

JAGATJIT INDUSTRIES LIMITED

Annual Report

for the year ended 31st March, 2014





Directors' Report



To the Shareholders

The Directors have pleasure in presenting their Report and Statement of Accounts for the financial year ended 31st March, 2014.

FINANCIAL RESULTS

	2013-14	(Rs. in lacs) 2012-13
Profit for the year after charging all expenses excluding financing charges and depreciation	447	4726
Deduct: Financing Charges	2864	2308
Cash Profit	(2417)	2418
Deduct : Depreciation/ Amortisation	1849	1750
Profit/(Loss) for the year before taxation	(4266)	668
Tax Expenses		
Current Tax		
— For the year	—	135
— Mat credit Entitlement	—	(352)
— Deferred Tax (Benefit)/Charge	257	380
Profit/(Loss) after tax for the year	(4523)	505
Profit brought forward from previous year	13056	12551
Total profit available for appropriations	8533	13056
APPROPRIATIONS		
Balance Carried to Balance Sheet	8533	13056

SALES & PROFIT

During the year under report, the Gross Turnover (including income from Services & Other Sources) was Rs. 1370.81 Crores as compared to Rs.1451.01 Crores during the previous year. The Company incurred a loss before taxation of Rs. 42.66 Crores as compared to profit before taxation of Rs. 6.68 Crores during the previous year.

DIVIDEND

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

DIRECTORS

Mr. Gautam Pal and Mrs. Gita Bawa ceased to be Directors of the Company w.e.f. 30th May, 2013 and 07th October, 2013 respectively. The Board places on record, its appreciations for the services rendered by Mr. Gautam Pal and Mrs. Gita Bawa during their tenure as Directors.

Mrs. Anjali Varma and Mr. Sudhir Avasthi have been appointed as Additional Directors of the Company on 21st April, 2014 and 10th July, 2014 respectively by the Board of Directors, who hold office upto the date of this Annual General Meeting. The Company has received notices in writing, under Section 160 of the Companies Act, 2013, from members, proposing their names as candidates for the office of Directors.

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

Mrs. Kiran Kapur and Mr. Peri Kameswara Sharma, who had been appointed as Independent Directors liable to retire by rotation under the previous Companies Act, 1956 retire at the ensuing Annual General Meeting. The Company has received notices in writing, under Section 160 of the Companies Act, 2013, from members proposing their names as candidates for the office of Independent Directors in compliance with the provisions of Section 149 of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges.

SUBSIDIARIES

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

Directors' Report

FIXED DEPOSITS

As on 31st March, 2014, 210 persons whose Fixed Deposits/Loans with the Company amounting to Rs.76.77 Lacs had become due for payment during the year, did not claim or renew their Deposits/Loans. Out of these, Fixed Deposits/Loans of 42 persons amounting to Rs.27.47 Lacs have since been renewed/paid.

AUDITORS

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

COST AUDITORS

M/s. R. J. Goel & Co., Cost Accountants, Delhi had been reappointed as Cost Auditors to carry out the audit of the Company's cost records for the Financial year ended 31st March, 2014. The report of Cost Auditors for the year ended on 31st March, 2014, will be submitted to the Central Government in due course.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors hereby state that :

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

CORPORATE GOVERNANCE

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

PARTICULARS OF EMPLOYEES

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

INFORMATION UNDER THE LISTING AGREEMENTS WITH STOCK EXCHANGES

The shares of your Company are listed at the Ludhiana, Delhi and Mumbai Stock Exchanges. The Listing fees for the financial year 2014-15 have been paid.

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

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

GENERAL

The Auditors have not made any qualification, reservation, adverse remarks or disclaimer in their Report, hence no explanation is required to be given by the Board. The Notes forming part of the Accounts being self-explanatory, the comments made by the Auditors in their Report, are not being dealt with separately.

The Directors place on record their appreciation for the services rendered by the employees of the Company, banks and government officials and all other persons associated with the business and affairs of the Company for their cooperation.

For and on behalf of the Board

Sd/-

Narender Sapra
Managing Director

Sd/-

Ravi Manchanda
Director

Place : New Delhi
Date : 10th July, 2014

ANNEXURE TO THE DIRECTORS' REPORT 2013-14

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

Information under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2014.

A. CONSERVATION OF ENERGY

(a) Energy Conservation Measures Taken

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

- (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy.
The Company is continuously investing on the waste heat recovery system and other energy saving devices at appropriate units.
- (c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.
With implementation of the above measures, energy consumption may reduce to a certain extent resulting in a marginal reduction of cost of production.
- (d) Total energy consumption as per prescribed Form A together with Comparative Figures for 2012-13 is as under (in respect of Dairy, Food Processing and Glass Units).

FORM A

CONSERVATION OF ENERGY

(A) Power & Fuel Consumption

	2013-14	2012-13
1. Electricity		
(a) Purchases		
Units (KWH)	470,300	13,589,700
Total amount (Rs.)	10,332,379	71,881,150
Rate/Unit (Rs.)	21.97	5.29
(b) Own Generation		
(i) Through Diesel generator Units (KWH)	34,094	1,268,862
Units per litre of diesel oil (KWH)	3.46	3.41
Cost/Unit (Rs.)	14.09	11.91
(ii) Through Steam turbine/generator		
Units (KWH)	12,184,835	11,263,071
Units per kg. of steam (KWH)	0.74	0.74
Cost/Unit (Rs.)	1.35	1.21
2. Furnace Oil		
Quantity (Tonnes)	—	35
Total Amount (Rs.)	—	999,861
Average Rate (Rs.)	—	28,251
3. Natural Gas		
Quantity (Cubic Meters)	68,497	13,073,522
Total Cost (Rs.)	2,193,861	369,252,676
Rate/Cubic Meter (Rs.)	32.03	28.24
4. LPG Gas		
Quantity (Tonnes)	9	5
Total Cost (Rs.)	484,246	2,502,684
Rate/MT (Rs.)	54,410	544,062
5. Others/Internal Generation		
Husk		
Quantity (Tonnes)	43,883	40,474
Total Cost (Rs.)	199,528,674	182,152,937
Rate/Unit (Rs.)	4,547	4,500

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

B. RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Complete information required under this head is shown in Note No. 29.3, 29.4, 29.5 and 45 of Financial Statements. Members are requested to please refer to these Notes for the relevant information.

Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

A. INDUSTRY OVERVIEW

Alcoholic Beverage industry in India comprises of Indian Made Foreign Liquor (IMFL) and Country Liquor. IMFL consists of Whisky, Brandy, Rum, Gin and Vodka etc.. Whisky comprises of large portion of IMFL market and accounts for nearly 60% of the market followed by Brandy at around 20% and Rum at around 15%. White spirits viz. Vodka, Gin and white Rum account for the balance of 5% only. The total IMFL industry in India is presently estimated at around 270 million cases growing @ 8-10% per annum. The volume-wise increase rate is much higher in the low-priced segment as compared to the upper segment. Country Liquor segment is about 22 million cases per annum in the state of Punjab and your company has around 12% share in this segment.

Your Company has a market share of around 7% of IMFL industry with ARISTOCRAT, ARISTOCRAT PREMIUM, AC BLACK, BONNIE SPECIAL, BINNIES and AC SEKC as the leading brands available across the Country. The Company has introduced a new brand ROYAL PRIDE in the market in the current year. The Brands introduced in the previous year i.e. KING HENRY Scotch whisky in the Bottled in India Scotch Whisky Segment and IICE Vodka in the premium Indian vodka range are well accepted in the market. The response to ROYAL PRIDE is also encouraging. Country liquor is manufactured and sold in the State of Punjab and your Company has market share of around 12% in the state of Punjab.

The Company also manufactures Malted Milkfood on the Contract Manufacturing basis for the leading manufacturers in this industry.

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

Further, the outlook of the Liquor Industry appears to be promising. Vodka is also fast growing IMFL segment in India growing @ around 10-12% per annum. The overall industry is growing @ 8-10% per annum and the growth is likely to continue in near future. The consumption of liquor in India has been in an uptrend in the past few years and is expected to improve further. The Glass Container industry has suffered a slowdown during the year due to the increase in natural gas prices and substantial increase of the capacity in north India. The Glass division plant of the Company has been shut down.

B. REGULATORY ENVIRONMENT

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

C. OPPORTUNITIES AND THREATS

The industry suffers due to heavy taxation and over-regulations which have affected the profitability. Heavy Excise Duty levied on the products increases the selling price thus restricting the sales. Further, the competition from domestic, multinationals and unlicensed manufacturers have also increased which is affecting the margins and restricting the sales. In line with its commitment with WTO, the Government of India has been consistently reducing the import duty on spirits, which is also a cause of concern for the liquor industry. The liquor industry is also suffering due to illicit liquor production, whereby not only the industry is suffering but also the State Governments are losing heavily on account of excise duty and sales tax etc. However, the increasing acceptance of alcohol consumption among rich and aspiring middle class coupled with rising disposable income and a large young population indicate high growth potential for the sector. With the trend of shifting from Country liquor to IMFL sector, the Industry is witnessing a strong growth in the middle and lower price segments, where your Company is a leading player.

D. OUTLOOK

After observing a regular increase for past many years, the sales of Alcoholic Beverages (IMFL) declined around 5% during the year under review. The Company incurred operational losses on account of closure of Glass division, reduction of sales of IMFL in Andhra Pradesh due to political instability and increase of expenses on sales promotion of various IMFL brands. However, the Company foresees the increasing trend inline with the industry in the current year and years to come. With introduction of new brands and their acceptance in the market, your Company is hopeful to clock higher sales during the current year. With the cost of raw materials expected to be favorable and increasing sales turnover, your company is hopeful of posting better results in the current year and maintain the same in the coming years. The market scenario during the current year also appears to be encouraging and the demand of liquor is improving constantly. To meet its production requirements in IMFL, the Company has also entered into lease and bottling agreements to augment its production capacity. To further improve the market share and the profitability, the Company entered in the premium segment of Alcoholic Beverages by launching the new brand ROYAL PRIDE which has got encouraging response in the market. The Company has already launched KING HENRY Scotch whisky in Bottled in India Scotch Whisky Segment and IICE Vodka in the premium Indian Vodka segment and both the products have been well accepted by the public. The Company had to incur substantial amount on the brand building of the new brands introduced in the market. The Company expects that the investment made in the brand building will start yielding results in the coming years leading to higher sales and profits.

The Company is also expecting increase of production volumes of the malted milkfood products being manufactured by it. This will increase the profitability of the Company. The profitability of the Glass division was adversely affected due to the increase in natural gas prices and substantial increase of the capacity in north India. The substantial increase in capacity is the result of cheap natural gas being supplied in the Firozabad area in Uttar Pradesh. Due to this, the production of Glass division became unviable and the Company had to stop the production and the Glass division remained almost inoperative during the year under review. This also resulted in the lower sales turnover and incurring of losses by the Company during the year under review.

Prices of raw materials continued to put pressure on the margins during the year. Effective measures are being taken regularly to reduce the overheads costs coupled with optimum utilization of resources and better product mix.

E. INTERNAL CONTROL SYSTEMS

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

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Corporate Governance

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

2. Board of Directors

The Board of Directors Comprises of eminent persons who have the expertise and experience to guide and manage the Company. The Board presently consists of six members consisting of two executive and four non executive Directors.

The Composition of Board of Directors and other details are as under :

Name of the Director	Category	No. of Board Meetings held during the tenure	No. of Board Meetings attended	No. of other Director-ship held	No. of memberships/ Chairmanships in other Board Committees	Last Annual General Meeting attended
Mrs. Gita Bawa *	Non-Executive Independent	4	4	—	—	Yes
Mr. Narender Sapra	Executive	7	6	6	—	Yes
Mr. Ravi Manchanda	Executive	7	6	7	—	No
Mrs. Kiran Kapur	Non-Executive Independent	7	7	1	—	No
Mr. Gautam Pal **	Non-Executive Independent	1	1	-	—	N/A
Mr. Peri Kameswara Sharma ***	Non-Executive Independent	4	4	2	—	No
Mrs. Anjali Varma****	Non-Executive Non-Independent	—	—	2	—	N/A
Mr. Sudhir Avasthi*****	Non-Executive Independent	—	—	12	—	N/A

* Mrs. Gita Bawa ceased to be Director of the Company w.e.f. 7th October, 2013.

** Mr. Gautam Pal was appointed as an Additional Director of the Company on 2nd April, 2013 and ceased to be Director of the Company w.e.f. 30th May, 2013.

*** Mr. Peri Kameswara Sharma was appointed as an Additional Director of the Company on 30th May, 2013 and he was appointed as a Director liable to retire by rotation at Annual General Meeting (AGM) held on 30th September, 2013. Mr. Sharma retires at the ensuing Annual General Meeting. The Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing to appoint Mr. Sharma as an Independent Director.

**** Mrs. Anjali Varma has been appointed as an Additional Director of the Company w.e.f. 21st April, 2014 and holds the office of the Director till the ensuing Annual General Meeting. The Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing to appoint Mrs. Anjali Varma as a Director liable to retire by rotation.

***** Mr. Sudhir Avasthi has been appointed as an Additional Director of the Company w.e.f. 10th July, 2014 and holds the office of the Director till the ensuing Annual General Meeting. The Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing to appoint Mr. Sudhir Avasthi as an Independent Director.

Mrs. Kiran Kapur was appointed as a Director liable to retire by rotation. She retires at the ensuing Annual General Meeting. The Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing to appoint Mrs. Kiran Kapur as an Independent Director.

Brief Profile of Directors being appointed at the ensuing Annual General Meeting:

1. Mr. Ravi Manchanda, Director retires at the ensuing Annual General Meeting, is eligible and offers himself for re-appointment. Mr. Ravi Manchanda is an Engineering graduate and holds Post Graduate Diploma in Marketing. He has experience of around three decades in the fields of Project Management and Administration. Mr. Ravi Manchanda is a Director of following other Companies :

1. Grand Regency Hospitalities Private Limited
2. Ispace Developers Private Limited
3. Jagatjit Bottlers Private Limited.

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4. Vasu Realcon Private Limited
5. Axis Buildwell Private Limited
6. Gaiety Infracon Private Limited
7. Fortune Infratech Private Limited

Mr. Ravi Manchanda is not holding Chairmanship/membership of any of the Committees in any other public limited Company. He holds 100 shares in the Company.

2. Mr. Peri Kameswara Sharma aged about 63 years is a Graduate in Economics and holds post graduation diplomas in Marketing Management, Material Management and Import-Export Management and has around four decades of experience in the fields of marketing and project implementation. He holds directorship in the following other companies :
 1. Sterling Agro Industries Limited
 2. Milky Food Specialities Private Limited

He is not holding Chairmanship/membership of any of the Committees in any other Public Limited Company. He holds 100 equity shares in the Company.

3. Mrs. Anjali Varma is a Graduate and holds diploma in Hotel Management and has around twenty years of experience in the fields of Marketing and Administration. She is holding directorship in following companies:
 1. Mata Construction and Builders Private Limited
 2. G. Management Services Private Limited

She is not holding Chairmanship/membership of any of the Committees in any other Public Limited Company. She holds 100 equity shares in the Company.

4. Mr. Sudhir Avasthi is a Chartered Accountant and has around three decades of experience in the fields of Finance, Accounts, Taxation and Administration. He is holding directorship in following companies :
 1. Fast Buck Investment Trading Private Limited
 2. Hyderabad Distilleries And Wineries Private Limited
 3. Blue Skies Investments Private Limited
 4. Quick Return Investment Co. Limited
 5. Double Durable Investments Limited
 6. Snowwhite Holdings Private Limited
 7. Palm Beach Investments Private Limited
 8. Beas Hillview Hotels Private Limited
 9. Life Time Construction Private Limited
 10. Varsha Construction Private Limited
 11. Anjani Estates Limited
 12. Prini Constructions Private Limited

He is not holding Chairmanship/membership of any of the Committees in any other Public Limited Company. He holds 100 equity shares in the Company.

5. Mrs. Kiran Kapur is an undergraduate and has vast administration and management experience of around four decades. Mrs. Kiran Kapur is a Director of following other Company:
 1. Jagatjit Properties And Developers Private Limited

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

The Company held seven Board Meetings during the period under review i.e on 2nd April, 2013, 10th April, 2013, 30th May, 2013, 14th August, 2013, 7th October, 2013, 14th November, 2013 and 14th February, 2014.

Audit Committee

The Audit Committee comprises of Mrs. Kiran Kapur, Mr. Narender Sapra and Mr. Peri Kameswara Sharma. Mr. Peri Kameswara Sharma is the Chairman of the Audit Committee. Mrs. Gita Bawa ceased to be Chairperson and member of the Committee on 7th October, 2013 and Mr. Peri Kameswara Sharma was appointed as the Member and Chairman of the Committee on 7th October, 2013.

The terms of reference of this Committee cover the matters specified for Audit Committee under Clause 49 of the Listing Agreement as well as in Section 177 of the Companies Act, 2013.

During the year under review the Audit Committee held four meetings i.e on 30th May, 2013, 14th August, 2013, 14th November, 2013 and 14th February, 2014.

Attendance record of Audit Committee members

Name of Members	No of meetings held during the tenure	Meetings attended
Mrs. Gita Bawa	2	2
Mrs. Kiran Kapur	4	4
Mr. Narender Sapra	4	3
Mr. Peri Kameswara Sharma	2	2

4. Remuneration Committee

The Remuneration Committee comprises of Mrs. Kiran Kapur, Mrs. Anjali Varma and Mr. Peri Kameswara Sharma, all being non executive directors. Mr. Gautam Pal was appointed as the member of the Committee w.e.f 2nd April, 2013 and ceased to be the member of the Committee on 30th May, 2013. Mrs. Gita Bawa ceased to be the member of the Remuneration Committee on 07th October, 2013. Mr. Peri Kameswara Sharma was appointed as member of the Committee w.e.f. 14th November, 2013. Mr. Ravi Manchanda ceased to be member of the Committee and Mrs. Anjali Varma was appointed as a member of the Committee on 10th July, 2014. Mr. Peri Kameswara Sharma is the Chairman of the Committee. In compliance with Section 178 of the Companies Act, 2013, the said committee has been renamed as Nomination and Remuneration Committee w.e.f. 10th July, 2014.

The functions and terms of reference of the Committee are as prescribed under Section 178 of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges. The Committee has been constituted to oversee the method, criteria and quantum of compensation for directors based on their performance and define assessment criteria. It also determines inter alia the Company's policy on all elements of remuneration packages of all the Directors including salary, benefits, bonus, stock options, pension rights and compensation payment etc. and reviews all aspects of benefits and compensation to employees throughout the Company including policies on the same.

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

During the year under review the Remuneration Committee held one meeting on 4th April, 2013.

Attendance record of Remuneration Committee members

Name of Members	No of meetings held during the tenure	Meetings attended
Mrs. Gita Bawa	1	1
Mrs. Kiran Kapur	1	1
Mr. Ravi Manchanda	1	1
Mr. Gautam Pal	1	1

During the period under report Mr. Narender Sapra, Managing Director and Mr. Ravi Manchanda, Director were paid remuneration as under :

Name of the Directors	Salary (Rs.)	Perquisites & others (Rs.)	Total (Rs.)
Mr. Narender Sapra	74,40,000	40,98,828	1,15,38,828
Mr. Ravi Manchanda	13,80,000	20,67,487	34,47,487

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

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

Sl. No.	Name of the Directors	Total Sitting Fees Paid (Rs.)
1.	Mrs. Gita Bawa	1,40,000
2.	Mrs. Kiran Kapur	2,40,000
3.	Mr. Peri Kameswara Sharma	1,20,000
4.	Mr. Gautam Pal	40,000

Details of shareholding of Non-executive Directors

Sl No.	Name of Director	No. of shares held
1.	Mrs. Kiran Kapur	100
2.	Mr. Peri Kameswara Sharma	100
3.	Mrs. Anjali Varma	100
4.	Mr. Sudhir Avasthi	100

Directors' Report

5. Investors Grievance Committee

The Investors Grievance Committee comprises of Mr. Narender Sapra, Mr. Ravi Manchanda and Mr. Peri Kameswara Sharma. Mr. Peri Kameswara Sharma a Non- executive Independent Director, is the Chairman of the Committee. Mrs. Gita Bawa ceased to be member of the Committee on 7th October, 2013 and Mr. Peri Kameswara Sharma was appointed as member of the Committee w.e.f. 14th November, 2013. Mr. K. K. Kohli, Company Secretary, is the Compliance Officer. In compliance with Section 178 of the Companies Act, 2013, the said committee has been renamed as Stakeholders Relationship Committee w.e.f. 10th July, 2014.

The functioning and terms of reference of the Committee are as prescribed under and in due compliance with Section 178 of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges with particular reference to the transfers and complaints of the shareholders of any nature.

The Company has received one complaint from shareholders and the said complaint was redressed during the year ended 31st March, 2014.

No transfer was pending on 31st March, 2014 for more than 15 days of its receipt.

During the year under review the Investors Grievance Committee held one meeting on 14th November, 2013.

Attendance record of Investors Grievance Committee members

Sl. No.	Name of Members	No. of meetings held during the tenure	Meetings attended
1.	Mr. Narender Sapra	1	1
2.	Mr. Ravi Manchanda	1	1
3.	Mr. Peri Kameswara Sharma	—	—

6. General Body Meetings

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

Year	Date	Day	Time
2011	29.09.2011	Thursday	09.30 A.M.
2012	28.09.2012	Friday	09.30 A.M.
2013	30.09.2013	Monday	09.30 A.M.

The Company has passed three Special Resolutions in the last three Annual General Meetings. No Special Resolution was passed by way of Postal Ballot during the year under report. However, the Company has proposed one special resolution to be passed at the Extra-ordinary General Meeting of the Company scheduled to be held on 30th July, 2014.

7. Code Of Conduct

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

Declaration as required under Clause 49 of the Listing Agreement

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

Place : New Delhi
Date : 10th July, 2014

Sd/-
Narender Sapra
Managing Director

8. Disclosures

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

9. Means of Communication

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