

CONTENTS

| | |
|--|----|
| Board of Directors | 2 |
| Board's Report Including Management Discussion & Analysis | 3 |
| Corporate Governance Report | 31 |
| Standalone Financial Statements | |
| Independent Auditors' Report | 43 |
| Balance Sheet | 50 |
| Statement of Profit & Loss Account | 51 |
| Cash Flow Statement | 52 |
| Notes forming part of the Financial Statements | 54 |
| Consolidated Financial Statements | |
| Independent Auditors' Report | 84 |
| Consolidated Balance Sheet | 88 |
| Consolidated Statement of Profit & Loss Account | 89 |
| Consolidated Cash Flow Statement | 90 |
| Notes forming part of the Consolidated Financial Statements | 92 |

Annual General Meeting on Thursday, the 15th September, 2016
at Solan Brewery (H.P.) at 11:00 A.M.

As a measure of economy, copies of the Annual Report will
not be distributed at the Annual General Meeting, Shareholders
are requested to kindly bring their copies to the Meeting.

BOARD OF DIRECTORS (as on 31st March, 2016):

Managing Director

Brig.(Dr.) Kapil Mohan,
VSM (Retd.) Ph.D.

Deputy Managing Director

Shri Hemant Mohan*
(*appointed as Managing Director
w.e.f. 13.08.2016.)

Secretary

Shri H.N. Handa,
B.Com., F.C.A., F.C.S., A.M.C.I.A. (London)
A.I.C.S. (Australia)

Chief Financial Officer

Shri R.C. Jain,
B.Com., L.L.B., F.C.A., F.C.S

Statutory Auditors:

A.F. Ferguson Associates,
Chartered Accountants,
New Delhi.

Registered Office:

Solan Brewery P.O.
(Shimla Hills)
Himachal Pradesh
Pin-173214.

Directors

Shri Vinay Mohan
Non-Executive, Non-Independent

Mrs. Shalini Mohan
Non-Executive, Non-Independent

Shri L.K. Malhotra
Independent Director

Shri J.K. Jain
Independent Director

Shri Swaraj Suri
Independent Director

Shri M. Nandagopal
Independent Director

Shri Yash Kumar Sehgal
Independent Director

Bankers:

Punjab National Bank

Solicitors:

Koura & Company,
Advocates & Barristers,
New Delhi.

Registrar & Transfer Agents:

M/s. Beetal Financial & Computer Services (P) Ltd.,
Beetal House, 3rd floor, 99, Madangir,
Behind Local Shopping Centre,
Near Dada Harsukhdas Mandir, New Delhi-110062.

BOARD'S REPORT

Including Management Discussions & Analysis)

TO THE MEMBERS :

The Directors present their 82nd Annual Report on the business and operations of the Company with the Audited Financial Statements for the year ended 31st March, 2016 together with the report of Auditors, Messrs. A.F. Ferguson Associates.

FINANCIAL HIGHLIGHTS :-

| | Year ended 31-03-2016 (Amt. in lacs) Rs. | Year ended 31-03-2015 (Amt. in lacs) Rs. |
|---|---|---|
| Revenue from Operations | 57,507.29 | 52,565.71 |
| Less: Excise duty | 13,213.71 | 11,614.52 |
| Revenue from Operation (Net) | 44,293.58 | 40,951.19 |
| Other Income | 897.79 | 613.47 |
| Net Revenue from Operation & Other income | 45,191.37 | 41,564.66 |
| Less: Total Expenditure excluding Exceptional items | 44,670.20 | 41,917.76 |
| Profit/(Loss) before exceptional items & tax | 521.17 | (353.10) |
| Exceptional items | - | 939.34 |
| Profit/(loss) before tax | 521.17 | 586.24 |
| Tax Expenses: | | |
| Provision for current tax | 107.00 | 133.00 |
| Minimum alternate tax (MAT) credit entitlement | (107.00) | (133.00) |
| Deferred tax charges/(benefits) | 135.51 | 209.91 |
| Provision for taxation relating to earlier year | 11.78 | - |
| Profit/(Loss) from continuing operations | 373.88 | 376.33 |
| Profit/(Loss) from discontinuing operations | - | - |
| Profit/(Loss) for the year | 373.88 | 376.33 |
| Balance brought forward from previous year | 1,084.23 | 707.90 |
| Balance carried to Balance Sheet | 1,458.11 | 1,084.23 |

RESULTS:

The total net revenue, after adjusting excise duty, from operations and other income of the Company registered an increase from Rs. 41,564 lacs last year to Rs. 45,191 lacs. The profit during the year amounting to Rs.521.17 lacs which does not include any item of exceptional income as compared to last year, is quite satisfactory in the face of stiff competition in the trade.

DIVIDEND:

In view of the growth requirements of the business and the inadequacy of profits of the Company, the Directors have not recommended any Dividend for the year ended 31.3.2016.

DIRECTORS:

1. Brig. (Dr) Kapil Mohan, VSM (Retd.) Ph.D., Managing Director of the Company has since resigned by tendering his resignation which takes effect from 26th July, 2016, from the Directorship and the Office of Managing Director of the Company. The Board places on record its appreciations for the exceptional leadership and invaluable contributions made by him for the growth of the Company during his tenure as its Managing Director.

The vacancy caused as a result of resignation of Brig. (Dr) Kapil Mohan, VSM (Retd.) Ph.D, from the Directorship is not being filled up for the time being.

2. APPOINTMENT OF MANAGING DIRECTOR:

Since Brig. (Dr) Kapil Mohan, VSM (Retd.) Ph.D., has resigned from the office of Managing Director of the Company, to fill the vacancy thus caused, the Board of Directors have recommended Shri Hemant Mohan (DIN 00197951) currently the Dy. Managing Director of the Company, for appointment as Managing Director of the Company for a period of 3 years w.e.f. 13.08.2016 to 12.08.2019 on the remuneration package as approved by the Nomination and Remuneration Committee and as such the proposal for appointment of Shri Hemant Mohan as Managing Director of the Company is being placed in the forthcoming Annual General Meeting of the Company for its approval.

3. Re-appointment of Director

In terms of the Articles of Association of the Company and in accordance with the provisions of Companies Act, 2013, Mrs. Shalini Mohan, Director (DIN No.06939483) retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. We recommend her re-appointment as her advice from time to time is beneficial to the Company.

All Independent Directors have given the Declarations under Section 149 (6) of the Companies Act and Regulation 16(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that they meet the criteria of independence.

CHANGES IN KEY MANAGERIAL PERSONNEL.

There is no change in the Key Managerial Personnel during the year under Report.

BOARD PERFORMANCE EVALUATION:

The Company has devised a Performance Evaluation Framework and Policy, which sets a mechanism for the evaluation of the Board, Board Committees and Directors.

Performance Evaluation of the Board, Committees and Directors was carried out through an evaluation mechanism in terms of the aforesaid Performance Evaluation Framework and Policy.

INDEPENDENT DIRECTORS' MEETING:

One Meeting of the Independent Directors was held on 25th May, 2015, without the presence of the Executive Directors or management personnel. At the Independent Directors Meeting held on 25th May, 2015, the Independent Directors carried out performance evaluation of Non-Independent Directors and the Board of Directors as a whole, performance of Chairman of the Company, the quality, content and timelines of flow of information between the Management and the Board, based on the Performance Evaluation framework of the Company. All the Independent Directors except one were present at the aforesaid Meeting.

FAMILIRIZATION PROGRAM FOR INDEPENDENT DIRECTORS:

The Company has in place a Familiarization Program for Independent Directors to provide insights into the Company's business to enable them contribute significantly to its success. The Executive Directors and Senior Management makes presentations periodically to familiarize the Independent Directors with the strategy operations and functions of the Company.

AUDITORS:

M/s. A.F. Ferguson Associates, Chartered Accountants New Delhi have been appointed as Statutory Auditors of the Company in the year, 2014 for a period of 3 years i.e. to hold office till the conclusion of the Annual General Meeting of the Company to be held in the calendar year

2017 subject to ratification of their appointment at every Annual General Meeting. As such, Directors recommend ratification of their appointment for the financial year ending 31st March, 2017 for approval of the shareholders as an Ordinary Resolution as provided under Section 139 and 142 of the Companies Act, 2013.

M/s. Mohan & Co., Chartered Accountants, Lucknow appointed for the audit of accounts of the Company's Lucknow Branch will retire at the conclusion of the forthcoming Annual General Meeting. They being eligible, offer themselves for re-appointment for the year ending 31.3.2017. The Directors recommend their appointment for approval of the shareholders as an Ordinary Resolution.

The Notes forming part of the Financial Statements referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, disclaimer or adverse remark.

SECRETARIAL AUDIT:

Shri Pradeep Kumar Tuli, Prop. M/s. Tuli Pradeep & Associates as Practising Company Secretary was appointed to conduct the Secretarial Audit for the financial year 2015-16 as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report for financial year 2015- 2016 forms part of the Annual Report as Annexure-I to the Board's Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Board has appointed Shri Pradeep Kumar Tuli, Prop. M/s. Tuli & Associates, Practising Company Secretary to carry out the Secretarial Audit of the Company for the financial year 2016-17.

CONSOLIDATED FINANCIAL STATEMENT IN RESPECT OF THE SUBSIDIARIES, ASSOCIATE COMPANY AND JOINT VENTURES

There is no subsidiary company of Mohan Meakin Limited but in view of the extended definition as provided under Section 129(3) of the Companies Act, 2013. A separate statement containing the salient features of the financial statement of the associate companies are annexed in the prescribed format 'AOC-1'. - Annexure - II'

RELATED PARTY TRANSACTIONS:

Section 188 of the Companies Act, 2013 prescribes that no Company shall enter into Agreements/Arrangements/

Contracts with related party unless the consent of the Board of Directors is given in Resolution at the Meeting of the Board. It bars the related party to vote on such Special Resolution. It also provides that no Contract or Arrangement shall be entered into except with the prior approval of the Company by Special Resolution. Although the Company has entered into

Agreements/Arrangements/Contracts with related parties and the Board has thoroughly examined that these Agreements/Contracts are on arm's length basis, however, the Board thinks it fit to place all the Agreements/Arrangements/Contracts where the Directors are interested being common Director or otherwise with these related parties, before the Shareholders.

Although according to Board of Directors these transactions were entered into by the Company in its ordinary course of business much earlier before the Companies Act, 2013 came into force, yet out of abundant caution these are placed before the shareholders by way of Special Resolution as prescribed under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The parties with whom the Company has entered into Agreements/Arrangements/Contracts for a term of one year from 1.4.2016 to 31.3.2017 are as under :-

1. M/s. Mohan Breweries & Distilleries Ltd., Chennai
2. " Mohan Rocky Springwater Breweries Ltd., Mumbai.
3. " Mohan Zupack Ltd., New Delhi
4. " Mohan Closures Ltd., New Delhi
5. " Trade Links (P) Ltd., New Delhi
6. " John Oakey & Mohan Ltd., Delhi
7. " Arthos Breweries Ltd., Chennai
8. " National Cereals Products Ltd., Solan Brewery

Most of the Agreements/Arrangements/Contracts are continuing since long time with the parties to give bottling rights of different brands of Beer/Whisky at different stations like Chennai, Mumbai so that the Company's products are available throughout the Country wherever possible otherwise the Company's production/sales would be affected which ultimately would affect its profitability. It is economically unviable for the Company to dispatch its goods to these stations from its own manufacturing centers which are based in the North. With these arrangements the Company is getting handsome amount of Royalty/Commission every year.

The Board and Audit Committee are of the view that these are in the ordinary course of business and are at arm's length and these Agreements/Arrangements/Contracts should continue. The transactions are of repetitive nature.

Disclosure requirements as stipulated in Schedule V-A(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is not applicable to the Company.

Disclosure of particulars in the prescribed Form of Contracts/Arrangement, entered into by the Company with related parties referred to in Section 188(2) of the Companies Act, 2013 is annexed as per Annexure-III.

All related party transactions are placed on a quarterly basis before the Audit Committee for approval and before the Board for consideration and noting .

The Policy on related party transactions as approved by the Board is uploaded on the Company's website www.mohanmeakin.com.

TRANSACTIONS WITH NATIONAL CEREALS PRODUCTS LIMITED:

The purchases made by the Company during the year included purchases aggregating to Rs.2,31,14,548/- made from National Cereals Products Ltd., which has been manufacturing the bulk requirements of barley malt for the last more than five decades. Out of the total shareholding of 13,14,528 of National Cereals Products Ltd., the Company i.e. Mohan Meakin Ltd., holds 341352 shares (approx.26%), Mohan Family holds 366310 shares (approx. 28%) (including 48,536 shares (3.69%) held by Brig.(Dr.) Kapil Mohan, VSM (Retd.) Ph.D., Managing Director). Mrs. Comilla Mohan, Sister-in-law (brother's wife) of Brig.(Dr.) Kapil Mohan, VSM (Retd.) Ph.D., is the Managing Director of National Cereals Products Limited. Under the provisions of Companies Act, 2013 the Agreement with this Company (NCP) being a related party is placed before you as a Special Resolution.

DEPOSITS FROM PUBLIC:

During the financial year under review the Company has not accepted any deposits from public. However, the amount of interest remaining unpaid on the deposits is being deposited in the Investor Education and Protection Fund as per provisions of Section 205A & 205C of the Companies Act, 1956.

Transfer of Amounts to Investor Education and Protection Fund:

Complying with the provisions of Sections 205 A and 205 C of the Companies Act, 1956 which is still in force, amounts remaining unpaid or unclaimed for a period of seven years have been transferred by the Company, from time to time on due dates, to the Investor Education and Protection Fund.

Pursuant to the provisions of Investor education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the Company's website www.mohanmeakin.com

The information regarding unpaid and unclaimed amounts has also been filed online with the Registrar of Companies on 23.12.2015 vide SRN No.44379030.

Corporate Social Responsibility Committee:

As prescribed under Section 135 of the Companies Act, 2013, all Companies having net worth of Rs.500 crore or more, or turnover of Rs.1,000 crore or more or a net profit of Rs.5 crore or more during any financial year are required to constitute a Corporate Social Responsibility (CSR) Committee of the Board of Directors comprising three or more Directors, at least one of whom should be an Independent Director and such Company shall spend at least 2% of the average net profits of the Company's three immediately preceding financial years towards Corporate Social Responsibility activities.

The Company constituted the Corporate Social Responsibility Committee comprising of 4 Independent Directors as required under Section 135 of the Companies Act, 2013 ; the composition of the Committee is under :-

- | | | | |
|----|---------------------|---|----------|
| 1. | Shri L.K. Malhotra | - | Chairman |
| 2. | " J.K. Jain | - | Member |
| 3. | " Swaraj Suri | - | " |
| 4. | " Yash Kumar Sehgal | - | " |

Since the Company does not meet the criteria laid down in Clause 5 of Section 135 of the Companies Act, 2013, therefore no activities could be undertaken by the Company so far.

PARTICULARS OF EMPLOYEES & RELATED DISCLOSURES:

In terms of the provisions of Section 197(12) of the Companies Act, 2013, the ratio of the remuneration of each Director to the median Employees' Remuneration is annexed herewith as Annexure-IV to this Report.

The Statement showing the particulars under Rule 5 (2) and 5 (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 required to be included in the Directors' Report is not applicable, as no employee of the Company was in receipt of Remuneration equal to or above the limit mentioned in the said Rules.

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in Form MGT-9 as required under Section 92 of the Companies Act, 2013 is included in this Report as Annexure-V and forms part of this Report.

CASH FLOW STATEMENT:

Cash Flow Statement for the year 2015-2016 is attached to the Balance Sheet.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO.

The information on conservation of energy, technology absorption, foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith as Annexure "VI".

DIRECTORS RESPONSIBILITY STATEMENT:

Your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a. that in the preparation of the annual financial statements for the year ended 31st March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any ;
- b. that such accounting policies as mentioned in Note 2 of the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the profit of the Company to the year ended on that date.
- c. that proper and sufficient care has been taken 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. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

CORPORATE GOVERNANCE & MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:

Corporate Governance & Management's Discussion and Analysis Reports for the year under review, as stipulated under Schedule V-C (Regulation 34(3) and 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 is presented in a separate Section forming part of the Annual Report.

Compliance Certificate of Practising Company Secretary regarding compliance of the conditions of Corporate Governance as stipulated in Schedule V(E) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 is annexed and forms a part of the Annual Report.

ACKNOWLEDGEMENT:

It is a matter of pride that the Management – Employees relations in your Company during the year under review continues to be very cordial as in the previous years. The employees continue to work with great dedication and commitment. Your Directors wish to place on record their deep sense of appreciation for the devoted services of the Executives, Staff and Workers of the Company for its success. The Board also acknowledges the support given by Banks, Customers and Government authorities.

| | |
|----------------------|-------------------|
| Shri Hemant Mohan, | Managing Director |
| " Vinay Mohan | Director |
| " Mrs. Shalini Mohan | Director |
| " J.K. Jain | Director |
| " L.K. Malhotra | Director |
| " M. Nandagopal | Director |
| " Yash Kumar Sehgal | Director |

Mohan Nagar – 13th August, 2016.
(Ghaziabad) U.P.

Secretarial Audit Report

For the period 01/04/2015 to 31/03/2016

{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
Mohan Meakin Limited
P.O. Solan Brewery, Solan
Himachal Pradesh,

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mohan Meakin Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the 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, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March 2016, 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 :

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **The Company** for the period ended on 31/03/2016 according to the provisions of :
 - (i) The Companies Act, 2013 (**the Act**) and the rules made there under;
 - (ii) The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the rules made there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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'**) to the extent applicable to the Company :-
 - (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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - (d) The Securities and Exchange Board of India (ESOS and ESPS) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) 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;
 - (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - (h) The Securities and Exchange Board of India (Listing Obligations & Disclosures Requirements) Regulations, 2015 and
2. **I have also examined compliance with the applicable clauses of the following:**
 - (i) Secretarial Standards issued by The Institute of Company Secretaries of India
 - (ii) The Listing Agreements entered into by the Company with the Calcutta Stock Exchange.

And report that during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc. mentioned above.

3. I Further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with the following general and specific laws, rules, regulations and guidelines contained there on, as applicable to the company, as per the written representation, issued to me :

- i. The Factories Act, 1948
- ii. Industrial Disputes Act,
- iii. Payment of Wages Act, 1936
- iv. Minimum Wages Act, 1948
- v. Employees Provident Fund and Misc. Prov. Act, 1952
- vi. Employees Insurance Act, 1948
- vii. Payment of Bonus Act, 1965
- viii. Gratuity Payment Act, 1971
- ix. Equal Remuneration Act, 1976
- x. Contract Labour (Regulations & Abolition) Act, 1970
- xi. Industrial Labour Employment Standing Order Act, 1946
- xii. Employment Exchange Act, 1959
- xiii. Apprentices Act, 1961
- xiv. Boilers Act, 1923
- xv. Employer's Liability Act, 1938
- xvi. Collection of Statistics Act, 1953
- xvii. H.P. Ind. Establishment (National Festivals & Holidays & Leave) Rules, 1970
- xviii. Trade union Act, 1926
- xix. Water (Prevention and Control of Pollution) Act, 1974
- xx. Water (Prevention and Control of Pollution) Cess Act, 1977
- xxi. Air (Prevention and Control of Pollution) Act, 1981
- xxii. Environment (Protection) Act, 1986
- xxiii. Public Liability Insurance Act, 1991
- xxiv. Hazardous Waste Rules, 2008
- xxv. Food and Safety Standards Act, 2006
- xxvi. Industries (Dev. & Reg.) Act, 1951
- xxvii. Weights & Measurement Act
- xxviii. Legal Metrology Act, 2009

4. I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days 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 or the respective.

**For Tuli Pradeep & Associates
Company Secretaries**

**CS Pradeep K. Tuli
M. No. FCS No. 1850
C.P. No. 3940**

**Place : Solan
Date : 5th August, 2016**

**To,
The Members,
Mohan Meakin Limited
P.O. Solan Brewery, Solan, Himachal Pradesh**

Our report of even date to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these records based on our audit.
2. We have followed the audit processes and practices as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial and taxation records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**FOR TULI PRADEEP & ASSOCIATES
COMPANY SECRETARIES**

**PLACE : SOLAN
DATE : 5th AUGUST, 2016**

**PRADEEP K. TULI
M. NO. FCS 1850
C.P. NO. 3940**

Annexure-II**Form AOC-1****Part-B : Associates**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

Rs. in lacs

| S.No. | Name of Associates | National Cereals Products Ltd. | Mohan Closure Ltd. |
|--------------|---|--|---|
| 1 | Latest Audited Balance sheet date | 31.03.2016 | 31.03.2016 |
| 2 | Shares of Associates held by the company on year end : | | |
| | - No. | 366408 | 30000 |
| | - Amount of investment in Associates | 0.46 | 3.00 |
| | - Extent of Holdings (%) | 27.87% | 25% |
| 3 | Description of how there is significant influence | Holding above 20 % of Equity Share Capital | Holding above 20 % Equity Share Capital |
| 4 | Reason why the associates is not consolidated | N. A. | N. A. |
| 5 | Networth attributable to shareholding as per latest audited Balance Sheet | 212.91 | 12.08 |
| 6 | Profit /(loss) for the year | | |
| | I. Considered in consolidation | (17.61) | (0.79) |
| | II. Not considered in consolidation | (45.56) | (2.37) |

Notes:

- Names of Associate which are yet to commence operations: Nil
- Names of Associate which have been liquidated or sold during the year : Nil

H.N.HANDA
Secretary

For and on behalf of Board of Directors

HEMANT MOHAN

VINAY MOHAN

SHALINI MOHAN

M. NANDAGOPAL

J.K. JAIN

YASH KUMAR SEHGAL

L.K. MALHOTRA

Dy. Managing Director**Director****Director****Director****Director****Director****Director**

Form AOC-2

(Pursuant to Clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

There were no contracts or arrangements or transactions entered into during the year ended March, 31, 2016, which were not at arm's length basis.

The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2016 are as follows:

| Name of Related party and Nature of Relationship | The nature, duration of the Contract and particulars of the contract or arrangement | The material terms of the Contract or arrangements including the value, if any | Any advance paid or received for the Contractor arrangement, if any | Any other information. |
|--|---|---|---|------------------------|
| 1.Mohan Breweries & Distilleries Ltd., Chennai. The Company has one common Director i.e. Mr. M. Nandagopal | 1. Manufacturing & Trade Mark User Agreement (Beer) i) The Company has entered into royalty agreement with MBDL Chennai for Beer w.e.f. 01.04.2016 to 31.03.2017 for the States of Tamil Nadu, Kerala, Karnataka, Telangana and U.T. of Pondichery & Andaman. | Royalty on Beer for various MML's brands. | MML has received Rs.68 lacs as security for due performance of the Agents | None |
| | 2. Manufacturing & Trade mark User Agreement (IMFL) (i) The Company has entered into royalty agreement with MBDL Chennai for IMFL w.e.f. 01.04.2016 to 31.03.2017 for the States of Tamilnadu, Telangana and U.T. of Andaman. | Royalty on IMFL for various MML's brands. | NIL | None |
| | (ii) Sale of spirit, FM/Caramel & Bottles | The Company will sell spirit, FM, Caramel and Empty Glass Bottles of/for MML's brands as per the standard terms with all bottlers of MML brands. | | |
| | 3. Authorised Selling Agency Agreement Commission paid to MBDL on sale of Corn Flakes and Juices Agreement for the period 1.4.2016 to 31.3.2017. | The Company has entered into Agency agreement with MBDL for sale of Company's Breakfast food products in the States of Tamilnadu and Andhra Pradesh on per case commission. | NIL | None |
| | 4. Bottling & Sales Agreement for A.P. The Company has entered into royalty agreement with | Royalty based on Production/Sale. | NIL | None |

MBDL Chennai for its bottling unit at Chittoor, Andhra Pradesh for IMFL w.e.f. 01.04.2016 to 31.03.2017.

| | | | | |
|---|--|--|-----|------|
| 2. Mohan Rocky Spring Water Breweries Ltd. | | | | |
| The Company has five common Directors i.e. Brig, (Dr) Kapil Mohan, Mr. M.Nandagopal Mr. Vinay Mohan, Mr. L.K. Malhotra and Mr. Yash Kumar Sehgal. | (1) Manufacturing Agreement | | | |
| | (i) MML purchases finished goods from MRSB for sale in State of Maharashtra. This arrangement is for the period 2016-17. | The transactions will be held on standard business terms. | | |
| | (ii) Sale of Spirit, FM, Caramel and Empty Glass bottles of/for MML's brands | The Company will sell spirit, FM, Caramel of/for MML's brands as per the standard terms with all bottlers. | | |
| | (iii) Expenses recovered by MRSB to MML towards salary etc., for staff on deputation. | MML will debit the cost of staff deputed at MRSB for technical supervision. | NIL | None |
| | (iv) Royalty income to MML | | | None |
| 3. National Cereals Products Ltd. | | | | |
| NCPL is a associate Company of MML as MML is holding more than 20% paid up share capital of NCPL and being the associate Company it is covered under the definition of related party. | (1) Purchase Agreement for the period from 1.4.2016 to 31.3.2017. | All the transactions will be held on standard business terms. | NIL | None |
| | MML purchases malt from NCPL, provide its godown and machineries on rent as per the requirement of NCPL provide electricity, water and transport services on actual basis. MML has also taken some staff of NCPL on deputation basis at its Mohan Nagar and Solan Units. | | | |
| 4. Mohan Zupack Ltd. | | | | |
| Relative (mother), of DMD & one Director of MML | (1) Purchase Agreement for the period from 1.4.2016 to 31.3.2017. | Purchase will be made on standard terms. | NIL | None |
| | MML purchases empty cartons from Mohan Zupack Ltd., for its various units/branches as per the requirements from time to time. | | | |
| 5. Mohan Closures Ltd. | | | | |
| (1) MCL is associate Company of MML as MML is holding more than 20% paid up share capital of MCL and being the associate Company it is covered under the definition of related party. | (1) Purchase Agreement for the period from 1.4.2016 to 31.3.2017. | All arrangements/contracts will be held on standard terms. | NIL | None |
| | MML purchases Crown Corks from Mohan Closures Ltd., for its Breweries at Mohan Nagar and Solan as per requirements from time to time. | | | |

| | | | | |
|---|--|--|---|------|
| (2) Mr. Vinay Mohan is a common Director. | (2) Lease Agreement for the period from 1.4.2016 to 31.3.2017. | | | |
| (3) Mrs. Pushpa Mohan is a relative (wife) of M.D. | (i) Rent | Rent recovered for factory premises. | | |
| | (ii) Recoveries against Electricity, Water, Transportation charges | Recoveries against Electricity, Water and transportation charges. | NIL | None |
| 6. Trade Links Pvt. Limited | (1) Usership Agreement from 1.4.2016 to 31.3.2017. | | | |
| Mrs. Pushpa Mohan Director in TLPL is wife of Brig. (Dr) Kapil Mohan, Managing Director of MML & Shri Vinay Mohan is Common Director. | MML is getting royalty from TLPL towards the use of its Trade marks by TLPL under the royalty agreement effective from 1.4.2016 to 31.03.2017. | Royalty income | IMFL Rs.42 lacs Food Products – Rs.4.40 lacs Total Security – Rs.46.40 lacs | None |
| | (2) Authorised Selling Agency Agreement effective from 1.4.2016 to 31.3.2017. | | | |
| | (i) MML during the normal course of its business has sold IMFL, Beer, Corn Flakes and Juices to TLPL. | Sale of IMFL, Beer, Cornflakes & Juices. | NIL | None |
| | (ii) MML has paid commission on sale of its products and Depot operation charges as per the agency agreement upto 31.03.2017. | Commission will be paid on sale. Depot operation charges will be paid. MML is reimbursing Salary, TA/DA etc. of TLL's Staff on deputation at MML : | | None |
| 7. John Oakey & Mohan Limited | (1) Lease Agreement | | | |
| Mrs. Usha Mohan, Director in JOML is relative mother of DMD and one Director. | (1) MML is making recovery from John Oakey & Mohan Limited towards their use of electricity on actual basis. | Recovery against electricity will be made on actual usage basis. | NIL | None |
| | (ii) MML is getting rent for the use of premises by JOML under the rent agreement from 01.04.2016 to 31.03.2017. | Rent as per the terms of the agreement. | | None |
| 8. Arthos Breweries Limited. | (1) Manufacturing & Trademarks User Agreement for Andhra Pradesh | | | |
| Brig.(Dr) Kapil Mohan is common Director of MML and Arthos Breweries Ltd. | The Company has entered into a Royalty Agreement with Arthos Breweries Ltd., renewed upto 31.3.2017 for production of Beer in the State of Andhra Pradesh. | Per case Royalty has been fixed on production of Beer. Royalty income will be booked by MML as per the terms of the Agreement. | NIL | None |
| Date of approval of the Board : 30th May, 2016. | | | | |

TO THE BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2016:

Information pursuant to Section 134(3)(q) and Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

1. The ratio of the remuneration of each Director to the median employee's remuneration for the financial year :

| <u>Name</u> | <u>Designation</u> | <u>Ratio</u> |
|-----------------------|-------------------------------|---------------------|
| Brig.(Dr) Kapil Mohan | Managing Director | 1.09% |
| Shri Hemant Mohan | Deputy Managing Director | 0.90% |
| " Vinay Mohan | Non-Executive Non-Independent | - |
| Smt. Shalini Mohan | Non-Executive Non-Independent | - |
| Shri L.K. Malhotra | Non-Executive Independent | - |
| " J.K. Jain | Non-Executive Independent | - |
| " M.Nandagopal | Non-Executive Independent | - |
| " Swaraj Suri | Non-Executive Independent | - |
| " Yash Kumar Sehgal | Non-Executive Independent | - |

For this purpose, sitting fees and reimbursement of out of pocket expenses incurred in attending the Board and Committees Meetings paid to the Directors have not been considered as remuneration.

The Members have, at the Annual General Meeting of the Company held on 25th September, 2014 approved payment of Commission to the non-Executive Directors within the ceiling of 1% of the of net profits of the Company as computed under applicable provisions of the Act. The said Commission is decided each year by the Board of Directors and distributed amongst the Non-Executive Directors based on their attendance and contribution at the Board and certain Committee Meetings, as well as the time spent on operational matters other than at the Meetings.

However, no Commission was paid to the Non-Executive Directors for the financial year 2015-16 in view of inadequacy of profits.

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

The Managing Director and the Dy. Managing Director got annual increase in the salary grade already approved by the shareholders in the Annual General Meeting. Non-Executive Directors have not been paid any remuneration during the year.

There is no increase in the remuneration of Chief Financial Officer and the Company Secretary during the financial year 2015-16.

3. The percentage increase in the median remuneration of employees in the financial year :

The average percentage increase in the median remuneration of employees in the financial year was around 4.08%. The calculation of percentage increase in Median Remuneration is done based on comparable employees. Employees who were not eligible for any increment have been excluded for the purpose of this calculation.

4. The Number of permanent Employees on the rolls of the Company:

The number of permanent employees on the rolls of the Company as on 31st March, 2016 are – 827.

5. The explanation on the relationship between average increase in remuneration and the Company performance:

The criteria for increase in the remuneration, amongst other things, is also related to the individual performance, the Company's performance and such other factors as briefly described in the Policy for Remuneration of Key Managerial Personnel and Employees as given in the Corporate Governance Report under the head "Nomination & Remuneration Committee" which forms part of this Report.

To maintain smooth relations with the workmen, the Company is giving increase in remuneration as per Agreement(s) entered into with the Labour Unions and the Company from time to time. As regards staff and officers, the slab of increase is fixed according to basic salary drawn by them. The Bonus, Dearness and House Rent allowances are linked with the basic salary wherever applicable under the terms of appointment.

6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:
The Key Managerial Personnel were paid around 16.61% of the profit after tax (PAT) for the Financial Year 2015-16.

7. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer and the variation in the Net Worth of the Company as at the close of the current financial year and previous financial year:

There is no variation in the market capitalization of the Company in view of small number of transfer of shares during the last few years as a result the shares are not being quoted by Calcutta Stock Exchange where the shares of the Company are listed.

However, the maximum average rate of Company's share transacted during the year as per Share Transfer Register is Rs.35/-. The shares were not being frequently traded at the Calcutta Stock Exchange.

8. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and exceptional circumstances for increase in the managerial remuneration, if any :

As per Company Policy & designation of the Employees taking into consideration their qualification, experience and the job involved.

9. Comparison of the remuneration of each of the Key Managerial Personnel against the performance of the Company:

The comparison of remuneration of each of the KMP against the performance of the Company is as under :-

| Designation | % of PAT |
|---|----------|
| Managing Director & Chief Executive Officer | 6.47 |
| Deputy Managing Director | 5.39 |
| Company Secretary | 2.33 |
| Chief Financial Officer | 2.41 |

10. The key parameters for any variable component of remuneration availed by the Directors:

There is no variable Components of remuneration availed by the Directors & Key Managerial Personnel.

11. The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year :

Not Applicable.

12. Affirmation that the remuneration is as per the remuneration policy of the Company:

Yes

General Notes:

The Remuneration for the purpose of this table is defined as "Total Cost to the Company (TCC) + Approved Bonus" for all the employees wherever applicable under the terms of appointment. KMPs remuneration is as per the Form 16 (on an annualized basis).

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31-03-2016

Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014

| 1. REGISTRATION AND OTHER DETAILS | |
|--|---|
| I. CIN | L15520HP1934PLC000135 |
| II. Registration Date | 2nd November, 1934 |
| III. Name of the Company | MOHAN MEAKIN LIMITED |
| IV. Category / Sub-Category of the Company | Public Limited |
| V. Address of the Registered office and contact details | Post-Office: Solan Brewery, Distt. Solan, (H.P.) - 173214 |
| VI. Whether listed company | YES |
| VII. Name, Address and Contact details of the Registrar and Transfer Agent, if any | Beetal Financial & Computer Services (P) Ltd. Beetal House, 3rd Floor, 99, Madangir Complex, Behind Local Shopping Complex, Near Dada Harsukhdas Mandir, New Delhi-110062. Tel. : 011-29961281, 29961282 & 26661283, Fax No.- 011-29961284, Email : beetalrta@gmail.com |

"ATTACHMENTS"

| | | |
|------|---|---------------------|
| II. | Principal Business Activities of the Company All the business activities contributing 10% or more of the total turnover of the Company | As per Attachment A |
| III. | Particulars of holding, subsidiary and associate companies | As per Attachment B |
| IV. | Share Holding Pattern (Equity Share Capital breakup as percentage of total equity) | |
| i) | Category-wise share holding | As per Attachment C |
| ii) | Shareholding of Promoters | As per Attachment D |
| iii) | Change in Promoter Shareholding | As per Attachment E |
| iv) | Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) | As per Attachment F |
| v) | Shareholding of Directors and Key Managerial Personnel | As per Attachment G |
| V. | INDEBTEDNESS Indebtedness of the Company including interest outstanding accrued but not due for payment | As per Attachment H |
| VI. | Remuneration of Directors and key Managerial Personnel | |
| A. | Remuneration to Managing Director, Whole-time Directors and/or Manager | As per Attachment I |
| B. | Remuneration to other directors | As per Attachment J |
| C. | Remuneration to key Managerial Personnel other than MD/Manager/WTD | As per Attachment K |
| VII. | Penalties/Punishment/Compounding of Offences | As per Attachment L |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company:

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|---|----------------------------------|------------------------------------|
| 1. | Manufacture of distilled, polable, alcoholic beverage such as whisky, brandy and gin etc. | 110011 | 76 |
| 2. | Manufacture of Beer | 11031 | 13 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sl. No | Name & Address of the Company | CIN/GLN | Holding/Subsidiary/ Associate | % of shares held | Applicable Section |
|--------|---|------------------------|-------------------------------|------------------|------------------------------|
| 1. | National Cereals Products Ltd., P.O. Solan Brewery Distt. Solan (H.P.) 173214 | L99999HP1948PLC001381 | Associate | 25.97% | Sec. 2(6) read with Sec. 188 |
| 2. | Mohan Closures Limited, 190, DDA Office Complex (Cycle Market) Jhandewalan Ext., New Delhi-110055 | U74999DLI1986PLC025395 | Associate | 25.00% | Sec. 2(6) read with Sec. 188 |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage to Total Equity)

| Category of Shareholders | No. of Shares held at the beginning of the year 01-04-2015 | | | | No. of Shares held at the end of the year 31-03-2016 | | | | % Change |
|--|--|----------|---------|-------------------|--|----------|---------|-------------------|----------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | 1416621 | 1729010 | 3145631 | 36.97 | 1416621 | 1729010 | 3145631 | 36.97 | NIL |
| b) Central Govt. or State Govt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Bodies Corporates | 1171273 | 1360948 | 2532221 | 29.76 | 1171273 | 1360948 | 2532221 | 29.76 | NIL |
| d) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Any other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total : (A) (1) | 2587894 | 3089958 | 5677852 | 66.73 | 2587894 | 3089958 | 5677852 | 66.73 | NIL |
| (2) Foreign | | | | | | | | | |
| a) NRIs-Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Other-Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Any Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total : (A) (2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total shareholding of Promoters (A) = (A)(1)+(A)(2) | 2587894 | 3089958 | 5677852 | 66.73 | 2587894 | 3089958 | 5677852 | 66.73 | 0 |

| Category of Shareholders | No. of Shares held at the beginning of the year 01-04-2015 | | | | No. of Shares held at the end of the year 31-03-2016 | | | | % Change |
|--|--|----------|---------|-------------------|--|----------|---------|-------------------|----------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Banks / FI | 718779 | 16214 | 734993 | 8.63 | 718358 | 16635 | 734993 | 8.63 | NIL |
| c) Central Govt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) State Govt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Venture Capital Fund | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| g) FIs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total : (B) (1) | 718779 | 16214 | 734993 | 8.63 | 718358 | 16635 | 734993 | 8.63 | NIL |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corporates | 450184 | 29127 | 479311 | 5.63 | 453384 | 26584 | 479968 | 5.64 | 0.01 |
| i) Indian | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Individual shareholders holding nominal share capital upto Rs.1 lakh | 598004 | 465658 | 1063662 | 12.5 | 582590 | 459719 | 1042309 | 12.25 | -0.25 |
| ii) Individual shareholders holding nominal share capital in excess of Rs. 1lakh | 25000 | 108433 | 133433 | 1.57 | 45550 | 108433 | 153983 | 1.81 | 0.24 |
| c) Others(specify) | | | | | | | | | |
| i) Trust | 500 | 0 | 500 | 0.01 | 500 | 0 | 500 | 0.01 | 0 |
| ii) Foreign | 200 | 0 | 200 | 0 | 200 | 0 | 200 | 0 | 0 |
| iii) NRI | 7273 | 372002 | 379275 | 4.46 | 6961 | 372002 | 378963 | 4.45 | -0.01 |
| iv) HUF | 39253 | 0 | 39253 | 0.46 | 39911 | 0 | 39911 | 0.47 | 0.01 |
| Sub-total : (B)(2) | 1120414 | 975220 | 2095634 | 24.63 | 1128896 | 966738 | 2095634 | 24.64 | 0 |
| Total Public Shareholding(B)= (B)(1)+(B)(2) | 1839193 | 991434 | 2830627 | 33.27 | 1847675 | 982952 | 2830627 | 33.27 | 0 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 4427087 | 4081392 | 8508479 | 100 | 4435148 | 4073331 | 8508479 | 100 | 0 |

ii) Shareholding of Promoters

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year 01-04-2015 | | | Shareholding at the end of the year 31-03-2016 | | |
|---------|------------------------------------|--|----------------------------------|--|--|----------------------------------|--|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged encumbered to total shares |
| 1 | Brig Dr Kapil Mohan VSM | 917337 | 10.78 | 0 | 917337 | 10.78 | 0 |
| 2 | Brig Dr Kapil Mohan VSM | 112454 | 1.32 | 0 | 112454 | 1.32 | 0 |
| 3 | Brig Dr Kapil Mohan VSM | 100000 | 1.18 | 0 | 100000 | 1.18 | 0 |
| 4 | Brig Dr Kapil Mohan VSM | 99667 | 1.17 | 0 | 99667 | 1.17 | 0 |
| 5 | Brig. Dr, Kapil Mohan | 68081 | 0.8 | 0 | 68081 | 0.8 | 0 |
| 6 | Brig Dr Kapil Mohan VSM | 67526 | 0.79 | 0 | 67526 | 0.79 | 0 |
| 7 | Brig. Dr. Kapil Mohan VSM | 39333 | 0.46 | 0 | 39333 | 0.46 | 0 |
| 8 | Brig. Dr. Kapil Mohan Karta | 2750 | 0.03 | 0 | 2750 | 0.03 | 0 |
| 9 | Pushpa Mohan | 77125 | 0.91 | 0 | 77125 | 0.91 | 0 |
| 10 | Hemant Mohan | 233865 | 2.75 | 0 | 233865 | 2.75 | 0 |
| 11 | Hemant Mohan | 83843 | 0.99 | 0 | 83843 | 0.99 | 0 |
| 12 | Vinay Mohan | 463853 | 5.45 | 0 | 463853 | 5.45 | 0 |
| 13 | Vinay Mohan | 94659 | 1.11 | 0 | 94659 | 1.11 | 0 |
| 14 | Usha Mohan | 200905 | 2.36 | 0 | 200905 | 2.36 | 0 |
| 15 | Usha Mohan | 92117 | 1.08 | 0 | 92117 | 1.08 | 0 |
| 16 | Arti Mohan | 291949 | 3.43 | 0 | 291949 | 3.43 | 0 |
| 17 | Anju Khanna | 139228 | 1.64 | 0 | 139228 | 1.64 | 0 |
| 18 | Seema Bakshi | 18600 | 0.22 | 0 | 18600 | 0.22 | 0 |
| 19 | Seema Bakshi | 4500 | 0.05 | 0 | 4500 | 0.05 | 0 |
| 20 | Raksh Bakshi | 6800 | 0.08 | 0 | 6800 | 0.08 | 0 |
| 21 | Promilla Bakshi | 5000 | 0.06 | 0 | 5000 | 0.06 | 0 |
| 22 | Manjula Singh | 9600 | 0.11 | 0 | 9600 | 0.11 | 0 |
| 23 | Nilima Mohan | 12025 | 0.14 | 0 | 12025 | 0.14 | 0 |
| 24 | Nita Rani Bali | 2214 | 0.03 | 0 | 2214 | 0.03 | 0 |
| 25 | Sanjiv Bali | 800 | 0.01 | 0 | 800 | 0.01 | 0 |
| 26 | Baldev D Bali | 500 | 0.01 | 0 | 500 | 0.01 | 0 |
| 27 | P N Krishna Raja | 500 | 0.01 | 0 | 500 | 0.01 | 0 |
| 28 | Rajiv Bali | 200 | 0 | 0 | 200 | 0 | 0 |
| 29 | Satish Mohan | 100 | 0 | 0 | 100 | 0 | 0 |
| 30 | Ranjana Mohan | 100 | 0 | 0 | 100 | 0 | 0 |
| 31 | Trade Links Private Limited | 2049923 | 24.09 | 0 | 2049923 | 24.09 | 0 |
| 32 | M/S John Oakey & Mohan Ltd | 201751 | 2.38 | 0 | 201751 | 2.38 | 0 |
| 33 | Kaplansky Investments Pvt Ltd | 135286 | 1.59 | 0 | 135286 | 1.59 | 0 |
| 34 | Mohan Breweries & Distilleries Ltd | 67147 | 0.79 | 0 | 67147 | 0.79 | 0 |
| 35 | M/s ECO RRB Infra Private Limited | 55339 | 0.65 | 0 | 55339 | 0.65 | 0 |
| 36 | M/s Artos Breweries Ltd | 14000 | 0.16 | 0 | 14000 | 0.16 | 0 |
| 37 | M/s National Cereals Products Ltd | 4000 | 0.05 | 0 | 4000 | 0.05 | 0 |
| 38 | Simar Investments P Limited | 4775 | 0.06 | 0 | 4775 | 0.06 | 0 |
| Total | | 5677852 | 66.73 | 0 | 5677852 | 66.73 | 0 |

iii) Shareholding of Promoters

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year 01-04-2015 | | | Shareholding at the end of the year 31-03-2016 | | | % change in share holding during the year |
|---------|-------------------------------------|---|----------------------------------|--|---|----------------------------------|---|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Pledged encumbered to total shares | |
| 1 | Brig Dr Kapil Mohan VSM | 917337 | 10.78 | 0 | 917337 | 10.78 | 0 | NO |
| 2 | Brig Dr Kapil Mohan VSM | 112454 | 1.32 | 0 | 112454 | 1.32 | 0 | NO |
| 3 | Brig Dr Kapil Mohan VSM | 100000 | 1.18 | 0 | 100000 | 1.18 | 0 | NO |
| 4 | Brig Dr Kapil Mohan VSM | 99667 | 1.17 | 0 | 99667 | 1.17 | 0 | NO |
| 5 | Brig. Dr, Kapil Mohan | 68081 | 0.8 | 0 | 68081 | 0.8 | 0 | NO |
| 6 | Brig Dr Kapil Mohan VSM | 67526 | 0.79 | 0 | 67526 | 0.79 | 0 | NO |
| 7 | Brig. Dr. Kapil Mohan VSM | 39333 | 0.46 | 0 | 39333 | 0.46 | 0 | NO |
| 8 | Brig. Dr. Kapil Mohan Karta | 2750 | 0.03 | 0 | 2750 | 0.03 | 0 | NO |
| 9 | Pushpa Mohan | 77125 | 0.91 | 0 | 77125 | 0.91 | 0 | NO |
| 10 | Hemant Mohan | 233865 | 2.75 | 0 | 233865 | 2.75 | 0 | NO |
| 11 | Hemant Mohan | 83843 | 0.99 | 0 | 83843 | 0.99 | 0 | NO |
| 12 | Vinay Mohan | 463853 | 5.45 | 0 | 463853 | 5.45 | 0 | NO |
| 13 | Vinay Mohan | 94659 | 1.11 | 0 | 94659 | 1.11 | 0 | NO |
| 14 | Usha Mohan | 200905 | 2.36 | 0 | 200905 | 2.36 | 0 | NO |
| 15 | Usha Mohan | 92117 | 1.08 | 0 | 92117 | 1.08 | 0 | NO |
| 16 | Arti Mohan | 291949 | 3.43 | 0 | 291949 | 3.43 | 0 | NO |
| 17 | Anju Khanna | 139228 | 1.64 | 0 | 139228 | 1.64 | 0 | NO |
| 18 | Seema Bakshi | 18600 | 0.22 | 0 | 18600 | 0.22 | 0 | NO |
| 19 | Seema Bakshi | 4500 | 0.05 | 0 | 4500 | 0.05 | 0 | NO |
| 20 | Raksh Bakshi | 6800 | 0.08 | 0 | 6800 | 0.08 | 0 | NO |
| 21 | Promilla Bakshi | 5000 | 0.06 | 0 | 5000 | 0.06 | 0 | NO |
| 22 | Manjula Singh | 9600 | 0.11 | 0 | 9600 | 0.11 | 0 | NO |
| 23 | Nilima Mohan | 12025 | 0.14 | 0 | 12025 | 0.14 | 0 | NO |
| 24 | Nita Rani Bali | 2214 | 0.03 | 0 | 2214 | 0.03 | 0 | NO |
| 25 | Sanjiv Bali | 800 | 0.01 | 0 | 800 | 0.01 | 0 | NO |
| 26 | Baldev D Bali | 500 | 0.01 | 0 | 500 | 0.01 | 0 | NO |
| 27 | P N Krishna Raja | 500 | 0.01 | 0 | 500 | 0.01 | 0 | NO |
| 28 | Rajiv Bali | 200 | 0 | 0 | 200 | 0 | 0 | NO |
| 29 | Satish Mohan | 100 | 0 | 0 | 100 | 0 | 0 | NO |
| 30 | Ranjana Mohan | 100 | 0 | 0 | 100 | 0 | 0 | NO |
| 31 | Trade Links Private Limited | 2049923 | 24.09 | 0 | 2049923 | 24.09 | 0 | NO |
| 32 | M/S John Oakey & Mohan Ltd | 201751 | 2.38 | 0 | 201751 | 2.38 | 0 | NO |
| 33 | Kaplansky Investments Pvt Ltd | 135286 | 1.59 | 0 | 135286 | 1.59 | 0 | NO |
| 34 | Mohan Breweries & Distilleries Ltd. | 67147 | 0.79 | 0 | 67147 | 0.79 | 0 | NO |
| 35 | M/s ECO RRB Infra Private Limited | 55339 | 0.65 | 0 | 55339 | 0.65 | 0 | NO |
| 36 | M/s Artos Breweries Ltd | 14000 | 0.16 | 0 | 14000 | 0.16 | 0 | NO |
| 37 | M/s National Cereals Products Ltd | 4000 | 0.05 | 0 | 4000 | 0.05 | 0 | NO |
| 38 | Simar Investments P Limited | 4775 | 0.06 | 0 | 4775 | 0.06 | 0 | NO |
| Total | | 5677852 | 66.73 | 0 | 5677852 | 66.73 | 0 | NO |

"Attachment-F"

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and holders of GDRs & ADRs)

| SI No | Name of Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | | Date wise Increase/ Decrease in shareholding during the year | No. of Shares at the end of the year 31-03-2016 | |
|-------|-------------------------------------|---|----------------------------------|---|----------------------------------|--|---|--------|
| | | No. of shares held as on 1.4.2015 | % of total shares of the company | No. of shares held as on 31.3.2016 | % of total shares of the company | Date Sold/ Purchased | | |
| 1 | Life Insurance Corporation of India | 712749 | 8.372 | 712749 | 8.372 | NIL | 712749 | 8.372 |
| 2 | Shri J G S KER | 322448 | 3.790 | 322448 | 3.790 | NIL | 322448 | 3.790 |
| 3 | Jagatjit Industries Ltd., | 281961 | 3.314 | 281961 | 3.314 | NIL | 281961 | 3.314 |
| 4 | Quick Reurn Investment Company Ltd. | 52400 | 0.616 | 52400 | 0.616 | NIL | 52400 | 0.616 |
| 5 | Satyanarain Gupta | 43964 | 0.517 | 43964 | 0.517 | NIL | 43964 | 0.517 |
| 6 | Parbutty Chum Law | 29095 | 0.342 | 29095 | 0.342 | NIL | 29095 | 0.342 |
| 7 | K.B.DR Gulam Mohamed PCMS | 26999 | 0.317 | 26999 | 0.317 | NIL | 26999 | 0.317 |
| 8 | Abhishek Shroff | 25000 | 0.294 | 25000 | 0.294 | NIL | 25000 | 0.294 |
| 9 | E.Davidson | 23625 | 0.278 | 23625 | 0.278 | NIL | 23625 | 0.278 |
| 10 | Nooshabah Sumud Shah | 21595 | 0.254 | 21595 | 0.254 | NIL | 21595 | 0.254 |
| TOTAL | | 1539836 | 18.094 | 1539836 | 18.094 | NIL | 1539836 | 18.094 |

"Attachment-G"

v) Shareholding of Directors and Key Managerial Personnel

| SI No | For each of the Directors & KMP | Designation | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | | Shareholding at the end of the year | |
|-------|-------------------------------------|-------------------------|---|----------------------------------|---|--------------------------------------|-------------------------------------|-------------------------------------|
| | | | No. of shares | % of total shares of the company | No. of shares | % of the total shares of the company | No. of share | % of the total share of the company |
| 1. | Brig. Dr. Kapil Mohan VSM Retd. PhD | Managing Director | 219313 | 2.58 | Nil | NIL | 219313 | 2.58 |
| 2. | Mr. Hemant Mohan | Dy. Mg. Director | 83843 | 0.99 | Nil | Nil | 83843 | 0.99 |
| 3. | Mr. L.K. Malhotra | Director | 4500 | 0.05 | Nil | Nil | 4500 | 0.05 |
| 4. | Mr. Vinay Mohan | Director | 463853 | 5.45 | Nil | Nil | 463853 | 5.45 |
| 5. | Mr. J.K Jain | Director | 500 | 0.01 | Nil | Nil | 500 | 0.01 |
| 6. | Mr. Yash Kumar Sehgal | Director | 500 | 0.01 | Nil | Nil | 500 | 0.01 |
| 7. | Mr. Swaraj Suri | Director | 450 | 0.01 | Nil | Nil | 450 | 0.01 |
| 8. | Mr. M. Nandagopal | Director | 500 | 0.01 | Nil | Nil | 500 | 0.01 |
| 9. | Mrs. Shalini Mohan | Woman Director | Nil | Nil | Nil | Nil | Nil | Nil |
| 10. | Mr. H.N. Handa | Secretary | Nil | Nil | Nil | Nil | Nil | Nil |
| 11. | Mr. R.C. Jain | CFO Cum Addl. Secretary | Nil | Nil | Nil | Nil | Nil | Nil |

V. INDEBTEDNESS

| Indebtedness of the Company including interest outstanding/accrued but not due for payment | | | | |
|--|--|--------------------|---------------------|-----------------------|
| | Secured Loans excluding deposits | Unsecured Loans | Security Deposit | Total Indebtedness |
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 74,96,09,876 | Nil | 10,38,75,573 | 85,34,85,449 |
| ii) Interest due but not paid | 6,44,08,004 | Nil | Nil | 6,44,08,004 |
| iii) Interest accrued but not due | 15,87,708 | Nil | Nil | 15,87,708 |
| Total (i+ii+iii) | 81,56,05,588 | Nil | 10,38,75,573 | 9,14,81,161 |
| Change in Indebtedness during the financial year | | | | |
| Additions | 7,14,56,677 | Nil | 1,07,23,000 | 8,21,79,677 |
| Reduction | 18,63,96,908 | Nil | 2,41,02,000 | 21,04,98,908 |
| Net Change | -11,49,40,231 | Nil | -1,33,79,000 | -12,83,19,231 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 62,82,12,968 | Nil | 9,04,96,573 | 71,87,09,541 |
| ii) Interest due but not paid | 7,08,47,040 | Nil | Nil | 7,08,47,040 |
| iii) Interest accrued but not due | 16,05,349 | Nil | Nil | 16,05,349 |
| Total (i+ii+iii) | 70,06,65,357 | Nil | 9,04,96,573 | 79,11,61,930 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| S.No. | Particulars of Remuneration | Name of MD/WTD/Manager | Total Amount (Rs.) |
|-------|--|---|--------------------|
| 1. | Gross Salary | I) Brig. Dr. Kapil Mohan Managing Director | |
| | (a) Salary as per Provision contained in section 17(1) of the Income-tax Act, 1961 | 21,60,000 | 21,60,000 |
| | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 | 3,77,200 | 3,77,200 |
| | (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961 | Nil | Nil |
| 2 | Stock Option | | |
| 3 | Sweat Equity | | |
| 4 | Commission as % of profit others (specify) | | |
| 5 | Others, please specify | | |
| | Total (A) | 25,37,200 | 25,37,200 |
| | Ceiling as per the Act | 42,00,000 | 42,00,000 |

A. Remuneration to Deputy Managing Director, Whole-time Directors and/or Manager:

| S.No. | Particulars of Remuneration | Name of MD/WTD/Manager | Total Amount (Rs.) |
|-------|---|---|--------------------|
| | Gross Salary | ii) Shri Hemant Mohan Deputy Managing Director | |
| 1 | (a) Salary as per Provision contained in section 17 (1) of the Income tax Act, 1961 | 18,00,000 | 18,00,000 |
| | (b) Value of perquisites u/s 17 (2) of the Income Tax Act, 1961 | 23,93,918 | 23,93,918 |
| | (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961 | Nil | |
| 2 | Stock Option | | |
| 3 | Sweat Equity | | |
| 4 | Commission as % of profit others (specify) | | |
| 5 | Others, please specify | | |
| | Total (A) | 41,93,918 | 41,93,918 |
| | Ceiling as per the Act | 42,00,000 | 42,00,000 |

"Attachment-J"

B. Remuneration to other Directors (Other than MD/WTD)
Particulars of Remuneration - Independent Directors

| Sl No | Name of Director | B.O.D. Sitting fee | Audit Committee fee | Stakeholder Committee fee | Nomination & Remuneration fee | Total Amount fee |
|-------|------------------------|--------------------|---------------------|---------------------------|-------------------------------|--------------------|
| 1. | Shri L.K. Malhotra | 50,000.00 | 40,000.00 | Nil | 10,000.00 | 1,00,000.00 |
| 2. | Shri J.K. Jain | 20,000.00 | 20,000.00 | Nil | Nil | 40,000.00 |
| 3. | Shri Swaraj Suri | 50,000.00 | 40,000.00 | Nil | 10,000.00 | 1,00,000.00 |
| 4. | Shri Vinay Mohan | 50,000.00 | Nil | Nil | Nil | 50,000.00 |
| 5. | Shri Yash Kumar Sehgal | 50,000.00 | 40,000.00 | Nil | 10,000.00 | 1,00,000.00 |
| 6. | Shri M. Nandagopal | 30,000.00 | Nil | Nil | Nil | 30,000.00 |
| 7. | Shri Shalini Mohan | 40,000.00 | Nil | Nil | Nil | 40,000.00 |
| | TOTAL | 2,90,000.00 | 1,40,000.00 | | 30,000.00 | 4,60,000.00 |

"Attachment-K"

C. Remuneration to Key Managerial Personnel other than M.D., Manager/WTD.

| S.No. | Particulars of Remuneration | Name of the KMP | Total Amount (Rs.) |
|-------|--|--------------------------------------|--------------------|
| | Gross Salary | I) Shri H.N. Handa, Secretary | |
| 1. | (a) Salary as per Provision contained in section 17(1) of the Income-tax Act, 1961 | Rs.9,02,849 | 9,02,849 |
| | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 | Nil | Nil |
| | (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961 | Nil | Nil |
| 2 | Stock Option | Nil | Nil |
| 3 | Sweat Equity | Nil | Nil |
| 4 | Commission as % of profit others, (specify) | Nil | Nil |
| 5 | Others, please specify | | |
| | Total | Rs.9,02,849 | 9,02,849 |

C. Remuneration to Key Managerial Personnel other than M.D., Manager/WTD.

| S.No. | Particulars of Remuneration | Name of the KMP | Total Amount (Rs.) |
|-------|--|---|--------------------|
| 1. | Gross Salary (a) Salary as per Provision contained in section 17(1) of the Income tax Act, 1961 | II) Shri R.C. Jain, Additinal Secretary-Cum - C.F.O. 8,40,000 | 8,40,000 |
| | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | 32,400 | 32,400 |
| | (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961 | Nil | Nil |
| 2 | Stock Option | Nil | Nil |
| 3 | Sweat Equity | Nil | Nil |
| 4 | Commission as % of profit others, (specify) | Nil | Nil |
| 5 | Others, please specify | Nil | Nil |
| | Total | 8,72,400 | 8,72,400 |

"Attachment-L"

VII. Penalties/Punishment/Compounding of Offences

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority (RD/NCLT/Court) | Appeal made if any (give details) |
|-------------------------------------|------------------------------|-------------------|--|---------------------------|-----------------------------------|
| A. Company | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |
| B. Directors | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |
| C. Other Officers in Default | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

Particulars required under the Companies (Accounts) Rules, 2014

A. Conservation of energy**i) The steps taken or impact on conservation of energy**

All business units of the company continued their efforts to improve energy usage efficiencies. Innovative ways and new technology were constantly explored for efficient usage of energy. Energy conservation measures carried out during the financial year 2015-2016 are listed below:

- a) The company has commissioned five unitanks which will save refrigeration and electrical energy to a great extent.
- b) Replacements of old motors and more LED in various units have resulted in saving of Electrical energy.
- c) Insulation of steam pipelines and glycol pipeline has resulted in saving of steam and refrigeration energy.

Energy conservation measures taken above have resulted in saving in energy consumption besides reduction in cost of production.

ii) The steps taken by the company for utilizing alternate sources of energy.

In one of the units of the company, solar energy has harnessed on small scale.

iii) The capital investment on energy conservation equipment.

- a) The company has made an investment of Rs. 188 Lacs on unitanks.
- b) The company has made an investment of Rs. 4 Lacs on solar panel.

B. Technology absorption**i) The efforts made towards technology absorption**

- a) Efforts have been made towards scaling of the process for commercial scale production.
- b) The company has replaced old fermentation tanks and storage tanks with unitanks which will conserve refrigeration energy.

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

By implementing above plans, there was reduction in cost of production and better quality of product.

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

- a) The details of technology imported
 - b) The year of import
 - c) Whether the technology been fully absorbed
 - d) If not fully absorbed, areas where absorption has not taken place, and the reason thereof
- The above mentioned points (a) to (d) in Para (iii) are not applicable since the company has not imported any technology during the last three financial years reckoned from the beginning of the financial year.

iv) The expenditure incurred on Research and Development.

No major expenditure has been incurred on research and development by the company.

C. Foreign Exchange earnings and outgo:

The Company continues to take suitable steps to increase its exports. New markets are added to the list year after year.

| Total Foreign Exchange earned and outgo | Amount (Rs. in Lacs) |
|---|-------------------------|
| - Foreign Exchange earned (FOB Value of Exports) | 2547 |
| - Foreign Exchange used on import of Raw Materials, Components and Spares Parts, Capital goods and services | 64 |

BOARD'S REPORT

MANAGEMENT DISCUSSION AND ANALYSIS:

OVERVIEW

In line with the Indian Practice, Mohan Meakin Limited (MML) has been reporting consolidated results taking into account the results of its established branches and the results of sale of its products by the collaborators/bottlers spread throughout the country, with whom the Company has Manufacturing, Usership and Technical Know-how Agreements. This discussion, therefore, covers the financial results and other developments during the year ended 31st March, 2016 in respect of the Company as a whole and should be read in conjunction with the Company's financial statements, the schedules and notes thereto and the other information included elsewhere in the Annual Report. These financial statements are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis, except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (the Act) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provision of the Act (to the extent notified) and guidelines issued by the Securities and exchange Board of India (SEBI). Accounting policies have been consistently applied, except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

I. Industry Structure and Developments:

The Company, Mohan Meakin Ltd., is a Public Limited Company incorporated and domiciled in India with its Registered Office at Solan Brewery in Himachal Pradesh. It was formerly known as E. Dyer & Co., Dyer Meakin & Co. Ltd., Dyer Meakin Breweries Ltd., and Mohan Meakin Breweries Ltd., and was established as far back as 1855 for manufacture of Beer and IMF Spirits.

The Company has been pioneer in the liquor industry and made steady progress, and established Breweries and Distilleries in various parts of the Country and has created a respected name for itself by delivering an array of highly successful products. At present the Company has following manufacturing centres, besides other Breweries & Distilleries established under collaboration arrangements in various other places in India.

| | |
|-----------------------------------|---|
| Solan Brewery (H.P.) | Brewery for manufacture of Beer and Bottling Plant for bottling of IMFL. |
| Kasauli Distillery (H.P.) | Distillery producing Malt Spirit. |
| Mohan Nagar (Ghaziabad) (U.P.) | Brewery, Distillery, Malt Extract, Breakfast Foods, Fruit Products Factory, Engineering Works & Foundry. |
| Mohangram Bhankarpur (Punjab) | Bottling Plant for bottling of IMFL. |
| Lucknow (U.P.) | Distillery - Production stopped for the time being. |

The Company is manufacturing Beer of all types and IMF brands and blended Malt Whiskies including Rum, Gin, Vodka etc. In addition to the main products of Beer and IMFS, the Company is manufacturing Juices and Canned products and Corn Flakes, Wheat Porridge, Malt Extract, Mineral Water, Vinegars and Castings etc. The Company's products are quite popular in the market and are well received by the customers being quality products. The Company has introduced premium brand of Single Malt Whisky known as Solan Gold Single Malt Whisky in H.P., which is being introduced in other States of the Country.

The Company's Products like Old Monk Rum, Old Monk Gold Reserve Rum, Old Monk Rum Supreme, Old Monk White Rum, Solan No.1 Whisky, Big Ben London Gin, Black Knight Super Strong Beer, Golden Eagle Beer, Old Monk 10000 Super Beer and Golden Eagle Lager Beer are exported to 14 countries i.e. U.A.E., U.S.A., Singapore, Qatar, Germany, Japan, Canada, Ukraine, Russia, Hong Kong, Korea, Estonia, China and Kazakhstan. The total foreign exchange earned as a result of export of Company's products to these countries is 3797183 USS, 61050 CAD and 15950 Euro which in Indian Rupees stood at Rs.25,46,50,773.26. Old Monk Rum produced by the Company as per many publications is rated as the largest selling brand of Rum. The Company's revenue streams are from 3 areas of activities i.e. –

- a) Manufacture and Sale of alcoholic products,
- b) Manufacture and Sale of non-alcoholic products, and
- c) Royalty and Technical Know-how by allowing Bottling & Manufacturing of Company's products throughout India.

Net sales and other income of the Company has registered increase during the year under review and actual sales appear in the Annual Report.

The trend of various State Governments shows that they do not allow free flow of Beer and Whisky manufactured outside the States by putting restrictions and imposing exorbitant import fee as a result the liquor industry established outside the State cannot compete with the importing State. Moreover, due to unabated rise in oil prices, the lorry freight has gone up tremendously with the result that sending the goods from one corner of the country to the other has become a costly affair and is un-remunerative and economically unviable. Therefore to overcome these obstacles most of the leaders in the liquor Industry have opted for collaboration, technical know-how and bottling arrangements in various other States and our Company is one of them.

II. Opportunities and Threats:

We operate in a highly competitive and rapidly changing market. The Company is channeling its efforts into exploring and utilizing excellence in the areas of customer development. Focus on customers, products delivery, service innovation and trained sales force is expected to deliver customer excellence in the coming year. The Company has taken up several steps to serve its customers in a more efficient, cost effective, reliable and friendly manner, while strengthening its market position in the Industry.

The Company will meet the ever increasing challenges in the business through its quality products, easy reach and quick response to customers. The Management is drawing up plans to make the organization more competitive and strong so that the Company is equipped to face the emerging challenges in the coming years.

III. Segment-wise/product-wise performance:

The Company's Manufacturing activities broadly fall in two segments i.e. alcoholic products (includes beers, whiskies, brandies, gins and rums etc.), non-alcoholic products (includes juice, vinegar, mineral water, breakfast foods and extracts etc.). For details regarding segment assets and liabilities, revenue and expenses, unallocated expenses and segment revenue, profit etc. segment-wise, please refer to the Notes forming part of the audited financial statements for the year ending 31st March, 2016. The Company is taking all possible steps to achieve better product-wise performance. As far as the manufacture and sale of Company's main products (alcoholic) are concerned, they are governed by excise policies of the various State Governments and the manufacturers.

IV. Outlook, Risks and Concerns:

The Company's aims to address risks, opportunities and threats posed by its business environment strategically by maintaining sustainable and robust business ethics. The Company's financial performance is influenced by the economic climate in India.

The Bihar Government has introduced prohibition throughout the State w.e.f. 1st April, 2016. Although the Govt. of India rules out Nationwide prohibition, yet it has declared that if the States Plans to do the same and take action in this regard, it would provide all possible help.

Stakeholders are requested to exercise their own judgement in assessing the risk associated with the Company. Apart from normal risk as are applicable to an industrial undertaking, the Company does not foresee any other areas of concern. The compliance of norms prescribed by the Pollution Control Board and other Government Agencies are strictly complied with and adhered to. The Company's operations have historically shown significant resilience to the normal ups and downs of the economic and industry cycles, with demand for most of its key products continuing to grow at healthy rate.

V. Internal control systems and their adequacy:

The Company has a proper, strong, independent and adequate system of internal control procedures commensurate with its size and nature of business to ensure that all assets are safeguarded, and protected against loss from unauthorized use or disposition, and that transactions are authorized, recorded and reported correctly. An extensive programme of internal audits, reviews by management, and documented policies, guidelines and procedures, supplements the internal control systems. The internal control systems are designed to ensure that the financial and other records are reliable for preparing financial statements and other data, and for maintaining accountability of assets.

The Company has strong and independent internal audit system covering on a continuous basis, the entire gamut of operations and services spanning all locations, businesses and functions. The top management and the Audit Committee of the Board review internal audit findings and recommendations. Four firms of Chartered Accountants are appointed annually as Internal Auditors to carry out internal audit of all the Units of the Company. The CEO and CFO Certificate testifies the Internal Control Systems and their adequacy.

VI. Discussion on financial performance with respect to operational Performance:

The details of the financial performance of the Company are appearing in the Balance Sheet, Profit & Loss Account and other financial statements attached with these accounts. However, the summarized position of Funds Employed, Turnover, amount available for distribution to Shareholders, Salaries, Wages & Bonus , Number of Shareholders for the last 3 years as well as Sources and Usages of Funds for the last 3 years are given below:-

(Rs.in lacs)

| YEAR | 2014 | 2015 | 2016 |
|---|-------------|-------------|--------------|
| Funds Employed | 9426 | 8448 | 7326 |
| Represented by: | | | |
| Net Fixed Assets and Investments | 2927 | 3635 | 3818 |
| Net Current Assets | 6499 | 4813 | 3508 |
| Turnover | 53223 | 51682 | 56685 |
| Profit/(Loss) before exceptional items & tax | (2263) | (353) | 521 |
| Exceptional items | - | 939 | - |
| Tax for the year | - | 113 | 107 |
| Minimum Alternate Tax (MAT) Credit entitlement | - | (113) | (107) |
| Deferred tax | (278) | (210) | (135) |
| Tax adjustment relating to earlier years | (40) | - | (12) |
| Profit for the year after tax | (1945) | 376 | 374 |
| Adjustment & Balance of Profit & Loss A/c* | 2653 | 708 | 1084 |
| Available for distribution to Shareholders | 708 | 1084 | 1458 |
| Profit retained in business | 708 | 1084 | 1458 |
| Dividend | - | - | - |
| Tax on proposed dividend | - | - | - |
| Salaries, Wages & Bonus | 2562 | 2263 | 2379 |
| Number of Shareholders as at close of financial year | 6532 | 6521 | 6508 |

SOURCES AND USES OF FUNDS**(Rs. in lacs)**

| | 2014 | 2015 | 2016 |
|---|--------------|--------------|--------------|
| SOURCES OF FUNDS: | | | |
| Internal Sources | | | |
| Reserve & Surplus | | | |
| General & Other Reserves | 1472 | 1848 | 2222 |
| Provision : | | | |
| Depreciation | 4692 | 4147 | 4313 |
| Others | 117 | 112 | 116 |
| External Sources | | | |
| Paid-up Capital | 425 | 425 | 425 |
| Long term Borrowings | 747 | 344 | 653 |
| Short term Borrowings | 7259 | 6406 | 4867 |
| Trade Dues & Other Current Liabilities | 9863 | 8807 | 9994 |
| Other long term liabilities | 1334 | 1339 | 1367 |
| Deferred tax liabilities (net) | (559) | (349) | (214) |
| | <u>25350</u> | <u>23079</u> | <u>23743</u> |
| USES OF FUNDS : | | | |
| Fixed Assets (Gross) | | | |
| Land, Buildings, Plant & Machinery, etc | 7578 | 7736 | 8086 |
| Investments | 41 | 46 | 46 |
| Other non current assets | 126 | 122 | 131 |
| Long term loans & advances | 1230 | 1543 | 1967 |
| Current Assets : | | | |
| Stores & Spares, Loose Tools and Stock-in-Trade | 5566 | 4831 | 4921 |
| Sundry Debtors | 8789 | 6977 | 6446 |
| Cash & Bank Balances | 649 | 507 | 573 |
| Loans & Advances | 1064 | 1275 | 1511 |
| Other current assets | 307 | 42 | 62 |
| | <u>25350</u> | <u>23079</u> | <u>23743</u> |

VII. Human Resources/Industrial Relations:

The employees are our primary source of competitiveness. Hence the focus is on enriching the quality of life of its employees, developing their potential and maximizing their productivity. This unique feature attributes our policy of openness, equity, fairness and respect for the individual, freedom to experiment, mutual trust, and teamwork and strives to attract the best available talent and ensure diversity in its workforce. The Company would not have been where it is today without its people and their commitment, innovation, engagement, strive for excellence and a strong sense of belongingness to the organization. A strong industrial harmony of over many decades bears testimony to strong people practices of the Company.

VIII. Statutory Compliance:

The Managing Director/CFO makes a declaration at each Board Meeting regarding compliance with provisions of various statutes after obtaining confirmation from all the Units of the Company. The Company Secretary ensures compliance with the SEBI regulations and provisions of the Listing Agreement. The Compliance Officer, ensures compliance with guidelines on insider trading for prevention of insider trading.

IX. Cautionary Statement:

Certain statements in respect to Management Discussion and Analysis may be forward looking and are stated as required by the applicable laws and regulations. The future results of the Company may be affected by many factors, which could be different from what the Directors envisage in terms of future performance and outlook.

Corporate Governance Report:

In India, corporate governance standards for listed Companies are regulated by the Securities and Exchange Board of India (SEBI) through Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") and provisions in the Companies Act, 2013 ("the Act"). As a Company which believes in implementing corporate governance practices in letter and in spirit, the Company has adopted practices mandated by the Act and SEBI LODR and has established procedures and systems to remain compliant with it as on 31st March, 2016. This report provides the Company's compliance with these provisions.

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE:

We believe that it is imperative for us to manage our business affairs in the most fair and transparent manner with a firm commitment to our values. For us, corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organization's brand and reputation. Our corporate governance framework is a reflection of our culture, our policies, our relationship with stakeholders and our commitment to values. Accordingly, we always seek to ensure that our performance is driven by integrity. This is vital to gain and retain the trust of our stakeholders. Over the years, governance processes and systems have been strengthened. In addition to complying with the statutory requirements effective governance systems and practices towards improving transparency disclosures, internal controls and promotion of ethics at workplace have been institutionalized.

2. BOARD OF DIRECTORS:

The Company is fully compliant with the Corporate Governance norms in respect of constitution of the Board of Directors of the Company. The Board represents an optimum mix of professionalism, knowledge, gender and experience. Presently, the Board comprises of Executive Directors, one Woman Director and more than 50% of total number of Directors are Independent. The Management of the Company is entrusted in the hands of the Key Management Personnel of the Company and is headed by the Managing Director and the Chief Executive Officer who operates under the supervision and control of the Board. The Board reviews and approves policies/strategies and oversees the actions and results of Management to ensure that the long-term objectives of enhancing stakeholders values are met.

a) Composition, Status, Attendance at the Board Meetings and at the Last A.G.M.

As on 31st March, 2016 Company's Board comprised of 9 members. The Managing Director is also the Chief Executive Officer of the Company and one other member is Executive Director, and out of the remaining 7 members, 4 are non-Executive Independent Directors and one woman Director. None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees across all the Companies in which he/she is a Director. The necessary disclosures regarding Committee positions have been made by the Directors. Profile, qualifications and other requisite details of Directors are appearing in the statements annexed in respective Resolution of their appointments. The Composition of the Board names and categories of Directors, number of Board Meetings held, attendance of the Directors at the Board Meetings and

last Annual General Meeting and the number of Directorship and Chairmanship/Membership of Committees in other Companies in respect of each Director is given below :-

| Name | Status i.e. promoters, executive, non-executive, independent non-executive, nominee of financial institution | No. of Board Meetings of the Company | | Number of Membership in other Boards or other Committees as a member or chairperson | | Whether attended the last AGM |
|---------------------------------------|--|--------------------------------------|--------------------------|---|------------------------------|-------------------------------|
| | | Held during the year | Attended during the year | Board | Committee | |
| Brig.(Dr.)Kapil Mohan, VSM(Retd.)Ph.D | Managing Director-Promoter | 5 | 3 | 4 | 1 as Member | No |
| Shri Hemant Mohan | Dy.Managing Director-Promoter | 5 | 4 | 1 | - | Yes |
| Shri Vinay Mohan | Promoter Non-Executive Director | 5 | 5 | 4 | - | Yes |
| Shri L.K. Malhotra | Independent Non-Executive Director | 5 | 5 | 7 | 1 as Member | Yes |
| Shri J.K. Jain | Independent Non-Executive Director | 5 | 2 | 3 | 2 as Chairman 3 as Member | Yes |
| Shri Swaraj Suri | Independent Non-Executive Director | 5 | 5 | 1 | - | Yes |
| Shri M.Nandagopal | Independent Non-Executive Director | 5 | 3 | 16 | 1 as Member | No |
| Shri Yash Kumar Sehgal | Independent Non-Executive Director | 5 | 4 | 6 | 4 as Chairman 1 as Member | Yes |
| Mrs. Shalini Mohan | Promoter Non-Executive Director | 5 | 4 | - | - | No |

1. There is no nominee Director.
2. The Non-Executive Directors have no material pecuniary relationship or transactions with the Company in their personal capacity during the year 2015-2016 (other than the sitting fees for Board/Committee meetings).

b) Number of Board Meetings:

The Board of Directors meets at-least once a quarter to review the Company's performance and financial results and more often, if necessary, to transact other business. During the year ended 31st March, 2016, five Board Meetings were held as against the minimum requirement of four Meetings. The dates on which the Meetings were held are as follows:

25th May, 2015, 14th August, 2015, 24th September, 2015, 14th November, 2015 and 13th February, 2016.

c) Board Procedure:

A detailed Agenda folder is sent to each Director in advance of Board and Committee Meeting. To enable the Board to discharge its responsibility effectively, the Managing Director & Chief Executive Officer of the Company briefs the Board at every Meeting on the overall performance of the Company. A detailed operations Report is also presented at every Board Meeting. Amongst other things, the Board also reviews strategy and business plan, annual operating and capital expenditure budgets, remuneration of non-executive Directors, Compliance with statutory/regulatory requirements and review of major legal issues, adoption of quarterly/half yearly/annual results, risk management policy, investor's grievances and minutes, major accounting provisions and write-offs, Corporate re-structuring, Minutes of Meeting of the Audit Committee and other Committees of Directors of the Board, etc.

3. Board Committees :

Standing Committees :

The Company has the following standing Committees of the Board :

(i) Audit Committee:

The Board of the Company has constituted an Audit Committee, comprising of four Independent Non-executive Directors.

The terms of reference of the Committee are in accordance with the requirements of Section 177 of the Companies Act and the Rules framed thereunder and Regulation 18 (1) of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

The Audit Committee has been granted powers as prescribed under (Regulations 18(2)(3) and as specified in Part C of Schedule II of the SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015. Generally all items listed in the said Schedule are covered in the terms of reference and inter-alia include

- ♦ Overview of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- ♦ Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of their remunerations.
- ♦ Review of the internal control systems with the management, internal auditors and statutory auditors.
- ♦ Review with the management, the monthly, half yearly and annual financial statements before submission to the Board for approval, with special emphasis on accounting policies and practices, compliance and other legal requirements concerning financial statements and Risk Management policies.
- ♦ Review the adequacy of internal audit function, significant internal audit findings and follow-ups thereon.
- ♦ Review Management Discussion and Analysis.
- ♦ Review Material Individual Transactions with related parties not in normal course of business or which are not on an arms length basis.

During the financial year ending 31st March, 2016 four meetings of the Audit Committee were held and attended by the committee members as under:

| <u>Name of Member</u> | <u>Status</u> | <u>No. of meetings attended</u> |
|------------------------|---------------|---------------------------------|
| Shri L.K. Malhotra | Chairman | 4 |
| Shri J.K. Jain | Member | 2 |
| Shri Swaraj Suri | Member | 4 |
| Shri Yash Kumar Sehgal | Member | 4 |

The Addl. Secretary (CFO) is permanent invitee and the Statutory Auditors and Main Internal Auditors are invited to attend the Audit Committee Meetings as and when necessary. The Company Secretary acts as the Secretary of the Audit Committee. The necessary quorum was present at the Meetings.

All the members of Audit Committee possess strong accounting/financial management knowledge.

(ii) **Nomination & Remuneration Committee.**

The Remuneration Committee was formed by the Board of Directors comprising of four members – all Independent Non-executive Directors namely Shri L.K. Malhotra, Shri Swaraj Suri, Shri M. Nandagopal and Shri Yash Kumar Sehgal. The terms of reference of the Remuneration Committee, inter-alia, consists of the determination of the remuneration payable to the Executive Directors, recommendation for appointment/re-appointment of the Executive Directors, revision in the remuneration of the existing Executive Directors of the Company from time to time.

The Company while deciding the remuneration package of the senior management members takes into consideration the following items:

- employment scenario
- remuneration package of the industry and
- remuneration package of the managerial talent of other industries.

The annual variable pay of senior managers is linked to the performance of the Company in general and their individual performance for the relevant year measured against specific Key Result Areas, which are aligned to the Company's objectives.

Remuneration of employees largely consists of basic remuneration, perquisites and allowances. The total remuneration vary for different cadres and are governed by industry pattern, qualifications and experience of the employees, responsibilities handled, individual performance etc. the objectives of the remuneration policy are to motivate employees to excel in their performance, recognize their contribution, retain talent in the Organization and reward merit. The Remuneration Policy formulated by the Nomination and Remuneration Committee is in place and available with the Company.

During the year 2015-16 One meeting of the Nomination & Remuneration Committee was held on 14th August, 2015 which was attended by the following Members:-

- Shri L.K. Malhotra - Chairman
- " Swaraj Suri - Member
- " Yash Kumar Sehgal - "

Details of Directors' remuneration paid for the year ended 31.03.2016 are as follows:

(a) **Executive Directors:**

| <u>Managing Director/Whole Time Director</u> | <u>Salary</u> | <u>Commission</u> | <u>Perquisites</u> | <u>Retirement benefits</u> |
|---|---------------|-------------------|--------------------|----------------------------|
| | <u>Rs.</u> | <u>Rs.</u> | <u>Rs.</u> | <u>Rs.</u> |
| Brig. (Dr). Kapil Mohan, VSM (Retd.)Ph.D. (re-appointed w.e.f. 01.04.2013 for 3 years) | 21,60,000 | - | 3,77,200 | 2,59,200 |
| Shri Hemant Mohan (re-appointed w.e.f. 01.04.2013 for 3 years) | 18,00,000 | - | 23,93,918 | 2,16,000 |

- (1) Notice period for termination of appointment of Managing Director/Whole-time Directors is six months on either side.
- (2) No severance pay is payable on termination of appointment.
- (3) Your Company presently does not have a scheme for grant of stock options.
- (4) No sitting fee is paid to the Executive Directors for attending the Board Meeting or a Committee thereof.

(b) Non-Executive Directors:

The Company paid sitting fees to all the Non-executive Directors at the rate of Rs.10,000/- for attending each Meeting of the Board and/or Committee thereof. The sitting fees paid for the year ended 31st March, 2016 are as follows and the Number of shares held by each of them as on that date is indicated against their names:

| <u>Name</u> | <u>Sitting Fee</u> | <u>No. of Shares</u> |
|------------------------|---------------------------|-----------------------------|
| Shri Vinay Mohan | Rs.50,000 | 4,63,853 |
| Shri L.K. Malhotra | Rs.1,00,000 | 4,500 |
| Shri J.K. Jain | Rs.40,000 | 500 |
| Shri Swaraj Suri | Rs.1,00,000 | 450 |
| Shri M. Nandagopal | Rs.30,000 | 500 |
| Shri Yash Kumar Sehgal | Rs.1,00,000 | 500 |
| Mrs. Shalini Mohan | Rs.40,000 | - |

The Chairman of the Remuneration Committee Shri L.K. Malhotra attended the Annual General Meeting held on 24.9.2015.

(iii) Stakeholders Relationship Committee.

(a) Composition:

The Board of the Company has constituted a Stakeholders' Relationship Committee, comprising of four Independent Non-executive Directors.

(b) Terms of reference:

The Committee, inter alia, approves issue of duplicate share certificates and oversees and reviews all matters connected with the securities transfers. The Committee also looks into redressal of shareholders' complaints like transfer/transmission of shares, non-receipt of balance sheet/dividends and any other related matter. The Committee also oversees the performance of the Registrar and Transfer Agents, and recommends measures for overall improvement in the quality of investor services. The transfer of shares is signed by any one of the Directors and the Company Secretary and is subsequently confirmed in the next Board Meeting.

Insider Trading:

In compliance with the SEBI regulation on prevention of insider trading, the Company has instituted a comprehensive Code of Conduct for Prevention of Insider Trading for its designated employees. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made while dealing with shares of the Company and cautioning them of the consequences of violations. The Code is based on the principle that Directors, Officers and Employees of the Company owe a fiduciary duty to, among others, the shareholders of the Company to place the interest of the shareholders above their own and conduct their personal securities transactions in a manner that does not create any conflict of interest situation. The Code also seeks to ensure timely and adequate disclosure of Price Sensitive Information to the investor community by the Company to enable them to take informed investment decisions with regard to the Company's securities.

Shri H.N. Handa, Company Secretary is the Compliance Officer for complying with the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

During the year, no Meeting of the Committee was held.

There was no complaint from any shareholders during the year under review. No request for transfer was pending as on 31.3.2016.

(c) General Body Meeting:

Location and time where last 3 Annual General Meetings were held :

| <u>Financial year</u> | <u>Date</u> | <u>Time</u> | <u>Place</u> |
|-----------------------|-------------|-------------|-------------------------------------|
| 2012-2013 | 28.09.2013 | at 11 A.M. | Regd. Office : Solan Brewery (H.P.) |
| 2013-2014 | 25.09.2014 | at 11 A.M. | Regd. Office : Solan Brewery (H.P.) |
| 2014-2015 | 24.09.2015 | at 11 A.M. | Regd. Office : Solan Brewery (H.P.) |

Special Resolutions passed in last 3 Annual General Meetings:

The shareholders of the Company have passed the following special resolutions in the last 3 Annual General Meetings:

79th Annual General Meeting held on 28th September, 2013.

In this AGM one Special Resolution was passed.

1. Approval of the contract entered into with M/s. Trade Links (P) Ltd., New Delhi Authorised Selling Agents for enhancement of limit of total sale of Company's products in a year from Rs.39 crores to Rs.50 crores for the period from 3.1.2013 to 31.3.2014.

80th Annual General Meeting held on 25th September, 2014.

In this AGM seventeen Special Resolutions were passed:

1. Revision of remuneration of Managing Director.
2. Revision of remuneration of Dy. Managing Director.
3. Payment of Commission to Non-working Directors.
4. Borrowing Powers to the Board of Directors.
5. Appointment of Company Secretary
6. Appointment of Chief Financial Officer.
7. Appointment of Woman Director.

Related Parties:

8. Agreement with Mohan Rocky Spring Water Breweries Ltd., Khopoli (Mah.)
9. Agreement with Mohan Breweries & Distilleries Ltd., Chennai.
10. Agreement with Mohan Rocky Springwater Breweries Ltd., Mumbai.
11. Agreement with National Cereals Products Ltd., Solan Brewery (H.P.).
12. Agreement with Mohan Zupack Ltd., New Delhi.
13. Agreement with Mohan Closures Ltd., New Delhi.
14. Agreement with Trade Links Pvt. Ltd., New Delhi.
15. Agreement with Trade Links Pvt. Ltd., New Delhi.
16. Agreement with John Oakey & Mohan Ltd., Delhi
17. Agreement with Arthos Breweries Ltd., Chennai.

81st Annual General Meeting held on 24th September, 2015:

In this AGM 11 Special Resolutions were passed :-

1. Re-appointment of Brig. (Dr) Kapil Mohan, VSM (Retd.) Ph.D., Managing Director of the Company.
2. Re-appointment of Shri Hemant Mohan as Deputy Managing Director of the Company.
3. Adoption of new set of Articles of Association of the Company.

Related parties:

4. Agreement with Mohan Breweries & Distilleries Ltd., Chennai.
5. Agreement with Mohan Rocky Springwater Breweries Ltd., Mumbai.
6. Agreement with National Cereals Products Ltd., Solan Brewery (H.P.).
7. Agreement with Mohan Zupack Ltd., New Delhi.
8. Agreement with Mohan Closures Ltd., New Delhi.
9. Agreement with Trade Links Pvt. Ltd., New Delhi.

10. Agreement with John Oakey & Mohan Ltd., Delhi
11. Agreement with Arthos Breweries Ltd., Chennai.

No Extra-ordinary General Meeting (EGM) was held during the last three years.

No special resolutions were required to be put through postal ballot last year.

No special resolutions on matters requiring postal balloting are being placed for shareholders' approval at the forthcoming 82nd Annual General Meeting.

(d) Disclosures:

1. SUBSIDIARIES, JOINT VENTURES & ASSOCIATE COMPANIES

There is no subsidiary Company of Mohan Meakin Limited but in view of the extended definition as provided under Section 129(3) of the Companies Act, 2013. A separate statement containing the salient features of the financial statement of the associate Companies are annexed in the prescribed format 'AOC-1'.

2. During the financial year 2015-16, there were no materially significant transactions entered into between the Company and its Promoters, Directors or the Management, subsidiaries or relatives etc., that may have potential conflict with the interest of the Company at large according to the disclosure made by the Directors under Section 184(1) of the Companies Act, 2013 and Rule 9(1) of the Companies (Meetings of Board and its Powers) Rule, 2014. Further details of related party transactions are presented in the Notes to the Financial Statements appended in the Annual Accounts of the Annual Report. The Board has received disclosures from key managerial personnel relating to material, financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large.
3. There has not been any non-compliance, penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any other Statutory authority on matters related to Capital Markets, during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other statutory authorities relating to the above.
4. No Director is related to any other Director on the Board according to definition in the Companies Act, 2013 except Shri Hemant Mohan and Shri Vinay Mohan who are brothers and Mrs. Shalini Mohan who is wife of Shri Vinay Mohan.

Whistle Blower/Vigil Mechanism:

Your Company has established a Whistle Blower/Vigil Mechanism through which its Directors, Employees and Stakeholders can report their genuine concerns about unethical behaviours, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The said Policy provides for adequate safeguards against victimization and also direct access to the higher levels of supervisors. In appropriate and exceptional cases, concerns may be raised directly to the Chairman of the Audit Committee. A quarterly report on the whistle blower complaints if any received and action taken thereon is placed before the Audit Committee for its review.

(e) Adherence to Accounting Standards:

The financial statements have been prepared and presented under the historical cost convention on an accrual basis of accounting and in accordance with the accounting principles generally accepted in India and comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provision of the Companies Act, 1956 to the extent applicable.

(f) Means of Communication:

Quarterly, half-yearly and yearly results are published in the national dailies, i.e. The Indian Express (English) and The Dainik Tribune (Hindi) circulating in the region where the Registered Office of the Company is located.

These results are posted on the Web-site of the Company www.mohanmeakin.com shortly after its submission to the Calcutta Stock Exchange. There is no practice of the Company to send half-yearly report to the shareholders. The Company does not display official news releases and no presentations are made to Institutional Investors.

Management Discussion & Analysis Report (MD & A Report)

Management's Discussion and Analysis forms part of the Board's Report which is being mailed to all the shareholders of the Company. All matters pertaining to industry structure and developments, opportunities and threats, segment/product-wise performance, outlook, risks and concerns, internal control and systems, etc., are discussed in the said Report.

4. General shareholders information:

- (1) 82nd Annual General Meeting is proposed to be held on Thursday the 15th September, 2016 at the Registered Office of the Company at Solan Brewery at 11 A.M.

- (2) **Financial Calendar:** (Tentative and subject to change)

| | |
|--|--|
| Accounting year | April – March |
| Annual results of previous year | End of May |
| Mailing of Annual Reports | End of August |
| Annual General Meeting | End of September |
| Payment of Dividend | Within the statutory time limit of 30 days subject to Shareholders approval. |
| First quarter results | Before Mid August |
| Second quarter results | Before Mid November |
| Third quarter results | Before Mid February |
| Date of Book closure – 14 th September, 2016 to 15 th September, 2016 (both days inclusive). | |

- (3) **Listing of equity shares on :-**

Calcutta Stock Exchange Association Ltd., (Stock Code CSE: 10023333)

Listing Fee for 2015-16: The annual Listing Fee has been paid to Calcutta Stock Exchange.

- (4) **Stock Market Data for the year 2015-2016.**

Mohan Meakin shares are quoted on Calcutta Stock Exchange:

During the period from 1.4.2015 to 31.3.2016 no share quotations were received. Despite having written to them, the Company did not receive any response to its letters about the trading of shares for the financial year ending 31st March, 2016 from Calcutta Stock Exchange Ltd., Kolkata.

| | |
|---------------------|---|
| Depositories | National Securities Depository Ltd. Central Depository Services (I) Ltd. |
|---------------------|---|

Registrar and Share Transfer Agent:

M/s. Beetal Financial & Computer Services (P) Ltd., Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110 062 are the Company's Registrar and Share Transfer Agent (R&TA). The aforesaid R & TA acknowledges and executes transfer of securities, arranges for issue of dividend warrants etc.

The aforesaid R&TA deals with and resolves complaints of shareholders. They also dispatch the Annual Balance Sheet to all the Shareholders.

Share Transfer System:

Shares which are received in physical form are processed, transferred and returned within a period of 10 to 15 days from the date of receipt, subject to the documents being valid and complete in all respects. The Company has, as per SEBI guidelines with effect from 26th March, 2001 offered the facility of transfer cum demat also. As on date there are no pending share transfers pertaining to the year under review.

Distribution of shareholding as on 31st March, 2016:

| <u>No. of shares</u> | <u>No. of Shareholders</u> | <u>% of share-holders</u> | <u>Share-holdings</u> | <u>% of share-holdings</u> |
|----------------------|----------------------------|---------------------------|-----------------------|----------------------------|
| Upto 1000 | 6442 | 98.99 | 1009444 | 11.87 |
| 1001-2000 | 21 | 0.32 | 152480 | 1.79 |
| 2001-4000 | 13 | 0.20 | 205127 | 2.41 |
| 4001-6000 | 6 | 0.09 | 146864 | 1.73 |
| 6001-8000 | 2 | 0.03 | 73451 | 0.86 |
| 8001-10000 | 0 | 0.00 | - | - |
| 10001-20000 | 11 | 0.17 | 857904 | 10.08 |
| 20001 and above | 13 | 0.20 | 6063209 | 71.26 |
| | 6508 | 100.00 | 8508479 | 100.00 |

Shareholding pattern as on 31st March, 2016:

| <u>Category</u> | <u>No. of shares held</u> | <u>% of shareholdings</u> |
|---|---------------------------|---------------------------|
| Promoters holding | 56,77,852 | 66.73 |
| Banks, financial institutions, Insurance Companies, Central/State Govts., Mutual Funds & UTI etc. | 7,34,993 | 8.64 |
| Private Corporate Bodies | 4,79,968 | 5.64 |
| NRI/OCBs/HUF | 4,19,374 | 4.93 |
| General Public | 11,96,292 | 14.08 |
| | 85,08,479 | 100.00 |

Dematerialisation of shares :

As on 31st March, 2016, 64.96% of the Company's total shares representing 55,27,267 shares were held in dematerialized form and the balance 35.04% representing 29,81,212 shares in paper form.

The Company has not issued any GDRs/ADRs warrants or non-convertible instruments, which are pending for conversion.

Secretarial Audit:

As stipulated by the Securities and Exchange Board of India (SEBI) and the Stock Exchange a qualified practicing Company Secretary carries out the secretarial audit and provides a report to reconcile the total admitted capital with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter by Shri Pradeep Kumar Tuli a Practising Company Secretary of M/s. Tuli Pradeep & Associates and the report thereon is submitted to the Stock Exchange.

Plant locations :

The Company's plants are located at Solan Brewery (H.P.), Mohan Nagar, Ghaziabad (U.P.), Lucknow (U.P.), Mohangram, Bhankarpur (Punjab) and Kasauli (H.P.)

Address for Correspondence :

The Shareholders may correspond with the Company at its registered office at Mohan Meakin Ltd., Solan Brewery, P.O., 173214 (H.P.)

and/or with the Registrar & Share Transfer Agents at
M/s. Beetal Financial & Computer Services (P) Ltd.,
Beetal House, 3rd Floor,
99, Madangir, Behind Local Shopping Centre,

Near Dada Harsukhdas Mandir, New Delhi-110 062.
Phone No. 29961281-82, Fax: 29961284

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DPs).

5. Compliance with SEBI (LO & DR) Regulations 2015.

Compliance of SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATION 2015.

As per Clause 13 of Part C of Schedule V to the Listing Regulations, the Company has made disclosures of the compliance with corporate governance requirements specified in Regulation 17 to 27 and Clauses (b) to (1) of Sub-regulation (2) of Regulation 46 on the website of the Company – www.mohanmeakin.com.

Non-mandatory Requirements:

Shareholders' Rights

The half yearly financial results are published in the newspapers as mentioned above and also they are displayed under the Investor Relations Section on the Company's website 'www.mohanmeakin.com'. Therefore, the results were not separately circulated to all shareholders.

6. Transfer of unclaimed amounts to Investor Education and Protection Fund :

As per the provisions of various clauses of Section 205A & C of the Companies Act, 1956 which is still in force, the Company is required to transfer unpaid dividends, matured deposits, redeemed debentures and interest accrued thereon remaining unclaimed and unpaid for a period of 7 years from the due date to the Investor Education and Protection Fund set up by the Central Government. The Company has been complying with the provisions of the Companies Act, 2013 in this regard. During the year under review the Company has credited a sum of Rs.2,90,685.00 to the Investor Education and Protection Fund pursuant to Section 205A and C of the Companies Act, 1956 and the Investor Education and Protection Fund (awareness and protection of investors) Rules, 2001.

7. Risk Management :

The Company has laid down procedure to inform Board Members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

Since the Company does not fall in the category of 100 top Companies by market capitalization, Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 asking the listed Companies to constitute Risk Management Committee is not applicable to the Company.

8. Certification by Chief Executive Officer (CEO) and Chief Financial Officer (CFO) pursuant to Schedule II Part B of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

We, Brig. (Dr.) Kapil Mohan, Managing Director (CEO) and Shri R.C. Jain, Chief Financial Officer (CFO) hereby certify that :

- (a) We have reviewed financial statements and cash flow statement for the year ended on 31.3.2016 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) We 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 auditors and the Audit Committee that there are no deficiencies in the design or operation of such internal controls, of which we are aware and the steps we have taken or propose to be taken to rectify these deficiencies.
- (d) We 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 financial year and that the same have been disclosed in the notes to the financial statements ; and
 - (iii) instances of significant fraud of which we 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."

For MOHAN MEAKIN LIMITED,

Brig. (Dr) Kapil Mohan, VSM (Retd.) Ph.D.
Managing Director
(Chief Executive Officer)

(R.C. Jain)
(Chief Financial Officer)

9. Code of Business Conduct and Ethics for Directors and Senior Management :

The Board at its Meeting held on 29th October, 2005 has adopted the Code of Business Conduct and Ethics for Directors and Senior Management ("the Code"). This Code is a comprehensive Code applicable to all Directors, Executives as well as Non Executives as well as members of Senior management. The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them.

Declaration on Code of Conduct.

"As required under Regulation 26(3) and Schedule-V (D) of SEBI (Listing Obligations and Disclosure) Regulation 2015 of the Listing Agreement the Declaration for Code of conduct is given below:

To

The Members of Mohan Meakin Ltd.

I, Brig.(Dr.) Kapil Mohan, VSM (Retd.)Ph.D., Managing Director & Chief Executive Officer of the Company declare that all Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct.

For Mohan Meakin Ltd.

Brig.(Dr.) Kapil Mohan, VSM
(Retd.)Ph.D.,
Managing Director & Chief Executive Officer

10. Certificate of Practising Company Secretary on Corporate Governance :

Pursuant to Schedule V Part E of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 Certificate from the Practising Company Secretary is given as Annexure to the Board's Report.

CERTIFICATE ON CORPORATE GOVERNANCE

To The Members

MOHAN MEAKIN LIMITED

We have examined the compliance of conditions of Corporate Governance by Mohan Meakin Limited, for the year ended on 31st March, 2016, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on 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 Clause 49 of the above mentioned Listing Agreement.

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

For Tuli Pradeep & Associates

Place : Solan

Dated : 5th August, 2016

CS PRADEEP K. TULI

Proprietor

M.No. FCS-1850

C.P. NO. 3940

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MOHAN MEAKIN LIMITED
Report on the Financial Statements**

We have audited the accompanying financial statements of **Mohan Meakin Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are incorporated the Returns for the year ended on that date audited by the branch auditors of the Company's branch located at Lucknow.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Emphasis of Matters

Attention is invited to note 20(b)(i) of the financial statements relating to the uncertainty associated with the outcome of the ongoing litigation/arbitration proceedings against the demand raised by GAIL (India) Limited aggregating to Rs.39.70 crores for the calendar year 2014 and 2015 on account of deficiency in the lifted quantity of gas per day. Based on the position explained in this note and on the basis of legal advice, the Company's management is confident that the demand is not legally tenable and would not result in any liability on the Company.

Our opinion is not modified in respect of the above matter.

Other Matter

We did not audit the financial statements of Lucknow Distillery branch included in the financial statements of the Company whose financial statements reflect total assets of Rs.335 lacs as at March 31st, 2016 and total revenues

of Rs.46 lacs for the year ended on that date, as considered in the financial statements. The financial statements of the Lucknow Distillery branch has been audited by the branch auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of the Lucknow Distillery branch, is based solely on the report of such branch auditor.

Our opinion is not modified in respect of this matter.

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 and proper returns adequate for the purposes of our audit have been received from the branch at Lucknow not visited by us.
 - (c) The report on the accounts of the branch located at Lucknow audited under Section 143(8) of the Act by branch auditor has been sent to us and have been properly dealt with by us in preparing this report.
 - (d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branch not visited by us.
 - (e) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
 - (f) The matter described under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - (g) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - (h) 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (i) 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 - Refer Note 20(a) and 20(b)(i) to the financial statements;
 - (ii) The Company did not have any long-term contracts for which there were any material foreseeable losses - Refer Note 20(b) to the financial statements;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For A. F. FERGUSON ASSOCIATES
Chartered Accountants
(Firm's Registration No. 102849W)

Vijay Agarwal
(Partner)
(Membership No. 094468)

NEW DELHI, May 30, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (h) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 **Mohan Meakin Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the 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. 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.

Auditor's 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls. 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 judgement, 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, to the best of our information and according to the explanations given to us, 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 operating effectively as at March 31, 2016, 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.

For A. F. FERGUSON ASSOCIATES

Chartered Accountants
(Firm's Registration No. 102849W)

Vijay Agarwal

(Partner)
(Membership No. 094468)

NEW DELHI, May 30, 2016

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets 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 program, certain fixed assets 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 the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been mortgaged as security for term loans from bank are held in the name of the Company based on the confirmations received by us from bank.

In respect of immovable properties of land that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement (Also refer Note 4 to the financial statements in respect of possession of leasehold land).

- (ii) As explained to us, most of the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees under Section 185 and Section 186 of the Companies Act, 2013 and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148 (1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income tax, Sales tax/ Value Added tax, Service tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities though there have been delays in some cases.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax/ Value Added Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-Tax, Sales Tax/ Value Added Tax, Customs Duty and Excise Duty which have not been deposited as on March 31, 2016 on account of disputes are given below:

| Name of the Statute | Nature of the dues | Forum where dispute is pending | Amount* (Rs. lacs) | Amount paid under protest (Rs.lacs) | Period to which the amount relates |
|---------------------|---------------------------------|--|--------------------|-------------------------------------|--|
| Sales tax laws | Sales tax (including entry tax) | Appellate authority up to Commissioner's level | 1,077.61 | - | 1975-76, 1977 to 1979, 1987 to 1989, 1999-2000, 2006-07 to 2012-13 |
| | | Sales tax Appellate Tribunal | 45.26 | - | 1984-85, 1985-86, 1991-92, 1992-93, 2006-07 to 2009-10 |
| | | High Court | 8.85 | - | 1994-95, 1995-96, 1997-98, 1998-99 |
| | | Supreme Court | 381.98 | - | 2001-02 to 2010-11 |
| | Trade tax | Appellate Tribunal | 20.22 | - | 1984-85, 1985-86, 1987-88, 2005-06 to 2007-08 |
| | | High Court | 1.27 | - | 1990-91 to 1992-93, 1994-95, 1995-96 |
| State Excise laws | Excise duty | High Court | 349.16 | 231.17 | 1963-85, 1986-2011 |
| Central Excise | Excise duty | CESTAT | 13.26 | - | 2005 to 2007 |
| | | Appellate authority up to Commissioner's level | 42.80 | - | 2008-09 to 2010-11 |
| Custom laws | Custom duty | CESTAT | 77.61 | - | 1994 to 2004 |

* Amount as per demand orders including interest and penalty wherever quantified in the order.

The following matter, which have been excluded from the table above, have been decided in favour of the Company but the concerned authorities have preferred appeals at higher levels:

| Name of the Statute | Nature of the dues | Forum where dispute is pending | Amount (Rs. lacs) | Period to which the amount relates |
|---------------------|--------------------|--------------------------------|-------------------|------------------------------------|
| Sales tax laws | Sales tax | Sales tax appellate Tribunal | 358.08 | 1987 to 1989, 1990 to 1993 |
| State Excise laws | Excise duty | Supreme Court | 36.67 | 1997 to 1999 |
| Income tax laws | Income tax | High Court | 423.95 | 2002-03 to 2005-06 |

Further, there are no disputed dues with respect to Service Tax which have not been deposited as on March 31, 2016 on account of disputes.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions and government or has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Further, in our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For A. F. FERGUSON ASSOCIATES

Chartered Accountants

(Firm's Registration No. 102849W)

Vijay Agarwal

(Partner)

(Membership No. 094468)

NEW DELHI, May 30, 2016

BALANCE SHEET AS AT MARCH 31, 2016

| | Note No. | As at March 31, 2016 Rs. in lacs | As at March 31, 2015 Rs. in lacs |
|--|--|---|--|
| <u>EQUITY AND LIABILITIES</u> | | | |
| Shareholders' funds | | | |
| Share capital | 2 | 425.42 | 425.42 |
| Reserves and surplus | 3 | 2,221.78 | 1,847.90 |
| | | 2,647.20 | 2,273.32 |
| Non-current liabilities | | | |
| Long-term borrowings | 4 | 653.50 | 343.50 |
| Other long-term liabilities | 5 | 1,367.48 | 1,339.40 |
| Long-term provisions | 6 | 104.43 | 100.09 |
| | | 2,125.41 | 1,782.99 |
| Current liabilities | | | |
| Short-term borrowings | 7 | 4,866.82 | 6,406.13 |
| Trade payables | 8 | | |
| i) total outstanding dues of micro enterprises and small enterprises; and | | 139.54 | 72.98 |
| ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | 7,154.76 | 5,998.44 |
| Other current liabilities | 9 | 2,700.05 | 2,736.01 |
| Short-term provisions | 6 | 11.61 | 11.86 |
| | | 14,872.78 | 15,225.42 |
| | Total | 19,645.39 | 19,281.73 |
| <u>ASSETS</u> | | | |
| Non-current assets | | | |
| Fixed assets | 10 | | |
| - Tangible assets | | 3,161.04 | 2,967.22 |
| - Intangible assets | | 18.97 | - |
| - Capital work-in-progress | | 592.82 | 584.12 |
| - Intangible assets under development | | - | 37.97 |
| | | 3,772.83 | 3,589.31 |
| Non - current investments | 11 | 46.48 | 46.48 |
| Deferred tax assets (net) | 12 | 213.79 | 349.29 |
| Long - term loans and advances | 13 | 1,967.45 | 1,543.29 |
| Other non-current assets | 14 | 130.50 | 121.62 |
| | | 6,131.05 | 5,649.99 |
| Current assets | | | |
| Inventories | 15 | 4,921.43 | 4,831.15 |
| Trade receivables | 16 | 6,446.43 | 6,976.56 |
| Cash and cash equivalents | 17 | 573.01 | 506.92 |
| Short - term loans and advances | 18 | 1,511.24 | 1,205.15 |
| Other current assets | 19 | 62.23 | 111.96 |
| | | 13,514.34 | 13,631.74 |
| | Total | 19,645.39 | 19,281.73 |
| See accompanying notes forming part of the financial statements | 1 to 39 | | |
| In terms of our report attached For A. F. FERGUSON ASSOCIATES Chartered Accountants | For and on behalf of Board of Directors BRIG. (Dr.) KAPIL MOHAN, VSM (Retd.) Ph.D. HEMANT MOHAN VINAY MOHAN SHALINI MOHAN M. NANDAGOPAL J.K. JAIN YASH KUMAR SEHGAL L.K. MALHOTRA SWARAJ SURI | <i>Managing Director</i> <i>Dy. Managing Director</i> <i>Director</i> <i>Director</i> <i>Director</i> <i>Director</i> <i>Director</i> <i>Director</i> <i>Director</i> | |
| Vijay Agarwal Partner | H.N.HANDA Secretary | | |
| NEW DELHI, Date : 30.05.2016 | R.C. JAIN Chief Financial Officer | | |

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

| | Note No. | Year ended March 31, 2016 Rs. in lacs | Year ended March 31, 2015 Rs. in lacs |
|--|----------|---|---|
| Income | | | |
| Revenue from operations (Gross) | 21 | 57,507.29 | 52,565.71 |
| Less: Excise duty | | 13,213.71 | 11,614.52 |
| Revenue from operations (net) | | 44,293.58 | 40,951.19 |
| Other income | 22 | 897.79 | 613.47 |
| Total revenue | | 45,191.37 | 41,564.66 |
| Expenses | | | |
| Cost of materials consumed | 23 | 8,086.46 | 8,213.93 |
| Purchase of stock-in-trade (traded goods) | 24 | 25,788.91 | 22,153.88 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | 25 | 43.35 | 936.76 |
| Employee benefits expenses | 26 | 2,378.69 | 2,262.57 |
| Finance costs | 27 | 1,099.08 | 1,121.55 |
| Depreciation and amortization expenses | 28 | 301.01 | 395.17 |
| Other expenses | 29 | 6,972.70 | 6,833.90 |
| Total expenses | | 44,670.20 | 41,917.76 |
| Profit /(loss) before exceptional item and tax | | 521.17 | (353.10) |
| Exceptional item | 30 | - | 939.34 |
| Profit before tax | | 521.17 | 586.24 |
| Tax expense : | | | |
| Provision for current tax | | 107.00 | 133.00 |
| Minimum alternate tax (MAT) credit entitlement | | (107.00) | (133.00) |
| Deferred tax charge | | 135.51 | 209.91 |
| Provision for taxation relating to earlier years (net) | | 11.78 | - |
| Profit for the year | | 373.88 | 376.33 |
| Earnings per equity share (of Rs. 5/-each) | 35 | | |
| - Basic/Diluted (Rs.) | | 4.39 | 4.42 |
| See accompanying notes forming part of the financial statements | 1 to 39 | | |

In terms of our report attached
For A. F. FERGUSON ASSOCIATES
Chartered Accountants

Vijay Agarwal
Partner

NEW DELHI,
Date : 30.05.2016

H.N.HANDA
Secretary

R.C. JAIN
Chief Financial Officer

For and on behalf of Board of Directors
BRIG. (Dr.) KAPIL MOHAN, VSM (Retd.) Ph.D.
HEMANT MOHAN
VINAY MOHAN
SHALINI MOHAN
M. NANDAGOPAL
J.K. JAIN
YASH KUMAR SEHGAL
L.K. MALHOTRA
SWARAJ SURI

Managing Director
Dy. Managing Director
Director
Director
Director
Director
Director
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

| Particulars | Year ended March 31, 2016 Rs. in lacs | Year ended March 31, 2015 Rs. in lacs |
|--|---|---|
| A. Cash flows from operating activities | | |
| Profit / (Loss) before exceptional items and tax | 521.17 | (353.10) |
| Adjustments for : | | |
| Depreciation and amortization expenses | 301.01 | 395.17 |
| Fixed assets written off | 10.21 | 0.65 |
| Finance costs | 1,099.08 | 1,121.55 |
| Dividend income from non-trade non-current investments | (2.93) | (0.79) |
| Interest income | (82.95) | (113.99) |
| Provision no longer required written back | - | (0.19) |
| Rent from non current investments in immovable property | (1.31) | (1.39) |
| Loss/(Profit) on sale of fixed assets | (526.96) | (131.65) |
| Operating profit before working capital changes | 1,317.32 | 916.26 |
| Changes in working capital | | |
| Adjustments for (increase)/decrease in operating assets: | | |
| Long-term loans and advances | 8.56 | 25.19 |
| Inventories | (90.28) | 734.91 |
| Trade receivables | 530.13 | 1,812.05 |
| Short-term loans and advances | 220.91 | (211.40) |
| Other current assets | 59.38 | 263.28 |
| Adjustments for increase/(decrease) in operating liabilities: | | |
| Other long-term liabilities | 28.08 | 5.33 |
| Long-term provisions | 4.34 | (5.19) |
| Short-term provisions | (0.25) | (0.39) |
| Trade payables | 1,222.88 | (904.35) |
| Other current liabilities | (98.39) | (177.07) |
| Cash generated from operations | 3,202.68 | 2,458.62 |
| Taxes paid | (399.76) | (326.02) |
| Net cash flows from operating activities (A) | 2,802.92 | 2,132.60 |
| B. Cash flows from investing activities | | |
| Purchase of investment | - | (5.76) |
| Purchase of fixed assets including capital advance (net of capital creditors) | (540.52) | (198.16) |
| Proceeds from sale of fixed assets | 0.07 | 132.48 |
| Maturity/(Investment) in deposit account as lien with government authorities | (8.88) | 4.47 |
| Dividend income from non-trade non-current investments | 2.93 | 0.79 |
| Interest income | 73.30 | 115.49 |
| Proceeds from sale of non-trade non-current investments (including provision for diminution in the value of investment written back) | - | 0.19 |
| Rent from non current investments in immovable property | 1.31 | 1.39 |
| Net cash flows from / (used in) investing activities (B) | (471.79) | 50.89 |

| Particulars | Year ended March 31, 2016 Rs. in lacs | Year ended March 31, 2015 Rs. in lacs |
|---|---|---|
| C. Cash flows from financing activities | | |
| Increase/ (decrease) from/to short-term borrowings | (1,540.49) | (920.74) |
| Proceeds from long-term borrowings | 650.00 | 221.70 |
| Repayment of long-term borrowings | (355.08) | (533.10) |
| Finance costs | (1,017.11) | (1,090.84) |
| Repayment of matured deposits | - | (2.35) |
| Dividend paid | (2.36) | - |
| Net cash flows from/ (used in) financing activities (C) | (2,265.04) | (2,325.33) |
| Net increase/(decrease) in cash and cash equivalents (A) + (B) + (C) | 66.09 | (141.84) |
| Cash and cash equivalents as at opening | 506.92 | 648.76 |
| Cash and cash equivalents as at closing | 573.01 | 506.92 |
| Components of cash and cash equivalents | | |
| Cash on hand | 9.58 | 7.45 |
| Cheques in hand | 60.00 | - |
| Balance with bank | | |
| - in current accounts | 463.71 | 445.39 |
| - in deposits accounts | 39.70 | 51.70 |
| - unpaid dividend account ¹ | - | 2.36 |
| - others | 0.02 | 0.02 |
| Total cash and cash equivalents (note 17) | 573.01 | 506.92 |

¹The Company can utilize these balances only towards settlement of related liabilities.

See accompanying notes forming part of the financial statements 1 to 39

In terms of our report attached
For A. F. FERGUSON ASSOCIATES
Chartered Accountants

Vijay Agarwal
Partner

H.N.HANDA
Secretary

NEW DELHI,
Date : 30.05.2016

R.C. JAIN
Chief Financial Officer

For and on behalf of Board of Directors
BRIG. (Dr.) KAPIL MOHAN, VSM (Retd.) Ph.D.
HEMANT MOHAN
VINAY MOHAN
SHALINI MOHAN
M. NANDAGOPAL
J.K. JAIN
YASH KUMAR SEHGAL
L.K. MALHOTRA
SWARAJ SURI

Managing Director
Dy. Managing Director
Director
Director
Director
Director
Director

Notes forming part of the financial statements

1 Significant accounting policies

1.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

1.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.3 Inventories

Inventories are valued at the lower of cost on weighted average basis and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges (net of input credit wherever applicable). Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

1.4 State excise duty

The state excise duty payable on finished goods is accounted for on the clearance of goods from the factory premises or bonded warehouses. The amount of state excise duty payable on finished goods not cleared from the factory premises and bonded warehouses as at the year-end is not determinable as it varies according to the places to which the goods will be dispatched. However, non-provision of this liability does not affect the profit for the year.

1.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and 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.

1.6 Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. The assets costing upto Rs.5000 each are fully depreciated in the year of capitalization. No amortization is made in respect of lease hold land being on long term lease. Intangible assets are amortized over their estimated useful life on straight line method as follows:

Computer Software- 2 Years

Notes forming part of the financial statements

1.7 Revenue recognition

a) Sale of goods

Sales are recognized, net of rebate, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

b) Rents and royalties are recognized on accrual basis in accordance with the terms of agreements.

c) Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

d) Dividends are accounted for as and when the Company's right to receive payment is established.

1.8 Fixed assets (Tangible/Intangible)

Fixed assets are carried at cost less accumulated depreciation and impairment loss, if any. The cost of fixed assets comprises its purchase price net of any trade discount and rebates, any import duties and other taxes (other than those subsequent recoverable from the tax authorities), any directly attributable expenditure on making the assets ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired and put to use for project purpose are capitalized and depreciation thereon is included in the project cost till the project is ready for its intended use.

Capital work-in-progress:

Projects under which tangible fixed assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

1.9 Foreign currency transactions and translations

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency monetary items of the Company outstanding at the Balance Sheet date are restated at the year-end rates.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognized as income or expense in the statement of profit and loss.

1.10 Investments

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalized and depreciated (where applicable) in accordance with the policy stated for tangible fixed assets. Impairment of investment property is determined in accordance with the policy stated for impairment of assets.

Notes forming part of the financial statements

1.11 Employee benefits

Defined contribution plans

The Company's contribution to provident fund, pension scheme, employee state insurance corporation, etc. are considered as defined contribution plans and are charged as an expense as it falls due based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period in which they occur. The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the balance sheet date.

1.12 Borrowing costs

Borrowing costs include interest and amortization of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the statement of profit and loss over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalization of such asset is added to the cost of the assets. Capitalization of borrowing costs is suspended and charged to the statement of profit and loss during extended periods when active development activity on the qualifying assets is interrupted.

1.13 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

1.14 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

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

Notes forming part of the financial statements

that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the balance sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

1.15 Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the statement of profit and loss.

1.16 Provisions and contingencies

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the 'Notes to the financial statements'.

1.17 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Notes forming part of the financial statements

2. Share capital

| Particulars | As at March 31, 2016 Rs. in lacs | As at March 31, 2015 Rs. in lacs |
|---|--|--|
| Authorised | | |
| 2,00,00,000 (previous year 2,00,00,000) Equity shares of Rs.5 each with voting rights | 1,000.00 | 1,000.00 |
| Issued, subscribed and fully paid up * | | |
| 85,08,479 (previous year 85,08,479) Equity shares of Rs.5 each with voting rights | 425.42 | 425.42 |
| Total | 425.42 | 425.42 |

*Refer note (i) to (iii) below

- (i) **Reconciliation of the number of shares :**
- | | | |
|---|------------------|-------------|
| | Nos. | Nos. |
| Number of outstanding shares at the beginning of the year | 8,508,479 | 8,508,479 |
| Shares issued/ bought back during the year | - | - |
| Number of outstanding shares as at the end of the year | 8,508,479 | 8,508,479 |
- (ii) The Company has only one class of equity shares having a par value of Rs. 5 per share. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

(iii) **Shares in the Company held by each shareholder holding more than 5% shares :**

| Name of shareholder | As at March 31, 2016 | | As at March 31, 2015 | |
|---|-------------------------|--------------------|-------------------------|--------------------|
| | No. of Shares held | %age of holding | No. of Shares held | %age of holding |
| 1. Trade Links Private Limited | 2,049,923 | 24.09 | 2,049,923 | 24.09 |
| 2. Brig. Dr. Kapil Mohan, VSM and Shri Hemant Mohan (Trustee Narinder Mohan Foundation) | 1,017,337 | 11.96 | 1,017,337 | 11.96 |
| 3. Life Insurance Corporation of India | 712,749 | 8.38 | 712,749 | 8.38 |
| 4. Vinay Mohan (excluding 94,659 shares (previous year 94,659 shares) held as a joint holder) | 463,853 | 5.45 | 457,231 | 5.37 |

3. Reserves and surplus

| Particulars | As at March 31, 2016 Rs. in lacs | As at March 31, 2015 Rs. in lacs |
|--|--|--|
| Share premium accounts | | |
| Opening balance | 0.04 | 0.04 |
| Add / (less) : Movement during the year | - | - |
| Closing balance | 0.04 | 0.04 |
| General reserve | | |
| Opening balance | 763.63 | 763.63 |
| Add / (less) : Movement during the year | - | - |
| Closing balance | 763.63 | 763.63 |
| Surplus in the statement of profit and loss | | |
| Opening balance | 1,084.23 | 707.90 |
| Add : Profit for the year | 373.88 | 376.33 |
| Closing balance | 1,458.11 | 1,084.23 |
| Total (A+B+C) | 2,221.78 | 1,847.90 |

Notes forming part of the financial statements

4. Long-term borrowings

| Particulars | Non-current portion | | Current maturities | |
|--|--|--|--|--|
| | As at March 31, 2016 Rs. in lacs | As at March 31, 2015 Rs. in lacs | As at March 31, 2016 Rs. in lacs | As at March 31, 2015 Rs. in lacs |
| Secured | | | | |
| Term loans | | | | |
| - From banks | 653.50 | 343.50 | 340.00 | 355.08 |
| - From other party ¹ (refer S.No. 1b below) | - | - | 429.27 | 429.27 |
| | 653.50 | 343.50 | 769.27 | 784.35 |
| Less : Amount disclosed under head "other current liabilities" (refer note 9) | - | - | 769.27 | 784.35 |
| Total | 653.50 | 343.50 | - | - |

Details of terms of repayment for the long-term borrowings and security provided in respect of the secured long term borrowings:-

| S.No. | Particulars | Rate of interest | Terms and conditions | As at March 31, 2016 Rs. in lacs | As at March 31, 2015 Rs. in lacs |
|-------|---|--|---|--|--|
| 1. | Term loans | | | | |
| a) | From banks | | | | |
| i) | Loans for acquisition of plant and equipment | 13.5% to 12.85% (previous year 14% to 13.5%) | Secured by first charge on fixed/ block assets of the Company (both present and future). Repayable in 20 quarterly installments of Rs.30 lacs each (Due within one year: Rs. Nil). | - | 114.74 |
| ii) | Loan for Voluntary retirement scheme | 14% to 13.35% (previous year 14%) | Secured by first charge on fixed/block assets of the Company (both present and future) and collaterally secured by way of extension of charge on current assets. Repayable in quarterly installments of Rs. 35 lacs each (Due within one year: Rs. 140 lacs). | 343.50 | 483.50 |
| iii) | Loan for Purchase of vehicles | 10% -13.25% (previous year 10% -13.25%) | Secured by hypothecation of specific vehicles. Repayable in 36 to 60 monthly installments. (Due within one year : Rs. Nil). | - | 0.34 |
| iv) | Loan for repayment/ reimbursement of public fixed deposit | 14.25% to 13.6% (previous year 14.25%) | Secured by first charge on fixed assets of the Company (both present and future) and collaterally secured by way of extension of charge on current assets. Repayable in quarterly installments of Rs. 50 lacs each (Due within one year Rs. 200 lacs). | 650.00 | 100.00 |
| | | | Sub-total | 993.50 | 698.58 |
| b) | From Others | | | | |
| i) | Deferred payment loan ¹ | 15% (previous year 15%) | Installments payable to UPSIDC Limited towards land at Salempur Industrial Area, Hathras, (U.P.) to be secured by first charge on such land and buildings and machines thereon, which were repayable in 8 equal half yearly installments. | 429.27 | 429.27 |
| | | | Total | 1,422.77 | 1,127.85 |

Notes forming part of the financial statements

¹ In respect of the leasehold land at Salempur Industrial Area, Hathras, Uttar Pradesh, purchased from the U.P. State Industrial Development Corporation Limited (UPSIDC) on installment payment basis, the possession letter for the entire piece of land of 830 acres had been issued by UPSIDC. In view of claims of Forest Department on 265 acres of land costing Rs. 275.81 lacs (including Rs. 102.59 lacs lying under capital work in progress), the Company has not paid the installments due to UPSIDC, for which UPSIDC had served a notice to terminate the lease deed and forfeit the amount already paid. The Company had filed a writ petition in the High Court of Allahabad challenging the said notice along with waiver of interest claimed by UPSIDC as the possession of some part of land has been challenged by Forest Department. The High Court vide its order dated September 4, 2009 had disposed off the petition of the Company with a direction to UPSIDC to take a final decision on the objections raised by the Company in accordance with the law. However, no concrete steps have been taken by UPSIDC to resolve the matter inspite of clear directions of High Court of Allahabad.

The Company again filed a writ petition before the High Court of Allahabad on 30.08.2013 interalia praying for peaceful possession of 565 acres of land duly demarcated after removing the encroachment by local farmers alongwith adequate securities at the time of possession and directing UPSIDC to make up the loss of 265 acres of land claimed by the forest department at the same place or at any other place closer to Delhi. During the current year the Hon'ble High Court has passed an order dated December 2, 2015 and directed the parties to settle the disputes amicably by negotiation within six weeks. Till date no concrete discussions have taken place between the parties. The Company is expecting that the matter will be resolved on the intervention of the Hon'ble High Court at the earliest possible.

5. Other long-term liabilities

| Particulars | As at | As at |
|--------------------|-----------------------|-----------------------|
| | March 31, 2016 | March 31, 2015 |
| | Rs. in lacs | Rs. in lacs |
| Security deposits | 1,367.48 | 1,339.40 |
| Total | 1,367.48 | 1,339.40 |

6. Provisions

| Particulars | Long-term | | Short-term | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | As at | As at | As at | As at |
| | March 31, 2016 | March 31, 2015 | March 31, 2016 | March 31, 2015 |
| | Rs. in lacs | Rs. in lacs | Rs. in lacs | Rs. in lacs |
| Provision for employee benefits | | | | |
| - Compensated absences | 104.43 | 100.09 | 11.61 | 11.86 |
| Total | 104.43 | 100.09 | 11.61 | 11.86 |

Notes forming part of the financial statements

7. Short-term borrowings

| Particulars | As at March 31, 2016 Rs. in lacs | As at March 31, 2015 Rs. in lacs |
|----------------------------------|---|---|
| <u>Secured</u> | | |
| Loans repayable on demand | | |
| From banks¹ | | |
| - Cash credit | 4,866.82 | 6,406.13 |
| Total | <u>4,866.82</u> | <u>6,406.13</u> |

¹ Cash credit is secured by way of hypothecation of inventory and book debts and collaterally secured by way of second charge on entire block assets of the Company (both present and future). The cash credit is repayable on demand and carry interest @13.1% (previous year 13.5%) per annum.

8. Trade payables

| Particulars | As at March 31, 2016 Rs. in lacs | As at March 31, 2015 Rs. in lacs |
|---|---|---|
| i) total outstanding dues of micro enterprises and small enterprises; and | 139.54 | 72.98 |
| ii) total outstanding dues of creditors other than micro enterprises and small enterprises [#] | <u>7,154.76</u> | <u>5,998.44</u> |
| Total | <u>7,294.30</u> | <u>6,071.42</u> |

[#] includes acceptances of Rs. 2.13 lacs (previous year Rs. 2.13 lacs)

Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

| | | |
|---|--------|-------|
| i) Principal amount remaining unpaid to any supplier as at the end of the accounting year | 129.41 | 72.98 |
| ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year | 0.38 | - |
| iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day | - | - |
| iv) The amount of interest due and payable for the year | 10.12 | 3.97 |
| v) The amount of interest accrued and remaining unpaid at the end of the accounting year | 10.12 | 3.97 |
| vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid | 0.54 | - |

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Notes forming part of the financial statements**9. Other current liabilities**

| Particulars | As at March 31, 2016 Rs. in lacs | As at March 31, 2015 Rs. in lacs |
|---|---|---|
| Current maturities of long term debt | 769.27 | 784.35 |
| Interest accrued and due on borrowings ¹ | 724.52 | 659.96 |
| Unpaid dividends ² | - | 2.36 |
| Unclaimed interest on matured deposits ³ | 5.23 | 6.41 |
| Deferred income | 40.00 | - |
| Other payables | | |
| - Statutory dues and other taxes payable | 491.71 | 506.53 |
| - Interest payable on statutory dues | 380.86 | 363.45 |
| - Capital creditors | 25.17 | 26.11 |
| - Advance from customers | 208.88 | 170.38 |
| - Amount held in trust: | | |
| - for employees | 42.43 | 41.00 |
| - for others | - | 0.46 |
| - Security deposits | 11.98 | 175.00 |
| Total | <u>2,700.05</u> | <u>2,736.01</u> |

¹ Represents interest pertaining to Hathras land. Refer foot note¹ in note 4.

² Represents unclaimed dividend and does not include any amount required to be credited to Investor Education and Protection Fund.

³ Represents unclaimed interest on matured deposits and does not include any amount required to be credited to Investor Education and Protection Fund.

Notes forming part of the financial statements

10. Fixed assets

| (Rs. in lacs) | | | | | | | | | | |
|--|---------------------|---------------|---------------|---------------------|-----------------------------|-----------------|------------------|---------------------|---------------------|---------------------|
| Gross carrying amount | | | | | Depreciation / Amortization | | | | Net carrying amount | |
| Particulars | As at 31.03.2015 | Additions | Deductions | As at 31.03.2016 | As at 31.03.2015 | For the year | On deductions | As at 31.03.2016 | As at 31.03.2016 | As at 31.03.2015 |
| a) Tangible assets | | | | | | | | | | |
| Freehold land | 63.51 | - | 0.02 | 63.49 | - | - | - | - | 63.49 | 63.51 |
| Buildings | 722.10 | 164.95 | - | 887.05 | 557.11 | 17.25 | - | 574.36 | 312.69 | 164.99 |
| Plant and equipment | 4,999.74 | 277.15 | 32.70 | 5,244.19 | 2,955.51 | 222.92 | 25.90 | 3,152.53 | 2,091.66 | 2,044.23 |
| Office equipment | 109.59 | 2.34 | 19.03 | 92.90 | 97.27 | 3.14 | 19.01 | 81.40 | 11.50 | 12.32 |
| Electric installation | 75.31 | 0.76 | 0.05 | 76.02 | 56.90 | 3.74 | 0.03 | 60.61 | 15.41 | 18.41 |
| Lab equipment | 34.86 | - | - | 34.86 | 15.52 | 2.46 | - | 17.98 | 16.88 | 19.34 |
| Furniture and fixtures | 144.84 | 1.10 | 0.26 | 145.68 | 129.33 | 3.09 | 0.17 | 132.25 | 13.43 | 15.51 |
| Vehicles | 298.66 | 33.91 | 53.26 | 279.31 | 222.02 | 23.79 | 50.09 | 195.72 | 83.59 | 76.64 |
| Data processing machine | 122.96 | 5.94 | 40.38 | 88.52 | 113.57 | 5.62 | 40.18 | 79.01 | 9.51 | 9.39 |
| Assets under lease | | | | | | | | | | |
| Leasehold land ¹ | 542.88 | - | - | 542.88 | - | - | - | - | 542.88 | 542.88 |
| Sub-total | 7,114.45 | 486.15 | 145.70 | 7,454.90 | 4,147.23 | 282.01 | 135.38 | 4,293.86 | 3,161.04 | 2,967.22 |
| b) Intangible assets | | | | | | | | | | |
| Computer software | - | 37.97 | - | 37.97 | - | 19.00 | - | 19.00 | 18.97 | - |
| Sub-total | - | 37.97 | - | 37.97 | - | 19.00 | - | 19.00 | 18.97 | - |
| c) Capital work-in-progress ¹ | | | | | | | | | 592.82 | 584.12 |
| d) Intangible assets under development | | | | | | | | | - | 37.97 |
| Total (a+b+c+d) | | | | | | | | | 3,772.83 | 3,589.31 |

¹ Includes Rs.1032.16 lacs (including capital work in progress of Rs.489.61 lacs) for Hathras project. Refer foot note¹ in note 4.

| Gross carrying amount | | | | | Depreciation | | | | Net carrying amount | |
|---------------------------------------|---------------------|--------------|-------------|---------------------|---------------------|-----------------|---------------------------|---|---------------------|---------------------|
| Particulars | As at 31.03.2014 | Additions | Deductions | As at 31.03.2015 | As at 31.03.2014 | For the year | On Reversal deductions | Change of method i.e. WDV to SLM ² | As at 31.03.2015 | As at 31.03.2015 |
| Tangible assets | | | | | | | | | | |
| Freehold land | 63.51 | - | - | 63.51 | - | - | - | - | - | 63.51 |
| Buildings | 721.47 | 0.63 | - | 722.10 | 594.50 | 51.91 | - | 89.30 | 557.11 | 164.99 |
| Plant and equipment | 4,978.42 | 23.87 | 2.55 | 4,999.74 | 3,455.71 | 261.59 | 1.07 | 760.72 | 2,955.51 | 2,044.23 |
| Office equipment | 105.67 | 3.92 | - | 109.59 | 84.64 | 29.75 | - | 17.12 | 97.27 | 12.32 |
| Electric installation | 71.33 | 3.98 | - | 75.31 | 58.47 | 4.03 | - | 5.60 | 56.90 | 18.41 |
| Lab equipment | 18.54 | 16.32 | - | 34.86 | 17.33 | 2.49 | - | 4.30 | 15.52 | 19.34 |
| Furniture and fixtures | 143.79 | 1.05 | - | 144.84 | 132.24 | 13.24 | - | 16.15 | 129.33 | 15.51 |
| Vehicles | 279.25 | 19.41 | - | 298.66 | 240.74 | 21.48 | - | 40.20 | 222.02 | 76.64 |
| Data processing machine | 117.08 | 5.88 | - | 122.96 | 108.84 | 10.68 | - | 5.95 | 113.57 | 9.39 |
| Assets under lease | | | | | | | | | | |
| Leasehold land ¹ | 542.88 | - | - | 542.88 | - | - | - | - | - | 542.88 |
| Sub-total | 7,041.94 | 75.06 | 2.55 | 7,114.45 | 4,692.47 | 395.17 | 1.07 | 939.34 | 4,147.23 | 2,967.22 |
| Capital work-in-progress ¹ | | | | | | | | | | 584.12 |
| Intangible assets under development | | | | | | | | | | 37.97 |
| Total | | | | | | | | | | 3,589.31 |

¹ Includes Rs.1032.16 lacs (including capital work in progress of Rs.489.61 lacs) for Hathras and related project. Refer foot note¹ in note 4.

² Refer note 30.

Notes forming part of the financial statements

11. Non-current Investments

| Particulars | As at 31.03.2016 Rs. in lacs | As at 31.03.2015 Rs. in lacs |
|---|------------------------------------|------------------------------------|
| Long-term investments (at cost, unless otherwise stated) | | |
| Investments in equity shares | | |
| Trade | | |
| Quoted | | |
| - In associate company | | |
| <u>Equity shares of Re.1 each fully paid</u> | | |
| 366,408 shares; (previous year 366,408 shares) of National Cereals Products Limited (including 25,056 shares (previous year 25,056 shares) amounting to Rs.3,082 (previous year Rs.3,082) held under trust by the Company) | 0.46 | 0.46 |
| Unquoted | | |
| - In associate company | | |
| <u>Equity shares of Rs.10 each fully paid</u> | | |
| 30,000 shares; (previous year 30,000 shares) of Mohan Closures Limited | 3.00 | 3.00 |
| - Others | | |
| <u>Equity shares of Rs.10 each fully paid</u> | | |
| 89,000 shares; (previous year 89,000 shares) of Mohan Rocky Springwater Breweries Limited | 8.90 | 8.90 |
| 76,000 shares; (previous year 76,000 shares) of Mohan Goldwater Breweries Limited | 7.60 | 7.60 |
| 29,50,400 shares; (previous year 29,50,400 shares) of Macdonald Mohan Distillers Limited, a company under liquidation (at book value) | # | # |
| <u>Equity shares of Rs.10 each fully paid</u> | | |
| 18,738 shares; (previous year 18,738 shares) of Arthos Breweries Limited | 1.69 | 1.69 |
| Sub-total (A) | 21.65 | 21.65 |
| Non-trade | | |
| Quoted | | |
| -Others | | |
| <u>Equity shares of Re.1 each fully paid</u> | | |
| 63,941 shares; (previous year 52,197 shares) of The Indian Hotels Company Limited | 13.80 | 7.35 |
| <u>Equity shares of Rs.10 each fully paid</u> | | |
| 48,650 shares; (previous year 48,650 shares) of John Oakey & Mohan Limited | 4.87 | 4.87 |
| 30,000 shares; (previous year 30,000 shares) of Tai Industries Limited | 3.00 | 3.00 |
| -Others | | |
| <u>Equity shares of Rs.10 each fully paid</u> | | |
| 100,000 shares; (previous year 100,000 shares) of Maruti Limited (at book value) | # | # |
| 83,300 shares; (previous year 83,300 shares) of Sideco Mohan Tools Kerala Limited (at book value) | # | # |

Notes forming part of the financial statements

| Particulars | As at 31.03.2016 Rs. in lacs | As at 31.03.2015 Rs. in lacs |
|--|------------------------------------|------------------------------------|
| 5,000 shares; (previous year 5,000 shares) of Associated Journals Limited (at book value) | # | # |
| 22,500 shares; (previous year 22,500 shares) of Mohan Carpets (India) Limited (at book value) | # | # |
| <u>Equity shares of Rs.100 each fully paid</u> | | |
| 150 shares; (previous year 150 shares) of Fabron Textile & General Industries Private Limited (at book value) | # | # |
| <u>Debenture of Rs. 55 each</u> | | |
| 11744 Compulsory Convertible Debenture of The Indian Hotel Co. (at book value) | - | 6.45 |
| Sub-total (B) | 21.67 | 21.67 |
| Investment in government securities (Including Rs 3.04 lacs; previous year Rs 3.04 lacs; lodged as security deposits) | | |
| Unquoted | | |
| 4% Loan 1980 | 0.05 | 0.05 |
| 4 3/4% Loan 1989 | 0.37 | 0.37 |
| 5 3/4% M.P. Development Loan 1980 | 0.02 | 0.02 |
| 4 1/2% Ten Year Defence Deposit Certificates | 0.10 | 0.10 |
| 12 Year National Plan Certificates | 0.20 | 0.20 |
| 12 Year National Defence Certificates | 0.05 | 0.05 |
| 7 Year National Savings Certificates | 2.01 | 2.01 |
| 6 Year National Savings Certificates | 0.28 | 0.28 |
| Sub-total (C) | 3.08 | 3.08 |
| Investment property (at written down value) | | |
| Freehold land and buildings | | |
| Cost per last balance sheet | 1.02 | 1.02 |
| Less : Depreciation to date (Depreciation to date Rs.94,358 (previous year Rs.94,062)) | 0.94 | 0.94 |
| Sub-total (D) | 0.08 | 0.08 |
| Total (A)+(B)+(C) +(D) | 46.48 | 46.48 |

represent Re.1

Aggregate amount of quoted investments - Rs.22.13 lacs (previous year Rs.22.13 lacs); Market value - Rs.81.34 lacs (previous year Rs.84.97 lacs).

Aggregate amount of unquoted investments - Rs.24.35 lacs (previous year Rs.24.35 lacs).

Notes forming part of the financial statements**12. Deferred tax assets (net)**

| Particulars | As at March 31, 2016 Rs. in lacs | As at March 31, 2015 Rs. in lacs |
|---|---|---|
| Deferred tax assets on | | |
| - Provision for doubtful debts and advances | 277.11 | 277.11 |
| - Accrued expenses deductible on payment | 294.95 | 305.84 |
| - Unabsorbed depreciation | - | 95.65 |
| - Others | 104.19 | 148.51 |
| Sub-total (A) | 676.25 | 827.11 |
| Less : | | |
| Deferred tax liabilities on | | |
| - Accumulated depreciation | 404.77 | 418.05 |
| - Prepaid expenses deductible on payment | 57.69 | 59.77 |
| Sub-total (B) | 462.46 | 477.82 |
| Deferred tax assets (net) (A) - (B) | 213.79 | 349.29 |

13. Long-term loans and advances

| Particulars | As at March 31, 2016 Rs. in lacs | As at March 31, 2015 Rs. in lacs |
|---|---|---|
| (unsecured, considered good unless stated otherwise) | | |
| Capital advances | 84.33 | 39.60 |
| Security deposits | 244.65 | 244.35 |
| Prepaid expenses | 2.25 | 2.99 |
| Other recoverable | 7.90 | 8.96 |
| Advance tax (net of provisions) | 1,261.44 | 1,054.16 |
| Minimum alternate tax credit entitlement | 326.70 | 146.00 |
| Recoverable from government authorities-Good | 40.18 | 47.23 |
| - Doubtful | 46.82 | 50.22 |
| | 2,014.27 | 1,593.51 |
| Less : Allowance for doubtful advances | (46.82) | (50.22) |
| Total | 1,967.45 | 1,543.29 |

14. Other non-current assets

| Particulars | As at March 31, 2016 Rs. in lacs | As at March 31, 2015 Rs. in lacs |
|---|---|---|
| Fixed deposits held as lien with government authorities | 130.50 | 121.62 |
| Total | 130.50 | 121.62 |

Notes forming part of the financial statements

15. Inventories (at cost and net realisable value, whichever is lower)

| Particulars | As at March 31, 2016 Rs. in lacs | As at March 31, 2015 Rs. in lacs |
|---|--|--|
| Raw materials including packing materials | 1,298.06 | 1,144.50 |
| Work-in-process ¹ | 105.01 | 79.68 |
| Finished goods | 2,969.83 | 3,035.53 |
| Stock in trade (acquired for trading) | 66.45 | 69.43 |
| Stores and spares | 481.99 | 501.92 |
| Loose tools | 0.09 | 0.09 |
| Total | 4,921.43 | 4,831.15 |
| <u>¹Details of work-in-progress</u> | | |
| Bulk Beer | 81.80 | 44.31 |
| Bulk spirit | 17.19 | 7.13 |
| Maize grits etc. | 6.02 | 28.24 |
| Total | 105.01 | 79.68 |

16. Trade receivables

| Particulars | As at March 31, 2016 Rs. in lacs | As at March 31, 2015 Rs. in lacs |
|--|--|--|
| Receivables outstanding for a period exceeding six months from the due date of payment | | |
| - Secured, considered good ¹ | 38.80 | 53.24 |
| - Unsecured - considered good ¹ | 1,179.00 | 1,410.23 |
| - Doubtful | 745.79 | 745.79 |
| | 1,963.59 | 2,209.26 |
| Less : Allowance for doubtful debts | (745.79) | (745.79) |
| Sub-total (A) | 1,217.80 | 1,463.47 |
| Other receivables | | |
| - Secured, considered good | 960.14 | 420.23 |
| - Unsecured, considered good ¹ | 4,268.49 | 5,092.86 |
| Sub-total (B) | 5,228.63 | 5,513.09 |
| Total (A)+(B) | 6,446.43 | 6,976.56 |
| ¹ Trade receivables include amounts receivable from a Private Limited Company in which a director is director | 332.51 | 361.83 |

Notes forming part of the financial statements**17. Cash and cash equivalents**

| Particulars | As at March 31, 2016 Rs. in lacs | As at March 31, 2015 Rs. in lacs |
|--|---|---|
| Cash on hand | 9.58 | 7.45 |
| Cheques in hand | 60.00 | - |
| Balance with bank on : | | |
| Current accounts | 463.71 | 445.39 |
| Fixed deposits | 39.70 | 51.70 |
| Saving bank account (employees' security deposits) | 0.01 | 0.01 |
| Margin deposits | 0.01 | 0.01 |
| Unpaid dividends | - | 2.36 |
| Total | 573.01 | 506.92 |

18. Short-term loans and advances

| Particulars | As at March 31, 2016 Rs. in lacs | As at March 31, 2015 Rs. in lacs |
|---|---|---|
| (unsecured, considered good unless stated otherwise) | | |
| Balance with government authorities | 464.27 | 710.40 |
| Dues from employees | 18.26 | 27.82 |
| Prepaid expenses | 170.19 | 122.07 |
| <u>Other loans and advances</u> | | |
| Advance to suppliers | 310.94 | 329.15 |
| Insurance claim receivables | 6.36 | 4.18 |
| Other recoverable - Good | 541.22 | 11.53 |
| - Doubtful | 41.14 | 41.14 |
| | 1,552.38 | 1,246.29 |
| Less : Allowance for doubtful advances | (41.14) | (41.14) |
| Total | 1,511.24 | 1,205.15 |

19. Other current assets

| Particulars | As at March 31, 2016 Rs. in lacs | As at March 31, 2015 Rs. in lacs |
|--|---|---|
| Interest accrued on Investments and deposits | 39.97 | 30.32 |
| Assets held for sale | 11.46 | 11.46 |
| Surplus in gratuity fund (net) | 10.80 | 70.18 |
| Total | 62.23 | 111.96 |

Notes forming part of the financial statements**20. a) Contingent liabilities and commitments (not provided for)**

| Particulars | As at March 31, 2016 Rs. in lacs | As at March 31, 2015 Rs. in lacs |
|---|--|--|
| (i) Contingent liabilities | | |
| In respect of - | | |
| Claims against the Company not acknowledged as debts ¹ | 887.03 | 915.06 |
| Income tax matters ¹ | 423.95 | 423.95 |
| Excise / Customs duty matters ¹ | 374.24 | 387.45 |
| Sales tax matters ¹ | 1,482.77 | 1,484.82 |

(ii) Commitments

| | | |
|--|--------|-------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for | 126.67 | 33.83 |
|--|--------|-------|

¹ Matters are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded will not, in the opinion of the management, have a material effect on the results of the operations or financial position. Liabilities include interest and penalty.

- b) (i) The Company had entered into a long term contract with GAIL (India) Ltd. (GAIL) in December, 2008 for the period of 20 years for lifting the agreed quantity of gas of 25000 SCM per day primarily for its Glass Bottling Unit at Mohan Nagar, Ghaziabad. Due to the discriminatory and arbitrary pricing charged by GAIL from the Glass Bottlers of Ferozabad and from the Company. The Company had incurred significant losses. Considering the significant losses, the Company had taken up the matter with GAIL but inspite of long discussion and correspondences, the Company did not get any satisfactory response. Under those circumstances, in order to mitigate the future losses, the Company had no option but to close down its Glass Bottling Unit permanently w.e.f. 01.03.2014. In view of this, the Company had requested GAIL to reduce the agreed quantity of gas from 25000 SCM per day to 4000 SCM per day under the force majeure conditions as per the agreement entered with GAIL. Pursuant to the said request GAIL has replaced the meters and pipeline at Mohan Nagar to cater for the reduced off take and has accepted Letter of Credit for the year 2014 and 2015 under the Agreement to cover supplies and receipt of payment for the reduced off take.

Notwithstanding above, the Company has received demand notice from GAIL of Rs.9.94 crores and Rs. 29.76 crores in relation to deficiency in the quantity of gas lifted during the Calender Year 2014 and 2015 respectively, computed on the basis of 25000 SCM per day. The Company has also received deficiency intimation for the period from January 1, 2016 to March 31, 2016 based on 25000 SCM. The Company has challenged the above matter at appropriate higher authorities and has obtained stay from the Hon'ble High Court of Delhi against the recovery of the aforesaid demand of Rs. 9.94 crores and also filed its application to Arbitrator as mutually approved against both the aforesaid demands which have been stayed pending the decision of the Arbitrator for which the next date of hearing is fixed in the month of July 2016. During the course of reply to Arbitrator, GAIL had also given an offer for one time settlement of Rs. 1.82 crores based on the actual loss incurred against the demand raised of Rs. 9.94 crores for Calender Year 2014 which the Company had not accepted as the GAIL did not incur any losses, according to the Company.

Based on the above facts, legal advice and terms and conditions as per the agreement, the management is confident that the demand is not tenable and will be dropped and thus the Company does not foresee any liability as on the reporting date.

- (ii) There are no other long term contracts for which there were any material foreseeable losses.

Notes forming part of the financial statements

21. Revenue from operations

| Particulars | Year ended March 31, 2016 Rs. in lacs | Year ended March 31, 2015 Rs. in lacs |
|---------------------------------------|--|--|
| Sale of products - Manufactured goods | 29,774.59 | 28,651.77 |
| Sale of traded goods | 26,532.95 | 22,737.42 |
| | 56,307.54 | 51,389.19 |
| Less : Excise duty | 13,213.71 | 11,614.52 |
| Sub-total (A) | 43,093.83 | 39,774.67 |
| Other operating revenues | | |
| - Other miscellaneous sales # | 377.19 | 293.12 |
| - Export incentives | 39.18 | 31.34 |
| - Royalty income | 766.41 | 835.84 |
| - Cold storage charges | 16.97 | 16.22 |
| Sub-total (B) | 1,199.75 | 1,176.52 |
| Total (A)+(B) | 44,293.58 | 40,951.19 |

Includes sale of scrap, sale of mixture of materials, etc.

Particulars of sales of manufactured goods and traded goods

(a) Manufactured goods

| | | |
|-----------------------------|------------------|-----------|
| Beer | 6,396.44 | 7,061.04 |
| IMFL - bottled stock | 18,122.95 | 16,155.77 |
| Spirit | 1,880.13 | 1,757.21 |
| Juices and canned products | 186.17 | 203.16 |
| Maize, rice and corn flakes | 2,817.82 | 2,783.37 |
| Wheat porridge | 22.02 | 25.33 |
| Glass bottles | 59.61 | 208.62 |
| Miscellaneous | 289.45 | 457.27 |
| Total | 29,774.59 | 28,651.77 |

(b) Traded goods

| | | |
|--------------|------------------|-----------|
| Beer | 1,214.45 | 1,241.30 |
| IMFL | 25,318.50 | 21,496.12 |
| Total | 26,532.95 | 22,737.42 |

Notes forming part of the financial statements**22. Other income**

| Particulars | Year ended March 31, 2016 Rs. in lacs | Year ended March 31, 2015 Rs. in lacs |
|--|--|--|
| Interest income | 82.95 | 113.99 |
| Dividend income from non-trade non-current investments | 2.93 | 0.79 |
| Profit on sale of fixed assets | 526.98 | 131.65 |
| Sale of scrap | 102.41 | 47.34 |
| Rent from non-current investment in immovable property | 1.31 | 1.39 |
| Other rent | 29.58 | 31.79 |
| Excess provision / unclaimed balances written back | 107.23 | 94.43 |
| Provision for diminution in value of non-trade non-current investment written back | - | 0.19 |
| Miscellaneous income | 44.40 | 191.90 |
| Total | 897.79 | 613.47 |

23. Cost of materials consumed

| Particulars | Year ended March 31, 2016 Rs. in lacs | Year ended March 31, 2015 Rs. in lacs |
|--|--|--|
| Malt and malt extract | 597.70 | 433.23 |
| Barley, maize, wheat, rice flakes, etc. | 822.78 | 1,001.84 |
| Spirit ¹ | 2,383.78 | 2,436.89 |
| Molasses | - | 1.65 |
| Raisins | 11.97 | - |
| Hops and hop pellets | 15.02 | 13.04 |
| Sugar | 182.83 | 232.17 |
| Sundry chemicals | 20.30 | 23.94 |
| Juices etc. | 34.00 | 33.12 |
| Bottles and other packing materials ² | 4,018.08 | 4,038.05 |
| Total | 8,086.46 | 8,213.93 |

¹ Excluding spirit consumed out of own production.² Excluding bottles consumed out of own production.**24. Purchase of stock-in-trade (traded goods)**

| Particulars | Year ended March 31, 2016 Rs. in lacs | Year ended March 31, 2015 Rs. in lacs |
|--------------------|--|--|
| Beer | 990.87 | 984.21 |
| IMFL | 24,798.04 | 21,169.67 |
| Total | 25,788.91 | 22,153.88 |

Notes forming part of the financial statements**25. Changes in inventories of finished goods, work-in-progress and stock-in-trade**

| Particulars | Year ended March 31, 2016 Rs. in lacs | Year ended March 31, 2015 Rs. in lacs |
|----------------------------|---|---|
| Finished goods - Opening | 3,035.53 | 3,943.82 |
| - Closing | 2,969.83 | 3,035.53 |
| Sub-total (A) | 65.70 | 908.29 |
| Work-in-progress - Opening | 79.68 | 108.74 |
| - Closing | 105.01 | 79.68 |
| Sub-total (B) | (25.33) | 29.06 |
| Stock-in-trade - Opening | 69.43 | 68.84 |
| - Closing | 66.45 | 69.43 |
| Sub-total (C) | 2.98 | (0.59) |
| Total (A)+(B)+(C) | 43.35 | 936.76 |

26. Employee benefits expenses

| Particulars | Year ended March 31, 2016 Rs. in lacs | Year ended March 31, 2015 Rs. in lacs |
|---|---|---|
| Salaries, wages, bonus etc. | 2,085.76 | 1,981.54 |
| Company's contribution to provident fund and pension scheme | 137.02 | 130.05 |
| Staff welfare expenses | 155.91 | 150.98 |
| Total | 2,378.69 | 2,262.57 |

27. Finance costs

| Particulars | Year ended March 31, 2016 Rs. in lacs | Year ended March 31, 2015 Rs. in lacs |
|--|---|---|
| Interest expenses on borrowings | 1,051.30 | 1,081.77 |
| Interest expenses on micro enterprises and small enterprises | 10.12 | 3.97 |
| Other borrowing costs | 37.66 | 35.81 |
| Total | 1,099.08 | 1,121.55 |

28. Depreciation and amortization expenses

| Particulars | Year ended March 31, 2016 Rs. in lacs | Year ended March 31, 2015 Rs. in lacs |
|-------------------------------------|---|---|
| Depreciation on fixed assets | 301.01 | 395.17 |
| Depreciation on investment property | # | # |
| Total | 301.01 | 395.17 |

represent current year Rs.375 (previous year Rs.395)

Notes forming part of the financial statements

29. Other expenses

| Particulars | Year ended March 31, 2016 Rs. in lacs | Year ended March 31, 2015 Rs. in lacs |
|--|---|---|
| Stores and spares consumed | 347.06 | 353.16 |
| Increase/(decrease) in excise duty on finished goods and captive consumption | 2.93 | (17.26) |
| Power and fuel ¹ | 1,387.62 | 1,547.72 |
| Repairs | | |
| - Building | 107.67 | 103.80 |
| - Plant and machinery | 241.86 | 262.11 |
| - Other repairs | 90.84 | 96.47 |
| Rent | 127.82 | 111.27 |
| Insurance | 41.50 | 63.74 |
| Rates and taxes | 381.00 | 367.13 |
| Legal and professional charges | 254.28 | 126.39 |
| Travelling and conveyance | 102.29 | 95.74 |
| Advertisement, sales promotion and publicity | 36.99 | 25.97 |
| Freight and cartage | 734.80 | 787.64 |
| Voluntary retirement scheme expenses | 19.40 | 47.12 |
| Stores, spares and packing material written off | 98.64 | 86.78 |
| Fixed assets written off | 10.21 | 0.65 |
| Loss on sale of fixed assets | 0.02 | - |
| Depot operation charges / selling expenses | 789.90 | 777.62 |
| Provision for doubtful debts and advances | - | 418.96 |
| Bad debts and advances written off | 0.22 | 19.21 |
| Payment to Auditors (inclusive of service tax) | | |
| -To statutory auditor | | |
| - Statutory audit fees | 38.89 | 33.71 |
| - Fees for limited review, certificate etc. | 13.72 | 14.38 |
| - Out-of-pocket expenses | 0.80 | 1.34 |
| -To branch auditor | | |
| - Statutory audit fees | 0.40 | 0.40 |
| - Tax audit fees | 0.40 | - |
| - Fees for limited review, certificate etc. | 0.19 | 0.25 |
| - Out-of-pocket expenses | 0.14 | 0.13 |
| Breakages, leakages, samples and cash discount | 152.73 | 145.82 |
| Commission to - Selling agents | 544.46 | 571.34 |
| - others | 1.19 | 3.12 |
| Manufacturing and works expenses | 374.24 | 351.78 |
| Miscellaneous expenses ² | 1,070.49 | 437.41 |
| Total | 6,972.70 | 6,833.90 |

¹ Power and fuel is net of recoveries of Rs.60.87 lacs (previous year Rs 105.26 lacs)

² Includes reallocation expenses of Rs. 500 lacs (previous year Rs. Nil)

Notes forming part of the financial statements

30. Exceptional item

During the previous year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company has changed its method of depreciation for fixed assets from written down value (WDV) method to straight line method (SLM). Consequent to this change, all assets are now being depreciated under SLM. The Company has also revised the estimated useful life of its assets to align the useful life with those specified in Schedule II. Consequent to the above changes, the depreciation charge for the previous year ended March 31, 2015 is higher by Rs 15.40 lacs and the effect relating to the prior period to April 1, 2014 is net credit of Rs 939.34 lacs has been shown as an exceptional item in the statement of profit and loss.

| Assets | Previous depreciation method | Previous depreciation rate / useful life | Revised useful life based on SLM as per schedule II of Companies Act, 2013 |
|-------------------------|-------------------------------------|---|---|
| Buildings | WDV | 10% / ~28 years | 30 years |
| Plant and Equipment | WDV | 13.91% / ~20 years | 15 years |
| Office Equipment | WDV | 13.91% / ~20 years | 5 years |
| Electric Installation | WDV | 13.91% / ~20 years | 10 years |
| Lab Equipment | WDV | 13.91% / ~20 years | 10 years |
| Furniture and Fixtures | WDV | 18.10% / ~15 years | 10 years |
| Vehicles | WDV | 30% / ~6 years | 8 years |
| Data Processing Machine | WDV | 40% / ~6 years | 3 years |

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets (determined after considering the change in the method of depreciation from WDV to SLM), net of residual value, where the remaining useful life of the asset was determined to be Nil as on April 1, 2014, and has been charged to Statement of Profit and loss of Rs.128.94 lacs during the previous year ended March 31, 2015.

31. Employee benefits

The Company has recognised various employee benefits provided to employees as under :

| i) Employee plans | Year ended March 31, 2016 Rs.in lacs | Year ended March 31, 2015 Rs.in lacs |
|--|---|---|
| <u>Employers' contribution to</u> | | |
| a) Provident fund | 58.21 | 59.32 |
| b) Pension scheme | 78.81 | 70.73 |

ii) Defined benefit plans

- a) Gratuity
- b) Compensated absences – Earned leave

In accordance with AS - 15 (revised 2005), actuarial valuation was done in respect of the aforesaid defined benefit plans and details of the same are given below :

Notes forming part of the financial statements

| Particulars | Gratuity (Funded) | | Compensated absences (Unfunded) | |
|---|--|--|--|--|
| | Year ended March 31, 2016 Rs.in lacs | Year ended March 31, 2015 Rs.in lacs | Year ended March 31, 2016 Rs.in lacs | Year ended March 31, 2015 Rs.in lacs |
| Principal assumptions | | | | |
| Discount rate (per annum) | 8.00% | 8.00% | 8.00% | 8.00% |
| Future salary increase | 5.50% | 5.50% | 5.50% | 5.50% |
| Expected rate of return on plan assets | 8.50/8.35% | 9.00% | - | - |
| In service mortality | IALM (2006-08) | IALM (2006-08) | IALM (2006-08) | IALM (2006-08) |
| I. Expense recognised in the statement of profit and loss | | | | |
| Current service cost | 39.44 | 37.99 | 7.34 | 7.38 |
| Interest cost | 77.70 | 81.20 | 8.96 | 9.99 |
| Expected return of plan assets | (93.73) | (93.60) | - | - |
| Net actuarial (gain) / loss recognised in the year | 42.02 | 8.45 | 1.96 | (9.34) |
| Total expense | 65.43 | 34.04 | 18.26 | 8.03 |
| II. Net asset/(liability) recognised in the balance sheet | | | | |
| Present value of Defined benefit obligation | 994.78 | 971.30 | 116.04 | 111.95 |
| Fair value of plan assets | 1,005.58 | 1,041.48 | - | - |
| Funded status [surplus/(deficit)] | 10.80 | 70.18 | (116.04) | (111.95) |
| Net asset/(liability) | 10.80 | 70.18 | (116.04) | (111.95) |
| Further classification : | | | | |
| - Short term provision | - | - | 11.61 | 11.86 |
| - Long term provision | - | - | 104.43 | 100.09 |
| - Other current assets | 10.80 | 70.18 | - | - |
| III. Change in the present value of obligation during the year | | | | |
| Present value of obligation as at the beginning of the year | 971.30 | 955.36 | 111.95 | 117.53 |
| Interest cost | 77.70 | 81.20 | 8.96 | 9.99 |
| Current service cost | 39.44 | 37.99 | 7.34 | 7.38 |
| Benefits paid | (123.91) | (108.48) | (14.16) | (13.61) |
| Mortality Charges from LIC | - | (0.06) | - | - |
| Actuarial (gains) / losses on obligation | 30.25 | 5.29 | 1.96 | (9.34) |
| Present value of obligation as at the end of the year | 994.78 | 971.30 | 116.04 | 111.95 |

Notes forming part of the financial statements

| Particulars | Gratuity (Funded) | | Compensated absences (Unfunded) | |
|--|--|--|--|--|
| | Year ended March 31, 2016 Rs.in lacs | Year ended March 31, 2015 Rs.in lacs | Year ended March 31, 2016 Rs.in lacs | Year ended March 31, 2015 Rs.in lacs |
| IV. Change in the fair value of plan assets during the year | | | | |
| Fair value of plan assets as at the beginning of the year | 1,041.48 | 1,039.98 | - | - |
| Expected return on plan assets | 93.72 | 93.60 | - | - |
| Contribution | 6.23 | 19.60 | - | - |
| Benefits paid | (123.91) | (108.48) | - | - |
| Fund Management Charges | (0.17) | (0.06) | - | - |
| Actuarial gains / (losses) on plan assets | (11.77) | (3.16) | - | - |
| Fair value of plan assets as at the end of the year | 1,005.58 | 1,041.48 | - | - |
| V. Detail of plan assets :- Funded with LIC # | | | | |

The plan assets are maintained with Life Insurance Corporation of India Gratuity Scheme. The details of investments maintained by the Life Insurance Corporation are not made available to the Company and have therefore not been disclosed.

| Particulars | Gratuity (Funded) | | Compensated absences (Unfunded) | |
|---|--|--|--|--|
| | Year ended March 31, 2016 Rs.in lacs | Year ended March 31, 2015 Rs.in lacs | Year ended March 31, 2016 Rs.in lacs | Year ended March 31, 2015 Rs.in lacs |
| VI. Other disclosures | | | | |
| Present value of Defined benefit obligation as at the end of the year | 994.78 | 971.30 | 116.04 | 111.95 |
| Fair value of plan assets as at the end of the year | 1,005.58 | 1,041.48 | - | - |
| Funded status [asset/(liability)] as at the end of the year | 10.80 | 70.18 | (116.04) | (111.95) |
| Experience adjustment on plan liabilities (loss)/gain | (30.25) | (5.29) | (1.96) | 9.34 |
| Experience adjustment on plan assets (loss)/gain | (11.77) | (3.16) | - | - |

Notes forming part of the financial statements

| | Gratuity (Funded) | | | Compensated absences (Unfunded) | | |
|---|--|--|--|--|--|--|
| Particulars | Year ended March 31, 2014 Rs.in lacs | Year ended March 31, 2013 Rs.in lacs | Year ended March 31, 2012 Rs.in lacs | Year ended March 31, 2014 Rs.in lacs | Year ended March 31, 2013 Rs.in lacs | Year ended March 31, 2012 Rs.in lacs |
| VI. Other disclosures Contd. | | | | | | |
| Present value of Defined benefit obligation as at the end of the year | 955.35 | 1,135.06 | 1,147.40 | 117.53 | 152.38 | 141.62 |
| Fair value of plan assets as at the end of the year | 1,039.98 | 1,233.09 | 1,108.74 | - | - | - |
| Funded status [surplus/(deficit)] as at the end of the year | 84.63 | 98.03 | (38.66) | (117.53) | (152.38) | (141.62) |
| Experience adjustment on plan liabilities (loss)/gain | (25.91) | 67.36 | 24.23 | 13.04 | 10.95 | (20.82) |
| Experience adjustment on plan assets (loss)/gain | (14.63) | (2.76) | (15.12) | - | - | - |

32. Segment reporting

A. Business segments

Based on the guiding principles given in Accounting Standard (AS) - 17 'Segment Reporting', the Company's business segments include : Alcoholic products (including whiskies, brandies, gins, beers and rums etc.) and Non-alcoholic products (including juice, vinegar, mineral water, breakfast foods and malt extract etc.).

B. Geographical segments

Considering the nature of products / services it deals in and the threshold related to sales, results and assets outside the Country, there is only one geographical segment.

C. Segment accounting policies

In addition to the significant accounting policies applicable to the business segment as set out in note 1 above, the accounting policies in relation to segment accounting are as under:

a. Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowances and provisions which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Segment assets and liabilities do not include investments, share capital, reserves and surplus, loan funds, dividends payable, income-tax (current and deferred tax) and certain other assets and liabilities not allocable to the segments on a reasonable basis. While most of the assets/liabilities can be directly attributed to individual segments, the carrying amount of certain assets / liabilities pertaining to two or more segments are allocated to the segments on a reasonable basis.

b. Segment revenue and expenses

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

c. Unallocated expenses

Unallocated expenses represents general administrative expenses, head-office expenses and other expenses that arise at the Company level and relate to the Company as a whole. As such, these expenses have not been considered in arriving at the segment results.

Notes forming part of the financial statements

Segment reporting (Contd.)

| Particulars | Year ended March 31, 2016 | | | | Year ended March 31, 2015 | | | |
|--|---------------------------|-----------------------------|---------------------------|---------------------|---------------------------|-----------------------------|---------------------------|---------------------|
| | Alcoholic Rs.in lacs | Non-Alcoholic Rs.in lacs | Unallocated Rs.in lacs | Total Rs.in lacs | Alcoholic Rs.in lacs | Non-Alcoholic Rs.in lacs | Unallocated Rs.in lacs | Total Rs.in lacs |
| Segment revenue | | | | | | | | |
| External sales (excluding excise duty) | 40,235.57 | 2,858.26 | - | 43,093.83 | 36,771.23 | 3,003.44 | - | 39,774.67 |
| Other operating income (excluding interest income) | 1,182.79 | 16.96 | - | 1,199.75 | 1,160.30 | 16.22 | - | 1,176.52 |
| Total revenue | 41,418.36 | 2,875.22 | - | 44,293.58 | 37,931.53 | 3,019.66 | - | 40,951.19 |
| Segment results before exceptional item, finance cost and tax | 1,339.70 | 241.93 | (44.33) | 1,537.30 | 1,049.64 | 133.18 | (528.36) | 654.46 |
| Exceptional item (see note 30) | | | | | | | | |
| Depreciation on account of change in accounting policy | - | - | - | - | 786.26 | 92.31 | 60.77 | 939.34 |
| Segment results after exceptional item | 1,339.70 | 241.93 | (44.33) | 1,537.30 | 1,835.90 | 225.49 | (467.59) | 1,593.80 |
| Interest income | | | | 82.95 | | | | 113.99 |
| Profit before finance costs and tax | | | | 1,620.25 | | | | 1,707.79 |
| Finance costs | | | | (1,099.08) | | | | (1,121.55) |
| Profit before tax | | | | 521.17 | | | | 586.24 |
| Provision for tax (net) | | | | 11.78 | | | | - |
| Deferred tax charge | | | | 135.51 | | | | 209.91 |
| Profit for the year | | | | 373.88 | | | | 376.33 |
| Other information | | | | | | | | |
| Segment assets | 15,951.25 | 914.38 | 2,779.76 | 19,645.39 | 16,268.98 | 891.65 | 2,121.10 | 19,281.73 |
| Total assets | | | | 19,645.39 | | | | 19,281.73 |
| Segment liabilities | 9,048.70 | 546.14 | 1,113.76 | 10,708.60 | 7,860.25 | 621.96 | 992.24 | 9,474.45 |
| Share capital and reserves | | | | 2,647.20 | | | | 2,273.32 |
| Secured and unsecured loans | | | | 6,289.59 | | | | 7,533.96 |
| Total liabilities | | | | 19,645.39 | | | | 19,281.73 |
| Capital expenditure | 454.51 | 27.86 | 58.15 | 540.52 | 154.02 | 2.67 | 41.47 | 198.16 |
| Depreciation | 219.51 | 17.54 | 63.96 | 301.01 | 271.45 | 23.59 | 100.14 | 395.17 |
| Non cash expenses other than depreciation | 8.78 | 0.09 | 1.56 | 10.43 | 67.71 | - | 371.10 | 438.81 |

Notes forming part of the financial statements

33. Related party disclosures under Accounting Standard-18

A. Name of related party and relationship

- i) Associate Companies : National Cereals Products Limited (NCPL) and Mohan Closures Limited (MCL)
- ii) Key Managerial Personnel : Brig. (Dr.) Kapil Mohan, VSM, (Retd.) Ph.D. and Mr. Hemant Mohan
- iii) Relatives of Key Managerial Personnel : Mrs. Pushpa Mohan (Wife of Brig. (Dr.) Kapil Mohan, VSM, (Retd.) Ph.D.), Mrs. Seema Bakshi (Daughter of Brig. (Dr.) Kapil Mohan, VSM, (Retd.) Ph.D.), Mrs. Usha Mohan (Mother of Mr. Hemant Mohan), Mrs. Poonam Narang and Mrs. Molina Chandra (Sister of Mr. Hemant Mohan), Mr. Vinay Mohan (Brother of Mr. Hemant Mohan), and Mrs. Shalini Mohan (Wife of Mr. Vinay Mohan)
- iv) Enterprises over which Key Managerial Personnel and/or their relatives exercise significant influence : Mohan Rocky Springwater Breweries Limited (Brig. (Dr.) Kapil Mohan, VSM, (Retd.) Ph.D. and Mr. Vinay Mohan are Directors), Trade Links Private Limited (Mr. Vinay Mohan is Chairman cum Managing Director), Mohan Shakti Trust (Brig. (Dr.) Kapil Mohan is Chairman, Mr. Hemant Mohan is Vice Chairman, Mr. Vinay Mohan and Mrs. Aarti Mohan are trustees and Narinder Mohan Foundation (Brig. (Dr.) Kapil Mohan, VSM, (Retd.) Ph.D. is Chairman, Mr. Hemant Mohan is Vice Chairman and Mr. Vinay Mohan is Trustee).

B. Transactions with related parties referred to in - (A)

i) Transactions with Associate Companies

| Particulars | Year ended March 31, 2016 Rs. in lacs | Year ended March 31, 2015 Rs. in lacs |
|---|--|--|
| Purchases | | |
| - NCPL | 231.15 | 213.45 |
| - MCL | 36.85 | 47.10 |
| Electricity and water charges recovered | | |
| - NCPL | 0.30 | 9.41 |
| - MCL | 0.93 | 1.30 |
| Rent income | | |
| - NCPL | 0.90 | 2.10 |
| - MCL | 1.92 | 1.80 |
| Expenses recovered | | |
| - NCPL | 0.07 | 0.28 |
| Expenses incurred on Company's behalf reimbursed to | | |
| - NCPL | 0.26 | 2.94 |
| Interest incurred on Company's behalf reimbursed to | | |
| - NCPL | - | 1.93 |
| Balances outstanding as at the year end | | |
| Payable | | |
| - NCPL | 434.29 | 492.54 |
| - MCL | 10.55 | 1.29 |

Notes forming part of the financial statements

Related party disclosures under Accounting Standard-18 (Contd..)

| Particulars | Year ended March 31, 2016 Rs. in lacs | Year ended March 31, 2015 Rs. in lacs |
|--|--|--|
| ii) Transactions with Key Managerial Personnel | | |
| Interest on fixed deposit taken | - | 5.92 |
| Remuneration : | | |
| - Brig. (Dr.) Kapil Mohan, VSM, (Retd.) Ph.D. | 27.97 | 41.70 |
| - Mr. Hemant Mohan | 44.10 | 42.19 |
| Balances outstanding as at the year end | | |
| Payable | 13.65 | 9.00 |
| iii) Transactions with relatives of Key Managerial Personnel | | |
| Interest on fixed deposit taken | - | 4.99 |
| Sitting fees to a non-working director (Mr. Vinay Mohan) | 0.50 | 0.45 |
| iv) Transactions with enterprises over which Key Managerial Personnel and/or their relatives exercise significant influence | | |
| Purchases of traded goods | | |
| - Mohan Rocky Springwater Breweries Limited | 22,623.40 | 18,513.54 |
| Purchases of services | | |
| - Narinder Mohan Foundation | 3.47 | 3.78 |
| Sales | | |
| - Mohan Rocky Springwater Breweries Limited | 310.11 | 338.34 |
| - Trade Links Private Limited | 4,666.40 | 4,101.57 |
| Royalty from | | |
| - Trade Links Private Limited | 6.00 | 3.00 |
| - Mohan Rocky Springwater Breweries Limited | 0.93 | 1.60 |
| Commission to a selling agent | | |
| - Trade Links Private Limited | 68.11 | 79.97 |
| Depot handling charges to a selling agent | | |
| - Trade Links Private Limited | 124.14 | 92.78 |
| Expenses recovered | | |
| - Mohan Rocky Springwater Breweries Limited | 3.44 | 2.46 |
| - Trade Links Private Limited | 12.57 | 13.41 |
| Expenses incurred on Company's behalf reimbursed* | | |
| - Trade Links Private Limited | 11.91 | 13.14 |
| - Mohan Rocky Springwater Breweries Limited | 0.01 | - |
| Balances outstanding as at the year end (Payable) / Receivable | | |
| - Mohan Rocky Springwater Breweries Limited | 330.07 | 348.51 |
| - Trade Links Private Limited | 332.51 | 361.83 |
| Payable | | |
| - Mohan Shakti Trust | 0.48 | 0.46 |
| - Narinder Mohan Foundation | - | 0.02 |

* This exclude the amount of Rs.Nil (previous year Rs.62.68 lacs) paid by Trade Links Private Limited out of the advance money given by the Company for disbursing the Company's expense.

Notes forming part of the financial statements

34. The details of dues of sales tax/ value added tax, excise duty, customs duty and income tax which have not been deposited/ paid under protest on account of dispute as at March 31, 2016 are as follows :-

| Name of the statute | Nature of the dues | Forum where dispute is pending | Amount (Rs.inlacs)* | Amount paid under protest (Rs. in lacs) | Period to which the amount relates |
|---------------------|---------------------------------|--|---------------------|---|--|
| Sales tax laws | Sales tax (Including Entry tax) | Appellate authority up to Commissioner's level | 1,077.61 | - | 1975-76, 1977 to 1979, 1987 to 1989, 1999-2000, 2006-07 to 2012-13 |
| | | Sales tax Appellate Tribunal | 45.26 | - | 1984-85, 1985-86, 1991-92, 1992-93 2006-07 to 2009-10 |
| | | High Court | 8.85 | - | 1994-95, 1995-96 1997-98, 1998-99 |
| | | Supreme Court | 381.98 | - | 2001-02 to 2010-11 |
| | Trade tax | Appellate Tribunal | 20.22 | - | 1984-85, 1985-86, 1987-88, 2005-06 to 2007-08 |
| | | High Court | 1.27 | - | 1990-91 to 1992-93 1994-95, 1995-96 |
| State Excise laws | Excise duty | High Court | 349.16 | 231.17 | 1963-1985, 1986-2011 |
| Central Excise | Excise duty | CESTAT | 13.26 | - | 2005 to 2007 |
| | | Appellate authority up to Commissioner's level | 42.80 | - | 2008-09 to 2010-11 |
| Custom(s) laws | Custom(s) duty | CESTAT | 77.61 | - | 1994 to 2004 |

* Amount as per demand orders, including interest and penalty, wherever quantified in the Order.

Notes forming part of the financial statements

The following matters, which have been excluded from the table above, have been decided in favour of the Company but the concerned authorities have preferred appeals at higher level

| Name of the Statute | Nature of the dues | Forum where dispute is pending | Amount (Rs. in lacs) | Period to which the amount relates |
|---------------------|--------------------|--------------------------------|----------------------|------------------------------------|
| Sales tax laws | Sales tax | Sales Tax appellate Tribunal | 358.08 | 1987 to 1989, 1990 to 1993 |
| State Excise laws | Excise duty | Supreme Court | 36.67 | 1997 to 1999 |
| Income tax laws | Income tax | High Court | 423.95 | 2002-03 to 2005-06 |

Further, there are no disputed dues with respect to Service Tax which have not been deposited as on March 31, 2016 on account of disputes.

35. Earnings per share

| Particulars | Year ended March 31, 2016 | Year ended March 31, 2015 |
|---|------------------------------|------------------------------|
| Profit after tax and exceptional items (Rs. in lacs) | 373.88 | 376.33 |
| Weighted average number of Equity shares outstanding (Nos.) | 8,508,479 | 8,508,479 |
| Earnings per share - basic/diluted (face value - Rs. 5 per share) (Rs.) | 4.39 | 4.42 |

36. Value of imported/indigenous materials and stores and spares consumed

| Particulars | Year ended March 31, 2016 | | Year ended March 31, 2015 | |
|-------------------------------|---------------------------|---------------|---------------------------|--------|
| | Rs.in lacs | % | Rs.in lacs | % |
| (i) Materials consumed | | | | |
| Imported | 20.68 | 0.26 | 17.03 | 0.21 |
| Indigenous | 8,065.78 | 99.74 | 8,196.90 | 99.79 |
| | 8,086.46 | 100.00 | 8,213.93 | 100.00 |
| (ii) Stores and spares | | | | |
| Imported | 6.97 | 2.01 | 9.96 | 2.82 |
| Indigenous | 340.09 | 97.99 | 343.20 | 97.18 |
| | 347.06 | 100.00 | 353.16 | 100.00 |

Notes forming part of the financial statements**37. Other disclosures**

| Particulars | Year ended March 31, 2016 Rs.in lacs | Year ended March 31, 2015 Rs.in lacs |
|--|---|---|
| (a) Value of imports on CIF basis | | |
| Raw materials | 10.92 | 6.81 |
| Components and spare parts | 12.90 | 13.77 |
| Capital goods | 35.58 | - |
| Services | 4.40 | - |
| (b) Expenditure in foreign currency | | |
| Travelling | 11.90 | 2.52 |
| (c) Earnings in foreign exchange | | |
| FOB value of exports | 2,546.51 | 1,941.94 |

38. Foreign currency exposures that are not hedged by derivative instruments or otherwise is as follows

| Description | <u>As at March 31, 2016</u> | | <u>As at March 31, 2015</u> | |
|--------------------|---------------------------------------|--------------------------------|---------------------------------------|--------------------------------|
| | Amount in foreign currency | Amount (Rs.in lacs) | Amount in foreign currency | Amount (Rs.in lacs) |
| Trade receivables | 3,37,400 USD | 222.95 | 1,59,400 USD | 99.26 |

39. Previous year's figures have been regrouped/reclassified, wherever necessary to correspond with the current year's classification/disclosure.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOHAN MEAKIN LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Mohan Meakin Limited** ("the Company") and its associate companies, comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company and its associate companies in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. The respective Board of Directors of the Company and of its associate companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding the assets of the Company and its associate companies and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 the consolidated financial statements by the Directors of the Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors 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 consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by 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 consolidated state of affairs of the Company and its associate companies as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matters

Attention is invited to note 20(b)(i) of the consolidated financial statements relating to the uncertainty associated with the outcome of the ongoing litigation/arbitration proceedings against the demand raised by GAIL (India) Limited aggregating to Rs 39.70 crores for the calendar year 2014 and 2015 on account of deficiency in the lifted quantity of gas per day. Based on the position explained in the note and on the basis of legal advice, the Company's management is confident that the demand is not legally tenable and would not result in any liability on the Company.

Our opinion is not modified in respect of the above matter.

Other Matter

1. We did not audit the financial statements of Lucknow Distillery branch included in the financial statements of the Company whose financial statements reflect total assets of Rs.335 lacs as at March 31, 2016 and total revenues of Rs.46 lacs for the year ended on that date, as considered in the consolidated financial statements. The financial statements of the Lucknow Distillery branch has been audited by the branch auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of the Lucknow Distillery branch, is based solely on the report of such branch auditor.
2. The consolidated financial statements include the Company's share of net loss of Rs. 18.40 lacs for the year ended March 31, 2016, as considered in the consolidated financial statements, in respect of two associate companies viz Mohan Closure Limited and National Cereals Products Limited, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associate companies, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements 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 certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c. The report on the accounts of the branch office of the Company located at Lucknow audited under Section 143 (8) of the Act by the branch auditor has been sent to us and have been properly dealt with in preparing this report.
 - d. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - e. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
 - f. The matter described under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company and its associate companies.
 - g. On the basis of the written representations received from the directors of the Company as on March 31, 2016 taken on record by the Board of Directors of the Company and the reports of the other statutory auditors of its associate companies incorporated in India, none of the directors of the Company and its associate companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - h. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditor's report of the Company and its associate companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's and its associate companies incorporated in India, internal financial controls over financial reporting.
 - i. 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 consolidated financial statements has disclose the impact of pending litigations on the consolidated financial position of the Company and its associate companies– Refer Note 20(a) and 20(b)(i) to the consolidated financial statements;
- ii. The Company and its associate companies did not have any material foreseeable losses on long-term contracts including derivative contracts– Refer Note 20(b) to the consolidated financial statements;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its associate companies incorporated in India.

FOR A. F. FERGUSON ASSOCIATES
Chartered Accountants
(Firm's Registration No. 102849W)

Vijay Agarwal
(Partner)
(Membership No. 094468)

Delhi, 13th August, 2016

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 (h) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Mohan Meakin Limited (“the Company”) and its associate companies, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and its associate companies, which are companies incorporated in India, are 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. 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 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.

Auditor’s 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, 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 and the audit evidence obtained by the other auditors of the associate companies, which are companies 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 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, to the best of our information and according to the explanations given to us, the Company and its associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to two associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

FOR A. F. FERGUSON ASSOCIATES
Chartered Accountants
(Firm's Registration No. 102849W)

Vijay Agarwal
(Partner)
(Membership No. 094468)

Delhi, August 13, 2016

Consolidated Balance Sheet as at March 31, 2016

| Particulars | Note No. | As at March 31, 2016 Rs. in lacs |
|--|--|---|
| <u>EQUITY AND LIABILITIES</u> | | |
| Shareholders' funds | | |
| Share capital | 2 | 425.42 |
| Reserves and surplus | 3 | 2,439.11 |
| | | 2,864.53 |
| Non-current liabilities | | |
| Long-term borrowings | 4 | 653.50 |
| Other long-term liabilities | 5 | 1,367.48 |
| Long-term provisions | 6 | 104.43 |
| | | 2,125.41 |
| Current liabilities | | |
| Short-term borrowings | 7 | 4,866.82 |
| Trade payables | 8 | |
| i) total outstanding dues of micro enterprises and small enterprises; and | | 139.54 |
| ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | 7,154.76 |
| Other current liabilities | 9 | 2,700.05 |
| Short-term provisions | 6 | 11.61 |
| | | 14,872.78 |
| | Total | 19,862.72 |
| <u>ASSETS</u> | | |
| Non-current assets | | |
| Fixed assets | 10 | |
| - Tangible assets | | 3,161.04 |
| - Intangible assets | | 18.97 |
| - Capital work-in-progress | | 592.82 |
| | | 3,772.83 |
| Non - current investments | 11 | 263.81 |
| Deferred tax assets (net) | 12 | 213.79 |
| Long - term loans and advances | 13 | 1,967.45 |
| Other non-current assets | 14 | 130.50 |
| | | 6,348.38 |
| Current assets | | |
| Inventories | 15 | 4,921.43 |
| Trade receivables | 16 | 6,446.43 |
| Cash and cash equivalents | 17 | 573.01 |
| Short - term loans and advances | 18 | 1,511.24 |
| Other current assets | 19 | 62.23 |
| | | 13,514.34 |
| | Total | 19,862.72 |
| See accompanying notes forming part of the consolidated financial statements 1 to 37 | | |
| In terms of our report attached For A. F. FERGUSON ASSOCIATES Chartered Accountants | | |
| Vijay Agarwal Partner New Delhi Date : 13.08.2016 | H.N.HANDA Secretary R.C. JAIN Chief Financial Officer | For and on behalf of Board of Directors HEMANT MOHAN VINAY MOHAN SHALINI MOHAN M. NANDAGOPAL J.K. JAIN YASH KUMAR SEHGAL L.K. MALHOTRA |
| | | Managing Director Director Director Director Director Director |

Consolidated Statement of Profit and Loss for the year ended March 31, 2016

| Particulars | Note No. | Year ended March 31, 2016 Rs. in lacs |
|---|-----------------|--|
| Income | | |
| Revenue from operations (Gross) | 21 | 57,507.29 |
| Less: Excise duty | | 13,213.71 |
| Revenue from operations (net) | | 44,293.58 |
| Other income | 22 | 897.79 |
| Total revenue | | 45,191.37 |
| Expenses | | |
| Cost of materials consumed | 23 | 8,086.46 |
| Purchase of stock-in-trade (traded goods) | 24 | 25,788.91 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | 25 | 43.35 |
| Employee benefits expenses | 26 | 2,378.69 |
| Finance costs | 27 | 1,099.08 |
| Depreciation and amortization expenses | 28 | 301.01 |
| Other expenses | 29 | 6,972.70 |
| Total expenses | | 44,670.20 |
| Profit before tax and share of loss of associates | | 521.17 |
| Tax expense : | | |
| Provision for current tax | | 107.00 |
| Minimum alternate tax (MAT) credit entitlement | | (107.00) |
| Deferred tax charge | | 135.51 |
| Provision for taxation relating to earlier years (net) | | 11.78 |
| Profit after tax before share of loss of associates | | 373.88 |
| Share in loss of associates | | 18.40 |
| Profit for the year attributable to the shareholders of the Company | | 355.48 |
| Earnings per equity share (of Rs.5/- each) | | |
| - Basic/Diluted (Rs.) | 33 | 4.18 |
| See accompanying notes forming part of the consolidated financial statements | 1 to 37 | |

In terms of our report attached
For A. F. FERGUSON ASSOCIATES
Chartered Accountants

Vijay Agarwal
Partner

New Delhi
Date : 13.08.2016

H.N.HANDA
Secretary

R.C. JAIN
Chief Financial Officer

For and on behalf of Board of Directors

HEMANT MOHAN
VINAY MOHAN
SHALINI MOHAN
M. NANDAGOPAL
J.K. JAIN

YASH KUMAR SEHGAL
L.K. MALHOTRA

Managing Director
Director
Director
Director
Director
Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

| Particulars | Year ended March 31, 2016 Rs. in lacs |
|--|---|
| A. Cash flows from operating activities | |
| Profit before tax and share of loss of associates | 521.17 |
| Adjustments for : | |
| Depreciation and amortization expenses | 301.01 |
| Fixed assets written off | 10.21 |
| Finance costs | 1,099.08 |
| Dividend income from non-trade non-current investments | (2.93) |
| Interest income | (82.95) |
| Rent from non current investments in immovable property | (1.31) |
| Profit on sale of fixed assets | (526.96) |
| Operating profit before working capital changes | 1,317.32 |
| Changes in working capital | |
| Adjustments for (increase)/decrease in operating assets: | |
| Long-term loans and advances | 8.56 |
| Inventories | (90.28) |
| Trade receivables | 530.13 |
| Short-term loans and advances | 220.91 |
| Other current assets | 59.38 |
| Adjustments for increase/(decrease) in operating liabilities: | |
| Other long-term liabilities | 28.08 |
| Long-term provisions | 4.34 |
| Short-term provisions | (0.25) |
| Trade payables | 1,222.88 |
| Other current liabilities | (98.39) |
| Cash generated from operations | 3,202.68 |
| Taxes paid | (399.76) |
| Net cash flows from operating activities (A) | 2,802.92 |
| B. Cash flows from investing activities | |
| Purchase of fixed assets including capital advance (net of capital creditors) | (540.52) |
| Proceeds from sale of fixed assets | 0.07 |
| Maturity / (Investment) in deposit account as lien with government authorities | (8.88) |
| Dividend income from non-trade non-current investments | 2.93 |
| Interest income | 73.30 |
| Rent from non current investments in immovable property | 1.31 |
| Net cash flows used in investing activities (B) | (471.79) |

| Particulars | | Year ended March 31, 2016 Rs. in lacs |
|--|------------------------|---|
| C. Cash flows from financing activities | | |
| Increase/ (decrease) from/to short-term borrowings | | (1,540.49) |
| Proceeds from long-term borrowings | | 650.00 |
| Repayment of long-term borrowings | | (355.08) |
| Finance costs | | (1,017.11) |
| Dividend paid | | (2.36) |
| Net cash flows used in financing activities | (C) | (2,265.04) |
| Net decrease in cash and cash equivalents | (A) + (B) + (C) | 66.09 |
| Cash and cash equivalents as at opening | | 506.92 |
| Cash and cash equivalents as at closing | | 573.01 |
| Components of cash and cash equivalents | | |
| Cash on hand | | 9.58 |
| Cheques in hand | | 60.00 |
| Balance with bank | | |
| - in current accounts | | 463.71 |
| - in deposits accounts | | 39.70 |
| -others | | 0.02 |
| Total cash and cash equivalents (note 17) | | 573.01 |

See accompanying notes forming part of the consolidated financial statements

1 to 37

In terms of our report attached
For A. F. FERGUSON ASSOCIATES
Chartered Accountants

Vijay Agarwal
Partner

New Delhi
Date : 13.08.2016

H.N.HANDA
Secretary

R.C. JAIN
Chief Financial Officer

For and on behalf of Board of Directors

HEMANT MOHAN
VINAY MOHAN
SHALINI MOHAN
M. NANDAGOPAL
J.K. JAIN
YASH KUMAR SEHGAL
L.K. MALHOTRA

Managing Director
Director
Director
Director
Director
Director

Notes forming part of the consolidated financial statements

1 Basis of consolidated significant accounting policies

1.1 Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements of the Company and its associates have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013. The consolidated financial statements have been prepared on accrual basis under the historical cost convention.

1.2 Principles of consolidation

The consolidated financial statements relate to Mohan Meakin Limited (the 'Company') and the Company's share of profit / loss in its associates. The consolidated financial statements have been prepared on the following basis:

- i) The financial statements of the associates used in the consolidation are drawn upto the same reporting date as that of the Company i.e., March 31, 2016. These have been consolidated based on latest available financial statements.
- ii) The consolidated financial statements include the share of profit / loss of the associate companies which have been accounted for using equity method as per AS 23 Accounting for Investments in Associates in Consolidated Financial Statements. Accordingly, the share of profit/ loss of each of the associate companies (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.
- iii) The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the consolidated financial statements as Goodwill or Capital reserve as the case may be.
- iv) Following associates have been considered in the preparation of the consolidated financial statements:

| Name of the entity | Relationship | Country of Incorporation | % of Holding March 31, 2016 |
|--|--------------|--------------------------|--------------------------------|
| National Cereals Products Limited (NCPL) | Associate | India | 27.87% |
| Mohan Closures Limited (MCL) | Associate | India | 25% |

- v) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

1.3 Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.4 Inventories

Inventories are valued at the lower of cost on weighted average basis and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges (net of input credit wherever applicable). Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

Notes forming part of the consolidated financial statements

1.5 State excise duty

The state excise duty payable on finished goods is accounted for on the clearance of goods from the factory premises or bonded warehouses. The amount of state excise duty payable on finished goods not cleared from the factory premises and bonded warehouses as at the year-end is not determinable as it varies according to the places to which the goods will be dispatched. However, non-provision of this liability does not affect the profit for the year.

1.6 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and 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.

1.7 Depreciation and amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets of the Company has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Depreciation on tangible fixed assets of the associate companies viz NCPL and MCL has been provided on the written-down method as per the useful life prescribed in Schedule II to the Companies Act, 2013 in their respective financial statements.

The assets costing upto Rs.5000 each are fully depreciation in the year of capitalization. No amortization is made in respect of lease hold land being on long term lease. Intangible assets are amortized over their estimated useful life on straight line method as follows: Computer Software- 2 Years

1.8 Revenue recognition

a) Sale of goods

Sales are recognized, net of rebate, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

b) Rents and royalties are recognized on accrual basis in accordance with the terms of agreements.

c) Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

d) Dividends are accounted for as and when the Company's right to receive payment is established.

1.9 Fixed assets (Tangible/Intangible)

Fixed assets are carried at cost less accumulated depreciation and impairment loss, if any. The cost of fixed assets comprises its purchase price net of any trade discount and rebates, any import duties and other taxes (other than those subsequent recoverable from the tax authorities), any directly attributable expenditure on making the assets ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Fixed assets acquired and put to use for project purpose are capitalized and depreciation thereon is included in the project cost till the project is ready for its intended use.

Capital work-in-progress:

Projects under which tangible fixed assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Notes forming part of the consolidated financial statements

1.10 Foreign currency transactions and translations

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency monetary items of the Company outstanding at the Balance Sheet date are restated at the year-end rates.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognized as income or expense in the statement of profit and loss.

1.11 Investments

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalized and depreciated (where applicable) in accordance with the policy stated for tangible fixed assets. Impairment of investment property is determined in accordance with the policy stated for impairment of assets.

1.12 Employee benefits

Defined contribution plans

The Company's contribution to provident fund, pension scheme, employee state insurance corporation, etc. are considered as defined contribution plans and are charged as an expense as it falls due based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period in which they occur. The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the balance sheet date.

1.13 Borrowing costs

Borrowing costs include interest and amortization of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the statement of profit and loss over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the

Notes forming part of the consolidated financial statements

qualifying asset upto the date of capitalization of such asset is added to the cost of the assets. Capitalization of borrowing costs is suspended and charged to the statement of profit and loss during extended periods when active development activity on the qualifying assets is interrupted.

1.14 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

1.15 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

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 recognized as an asset in the balance sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

1.16 Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the statement of profit and loss.

1.17 Provisions and contingencies

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the 'Notes to the financial statements'.

1.18 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Notes forming part of the consolidated financial statements**2. Share capital**

| Particulars | As at March 31, 2016 Rs. in lacs |
|--|--|
| Authorised | |
| 2,00,00,000 Equity shares of Rs.5 each with voting rights | 1,000.00 |
| Issued, subscribed and fully paid up * | |
| 85,08,479 Equity shares of Rs.5 each with voting rights | 425.42 |
| Total | 425.42 |

*Refer note (i) to (iii) below

- (i) There is no movement in issued, subscribed and fully paid up shares during the year.
- (ii) The Company has only one class of equity shares having a par value of Rs. 5 per share. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

(iii) Shares in the Company held by each shareholder holding more than 5% shares :

| Name of shareholder | As at March 31, 2016 | |
|--|-------------------------|--------------------|
| | No. of Shares held | %age of holding |
| 1. Trade Links Private Limited | 2,049,923 | 24.09 |
| 2. Brig. Dr. Kapil Mohan, VSM and Shri Hemant Mohan (Trustee Narinder Mohan Foundation) | 1,017,337 | 11.96 |
| 3. Life Insurance Corporation of India | 712,749 | 8.38 |
| 4. Vinay Mohan (excluding 94,659 shares held as a joint holder) | 463,853 | 5.45 |

3. Reserves and surplus

| Particulars | As at March 31, 2016 Rs. in lacs |
|--|--|
| A. Share premium accounts | 0.04 |
| B. General reserve | 763.63 |
| Add : Consolidated adjustment# | 227.21 |
| | 990.84 |
| C. Surplus in the consolidated statement of profit and loss | |
| Opening balance | 1,084.23 |
| Add : Consolidated adjustment# | 8.51 |
| | 1,092.74 |
| Add : Profit for the year | 355.48 |
| Closing balance | 1,448.22 |
| Total (A+B+C) | 2,439.11 |

accumulated post acquisition surplus arising on consolidation of the associates.

Notes forming part of the consolidated financial statements

4. Long-term borrowings

| Particulars | Non-current portion | Current maturities |
|--|--|--|
| | As at March 31, 2016 Rs. in lacs | As at March 31, 2016 Rs. in lacs |
| <u>Secured</u> | | |
| Term loans | | |
| - From banks | | |
| Punjab National Bank, Mohan Nagar | 653.50 | 340.00 |
| - From other party ¹ (refer S.No. 1b below) | | |
| UPSIDC | - | 429.27 |
| | 653.50 | 769.27 |
| Less : Amount disclosed under head "other current liabilities" (refer note 9) | - | 769.27 |
| Total | 653.50 | - |

Details of terms of repayment for the long-term borrowings and security provided in respect of the secured long term borrowings:-

| S.No. | Particulars | Rate of interest | Terms and conditions | As at March 31, 2016 Rs. in lacs |
|-------|---|---------------------|--|--|
| 1. | <u>Term loans</u> | | | |
| a) | <u>From banks</u> | | | |
| i) | Loans for Voluntary retirement scheme | 14% to 13.35% | Secured by first charge on fixed/ block assets of the Company (both present and future) and collaterally secured by way of extension of charge on current assets. Repayable in quarterly installments of Rs.35 lacs each (Due within one year : Rs. 140 lacs). | 343.50 |
| ii) | Loan for repayment/ reimbursement of public fixed deposit | 14.25% to 13.6% | Secured by first charge on fixed assets of the Company (both present and future) and collaterally secured by way of extension of charge on current assets. Repayable in quarterly installments of Rs. 50 lacs each (Due within one year: Rs. 200 lacs). | 650.00 |
| | | | Sub-total | 993.50 |
| b) | <u>From Others</u> | | | |
| i) | Deferred payment loan ¹ | 15% | Installments payable to UPSIDC Limited towards land at Salempur Industrial Area, Hathras, (U.P.) to be secured by first charge on such land and buildings and machines thereon, which were repayable in 8 equal half yearly installments. | 429.27 |
| | | | Total | 1,422.77 |

Notes forming part of the consolidated financial statements

¹ In respect of the leasehold land at Salempur Industrial Area, Hathras, Uttar Pradesh, purchased from the U.P. State Industrial Development Corporation Limited (UPSIDC) on installment payment basis, the possession letter for the entire piece of land of 830 acres had been issued by UPSIDC. In view of claims of Forest Department on 265 acres of land costing Rs. 275.81 lacs (including Rs. 102.59 lacs lying under capital work in progress), the Company has not paid the installments due to UPSIDC, for which UPSIDC had served a notice to terminate the lease deed and forfeit the amount already paid. The Company had filed a writ petition in the High Court of Allahabad challenging the said notice along with waiver of interest claimed by UPSIDC as the possession of some part of land has been challenged by Forest Department. The High Court vide its order dated September 4, 2009 had disposed off the petition of the Company with a direction to UPSIDC to take a final decision on the objections raised by the Company in accordance with the law. However, no concrete steps have been taken by UPSIDC to resolve the matter inspite of clear directions of High Court of Allahabad.

The Company again filed a writ petition before the High Court of Allahabad on 30.08.2013 interalia praying for peaceful possession of 565 acres of land duly demarcated after removing the encroachment by local farmers alongwith adequate securities at the time of possession and directing UPSIDC to make up the loss of 265 acres of land claimed by the forest department at the same place or at any other place closer to Delhi. During the current year the Hon'ble High Court has passed an order dated December 2, 2015 and directed the parties to settle the disputes amicably by negotiation within six weeks. Till date no concrete discussions have taken place between the parties. The Company is expecting that the matter will be resolved on the intervention of the Hon'ble High Court at the earliest possible.

5. Other long-term liabilities

| Particulars | As at March 31, 2016 Rs. in lacs |
|--------------------|---|
| Security deposits | 1,367.48 |
| Total | 1,367.48 |

6. Provisions

| Particulars | Long-term | Short-term |
|--|---|---|
| | As at March 31, 2016 Rs. in lacs | As at March 31, 2016 Rs. in lacs |
| Provision for employee benefits | | |
| - Compensated absences | 104.43 | 11.61 |
| Total | 104.43 | 11.61 |

Notes forming part of the consolidated financial statements**7. Short-term borrowings**

| Particulars | As at March 31, 2016 Rs. in lacs |
|---------------------------|--|
| Secured | |
| Loans repayable on demand | |
| From banks ¹ | |
| - Cash credit | 4,866.82 |
| Total | 4,866.82 |

¹ Cash credit is secured by way of hypothecation of inventory and book debts and collaterally secured by way of second charge on entire block assets of the Company (both present and future). The cash credit is repayable on demand and carry interest @ 13.1% per annum.

8. Trade payables

| Particulars | As at March 31, 2016 Rs. in lacs |
|---|--|
| i) total outstanding dues of micro enterprises and small enterprises; and | 139.54 |
| ii) total outstanding dues of creditors other than micro enterprises and small enterprises [#] | 7,154.76 |
| Total | 7,294.30 |

[#] includes acceptances of Rs. 2.13 lacs

9. Other current liabilities

| Particulars | As at March 31, 2016 Rs. in lacs |
|---|--|
| Current maturities of long term debt | 769.27 |
| Interest accrued and due on borrowings ¹ | 724.52 |
| Unclaimed interest on matured deposits ² | 5.23 |
| Deferred income | 40.00 |
| Other payables | |
| - Statutory dues and other taxes payable | 491.71 |
| - Interest payable on statutory dues | 380.86 |
| - Capital creditors | 25.17 |
| - Advance from customers | 208.88 |
| - Amount held in trust: | |
| - for employees | 42.43 |
| - Security deposits | 11.98 |
| Total | 2,700.05 |

¹ Represents interest pertaining to Hathras land. Refer foot note¹ in note 4.

² Represents unclaimed interest on matured deposits and does not include any amount required to be credited to Investor Education and Protection Fund.

Notes forming part of the consolidated financial statements

10. Fixed assets

| | | | | | (Rs. in lacs) | | | | |
|--|------------------|---------------|---------------|------------------|-----------------------------|---------------|---------------|---------------------|------------------|
| Gross carrying amount | | | | | Depreciation / Amortization | | | Net carrying amount | |
| Particulars | As at 31.03.2015 | Additions | Deductions | As at 31.03.2016 | As at 31.03.2015 | For the year | On deductions | As at 31.03.2016 | As at 31.03.2016 |
| a) Tangible assets | | | | | | | | | |
| Freehold land | 63.51 | - | 0.02 | 63.49 | - | - | - | - | 63.49 |
| Buildings | 722.10 | 164.95 | - | 887.05 | 557.11 | 17.25 | - | 574.36 | 312.69 |
| Plant and equipment | 4,999.74 | 277.15 | 32.70 | 5,244.19 | 2,955.51 | 222.92 | 25.90 | 3,152.53 | 2,091.66 |
| Office equipment | 109.59 | 2.34 | 19.03 | 92.90 | 97.27 | 3.14 | 19.01 | 81.40 | 11.50 |
| Electric installation | 75.31 | 0.76 | 0.05 | 76.02 | 56.90 | 3.74 | 0.03 | 60.61 | 15.41 |
| Lab equipment | 34.86 | - | - | 34.86 | 15.52 | 2.46 | - | 17.98 | 16.88 |
| Furniture and fixtures | 144.84 | 1.10 | 0.26 | 145.68 | 129.33 | 3.09 | 0.17 | 132.25 | 13.43 |
| Vehicles | 298.66 | 33.91 | 53.26 | 279.31 | 222.02 | 23.79 | 50.09 | 195.72 | 83.59 |
| Data processing machine | 122.96 | 5.94 | 40.38 | 88.52 | 113.57 | 5.62 | 40.18 | 79.01 | 9.51 |
| Assets under lease | | | | | | | | | |
| Leasehold land ¹ | 542.88 | - | - | 542.88 | - | - | - | - | 542.88 |
| Sub-total | 7,114.45 | 486.15 | 145.70 | 7,454.90 | 4,147.23 | 282.01 | 135.38 | 4,293.86 | 3,161.04 |
| b) Intangible assets | | | | | | | | | |
| Computer software | - | 37.97 | - | 37.97 | - | 19.00 | - | 19.00 | 18.97 |
| Sub-total | - | 37.97 | - | 37.97 | - | 19.00 | - | 19.00 | 18.97 |
| c) Capital work-in-progress¹ | | | | | | | | | 592.82 |
| Total (a+b+c) | | | | | | | | | 3,772.83 |

¹ Includes Rs. 1032.16 lacs (including capital work in progress of Rs. 489.61 lacs) for Hathras project. Refer foot note ¹ in note 4.

Notes forming part of the consolidated financial statements

11. Non-current Investments

| Particulars | As at 31.03.2016 Rs. in lacs |
|---|------------------------------------|
| Long-term investments | |
| (at cost, unless otherwise stated) | |
| Investments in equity shares | |
| A. Trade | |
| Quoted | |
| - In associate company | |
| <u>Equity shares of Re.1 each fully paid</u> | |
| 366,408 shares; of National Cereals Products Limited | 0.46 |
| (including 25,056 shares amounting to Rs.3,082 | |
| under trust by the Company) | |
| Add: Share of Profit | <u>209.61</u> |
| Sub Total | <u>210.07</u> |
| Unquoted | |
| - In associate company | |
| <u>Equity shares of Rs.10 each fully paid</u> | |
| 30,000 shares; of Mohan Closures Limited, | 3.00 |
| net of capital reserve of Rs.136,095 | |
| Add: Share of Profit | <u>7.72</u> |
| Sub Total | <u>10.72</u> |
| - Others | |
| <u>Equity shares of Rs.10 each fully paid</u> | |
| 89,000 shares; of Mohan Rocky Springwater Breweries Limited | 8.90 |
| 76,000 shares; of Mohan Goldwater Breweries Limited | 7.60 |
| 29,50,400 shares; of Macdonald Mohan Distillers Limited, | # |
| a company under liquidation (at book value) | |
| <u>Equity shares of Rs.10 each fully paid</u> | |
| 18,738 shares; of Arthos Breweries Limited | 1.69 |
| Sub-total (A) | <u>238.98</u> |
| B. Non-trade | |
| Quoted | |
| -Others | |
| <u>Equity shares of Re.1 each fully paid</u> | |
| 63,941 shares; of The Indian Hotels Company Limited | 13.80 |
| <u>Equity shares of Rs.10 each fully paid</u> | |
| 48,650 shares; of John Oakey & Mohan Limited | 4.87 |
| 30,000 shares; of Tai Industries Limited | 3.00 |
| -Others | |
| <u>Equity shares of Rs.10 each fully paid</u> | |
| 100,000 shares; of (Maruti Limited (at book value) | # |
| 83,300 shares; of Sideco Mohan Tools Kerala Limited (at book value) | # |
| 5,000 shares; of Associated Journals Limited (at book value) | # |
| 22,500 shares; of Mohan Carpets (India) (at book value) | # |
| <u>Equity shares of Rs.100 each fully paid</u> | |
| 150 shares; of Fabron Textile & General Industries Private Limited (at book value) | # |
| Sub-total (B) | <u>21.67</u> |

Notes forming part of the consolidated financial statements

| Particulars | As at 31.03.2016 Rs. in lacs |
|---|------------------------------------|
| C. Investment in government securities (Including Rs 3.04 lacs lodged as security deposits) | |
| Unquoted | |
| 4% Loan 1980 | 0.05 |
| 4 3/4% Loan 1989 | 0.37 |
| 5 3/4% M.P. Development Loan 1980 | 0.02 |
| 4 1/2% Ten Year Defence Deposit Certificates | 0.10 |
| 12 Year National Plan Certificates | 0.20 |
| 12 Year National Defence Certificates | 0.05 |
| 7 Year National Savings Certificates | 2.01 |
| 6 Year National Savings Certificates | 0.28 |
| Sub-total (C) | 3.08 |
| D. Investment property (at written down value) | |
| Freehold land and buildings | |
| Cost per last balance sheet | 1.02 |
| Less : Depreciation to date (Depreciation to date Rs.94,358) | 0.94 |
| Sub-total (D) | 0.08 |
| Total (A)+(B)+(C) +(D) | 263.81 |

represent Re.1

Investment in associates

| No. | Name of Associate | Country of Incorporation | Ownership Interest % | Original Cost of Investment | Amount of Capital reserve in original cost | Rs. in lacs Carrying amount of investment |
|-----|--------------------------------|-----------------------------|-------------------------|--------------------------------|--|--|
| 1. | National Cereals Products Ltd. | India | 27.87 | 0.46 | - | 210.07 |
| 2. | Mohan Closures Limited | India | 25.00 | 3.00 | 1.36 | 10.72 |

Notes forming part of the consolidated financial statements**12. Deferred tax assets (net)**

| Particulars | As at March 31, 2016 Rs. in lacs |
|---|---|
| Deferred tax assets on | |
| - Provision for doubtful debts and advances | 277.11 |
| - Accrued expenses deductible on payment | 294.95 |
| - Others | 104.19 |
| Sub-total (A) | 676.25 |
| Less : | |
| Deferred tax liabilities on | |
| - Accumulated depreciation | 404.77 |
| - Prepaid expenses deductible on payment | 57.69 |
| Sub-total (B) | 462.46 |
| Deferred tax assets (net) (A) - (B) | 213.79 |

13. Long-term loans and advances

| Particulars | As at March 31, 2016 Rs. in lacs |
|---|---|
| (unsecured, considered good unless stated otherwise) | |
| Capital advances | 84.33 |
| Security deposits | 244.65 |
| Prepaid expenses | 2.25 |
| Other recoverable | 7.90 |
| Advance tax (net of provisions) | 1,261.44 |
| Minimum alternate tax credit entitlement | 326.70 |
| Recoverable from government authorities-Good | 40.18 |
| - Doubtful | 46.82 |
| | 2,014.27 |
| Less : Allowance for doubtful advances | (46.82) |
| Total | 1,967.45 |

14. Other non-current assets

| Particulars | As at March 31, 2016 Rs. in lacs |
|---|---|
| Fixed deposits held as lien with government authorities | 130.50 |
| Total | 130.50 |

Notes forming part of the consolidated financial statements**15. Inventories (at cost and net realisable value, whichever is lower)**

| Particulars | As at March 31, 2016 Rs. in lacs |
|---|---|
| Raw materials including packing materials | 1,298.06 |
| Work-in-process | 105.01 |
| Finished goods | 2,969.83 |
| Stock in trade (acquired for trading) | 66.45 |
| Stores and spares | 481.99 |
| Loose tools | 0.09 |
| Total | 4,921.43 |

16. Trade receivables

| Particulars | As at March 31, 2016 Rs. in lacs |
|--|---|
| Receivables outstanding for a period exceeding six months from the due date of payment | |
| - Secured, considered good ¹ | 38.80 |
| - Unsecured - considered good ¹ | 1,179.00 |
| - Doubtful | 745.79 |
| | 1,963.59 |
| Less : Allowance for doubtful debts | (745.79) |
| Sub-total (A) | 1,217.80 |
| Other receivables | |
| - Secured, considered good | 960.14 |
| - Unsecured, considered good ¹ | 4,268.49 |
| Sub-total (B) | 5,228.63 |
| Total (A)+(B) | 6,446.43 |
| ¹ Trade receivables include amounts receivable from a Private Limited Company in which a director is director | 332.51 |

Notes forming part of the consolidated financial statements**17. Cash and cash equivalents**

| Particulars | As at March 31, 2016 Rs. in lacs |
|--|---|
| Cash on hand | 9.58 |
| Cheques in hand | 60.00 |
| Balance with bank on : | |
| Current accounts | 463.71 |
| Fixed deposits | 39.70 |
| Saving bank account (employees' security deposits) | 0.01 |
| Margin deposits | 0.01 |
| Total | 573.01 |

18. Short-term loans and advances

| Particulars | As at March 31, 2016 Rs. in lacs |
|---|---|
| (unsecured, considered good unless stated otherwise) | |
| Balance with government authorities | 464.27 |
| Dues from employees | 18.26 |
| Prepaid expenses | 170.19 |
| <u>Other loans and advances</u> | |
| Advance to suppliers | 310.94 |
| Insurance claim receivables | 6.36 |
| Other recoverable - Good | 541.22 |
| - Doubtful | 41.14 |
| | 1,552.38 |
| Less : Allowance for doubtful advances | (41.14) |
| Total | 1,511.24 |

19. Other current assets

| Particulars | As at March 31, 2016 Rs. in lacs |
|--|---|
| Interest accrued on Investments and deposits | 39.97 |
| Assets held for sale | 11.46 |
| Surplus in gratuity fund (net) | 10.80 |
| Total | 62.23 |

Notes forming part of the consolidated financial statements**20. a) Contingent liabilities and commitments (not provided for)**

| Particulars | As at March 31, 2016 Rs. in lacs |
|---|--|
| (i) Contingent liabilities | |
| In respect of - | |
| Claims against the Group not acknowledged as debts ¹ | 887.03 |
| Income tax matters ¹ | 423.95 |
| Excise / Customs duty matters ¹ | 374.24 |
| Sales tax matters ¹ | 1,483.10 |

(ii) Commitments

| | |
|--|--------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for | 126.67 |
|--|--------|

¹ Matters are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded will not, in the opinion of the management, have a material effect on the results of the operations or financial position. Liabilities include interest and penalty.

- b) (i) The Company had entered into a long term contract with GAIL (India) Ltd. (GAIL) in December, 2008 for the period of 20 years for lifting the agreed quantity of gas of 25000 SCM per day primarily for its Glass Bottling Unit at Mohan Nagar, Ghaziabad. Due to the discriminatory and arbitrary pricing charged by GAIL from the Glass Bottlers of Ferozabad and from the Company. The Company had incurred significant losses. Considering the significant losses, the Company had taken up the matter with GAIL but inspite of long discussion and correspondences, the Company did not get any satisfactory response. Under those circumstances, in order to mitigate the future losses, the Company had no option but to close down its Glass Bottling Unit permanently w.e.f. 01.03.2014. In view of this, the Company had requested GAIL to reduce the agreed quantity of gas from 25000 SCM per day to 4000 SCM per day under the force majeure conditions as per the agreement entered with GAIL. Pursuant to the said request GAIL has replaced the meters and pipeline at Mohan Nagar to cater for the reduced off take and has accepted Letter of Credit for the year 2014 and 2015 under the Agreement to cover supplies and receipt of payment for the reduced off take.

Notwithstanding above, the Company has received demand notice from GAIL of Rs.9.94 crores and Rs. 29.76 crores in relation to deficiency in the quantity of gas lifted during the Calender Year 2014 and 2015 respectively, computed on the basis of 25000 SCM per day. The Company has also received deficiency intimation for the period from January 1, 2016 to March 31, 2016 based on 25000 SCM. The Company has challenged the above matter at appropriate higher authorities and has obtained stay from the Hon'ble High Court of Delhi against the recovery of the aforesaid demand of Rs. 9.94 crores and also filed its application to Arbitrator as mutually approved against both the aforesaid demands which have been stayed pending the decision of the Arbitrator for which the next date of hearing is fixed in the month of September 2016. During the course of reply to Arbitrator, GAIL had also given an offer for one time settlement of Rs. 1.82 crores based on the actual loss incurred against the demand raised of Rs. 9.94 crores for Calender Year 2014 which the Company had not accepted as the GAIL did not incur any losses, according to the Company.

Based on the above facts, legal advice and terms and conditions as per the agreement, the management is confident that the demand is not tenable and will be dropped and thus the Company does not foresee any liability as on the reporting date.

- (ii) There are no other long term contracts for which there were any material foreseeable losses.

Notes forming part of the consolidated financial statements**21. Revenue from operations**

| Particulars | Year ended March 31, 2016 Rs. in lacs |
|---------------------------------------|--|
| Sale of products - Manufactured goods | 29,774.59 |
| Sale of traded goods | 26,532.95 |
| | 56,307.54 |
| Less : Excise duty | 13,213.71 |
| Sub-total (A) | 43,093.83 |
| Other operating revenues | |
| - Other miscellaneous sales # | 377.19 |
| - Export incentives | 39.18 |
| - Royalty income | 766.41 |
| - Cold storage charges | 16.97 |
| Sub-total (B) | 1,199.75 |
| Total (A)+(B) | 44,293.58 |

Includes sale of scrap, sale of mixture of materials, etc.

22. Other income

| Particulars | Year ended March 31, 2016 Rs. in lacs |
|--|--|
| Interest income | 82.95 |
| Dividend income from non-trade non-current investments | 2.93 |
| Profit on sale of fixed assets | 526.98 |
| Sale of scrap | 102.41 |
| Rent from non-current investment in immovable property | 1.31 |
| Other rent | 29.58 |
| Excess provision / unclaimed balances written back | 107.23 |
| Miscellaneous income | 44.40 |
| Total | 897.79 |

23. Cost of materials consumed

| Particulars | Year ended March 31, 2016 Rs. in lacs |
|--|--|
| Malt and malt extract | 597.70 |
| Barley, maize, wheat, rice flakes, etc. | 822.78 |
| Spirit ¹ | 2,383.78 |
| Raisins | 11.97 |
| Hops and hop pellets | 15.02 |
| Sugar | 182.83 |
| Sundry chemicals | 20.30 |
| Juices etc. | 34.00 |
| Bottles and other packing materials ² | 4,018.08 |
| Total | 8,086.46 |

¹ Excluding spirit consumed out of own production.

² Excluding bottles consumed out of own production.

Notes forming part of the consolidated financial statements**24. Purchase of stock-in-trade (traded goods)**

| Particulars | Year ended March 31, 2016 Rs. in lacs |
|--------------------|--|
| Beer | 990.87 |
| IMFL | 24,798.04 |
| Total | 25,788.91 |

25. Changes in inventories of finished goods, work-in-progress and stock-in-trade

| Particulars | Year ended March 31, 2016 Rs. in lacs |
|----------------------------|--|
| Finished goods - Opening | 3,035.53 |
| - Closing | 2,969.83 |
| Sub-total (A) | 65.70 |
| Work-in-progress - Opening | 79.68 |
| - Closing | 105.01 |
| Sub-total (B) | (25.33) |
| Stock-in-trade - Opening | 69.43 |
| - Closing | 66.45 |
| Sub-total (C) | 2.98 |
| Total (A)+(B)+(C) | 43.35 |

26. Employee benefits expenses

| Particulars | Year ended March 31, 2016 Rs. in lacs |
|---|--|
| Salaries, wages, bonus etc. | 2,085.76 |
| Company's contribution to provident fund and pension scheme | 137.02 |
| Staff welfare expenses | 155.91 |
| Total | 2,378.69 |

27. Finance costs

| Particulars | Year ended March 31, 2016 Rs. in lacs |
|--|--|
| Interest expenses on borrowings | 1,051.30 |
| Interest expenses on micro enterprises and small enterprises | 10.12 |
| Other borrowing costs | 37.66 |
| Total | 1,099.08 |

Notes forming part of the consolidated financial statements**28. Depreciation and amortization expenses**

| Particulars | Year ended March 31, 2016 Rs. in lacs |
|-------------------------------------|--|
| Depreciation on fixed assets | 301.01 |
| Depreciation on investment property | # |
| Total | 301.01 |
| # represent current year Rs.375 | |

29. Other expenses

| Particulars | Year ended March 31, 2016 Rs. in lacs |
|--|--|
| Stores and spares consumed | 347.06 |
| Increase/(decrease) in excise duty on finished goods and captive consumption | 2.93 |
| Power and fuel ¹ | 1,387.62 |
| Repairs | |
| - Building | 107.67 |
| - Plant and machinery | 241.86 |
| - Other repairs | 90.84 |
| Rent | 127.82 |
| Insurance | 41.50 |
| Rates and taxes | 381.00 |
| Legal and professional charges | 254.28 |
| Travelling and conveyance | 102.29 |
| Advertisement, sales promotion and publicity | 36.99 |
| Freight and cartage | 734.80 |
| Voluntary retirement scheme expenses | 19.40 |
| Stores, spares and packing material written off | 98.64 |
| Fixed assets written off | 10.21 |
| Loss on sale of fixed assets | 0.02 |
| Depot operation charges / selling expenses | 789.90 |
| Bad debts and advances written off | 0.22 |
| Payment to Auditors (inclusive of service tax) | |
| -To statutory auditor | |
| - Statutory audit fees | 38.89 |
| - Fees for limited review, certificate etc. | 13.72 |
| - Out-of-pocket expenses | 0.80 |
| -To branch auditor | |
| - Statutory audit fees | 0.40 |
| - Tax audit fees | 0.40 |
| - Fees for limited review, certificate etc. | 0.19 |
| - Out-of-pocket expenses | 0.14 |
| Breakages, leakages, samples and cash discount | 152.73 |
| Commission to - Selling agents | 544.46 |
| - others | 1.19 |
| Manufacturing and works expenses | 374.24 |
| Miscellaneous expenses ² | 1,070.49 |
| Total | 6,972.70 |

¹ Power and fuel is net of recoveries of Rs.60.87 lacs² Includes reallocation expenses of Rs. 500 lacs

Notes forming part of the consolidated financial statements

30. Employee benefits

The Company has recognised various employee benefits provided to employees as under :

| | Year ended March 31, 2016 Rs.in lacs |
|--------------------------|---|
| i) Employee plans | |

Employers' contribution to

| | |
|-------------------|--------------|
| a) Provident fund | 58.21 |
| b) Pension scheme | 78.81 |

ii) Defined benefit plans

- a) Gratuity
- b) Compensated absences – Earned leave

In accordance with AS - 15 (revised 2005), actuarial valuation was done in respect of the aforesaid defined benefit plans and details of the same are given below :

| Particulars | Gratuity (Funded) | Compensated absences (Unfunded) |
|--|---|---|
| | Year ended March 31, 2016 Rs.in lacs | Year ended March 31, 2016 Rs.in lacs |
| Principal assumptions | | |
| Discount rate (per annum) | 8.00% | 8.00% |
| Future salary increase | 5.50% | 5.50% |
| Expected rate of return on plan assets | 8.50/8.35% | - |
| In service mortality | IALM (2006-08) | IALM (2006-08) |
| I. Expense recognised in the statement of profit and loss | | |
| Current service cost | 39.44 | 7.34 |
| Interest cost | 77.70 | 8.96 |
| Expected return of plan assets | (93.73) | - |
| Net actuarial (gain) / loss recognised in the year | 42.02 | 1.96 |
| Total expense | 65.43 | 18.26 |
| II. Net asset/(liability) recognised in the balance sheet | | |
| Present value of Defined benefit obligation | 994.78 | 116.04 |
| Fair value of plan assets | 1,005.58 | - |
| Funded status [surplus/(deficit)] | 10.80 | (116.04) |
| Net asset/(liability) | 10.80 | (116.04) |
| Further classification : | | |
| - Short term provision | - | 11.61 |
| - Long term provision | - | 104.43 |
| - Other current assets | 10.80 | - |

Notes forming part of the consolidated financial statements

| Particulars | Gratuity (Funded) | Compensated absences (Unfunded) |
|---|--|--|
| | Year ended March 31, 2016 Rs.in lacs | Year ended March 31, 2016 Rs.in lacs |
| III. Change in the present value of obligation during the year | | |
| Present value of obligation as at the beginning of the year | 971.30 | 111.95 |
| Interest cost | 77.70 | 8.96 |
| Current service cost | 39.44 | 7.34 |
| Benefits paid | (123.91) | (14.16) |
| Mortality Charges from LIC | - | - |
| Actuarial (gains) / losses on obligation | 30.25 | 1.96 |
| Present value of obligation as at the end of the year | 994.78 | 116.04 |
| IV. Change in the fair value of plan assets during the year | | |
| Fair value of plan assets as at the beginning of the year | 1,041.48 | - |
| Expected return on plan assets | 93.72 | - |
| Contribution | 6.23 | - |
| Benefits paid | (123.91) | - |
| Fund Management Charges | (0.17) | - |
| Actuarial gains / (losses) on plan assets | (11.77) | - |
| Fair value of plan assets as at the end of the year | 1,005.58 | - |
| V. Detail of plan assets :- Funded with LIC # | | |

The plan assets are maintained with Life Insurance Corporation of India Gratuity Scheme. The details of investments maintained by the Life Insurance Corporation are not made available to the Company and have therefore not been disclosed.

| Particulars | Gratuity (Funded) | Compensated absences (Unfunded) |
|---|--|--|
| | Year ended March 31, 2016 Rs.in lacs | Year ended March 31, 2016 Rs.in lacs |
| VI. Other disclosures | | |
| Present value of Defined benefit obligation as at the end of the year | 994.78 | 116.04 |
| Fair value of plan assets as at the end of the year | 1,005.58 | - |
| Funded status [asset/(liability)] as at the end of the year | 10.80 | (116.04) |
| Experience adjustment on plan liabilities (loss)/gain | (30.25) | (1.96) |
| Experience adjustment on plan assets (loss)/gain | (11.77) | - |

Notes forming part of the consolidated financial statements

31. Segment reporting

A. Business segments

Based on the guiding principles given in Accounting Standard (AS) - 17 'Segment Reporting', the Company's business segments include : Alcoholic products (including whiskies, brandies, gins, beers and rums etc.) and Non-alcoholic products (including juice, vinegar, mineral water, breakfast foods and malt extract etc.).

B. Geographical segments

Considering the nature of products / services it deals in and the threshold related to sales, results and assets outside the Country, there is only one geographical segment.

C. Segment accounting policies

In addition to the significant accounting policies applicable to the business segment as set out in note 1 above, the accounting policies in relation to segment accounting are as under:

a. Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowances and provisions which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Segment assets and liabilities do not include investments, share capital, reserves and surplus, loan funds, dividends payable, income-tax (current and deferred tax) and certain other assets and liabilities not allocable to the segments on a reasonable basis. While most of the assets/liabilities can be directly attributed to individual segments, the carrying amount of certain assets / liabilities pertaining to two or more segments are allocated to the segments on a reasonable basis.

b. Segment revenue and expenses

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

c. Unallocated expenses

Unallocated expenses represents general administrative expenses, head-office expenses and other expenses that arise at the Company level and relate to the Company as a whole. As such, these expenses have not been considered in arriving at the segment results.

Notes forming part of the consolidated financial statements

Segment reporting (Contd.)

| Particulars | Year ended March 31, 2016 | | | |
|---|---------------------------|-----------------------------|---------------------------|---------------------|
| | Alcoholic Rs.in lacs | Non-Alcoholic Rs.in lacs | Unallocated Rs.in lacs | Total Rs.in lacs |
| Segment revenue | | | | |
| External sales (excluding excise duty) | 40,235.57 | 2,858.26 | - | 43,093.83 |
| Other operating income (excluding interest income) | 1,182.79 | 16.96 | - | 1,199.75 |
| Total revenue | 41,418.36 | 2,875.22 | - | 44,293.58 |
| Segment results | 1,339.70 | 241.93 | (44.33) | 1,537.30 |
| Interest income | | | | 82.95 |
| Profit before finance costs and tax | | | | 1,620.25 |
| Finance costs | | | | (1,099.08) |
| Profit before tax | | | | 521.17 |
| Provision for tax (net) | | | | 11.78 |
| Deferred tax charge | | | | 135.51 |
| Share in loss of associates | | | | 18.40 |
| Profit for the year | | | | 355.48 |
| Other information | | | | |
| Segment assets | 15,951.25 | 914.38 | 2,997.09 | 19,862.72 |
| Total assets | | | | 19,862.72 |
| Segment liabilities | 9,048.70 | 546.14 | 1,331.09 | 10,925.93 |
| Share capital and reserves | | | | 2,647.20 |
| Secured and unsecured loans | | | | 6,289.59 |
| Total liabilities | | | | 19,862.72 |
| Capital expenditure | 454.51 | 27.86 | 58.15 | 540.52 |
| Depreciation | 219.51 | 17.54 | 63.96 | 301.01 |
| Non cash expenses other than depreciation | 8.78 | 0.09 | 1.56 | 10.43 |

Notes forming part of the consolidated financial statements**32. Related party disclosures under Accounting Standard-18****A. Name of related party and relationship**

- i) Key Managerial Personnel : Brig. (Dr.) Kapil Mohan, VSM, (Retd.) Ph.D. and Mr. Hemant Mohan
- ii) Relatives of Key Managerial Personnel : Mrs. Pushpa Mohan (Wife of Brig. (Dr.) Kapil Mohan, VSM, (Retd.) Ph.D.), Mrs. Seema Bakshi (Daughter of Brig. (Dr.) Kapil Mohan, VSM, (Retd.) Ph.D.), Mrs. Usha Mohan (Mother of Mr. Hemant Mohan), Mrs. Poonam Narang and Mrs. Molina Chandra (Sister of Mr. Hemant Mohan), Mr. Vinay Mohan (Brother of Mr. Hemant Mohan), and Mrs. Shalini Mohan (Wife of Mr. Vinay Mohan)
- iii) Enterprises over which Key Managerial Personnel and/or their relatives exercise significant influence : Mohan Rocky Springwater Breweries Limited (Brig. (Dr.) Kapil Mohan, VSM, (Retd.) Ph.D. and Mr. Vinay Mohan are Directors), Trade Links Private Limited (Mr. Vinay Mohan is Chairman cum Managing Director), Mohan Shakti Trust (Brig. (Dr.) Kapil Mohan is Chairman, Mr. Hemant Mohan is Vice Chairman, Mr. Vinay Mohan and Mrs. Aarti Mohan are trustees) and Narinder Mohan Foundation (Brig. (Dr.) Kapil Mohan, VSM, (Retd.) Ph.D. is Chairman, Mr. Hemant Mohan is Vice Chairman and Mr. Vinay Mohan is Trustee).

B. Transactions with related parties referred to in - (A)

| Particulars | Year ended March 31, 2016 Rs. in lacs |
|--|--|
| i) Transactions with Key Managerial Personnel | |
| Remuneration : | |
| - Brig. (Dr.) Kapil Mohan, VSM, (Retd.) Ph.D. | 27.97 |
| - Mr. Hemant Mohan | 44.10 |
| Balances outstanding as at the year end | |
| Payable | 13.65 |
| ii) Transactions with relatives of Key Managerial Personnel | |
| Sitting fees to a non-working director (Mr. Vinay Mohan) | 0.50 |
| iii) Transactions with enterprises over which Key Managerial Personnel and/or their relatives exercise significant influence | |
| Purchases of traded goods | |
| - Mohan Rocky Springwater Breweries Limited | 22,623.40 |
| Purchases of services | |
| - Narinder Mohan Foundation | 3.47 |
| Sales | |
| - Mohan Rocky Springwater Breweries Limited | 310.11 |
| - Trade Links Private Limited | 4,666.40 |
| Royalty from | |
| - Trade Links Private Limited | 6.00 |
| - Mohan Rocky Springwater Breweries Limited | 0.93 |
| Commission to a selling agent | |
| - Trade Links Private Limited | 68.11 |
| Depot handling charges to a selling agent | |
| - Trade Links Private Limited | 124.14 |

Notes forming part of the consolidated financial statements

Related party disclosures under Accounting Standard-18 (Contd..)

| Particulars | Year ended March 31, 2016 Rs. in lacs |
|---|--|
| Commission to a selling agent | |
| - Trade Links Private Limited | 68.11 |
| Depot handling charges to a selling agent | |
| - Trade Links Private Limited | 124.14 |
| Expenses recovered | |
| - Mohan Rocky Springwater Breweries Limited | 3.44 |
| - Trade Links Private Limited | 12.57 |
| Expenses incurred on Company's behalf reimbursed* | |
| - Trade Links Private Limited | 11.91 |
| - Mohan Rocky Springwater Breweries Limited | 0.01 |
| Balances outstanding as at the year end (Payable) / Receivable | |
| - Mohan Rocky Springwater Breweries Limited | 330.07 |
| - Trade Links Private Limited | 332.51 |
| Payable | |
| - Mohan Shakti Trust | 0.48 |

* This exclude the amount of Rs.Nil paid by Trade Links Private Limited out of the advance money given by the Company for disbursing the Company's expense.

33. Earnings per share

| Particulars | Year ended March 31, 2016 Rs. in lacs |
|---|--|
| Profit for the year (Rs. in lacs) | 355.48 |
| Weighted average number of Equity shares outstanding (Nos.) | 8,508,479 |
| Earnings per share - basic / diluted (face value - Rs. 5 per share) (Rs.) | 4.18 |

34. Foreign currency exposures that are not hedged by derivative instruments or otherwise is as follows

| Description | Amount in foreign currency | As at March 31, 2016 Amount Rs. in lacs |
|--------------------|---------------------------------------|--|
| Trade receivables | 3,37,400 USD | 222.95 |

Notes forming part of the consolidated financial statements

35. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

| Name of the entity | Net assets, i.e., total assets minus total liabilities | | Share of profit or (loss) | |
|---|--|--------------------|---------------------------------------|--------------------|
| | As % of consolidated net assets | Amount Rs. in lacs | As % of consolidated profit or (loss) | Amount Rs. in lacs |
| Parent Mohan Meakin Limited | 92.41% | 2,647.20 | 105.17% | 373.88 |
| Associates (Investment as per the equity method) | | | | |
| Indian Mohan Closures Limited | 0.27% | 7.72 | (0.22%) | (0.79) |
| National Cereals Product Limited | 7.32% | 209.61 | (4.95%) | (17.61) |
| Total | 100% | 2,864.53 | 100% | 355.48 |

36. The details of dues of sales tax/ value added tax, excise duty, customs duty and income tax which have not been deposited/ paid under protest on account of dispute as at March 31, 2016 are as follows :-

| Name of the statute | Nature of the dues | Forum where dispute is pending | Amount (Rs.inlacs)* | Amount paid under protest (Rs. in lacs) | Period to which the amount relates |
|---------------------|---------------------------------|--|---------------------|---|--|
| Sales tax laws | Sales tax (Including Entry tax) | Appellate authority up to Commissioner's level | 1,077.61 | - | 1975-76, 1977 to 1979, 1987 to 1989, 1999-2000, 2006-07 to 2012-13 |
| | | Sales tax Appellate Tribunal | 45.26 | - | 1984-85, 1985-86, 1991-92, 1992-93, 2006-07 to 2009-10 |
| | | High Court | 8.85 | - | 1994-95, 1995-96, 1997-98, 1998-99 |
| | | Supreme Court | 381.98 | - | 2001-02 to 2010-11 |
| | Trade tax | Appellate Tribunal | 20.22 | - | 1984-85, 1985-86, 1987-88, 2005-06 to 2007-08 |
| | | High Court | 1.60 | - | 1990-91 to 1992-93, 1994-95, 1995-96 |

Notes forming part of the consolidated financial statements

| Name of the statute | Nature of the dues | Forum where dispute is pending | Amount (Rs.in lacs)* | Amount paid under protest (Rs. in lacs) | Period to which the amount relates |
|----------------------------|---------------------------|--|-----------------------------|--|---|
| State Excise laws | Excise duty | High Court | 349.16 | 231.17 | 1963-1985, 1986-2011 |
| Central Excise | Excise duty | CESTAT | 13.26 | - | 2005 to 2007 |
| | | Appellate authority up to Commissioner's level | 42.80 | - | 2008-09 to 2010-11 |
| Custom(s) laws | Custom (s) duty | CESTAT | 77.61 | - | 1994 to 2004 |

* Amount as per demand orders, including interest and penalty, wherever quantified in the Order.

The following matters, which have been excluded from the table above, have been decided in favour of the Company but the concerned authorities have preferred appeals at higher level

| Name of the Statute | Nature of the dues | Forum where dispute is pending | Amount (Rs. in lacs) | Period to which the amount relates |
|----------------------------|---------------------------|---------------------------------------|-----------------------------|---|
| Sales tax laws | Sales tax | Sales Tax appellate Tribunal | 358.08 | 1987 to 1989, 1990 to 1993 |
| State Excise laws | Excise duty | Supreme Court | 36.67 | 1997 to 1999 |
| Income tax laws | Income tax | High Court | 423.95 | 2002-03 to 2005-06 |

Further, there are no disputed dues with respect to Service Tax which have not been deposited as on March 31, 2016 on account of disputes.

37. The Group has prepared its consolidated financial statements for the first time and hence previous year figure have not been given pursuant to provision given in general instructions of schedule III of Companies Act, 2013.

| | | |
|-------------------------|---|--------------------------|
| | For and on behalf of Board of Directors | |
| | HEMANT MOHAN | <i>Managing Director</i> |
| | VINAY MOHAN | <i>Director</i> |
| | SHALINI MOHAN | <i>Director</i> |
| | M. NANDAGOPAL | <i>Director</i> |
| | J.K. JAIN | <i>Director</i> |
| | YASH KUMAR SEHGAL | <i>Director</i> |
| | L.K. MALHOTRA | <i>Director</i> |
| H.N.HANDA | | |
| Secretary | | |
| R.C. JAIN | | |
| Chief Financial Officer | | |

ALCOHOLIC PRODUCTS

WHISKIES

Summer Hall
Colonel's Special
Golden Eagle
King Castle
Top Brass
Diplomat Deluxe
Black Knight
Solan No.1
Solan No. 1 Black
Solan Gold Single Malt
Cellar 117
MMB
Blue Bull

BRANDIES

Triple Crown
Doctor's Reserve No.1
D.M.
MMB

GINS

Big Ben London (Export Quality)

VODKA

Knight Rider Premium

BEERS

Golden Eagle Lager
Golden Eagle Deluxe Premium Lager
Gold Lager Beer (Herbal Beer)
Golden Eagle Super Strong
Gymkhana Premium Lager
Asia 72 Extra Strong Lager
Black Knight Super Strong
Solan No.1 Premium
I Q
Lion
Meakins 10000 Super Strong
Old Monk Super Strong

RUMS

Old Monk The Legend
Old Monk Supreme
Old Monk Gold Reserve
Old Monk XXX
Old Monk Deluxe XXX
Old Monk Matured Deluxe XXX
Old Monk White
Old Monk Apple
Old Monk Orange
Old Monk Lemon
Old Monk Matured XXX Select

NON-ALCOHOLIC PRODUCTS

JUICES

Mohun's Gold Coin Apple Juice

VINEGARS

Mohun's Brewed Vinegar
Mohun's Non-Fruit Vinegar

MINERAL WATER

Golden Eagle Mineral Water
Mohun's Mineral Water

BREAKFAST FOODS

Mohun's New Life Classic Corn Flakes
Mohun's New Life Corn Flakes
Mohun's Wheat Porridge
Mohun's Wheat Flakes
Mohun's Wheat Dalia

EXTRACTS : Malt Extract

EXPORTS : Beer, Rum, Whisky, Brandy & Gin.

THE MANAGEMENT OF MOHAN MEAKIN LIMITED
WISHES TO THANK THE EMPLOYEES, DISTRIBUTORS
AND OTHER ASSOCIATES FOR THE EXCELLENT
WORK PERFORMANCE AT ALL LEVELS.