Packaging materials *(refer footnote - (i))*	617	562
Work-in-progress	218	626
Finished goods	808	613
Stock-in-trade	62	25
Stores and spare parts	839	536
Total	**3,733**	**3,521**

Footnote(s):

(i) Packaging materials are net of provision for obsolete inventory of ₹ 453 Lakhs (Previous year : ₹ 453 Lakhs).

(ii) The mode of valuation of inventories has been described in Note 2.10.

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

10. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables (Gross)		
Unsecured, considered good	3,202	2,030
Receivable which have significant increase in credit risk	181	-
Receivable credit impaired	4,372	6,349
Less: Allowance for expected credit loss		
Receivable which have significant increase in credit risk	66	-
Receivable credit impaired	4,372	6,349
Net Trade receivables		
Unsecured, considered good	3,202	2,030
Receivable which have significant increase in credit risk	115	-
Receivable credit impaired	-	-
Current	**3,202**	**2,030**
Non-current (considered good by management)	**115**	**-**

Ageing of Trade receivables from due date of payment:

Particulars	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2022:						
a) Undisputed trade receivables						
- considered good	3,100	102	-	-	-	3,202
- which have significant increase in credit risk	-	-	106	75	-	181
- which are credit impaired	-	-	-	-	3,530	3,530
	3,100	**102**	**106**	**75**	**3,530**	**6,913**
b) Disputed trade receivables						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- which are credit impaired	-	-	-	-	842	842
	-	**-**	**-**	**-**	**842**	**842**
Less: Expected Credit Loss	-	-	61	5	4,372	4,438
	3,100	**102**	**45**	**70**	**-**	**3,317**
As at March 31, 2021:						
a) Undisputed trade receivables						
- considered good	1,425	575	30	-	-	2,030
- which have significant increase in credit risk	-	-	-	-	-	-
- which are credit impaired	35	5	7	89	5,497	5,633
	1,460	**580**	**37**	**89**	**5,497**	**7,663**
b) Disputed trade receivables						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- which are credit impaired	-	15	-	5	696	716
	-	**15**	**-**	**5**	**696**	**716**
Less: Expected Credit Loss	35	20	7	94	6,193	6,349
	1425	**575**	**30**	**-**	**-**	**2,030**

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

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.

(ii) Allowance for expected credit loss is made on the simplified approach of provisions based in earlier years.

11A. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	9	9
Bank balance on current accounts	165	594
Term deposits	39	-
(With original Maturity less than 3 months.)		
	213	**603**

11B. OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Term deposits		
(With original Maturity more than 3 months but less than 12 months)	-	505
	-	**505**

12. ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Property, plant & equipment held for sale	38	38
(Valued at the lower of the fair value less cost to sell & carrying amount)		
	38	**38**

Footnote(s):

(i) During the financial year 2017-18, The Group entered into an agreement of sale for development and disposal thereafter a part of leasehold land of Glass division at Sahibabad due to discontinuity of operations. In pursuance of the said agreement, The Group has received a sum of ₹ 4627 Lakhs (towards part performance of the agreement). Recognition of revenue has been deferred, pending approval from the lessor (UPSIDC). The Group has entered into tripartite MOU for development of entire property in pursuance of Board Resolution dated 14.08.2021. It was expected that obligations would be performed by 31.03.2022 but due to Covid-19 Pandemic, the approval could not be obtained. Negotiations are under process to extend the performance of the agreement by mutual consent. However, management is hopeful to receive the formal approval by the end of the next financial year.

(ii) Lease deed is in the name of the Holding Company.

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

13. SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised		
75,000,000 (March 31, 2021: 75,000,000) equity shares of ₹ 10/- each	7,500	7,500
Issued, subscribed and fully paid up		
46,148,112 (March 31, 2021: 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, 2020	46,148,112	461,481,120
Increase/(Decrease) during the year	-	-
As at March 31, 2021	**46,148,112**	**461,481,120**
Increase/(Decrease) during the year	-	-
As at March 31, 2022	**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 in the proportion to their shareholdings.

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

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	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%

(iv) **Details of equity shares held by promoter in the Holding Company**

Name of the promoter	As at March 31, 2022		As at March 31, 2021		% change during the year
	Numbers of shares held	Percentage of shares held	Numbers of shares held	Percentage of shares held	
Mr. Karamjit Singh Jaiswal	5,31,880	1.15%	5,31,880	1.15%	-
Ms. Roshini Sanah Jaiswal	74,816	0.16%	74,816	0.16%	-
Mrs. Shakun Jaiswal	100	0.00%	100	0.00%	-
LPJ Holdings Pvt. Ltd.	74,18,648	16.08%	74,18,648	16.08%	-
LPJ Holdings Pvt. Ltd. (Special Series Shares)	25,00,000	5.42%	25,00,000	5.42%	-

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

(Contd.)

Name of the promoter	As at March 31, 2022		As at March 31, 2021		% change during the year
	Numbers of shares held	Percentage of shares held	Numbers of shares held	Percentage of shares held	
K. S. J. Finance & Holdings Pvt. Ltd.	11,92,256	2.58%	11,92,256	2.58%	-
R. J. Shareholdings Pvt. Ltd.	5,76,000	1.25%	5,76,000	1.25%	-
S. J. Finance And Holdings (P) Ltd.	11,30,304	2.45%	11,30,304	2.45%	-
Quick Return Investment Company Ltd.	1,14,904	0.25%	1,14,904	0.25%	-
Double Durable Investments Ltd.	1,11,657	0.24%	1,11,657	0.24%	-
Fast Buck Investments & Trading Pvt. Ltd.	9,88,900	2.14%	9,88,900	2.14%	-
Snowhite Holdings Pvt. Ltd.	2,100	0.00%	2,100	0.00%	-
Orissa Holdings Ltd. (OCB)	10,03,800	2.18%	10,03,800	2.18%	-

14. OTHER EQUITY

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Capital Redemption Reserve	580	580
(b) Securities Premium	3,697	3,697
(c) General Reserve	2,136	2,136
(d) Share Option Outstanding Account	56	-
(e) Retained Earning *(refer footnote (v))*	(5,882)	(5,958)
Balance as at the end of reporting period	**588**	**455**

Footnote(s):

(i) Capital Redemption Reserve:

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

(ii) Securities Premium

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 Securities 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 Group by way of transfer from surplus in the statement of profit & loss. There are no restrictions on utilisation of the reserve except in case of declaration of dividend out of Reserves as prescribed under The Companies (Declaration and Payment of Dividend) Rules,2014 read with Section 123 of The Companies Act 2013.

(iv) Share Option Outstanding Account

Pursuant to the approval of the Board of Directors of the Holding Company in their meeting(s) held on 7th August, 2021 and 14th August, 2021 and consequent approval of the shareholders of the Holding Company in the 76th Annual General Meeting held on 30th September, 2021, the Nomination and Remuneration Committee of the Board of Directors of the Company, has granted options numbering to 8,37,584 (Fair value ₹ 571 Lakhs) as Stock Incentive Plan on 20th January, 2022 to the Eligible Employees of the Company under the "Jagatjit Industries Limited Stock Incentive Plan 2021" complying the Companies Act read with Securities and exchange Board of India (share based employee benefits and sweat equity regulations) 2021. Amount of ₹ 56 Lakhs pertaining to this year has been accounted for as employee benefit expenses and a corresponding Reserve has been created for the same.

(v) Includes revaluation reserve of ₹ 24,501 Lakhs (Previous year : ₹ 24,512 Lakhs) related to land situated at Hamira and Behror. The figure of retained earnings is in negative as the Group had suffered losses prior to and after revaluation up to financial year 2019-20.

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

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

15. BORROWINGS

(A) Non current borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
From banks		
Term loan *(refer footnote (i))*	19,980	20,163
From others		
Car loans *(refer footnote (iii))*	35	51
Unsecured		
Inter corporate loan from related party	831	954
From Directors	0	1
Total	**20,846**	**21,169**

(B) Current borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Cash credits from banks *(refer footnote (ii))*	352	-
Current maturity of long term loan from bank *(refer footnote (i))*	184	132
Current maturity of long term car loan *(refer footnote (iii))*	17	16
Unsecured		
Inter corporate loan from related parties*(refer footnote (iv))*	284	266
Total	**837**	**414**

Footnote(s):

Nature of Security	Terms of Repayment
(i) Rupee loan from IndusInd Bank amounting to ₹ 20,163 Lakhs (Previous Year : ₹ 20,295 Lakhs) net of processing fee of ₹ 330 Lakhs (Previous Year : ₹ 357 Lakhs) is secured against :- (a) Office space at 9th and 10th floor, Ashoka Estate, 24 Barakhamba Road, New Delhi (b) Land and Building at Plot No 78, Sector 18, Institutional Area, Gurugram, Haryana. (c) Lien on fixed deposit of ₹ 1438 Lakhs (Previous year: ₹ 1437 Lakhs) on exclusive basis. (Refer note 7(i)). (d) Equitable Mortgage over 4th and 5th Floors of Okhla Property owned by Group Concern. (e) Equitable Mortgage over House No. 82, Sundar Nagar, New Delhi owned by Promotors.	Date of maturity: June - 2034, no of installments due: 147, Rate of Interest is 11.75% p.a.
(ii) Cash Credit limits are part of working capital facilities availed from Kotak Mahindra Bank.	This limit is secured by first and Exclusive charge on Current Assets and movable fixed assets of Hamira Plant, Punjab both present and future, equitable mortgage on residential property at New Friends Colony owned by group concern and personal guarantee of promotors.
(iii) Car Loans of ₹ 51 Lakhs (Previous Year : ₹ 67 Lakhs) are secured by hypothecation of the related cars.	Date of maturity : March-2025 no of installments due : 36. Rate of interest 8.25% to 8.75% p.a.

(iv) Includes loan of ₹ 162 Lakhs taken from related parties for which term of repayments have not been stipulated and therefore it is treated as repayable on demand.

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

(v) The Group has utilised the borrowings from banks and financial institutions for the specific purposes for which it has been borrowed. There has been no default with regard to repayment of borrowing and interest during the year and there are no overdue on this account as on the date of balance sheet. The Group has not been declared as wilful defaulter by any bank or financial institution or any other lender.

16. LEASE LIABILITIES

A. Non-current

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liabilities (ROU)	19	51
Total	**19**	**51**

B. Current

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liabilities (ROU)	32	25
Total	**32**	**25**

17. OTHER FINANCIAL LIABILITIES

(A) Non-current

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposits *(refer footnote (i))*	5,969	5,608
Total	**5,969**	**5,608**

(B) Current

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unclaimed matured deposits *(refer footnote (ii))*	26	38
Interest accrued but not due	72	72
Interest accrued and due *(refer footnote (iii))*	222	220
Security deposits	58	108
Employee benefits *(refer footnote (iv))*	550	874
Expenses payable	390	708
Other liabilities *(refer footnote (v))*	74	590
Total	**1,392**	**2,610**

Footnote(s):

(i) During the year, the Group has changed the classification of security deposits received from the franchisee partners/Stockists/ Tenants and has treated the amount of ₹ 2517 Lakhs as non- current liability in respect of the various agreements which have expired during the year or expiring within the 12 months of the reporting date on the premise that the security deposits will continue on the basis of past trend/trade practice prevalent in the liquor industry in respect of the franchisee business and there is a provision in the existing agreements to extend its tenure for future period. Accordingly, the figures for the corresponding previous year have been reclassified.

(ii) 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.

(iii) Includes ₹ 6 Lakhs (Previous Year : ₹ 8 Lakhs) payable to MSME suppliers.

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

(iv) Includes ₹ 71 Lakhs (Previous Year : ₹ 44 Lakhs) payable to ex-employees on account of full and final settlement which are outstanding for more than one year.

(v) Includes ₹ 60 Lakhs (Previous year: ₹ 60 Lakhs) on account of business surplus payable to ex-franchisee partner pertaining to earlier years pending final settlement.

18. PROVISIONS

A. Non-current

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Provision for employee benefits		
- Gratuity	1,857	1,847
- Compensated absences	138	129
(b) Provisions for litigations		
- Service tax/ Sales tax	-	345
(refer note 22(ii)(f))		
Total	**1,995**	**2,321**

B. Current

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
- Gratuity	374	385
- Compensated absences	75	51
Total	**449**	**436**

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 34).*

19. OTHER LIABILITIES

(A) Non-Current

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred rental income *(refer footnote (i))*	381	126
Others *(refer footnote (ii))*	405	-
Total	**786**	**126**

(B) Current

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advances from customers	369	412
Advances received against property, plant & equipment held for sale *(refer note 12(i))*	4,627	4,627
Statutory dues *(refer footnote (iii))*	1,459	859
Other liabilities *(refer footnote (i))*	292	231
Total	**6,747**	**6,129**

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

Footnote(s):

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

(ii) Represents advance received from customer for enhancing the production capacity of the Plant which is being adjusted from the job work service income on regular intervals as per the stipulations laid out in the agreement. Management is of the view that the same is exempt deposit within the meaning of sec 2(31) of the Companies Act, 2013 read with Acceptance of deposit (rules) 2014.

(iii) Includes provision of custom duty of ₹ 381 Lakhs (Previous Year : ₹ 240 Lakhs) in respect of goods in transit and provision of excise duty of ₹ 283 Lakhs (Previous Year : ₹ 80 Lakhs) in respect of closing stock of finished goods.

20. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of Micro Enterprises and Small Enterprises	27	46
Total outstanding dues of other than Micro Enterprises and Small Enterprises	5,555	5,830
Total	**5,582**	**5,876**

Ageing schedule of Trade payable from the date of transaction:

Particulars	As at March 31, 2022				
	< 1 Year	1-2 Years	2-3 Years	> 3 Years	Total
a) Undisputed trade payables					
MSME	20	-	-	7	27
Others	4,615	177	122	587	5,501
Total	**4,635**	**177**	**122**	**594**	**5,528**
b) Disputed trade payables					
MSME					
Others	-	-	-	54	54
Total -	-	-	-	**54**	**54**
Balance as on March 31, 2022	**4,635**	**177**	**122**	**648**	**5,582**

Particulars	As at March 31, 2021				
	< 1 Year	1-2 Years	2-3 Years	> 3 Years	Total
a) Undisputed trade payables					
MSME	41	-	-	5	46
Others	4,076	201	562	931	5,770
Total	**4,117**	**201**	**562**	**936**	**5,816**
b) Disputed trade payables					
MSME	-	-	-	-	-
Others	-	-	-	60	60
	-	-	-	**60**	**60**
Balance as on March 31, 2021	**4,117**	**201**	**562**	**996**	**5,876**

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.

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

(ii) **Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year		
- Principal Amount Unpaid	27	46
- Interest due	1	4
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	0	40
- Interest paid beyond the Appointed date	0	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.	1	4
The amount of interest accrued and remaining unpaid at the end of the year (refer note 17(B) (iii))	6	8

21. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Sale of products (including excise duty) *(refer note (i))*	35,182	31,889
(b) Sale of services (Job work)	8,808	9,310
(c) Other operating revenues *(refer note (ii))*	867	522
(d) Revenue from franchisee business (refer note (iii))	288	339
Total revenue from operations	**45,145**	**42,060**

Footnote(s):

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Sale of products comprises		
(a) Manufactured goods		
Malt & malt extract	3,349	3,217
Processed milk	3,439	2,426
ENA/Liquor sales	24,561	23,517
By Product/Others	2,436	1,831
	33,785	**30,991**
(b) Traded goods		
Petroleum products	1,296	825
Others	101	73
	1,397	**898**
	35,182	**31,889**
(ii) Other operating revenues comprises		
Royalty	641	346
Duty drawbacks *(refer footnote (iv))*	66	6
Scrap sales	98	116
Commission/Marketing income	62	54
	867	**522**

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

(₹ in Lakhs)

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
(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 Group and sell the same to retailers (Licencees) on behalf of the Group. Revenue is recognised net of cost of goods sold. The gross revenue and cost of goods sold reported are unconfirmed and certified by the management as under:		
	Sales from franchisee business	21,243	16,093
	Less : Cost of goods sold	20,955	15,754
Net Revenue		**288**	**339**

(iv) During the year, duty drawback income has been accounted for on accrual basis instead of receipt basis in earlier years. Refer Note no 2.12(h) of the accounting policy.

22. OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income *(refer footnote (i))*	122	187
Rental maintenance income	188	302
Profit on sale of vehicle	98	-
Rent other	2	4
Rent from investment properties	1,276	1,629
Gain on financial instruments at fair value through profit or loss	307	258
Liabilities/provisions no longer required written back *(refer footnote(ii))*	3,206	617
Misc. income *(refer footnote(iii))*	48	2
Total other income	**5,247**	**2,999**

Footnote(s):

(i) Includes interest of ₹ 13 Lakhs (Previous year : ₹ 39 Lakhs) on income tax refund.

(ii) Includes write back/reversal of :

(a) provisions of ₹ 390 Lakhs made in earlier years against receivables on account of receipt of dues.

(b) old non-active trade payables of ₹ 616 Lakhs no longer considered to be payable.

(c) provision for bad and doubtful debts and advances of ₹ 2015 Lakhs made in earlier years written off during the year as no longer considered receivable.

(d) non-active long outstanding security deposits of ₹ 40 Lakhs considered no longer payable.

(e) provisions of sales tax of ₹ 20 Lakhs made in earlier years against which no demand/ case is pending before any authority.

(f) reversal of provision of service tax of ₹ 345 Lakhs created in the books in the earlier years on the basis of demand raised by Orissa state Beverage Corporation in the initial year. Management has taken an opinion that the transactions between the company and Corporation are in the nature of purchase and sales and do not come within the ambit of "Taxable service" u/s 65 (19) read with section 65 (105)(zzb) of the Finance Act 1994.

(iii) Includes ₹ 45 Lakhs (Previous year : ₹ NIL) gain on foreign exchange fluctuation.

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

23. COST OF MATERIAL CONSUMED

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventory at the beginning of the year	2,174	2,118
Add: Purchases of raw and packaging materials	23,673	18,602
	25,847	20,720
Less: Inventory at the end of the year	2,259	2,174
Total	**23,588**	**18,546**

24. PURCHASES OF STOCK-IN-TRADE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Petroleum products	1,281	805
Others	0	180
Total	**1,281**	**985**

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

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the beginning of the year:		
Finished goods	613	1,441
Stock-in-trade	25	19
Work-in-progress	626	501
	1,264	**1,961**
Inventories at the end of the year:		
Finished goods	808	613
Stock-in-trade	62	25
Work-in-progress	218	626
	1,088	**1,264**
Decrease/(Increase)	**176**	**697**

26. EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	6,085	5,776
Share based payments *(refer footnote 14(iv))*	56	-
Gratuity & compensated absences *(refer note 34)*	327	260
Contribution to provident, family pension fund	324	316
Contribution to employees' state insurance	98	95
Staff welfare expenses	134	180
Total	**7,024**	**6,627**

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

27. FINANCE COST

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on:		
Borrowings	2,388	2,556
Security deposit received	358	260
Lease liabilities	8	5
Other (including bill discounting charges/on statutory dues)	124	151
Other borrowing cost	4	53
Total	**2,882**	**3,025**

28. DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on property, plant & equipment	921	853
Depreciation on investment property	45	45
Amortisation of right-of-use assets	30	31
Total	**996**	**929**

29. OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Consumption of Stores and Spare parts	427	390
Power and Fuel	5,025	3,158
Repairs - Buildings	142	119
- Plant and machinery	384	551
Excise Duty *(refer footnote (i))*	203	(185)
Contractual manufacturing cost	993	940
Cartage & Others	345	503
Rent (net)	25	12
Rates & Taxes	897	787
Insurance	123	126
Travelling expenses	131	59
Repairs to building	14	4
Other repairs & maintenance	324	410
Bad debts, advances and stock written off	1,554	688
Allowance for expected credit loss	26	652
Provision for obsolete inventory	5	127
Property, plant & equipment written off	-	10
Directors' fee	9	8
Security expenses	292	258
Forwarding charges	253	163
Advertisement, publicity and sales promotion	989	1,804
Auditor's remuneration *(refer footnote (ii))*	22	27
Legal & professional expenses	368	233
Fair value loss on financial instruments	332	259
Miscellaneous expenses *(refer footnote (iii))*	863	678
Total	**13,746**	**11,781**

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

Footnote(s):

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

(ii) **Payment to statutory auditor**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
As auditor		
For audit	17	21
For tax audit	-	4
For limited review	5	2
	22	**27**

*other auditors expenses included in legal & professional expenses.

(iii) Miscellaneous Expenses include :

A sum of ₹ 65 Lakhs on account of settlement of contractual claim of ₹ 125 Lakhs pertaining to earlier year, information technology expenses of ₹ 55 Lakhs (Previous year : ₹ 31 Lakhs), trade subscription ₹ 31 Lakhs (Previous year : ₹ 29 Lakhs), printing & stationery ₹ 32 Lakhs (Previous year : ₹ 36 Lakhs), festival expenses ₹ 33 Lakhs (Previous year : ₹ 22 Lakhs), prior period expenses of ₹ 38 Lakhs (Previous year : ₹ 2 Lakhs) and tax on perquisite ₹ 18 Lakhs (Previous year : ₹ 20 Lakhs).

30. EXCEPTIONAL ITEMS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit on sale of property, plant and equipment	-	38
Total	**-**	**38**

31. EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holder by weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holder by weighted average number of equity shares outstanding during the year plus weighted average number of equity shares that would be issued on conversion of all dilutive potential equity shares in to equity shares.

Profit and share data used in the basic and diluted EPS computation.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net Profit/(Loss) attributable to shareholders (₹ in Lakhs)		
From continuing operations	65	199
From discontinued operations	(17)	291
Total	**48**	**490**
Weighted average number of equity shares used for computing basic earning per share *(refer footnote (i))*	43,648,112	43,648,112
Weighted average number of equity shares used for computing diluted earning per share *(refer footnote (i))*	44,485,696	43,648,112
Basic earnings per share of ₹ 10 each (₹)		
From continuing operations	0.15	0.45
From discontinued operations	(0.04)	0.67
Total basic earnings per share	0.11	1.12
Diluted earnings per share of ₹ 10 each (₹)		
From continuing operations	0.15	0.45
From discontinued operations	(0.04)	0.67
Total diluted earnings per share	0.11	1.12

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

Footnote(s):

(i) 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 13 (ii)(c)).

32. PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS

The Group has discontinued its operations at Sahibabad glass division. The disclosures as required under Indian Accounting Standard - 105 are given below.

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(A) Revenue		
Miscellaneous Income	-	291
Interest Income	-	0
Liabilities/provisions no longer required written back	34	22
Total revenue	**34**	**313**
(B) Expenses		
Employee benefits expenses		
Salaries, Wages, Bonus and Gratuity	7	7
Other expenses		
Rates & taxes	6	8
Travelling expenses	0	0
Other repairs & maintenance	0	0
Bad debts and advances written off	31	-
Security expenses	5	5
Legal & professional expenses	1	1
Miscellaneous expenses	1	1
Total expenses	**51**	**22**
Profit/(Loss) for the year (A - B)	**(17)**	**291**
Less: Tax expense	**-**	**-**
Profit/(Loss) after tax for the year	**(17)**	**291**
Total Assets	**46**	**46**
Total Liabilities	**4,630**	**4,633**
Cash Flow from discontinued operations included in above		
- Operating activities	-	1
- Investing activities	-	-
- Financing activities	-	-

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

33. CONTINGENT LIABILITIES:

(₹ in Lakhs)

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
(a)	**Claim against the Group not acknowledged as debt :**		
	Service tax *(footnote (i))*	142	142
	Sales tax / VAT *(footnote (ii))*	756	1,314
	Employee state insurance/others *(footnote (iii))*	214	214
	Others *(footnote (iv))*	22	147
Total		**1,134**	**1,817**

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).

(ii) Sales tax / VAT

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

(b) 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).

(c) 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).

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

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

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

(g) Demand of ₹ Nil (Previous year : ₹ 629 Lakhs) on account of non credit of deposited challans from commercial taxes department, Rajasthan.

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

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

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

(k) Demand of sales tax under Dehradun VAT Act Assessment for FY 2016-17 ₹ 71 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) Refer note 29 (iii) regarding reduction of liability of ₹ 125 Lakhs on account of full & final settlement.

(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.

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

(v) Income Tax Act, 1961

(a) Protective addition of ₹ 5657 Lakhs and substantive addition of ₹ 107 Lakhs made in the assessment proceedings u/s 153A in earlier years on account of sales promotion expenses and alleged accommodation purchases respectively were deleted by CIT (A) except ₹ 77 Lakhs against which department filed an appeal and the Group filed cross objection to the confirmed addition before the ITAT which is pending for adjudication. For assessment year 2009-10 and 2010-11, ITAT has dismissed the second appeal of Department regarding relief of sales promotion expenses of 2655 Lakhs. The Group has strong legal reasons that appeal of the Department will be dismissed and company will get the remaining relief of ₹ 77 Lakhs.

(b) The Group has also filed an application for compounding relating to TDS matters and certain other matters are pending before High Court, tax impact of which is not ascertainable at this stage.

(c) An intimation order under section 143(1) of the Act pertaining to Assessment year 2020-21, disallowing the employees contribution to Provident Fund of ₹ 250 Lakhs under section 36(i)(va) of the Act resulting in creation of demand of ₹ 45 Lakhs and adjustment of the same against the refund, by omitting to carry forward the brought forward losses/unabsorbed depreciation, has been received by the Group against which it has filed an appeal and rectification application under section 154 of the Act. The Group has received the rectification order in its favour with regard to adjustment of brought forward losses. The appeal is subjudice and the Group has been legally advised of its success with regard to aforementioned disallowance and consequently cancellation of demand.

(d) Assessment under section 147 in respect of assessment year 2016-17 has been made by making certain disallowances/ addition of ₹ 445 Lakhs on account of late deposit of provident fund and alleged bogus purchases resulting in reduction of carry forward of losses to the same extent. The Group have filed appeal before First appellate authority and has strong legal reasons to get relief.

(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 Consolidated 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 Group 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 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.

34. 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, 2022	For the year ended March 31, 2021
(i) Employers' contribution to provident fund	324	316
(ii) Employers' contribution to employees' state insurance	98	95

Included in 'Contribution to Provident, Family Pension and 'Employees' State Insurance (Refer Note 26)

(B) Defined benefit plans

The benefit of Gratuity is payable as per the Payment of Gratuity Act, 1972 or maximum gratuity payable under the said Act, which ever is lower. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Group.

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

(C) Compensated absences cover the Group's liability for sick and earned leave. The liability has been recognised on actuarial valuation basis.

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

(₹ in Lakhs)

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Compensated absence	Gratuity	Compensated absence	Gratuity
(i) Assumptions				
(a) Discount rate	7.15%	7.15%	6.74%	6.74%
(b) Attrition rate	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)	12.40	14.34	12.41	14.47
(ii) Change in the Present Value of Obligation				
(a) Present value of obligation as at beginning of the year	180	2,232	200	2,201
(b) Interest cost	11	142	13	143
(c) Current/Past service cost	69	123	60	126
(d) Benefit paid	(28)	(240)	(11)	(164)
(e) Actuarial (gain)/loss on obligations	(19)	(26)	(82)	(74)
(f) Present value of obligation as at end of the year	213	2,231	180	2,232
(iii) Amount recognised in the Balance Sheet				
(a) Present value of obligation as at end of the year	213	2,231	180	2,232
(b) Fair Value of Plan Assets as at the year end	-	-	-	-
(c) (Asset) / Liability recognised in the				
Balance Sheet	213	2,231	180	2,232
Net liabilities recognised in the Balance Sheet accounted for as below:				
Provision non current (Refer Note 19 A)	138	1,857	129	1847
Provision current (Refer Note 19 B)	75	374	51	385
(iv) Expenses recognised in the Statement of Profit and Loss				
(a) Under Profit & Loss				
Current/Past service cost	69	123	60	126
Interest cost	11	142	13	143
Actuarial (gain)/loss on obligations	(19)	-	(82)	-
(b) Total Expenses recognised in the Statement of Profit and Loss	**61**	**266**	**(9)**	**269**
(c) Remeasurement-other comprehensive Income (OCI)	-	(26)	-	(74)
	61	**240**	**(9)**	**195**

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

(v) **Sensitivity analysis:**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022			
	Compensated absence		Gratuity	
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	(7)	7	(98)	107
Salary increase rate	7	(7)	107	(99)
Employee attrition rate	0	0	5	(5)

Particulars	For the year ended March 31, 2021			
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	(7)	7	(99)	108
Salary increase rate	7	(7)	107	(100)
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.

35. RELATED PARTY DISCLOSURES

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

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

Description of relationship	Names of related parties
Ultimate Holding Company	LPJ Holdings Private Limited
Associates	Hyderabad Distilleries & Wineries Pvt. Ltd.
Key Managerial Personnel and their relatives:	Mr. Ravi Manchanda (Managing Director) Mr. Anil Vanjani (CEO & CFO) Mr Roopesh Kumar (Company Secretary) Mr. Karamjit Singh Jaiswal Ms. Roshini Sanah Jaiswal
Director	Mrs. Kiran Indra Kapur Mrs. Anjali Varma Mrs. Sushma Sagar Ms. Vidhi Goel Mrs. Asha Saxena(Resigned w.e.f. 25.04.2022)
Enterprises over which Major shareholders, Key Managerial 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 Investment Company Ltd. Double Durable Investment Ltd. Devyani Constructions Pvt. Ltd. Blue Skies Investments Pvt. Ltd. Palm Beach Investments Pvt. Ltd. Snowwhite Holdings Pvt. Ltd. Hybrid Holdings Pvt. Ltd. Ashwa Buildcon Limited Mata Constructions & Builders Pvt. Ltd. Swanrose India Pvt. Ltd. Anjani Estates Ltd.

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

(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, 2022	For the year ended March 31, 2021
(i) Associates		
Hyderabad Distilleries & Wineries Pvt. Ltd.		
Advance Given	7	-
Loan taken	16	35
Payment made on behalf of associate	18	4
Repayment of loan to HDWPL	2	49
TDS booked in respect of earlier year	4	-
Interest received	1	-
(ii) Key Managerial Personnel, director and their relatives:		
(a) Mr. Ravi Manchanda		
Managerial remuneration	47	36
Loan received	350	700
Repayment of loan	350	700
(b) Mr. Anil Vanjani		
Managerial remuneration	265	157
Advance given	-	-
Refund of advance	-	1
(c) Ms. Roshini Sanah Jaiswal		
Managerial remuneration	94	94
Refund of advance	-	224
Interest receivable on advance	-	18
Expenses incurrred on behalf of the Company	17	7
Amount paid against expenses on behalf of the Company	17	-
(d) Mr. Roopesh Kumar		
Managerial remuneration	21	18
(e) Mrs. Kiran Indira Kapur		
Sitting fee paid	3	2
(f) Mrs. Anjali Varma		
Sitting fee paid	2	1
(g) Ms. Sonya Jaiswal		
Sitting fee paid	-	1
(h) Mrs. Sushma Sagar		
Sitting fee paid	1	1
(i) Mrs. Asha Saxena		
Sitting fee paid	1	2
(j) Ms. Vidhi Goel		
Sitting fee paid	2	0

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(iii) Enterprises over which Major shareholders, Key Managerial Personnel and their relatives have significant influence / control :		
(a) Milkfood Ltd.		
Expenses incurred by company on behalf of Milkfood Ltd.	12	9
Rental income	41	41
Expenses incurred by Milkfood Ltd. on behalf of the Company	2	2
Payment made to vendor on behalf of the Company	17	-
(b) Corporate Facilities Management		
Maintenance charges paid	160	226
(c) Galaxy Pet Packaging Pvt. Ltd.		
Repayment of loan	-	5
Interest paid	0	0
(d) Quick Return Investment Company Ltd.		
Repayment of loan	-	51
Interest paid	12	17
(e) Double Durable Investment Ltd.		
Repayment of loan	-	4
Interest paid	0	1
(f) Devayani Constructions Pvt. Ltd.		
Loan received	320	-
Repayment of loan	320	-
Interest paid	6	-
(g) Ashwa Buildcon Ltd.		
Advance given	271	-
Refund of advance	294	-
Interest Recd	21	-
Payment on behalf of Ashwa Buildcon Ltd.	-	3
(h) Mata Construction & Builders Pvt. Ltd.		
Loan received	-	985
Repayment of loan	110	7
Interest paid	97	9
(i) Swanrose India Pvt. Ltd.		
Advance given/Payment made on behalf of the Company	156	55
Refund of advance	156	20
Sale of others (Santizers)	432	12
Rental income	1	-
(j) Anjani Estates Pvt. Ltd.		
Provision for Loan	4	-

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

(C) Outstanding balance as at end of the year

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) **Associates**		
Hyderabad Distilleries & Wineries Pvt. Ltd.		
Loan to Associate	(78)	(86)
(ii) **Key Managerial Personnel and their relatives:**		
(a) **Mr. Ravi Manchanda**		
Receivable	27	27
(b) **Mr. Anil Girotra** (resigned w.e.f. 01-04-2021)		
Receivable	201	227
(c) **Mr. Karamjit Singh Jaiswal/Mrs. Shakun Jaiswal**		
Receivable/(Payable)	(20)	(20)
(d) **Mrs. Anjali Verma**		
Receivable/(Payable)	37	37
(iii) **Enterprises over which major Shareholders, Key Managerial Personnel and their relatives have significant influence / Control**		
(a) **Milkfood Ltd.**		
Receivable/(Payable)	(4)	4
(b) **Fast Buck Investments & Trading Pvt. Ltd.**		
Receivable/(Payable)	(8)	(8)
(c) **Galaxy Pet Packaging Pvt. Ltd.**		
Receivable/(Payable)	(2)	(2)
(d) **Quick Return Investment Company Ltd.**		
Receivable/(Payable)	(156)	(146)
(e) **Double Durable Investment Ltd.**		
Receivable/(Payable)	(3)	(3)
(f) **Devyani Constructions Pvt. Ltd.**		
Receivable/(Payable)	(28)	(23)
(g) **Corporate Facility Management**		
Receivable/(Payable)	(13)	(15)
(h) **Ashwa Buildcon Ltd.**		
Receivable/(Payable)	21	23
(i) **Mata Construction and Builders Pvt. Ltd.**		
Receivable/(Payable)	(869)	(978)
(j) **Swanrose India Pvt. Ltd.**		
Receivable/(Payable)	141	49
(k) **Anjani Estates Pvt. Ltd.**		
Receivable/(Payable)	4	4
(l) **Blue Skies Investments Pvt. Ltd.**		
Receivable/(Payable)	2	2
(m) **Palm Beach Investments Pvt. Ltd.**		
Receivable/(Payable)	3	3
(n) **Hybrid Holdings Pvt. Ltd.**		
Receivable/(Payable)	(2)	(2)
(o) **Snowwhite Holding Pvt. Ltd.**		
Receivable/(Payable)	1	1

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

Footnote(s) :

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

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

(iii) The Group has made provision against loan of ₹ 37 Lakhs given to Director in earlier year. During the year, provision of ₹ 4 Lakhs has been made against the outstanding amount from Anjani Estates Pvt. Ltd.

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

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

36. 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 CODM does not review assets and liabilities for each operating segment separately, hence segment disclosures relating to total assets and toal liabilities have not been furnished. The Group's business segments are as under:

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

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

Others: Segment includes trading 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.

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'.

(A) Primary segment information

(₹ in Lakhs)

		Beverages		Food		Others		Total	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
(i)	**Segment revenue**								
	Sales, services and other income	27,613	25,712	16,236	15,517	1,296	830	45,145	42,059
	Less : Excise duty	(619)	(2,295)	–	–	–	–	(619)	(2,295)
	Inter segment sales	–	–	–	–	–	–	–	–
	Unallocated income	–	–	–	–	–	–	–	–
	Total revenue	**26,994**	**23,417**	**16,236**	**15,517**	**1,296**	**830**	**44,526**	**39,764**
(ii)	**Segment results**								
	Segment results	2,063	111	1,005	3,012	9	11	3,077	3,134
	Unallocable Expenditure net of Unallocable Income	–	–	–	–	–	–	115	(65)
	Finance cost	–	–	–	–	–	–	2,882	3,025
	Profit/(Loss) before exceptional items	–	–	–	–	–	–	**80**	**174**
	Exceptional items	–	–	–	–	–	–	–	38
	Add : Share of Net Profit/(Loss) of Associate	–	–	–	–	–	–	(11)	(13)
	Profit/ (Loss) before tax (from continuing operations)	–	–	–	–	–	–	**69**	**199**
	Profit/(Loss) From discontinued operations	–	–	–	–	–	–	(17)	291
	Profit/(Loss) before Tax	–	–	–	–	–	–	**52**	**490**
	Less: Tax expense:	–	–	–	–	–	–	4	-
	Profit/ (Loss) after tax	–	–	–	–	–	–	**48**	**490**

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

(B) Information about geographical areas:

(₹ in Lakhs)

		2021-22	2020-21
(i)	**Revenue (excluding excise duty)**		
	Within India	41,731	35,202
	Outside India	2,795	4,562
	Total	**44,526**	**39,764**
(ii)	**Non-current operating assets (refer footnote (ii))**		
	Within India	36,981	37,310
	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, right of use assets(ROU) and intangible assets.

37. 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.

38. CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity. For the purpose of the Group's capital management, includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders.

The Group 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. The Group manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirements of the financials covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. The capital structure is monitored on the basis of net debt to equity and maturity profile of the overall debt portfolio of the Group.

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current borrowings	20,846	21,169
Current borrowings	837	414
Less: Cash and cash equivalents	213	603
Less: Other bank balances	0	505
Net debt	**21,470**	**20,474**
Equity share capital	4,615	*4,615*
Other equity	588	455
Total capital	**5,203**	**5,070**
Gearing ratio	**4.13**	**4.04**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements.

No significant changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021 except as stated in note 14(iv).

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise borrowings, security deposits received, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, cash and cash equivalents and security deposits that are out of regular business operations.

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Group operates a risk management policy and a program that performs close monitoring of and responding to each risk factors. 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 because of changes in market prices. Market risk comprises of 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. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

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 current borrowings rates are at fixed rates and no loan is on variable 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:

(₹ in Lakhs)

	As at March 31, 2022		As at March 31, 2021	
	1% increase	*1% decrease*	*1% increase*	*1% decrease*
Impact on profit before tax	(232	232	(224)	224

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. Its operating activities require the ongoing purchase and manufacture of spirit alcohol/Liquor and manufacuring of malted food products and therefore require a continuous supply of Barley/Nakku/Husk/etc. The Group's Board of Directors have developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Group's long standing relationships with most suppliers ensure steady availability of raw materials at competitive prices.

The following table shows the effect of price changes on Husk, Barley & Nakku

(₹ in Lakhs)

	As at March 31, 2022		As at March 31, 2021	
	1% increase	*1% decrease*	*1% increase*	*1% decrease*
Impact on profit before tax	(180)	180	(143)	143

(b) **Credit risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty defaults 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 credit risk with respect to these financial assets. With respect to trade receivables, 15 % includes dues from state government corporations, where probability of default is remote. In respect to sales made to other than state government corporations, Group provides expected credit loss on the basis of simplified approach as prescribed under Ind AS 109. Total amount of provision against trade receivable, loan & advances on reporting date is ₹ 7056 Lakhs (previous year ₹ 9065 Lakhs) The Group management reviews trade receivables/ advances on periodic basis and take necessary mitigation measures, wherever required.

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

(c) **Liquidity risk**

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings/ deposits received in the ordinary course of business.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, 2022					
Non-current borrowings	-	627	712	19,507	20,846
Non-current other financial liabilities	-	-	-	5,969	5,969
Current borrowings	837	-	-	-	837
Trade payables	5,582	-	-	-	5,582
Lease liabilities	32	19	-	-	51
Other financial liabilities	1,392	-	-	-	1,392
Total	**7,843**	**646**	**712**	**25,476**	**34,677**
As at March 31, 2021					
Non-current borrowings	-	313	429	20,427	21,169
Non-current other financial liabilities	-	-	-	5,608	5,608
Current borrowings	414	-	-	-	414
Trade payables	5,876	-	-	-	5,876
Lease liabilities	25	51	-	-	76
Other financial liabilities	2,610	-	-	-	2,610
Total	**8,925**	**364**	**429**	**26,035**	**35,753**

40. OTHER INFORMATION

(i) The Group has turned around its operations and bottom line from the Financial year ended 31.03.2021. The accounts have been prepared on going concern basis. Net Worth/ Net working capital of the Group is still in negative. During the year, Total revenue of the Group including other income has increased to ₹ 50,392 Lakhs from ₹ 45,059 Lakhs in the previous year. Profit from continuing operations for the period has fallen from ₹ 212 Lakhs to ₹ 76 Lakh due to unprecedental increase in the cost of production and due to second and third wave of COVID during the financial year 2021-22. The Group's ability to continue as going concern is dependent upon the increased revenue from operations and gross margin. The management is hopeful of increasing the revenues and gross margins by improving the turnover and adopting the cost saving measures . Therefore, no material uncertainity exists on the Group's ability to continue as a going concern.

(ii) In view of the brought forward losses/ unabsorbed depreciation/ book losses, no provision of Income Tax has been made during the year. In absence of virtual certainity of future taxable profits, the Group has not recognised deferred tax assets during the year.

(iii) As per the report of the GST audit, the Group has claimed an excess input credit of ₹ 27.66 Lakhs on account of non compliance of sec 16(2)(c)d of the GST Act. However certain court judgments on this issue have come in favour of the Group and therefore management is of the view that there is no need to reverse this input credit.

(iv) **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, 2022	As on March 31, 2021
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%

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

(v) 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, 2022	As on March 31, 2021
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.

(vi) 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 other comprehensive Income	Amount (₹ in Lakhs)
31-Mar-2022								
Parent :								
Jagatjit Industries Ltd	100.19	4,758.00	104.91	62	100	27	103.37	89
Subsidiary :								
JIL Trading Pvt Ltd	(0.19)	(9.05)	(0.61)	(0.36)	–	–	(0.42)	(0.36)
S.R.K. Investments Pvt Ltd	(0.08)	(3.65)	(0.64)	(0.38)	–	–	(0.44)	(0.38)
Sea Bird Securities Pvt Ltd	(0.05)	(2.46)	(0.61)	(0.36)	–	–	(0.42)	(0.36)
L.P. Investments Ltd	(3.65)	(173.43)	(1.95)	(1.15)	–	–	(1.34)	(1.15)
Natwar Liquors Pvt Ltd	0.00	0.12	(0.51)	(0.30)	–	–	(0.35)	(0.30)
Yoofy Computech Pvt Ltd	(0.01)	(0.66)	(0.59)	(0.35)	–	–	(0.41)	(0.35)
Sub Total	**96.21**	**4,568.87**	**100.00**	**59.10**	**100**	**27**	**100.00**	**86.10**
Inter-Company Elimination & Consolidation Adjustments	3.79	180	–	–	–	–	–	–
	100.00	**4,749**	–	–	–	–	–	**86**
Non-controlling interest in subsidiary	–	(4)	–	–	–	–	–	–
Share of profit/(loss) in Associate	–	454	–	–	–	–	–	(11)
Total	–	**5199**	–	–	–	–	–	**75**

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

	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 other comprehensive Income	Amount (₹ in Lakhs)
31-Mar-2021								
Parent :								
Jagatjit Industries Ltd	100.12	4,612.00	100.08	503.00	100	74	100.07	577.00
Subsidiary :								
JIL Trading Pvt Ltd	(0.19)	(8.68)	(0.05)	(0.24)	–	–	(0.04)	(0)
S.R.K. Investments Pvt Ltd	(0.07)	(3.26)	(0.02)	(0.11)	–	–	(0.02)	(0)
Sea Bird Securities Pvt Ltd	(0.06)	(2.71)	0.03	0.14	–	–	0.02	0
L.P. Investments Ltd	(3.71)	(171.00)	0.09	0.43	–	–	0.07	0
Natwar Liquors Pvt Ltd	0.01	0.42	(0.06)	(0.28)	–	–	(0.05)	(0)
Yoofy Computech Pvt Ltd	(0.01)	(0.31)	(0.07)	(0.35)	–	–	(0.06)	(0)
Sub Total	**96.09**	**4,426.46**	**100.00**	**502.59**	**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	–	**5,066**	–	–	–	–	–	**564**

(vii) Previous year figures have been reclassified/regrouped wherever necessary to this year's classification.

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

41 DISCLOSURE RELATED TO KEY FINANCIAL RATIOS:

Key financial ratios	Numerator	Denominator	For the year ended 31 March, 2022	For the year ended 31 March, 2021	% Variance	Reason for variance exceeding 25% as compared to preceding year
(a) Current ratio *(in times)*	Current assets	Current liabilities	0.55	0.51	8%	
(b) Debt-equity ratio *(in times)*	Total debt	Equity	4.17	4.26	-2%	
(c) Debt service coverage ratio *(in times)*	Earnings available for debt service: = Net Profit after taxes + Non cash operating expenses + Interest - Non Cash Income- Profit on sale of Fixed Assets, etc.	Debt service= Interest and lease payments + Principal repayments	2.00	7.25	-72%	During the year, the Group faced the challanges of increase commodity prices along with continue COVID-19, which effected operational performance of the Group. Further there was increase in current debt.
(d) Return on equity (in %)	Net profits after taxes	Average shareholder's equity	0.93%	10.77%	-91%	During the year, the Group faced the challanges of increase commodity prices along with continue COVID-19, which effected operational performance of the Group.
(e) Inventory turnover Ratio*(in times)*	Cost of material consumed +Purchase of stock -in -trade	Average inventory	6.86	5.07	35%	Increase in sale as compared with previous year resulting in the better inventories ratio.
(f) Trade receivables turnover ratio (in times) (refer footnote(i))	Revenue from operation	Average accounts receivable	16.89	17.20	-2%	
(g) Trade payables turnover ratio (in times) (refer footnote(ii))	Net credit purchases	Average trade payables	4.36	3.10	41%	Increase in cost of purchases and reversal of creditors no longer considered payable.
(h) Net capital turnover ratio *(in times)*	Net sales	Working capital	(6.60)	(5.49)	20%	
(i) Net profit ratio (in %)	Net profits after taxes	Net sales	0.11%	1.17%	-91%	During the year, the Group faced the challanges of increase commodity prices along with continue COVID-19, which effected operational performance of the Group.
(j) Return on capital employed *(in %)*	Earning before interest and taxes	Capital employed	8%	10%	-17%	

Footnote

(i) In the absence of the figure of net credit sales, total revenue from operations has been considered for computing Trade Receivables ratio.

(ii) In the absence of the figure of net credit purchases, total purchases have been considered for computing Trade Payables ratio.

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

42 BORROWINGS SECURED AGAINST CURRENT ASSETS

Quarter	Name of the bank	Nature of the Current Asset	As per Unaudited Books of Accounts	Amount as per Quarterly return & statements	Amount of Difference	Reason for Differences
June, 2021	Kotak Bank	Trade Receivable Inventory - Raw Material Inventory - Finished Goods Inventory - Stores & Spares	N.A	N.A	N.A	No borrowings during the quarter
Sep, 2021	Kotak Bank	Trade Receivable	3,198	3,280	-82	The Figures adopted in MSOD report are provisional and before limited review. Further the difference is immaterial in view of utilisation of CC limit is of Rs. 169 Lakhs as on 30.09.2021 against sanctioned limit of Rs. 1500 Lakhs
		Inventory - Raw Material, Stores & Spares & Packing Material	2,630	2,661	-31	The Figures adopted in MSOD report are provisional and before limited review. Further the difference is immaterial in view of utilisation of CC limit is of Rs. 169 Lakhs as on 30.09.2021 against sanctioned limit of Rs. 1500 Lakhs
		Inventory - Finished Goods including WIP	1,325	1,480	-155	The Figures adopted in MSOD report are provisional and before limited review. The difference is on account of valuation taken at higher figure due to inadvertence. Further utilisation of CC limit is of Rs. 169 Lakhs as on 30.09.2021 against sanctioned limit of Rs. 1500 Lakhs.
		Total Current Assets	**7,153**	**7,421**	**-268**	
Dec, 2021	Kotak Bank	Trade Receivable	3,732	3,562	170	The Figures adopted in MSOD report are provisional, before limited review and are without considering Non Trade Debtors and Debtors more than 90 days. Further the utilisation of CC limit is of Rs. 390 Lakhs as on 31.12.2021 against sanctioned limit of Rs. 1500 Lakhs.

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

Quarter	Name of the bank	Nature of the Current Asset	As per Unaudited Books of Accounts	Amount as per Quarterly return & statements	Amount of Difference	Reason for Differences
		Inventory - Raw Material, Stores & Spares & Packing Material	2,336	2,374	-38	The Figures adopted in MSOD report are provisional and before limited review. Further the difference is immaterial in view of utilisation of the CC Limit of Rs. 390 Lakhs as on 31.12.2021 against sanctioned limit of Rs. 1500 Lakhs.
		Inventory - Finished Goods including WIP	1,535	1,124	411	The Figures adopted in MSOD report are provisional and before limited review. The difference is on account of valuation taken at lower figure due to inadvertence. Further utilisation of CC limit is of Rs. 390 Lakhs as on 31.12.2021 against sanctioned limit of Rs. 1500 Lakhs.
		Total Current Assets	**7,603**	**7,060**	**543**	
Mar, 2022	Kotak Bank	Trade Receivable (Current)	3,202	2,985	217	In MSOD Report non-operational Debtors and Debtors more than 90 days has not been considered.
		Inventory - Raw Material, Stores & Spares & Packing Material	2,645	2,682	-37	The Figures adopted in MSOD report are provisional and before audit. Further the utilisation of the CC Limit was Rs. 345 Lakhs against sanctioned limit of Rs.1500 Lakhs.
		Inventory - Finished Goods including WIP	1,088	767	321	The Figures adopted in MSOD report are provisional and before audit. The difference is on account of valuation taken at lower figure due to inadvertence. Further utilisation of CC limit is of Rs. 345 Lakhs as on 31.03.2022 against sanctioned limit of Rs. 1500 Lakhs.
		Total Current Assets	**6,935**	**6,434**	**501**	

43. RELEVANT ADDITIONAL REGULATORY INFORMATION: (OTHER THAN DISCLOSED IN THE RESPECTIVE NOTES)

(i) The operating cycle of the Group is assumed to be of twelve months in absence of clearly identifiable normal operating cycle and accordingly assets/liabilities have been claissified as current/ non current.

(ii) No proceedings have been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(iii) The Group did not have any transactions with companies struck off under section 248 of the Companies Act 2013 and section 560 of the Companies Act, 1956.

(iv) The Group has not granted any loans or advances in the nature of loans to promoters, directors, Key Managerial Person and the related parties except as stated in the note 6(i) and (ii) either severally or jointly with any other person which is either repayable on demand or without specifying any terms or period of demand .

(v) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with companies (restriction on number of layers) rules 2017.

(vi) Group has not applied any accounting policy retrospectively or has made a restatement of items in Financial statements or has reclassified items in the Financial statements.

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2022

(vii) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries), or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(viii) The Group have not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries), or

b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ix) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(x) The Group does not have any such transaction which are not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act,1961).

(xi) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified. The Group will give appropriate impact in its financial statements in the period in which, the code becomes effective and the related rules to determine the financial impact are published.

(xii) Provisions of Sec 135 of the Companies Act 2013 are not applicable to the Group.

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	31st March, 2022	31st March, 2022	31st March, 2022	31st March, 2022	31st March, 2022	31st March, 2022
3	Share Capital	1.00	1038.25	1.00	1.00	1.00	1.00
4	Reserves & Surplus	(10.05)	(1214.81)	(4.07)	(4.65)	(1.66)	(0.88)
5	Total Assets	2.09	12.99	81.00	0.07	-	1.04
6	Total Liabilities	2.09	12.99	81.00	0.07	-	1.04
7	Investments	-	1.77	81.00	-	-	-
8	Turnover	-	0.01	-	-	-	-
9	Profit Before Taxation	(0.36)	(1.15)	(0.36)	(0.39)	(0.35)	(0.30)
10	Income tax for earlier years	-	0.09	-	-	-	-
11	Profit After Taxation	(0.36)	(1.24)	(0.36)	(0.39)	(0.35)	(0.30)
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	31st March, 2022
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	449.98
6.	Profit / Loss for the year	
	i. Considered in Consolidation	(11)
	ii. Not considered in Consolidation	(22)

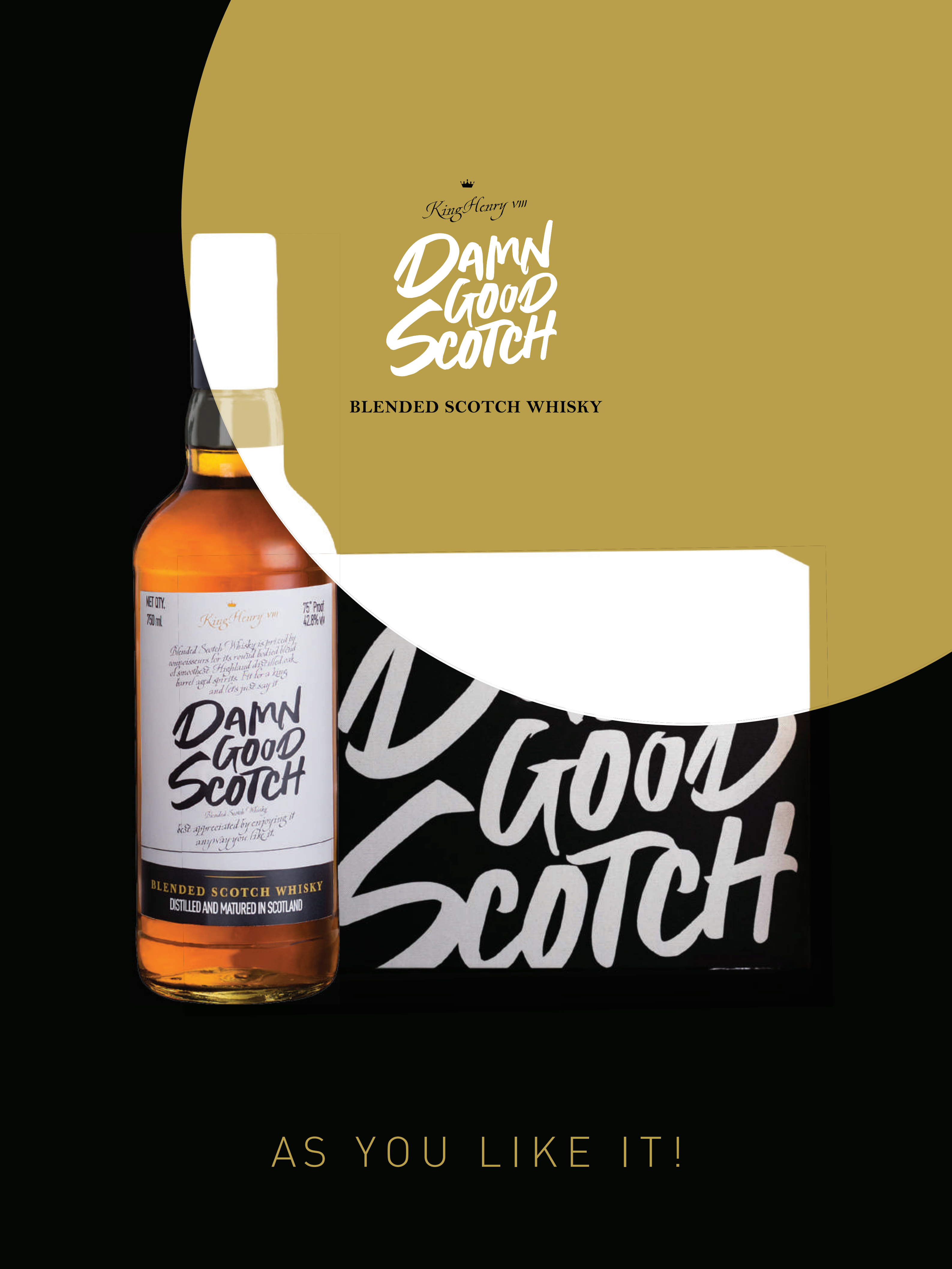
* The Company holds 1,650 equity shares of ₹ 100 each aggregating to ₹ 1,65,000. M/s L. P. Investments Limited, (a subsidiary Company in which Jagatjit Industries Limited holds 98.26% of capital) is holding 1,500 equity shares of ₹ 100 each aggregating to ₹ 1,50,000 (the indirect holding of the Company 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 : 30th May, 2022
Place : New Delhi

Roopesh Kumar	Anil Vanjani	Ravi Manchanda	Anjali Varma
Company Secretary	Chief Executive Officer & CFO	Managing Director	Director
		DIN: 00152760	DIN : 01250881


King Henry VIII
DAMN GOOD SCOTCH
BLENDED SCOTCH WHISKY
NET QTY. 750 ml
75° Proof 42.8% v/v
King Henry VIII
DAMN GOOD SCOTCH
BLENDED SCOTCH WHISKY
DISTILLED AND MATURED IN SCOTLAND
DAMN GOOD SCOTCH
AS YOU LIKE IT!

JAGATJIT INDUSTRIES LIMITED

Registered Office:
Jagatjit Nagar,
Distt. Kapurthala – 144802, Punjab

Corporate Office:
4th Floor, Bhandari House, 91 Nehru Place,
New Delhi – 110019, India

Tel: 0181-2783112
Email: jil@jagatjit.com
CIN No.: L15520PB1944PLC001970