

Khoday India Limited

DISTILLERS, BREWERS & MALTSTERS

Regd. Office : "BREWERY HOUSE" 7th Mile, Kanakapura Road
BANGALORE-560 052

29-05-2015

CIN: L85110KA1965PLC001590

BSE Ltd
25th Floor,
P J Towers,
Dalal Street,
Mumbai-400 001.

Kind Attn: Manager – DCS

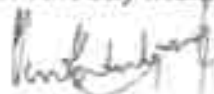
Dear Sir,

Sub:- Annual Report for the financial year 2014-15, together with Form A for Annual Audt Report.

In compliance with Clause 31 of the Listing Agreement, we submit herewith Annual Report for the financial year 2014-15 and Form A in respect of Annual Audt Report for the said financial year.

Thanking you,


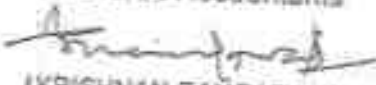

Yours faithfully,
For Khoday India Limited



(R.Venkat subramanyan)
Company Secretary

FORM A

Format of covering letter of the Annual audit report to be filed with the stock exchanges

1.	Name of the Company	Khoday India Limited BSE Stock code: 507435
2.	Annual financial statements for the year ended	31 st March 2015
3.	Type of Audit observation	Unqualified Report.
4.	Frequency of observation	—
5.	To be signed by -	<p>For Khoday India Limited</p>  <p>(K.L. Srihari) Vice-Chairman & Managing Director</p> <p>For RANGARAJU AND ASSOCIATES Chartered Accountants</p>  <p>(KRISHNAN RANGARAJU) Partner</p> <p>Membership No: 18457</p>  <p>Maj. Gen. (Retd) M.K. Paul - Chairman of Audit Committee of Directors of the Company</p>

KHODAY INDIA LIMITED
NOTICE

Notice is hereby given under Section 101(2) of the Companies Act, 2013, that the Forty Ninth Annual General Meeting of the members of Khoday India Limited, will be held on Monday the 08th June 2015 at 11.00 a.m at the Registered Office of the Company at "Brewery House", Kanakapura Main Road, Bangalore-560 062, to transact the following business:

Ordinary Business:

- 1) To receive, consider and adopt the standalone and consolidated Financial Statements of the Company as at 31st March 2015 and the Reports of the Board of Directors and Auditors thereon.
- 2) To appoint a Director in place of Mr.K.L.Ramachandra who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint a Director in place of Mr.K.S.Giridhar who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To ratify the appointment of M/s Rangaraju & Associates, Chartered Accountants, Bangalore as auditors and to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to first proviso to Section 139 (1) of the Companies Act, 2013, the appointment of M/s Rangaraju & Associates, Chartered Accountants, Bangalore as Auditors of the Company, for a period of 3 years from the conclusion of the Annual General Meeting held on 29-12-2014 until the conclusion of the Annual General Meeting of the Company to be held in respect of the financial year 2016-17, be and is hereby ratified."

Special Business:

Item no: 5

To consider, if thought fit to pass with or without modification(s) the following resolution as a ordinary resolution;

- /2015"RESOLVED that pursuant to Sections 194, 197 and 198 read with Schedule V and other applicable provisions, if any of the Companies Act, 2013, consent of the members be and is hereby given for the re-appointment of Mr.K.L.Srihari Vice-Chairman and Managing Director, of the Company for a period of 5 years from 1st January 2016 to 31st December 2020 on the remuneration and other terms and conditions as set out herein below.

1.	Tenure	1 st January 2016 to 31 st December 2020
2.	Salary	Rs.1,00,000/- (Rupees One Lakh Per month)
3.	Commission	1 % of the Net Profit of the Company but restricted to annual salary.
4.	Perquisites	Chauffeur driven car for official use. Free use of a mobile telephone and a fixed line telephone at residence. Subscription to Membership of two clubs excluding admission and life membership fees.
5.	Minimum remuneration	In the event of loss or inadequacy of profits in any financial year, salary as above shall be paid as minimum remuneration.
6.	Overall ceiling	In any event the total salary, commission & perquisites shall be within the overall ceilings as specified in Section II of Part II of Schedule V to the Companies Act, 2013.

Note: Profit for the purpose of the above managerial remuneration shall be as per computation under Sections 197 and 198 of the Companies Act, 2013.

RESOLVED further that the Board of Directors be and is hereby authorized to modify, alter or amend the remuneration and other terms of appointment from time to time provided that such remuneration shall also be in conformity with the ceiling limits specified in Part II of Schedule V of Companies Act, 2013, or any statutory modifications or re-enactment thereof.

RESOLVED further that the Board of Directors or the Committee thereof be and is hereby authorized to take all such steps as may be necessary, proper, or expedient to give effect to this resolution."

Item no: 6

To consider, if thought fit to pass with or without modification(s) the following resolution as a ordinary resolution;

/2015 **RESOLVED** that pursuant to Sections 196, 197 and 198 read with

Schedule V and other applicable provisions, if any of the Companies Act, 2013, consent of the members be and is hereby given for the re-appointment of Mr.K.L.A.Padmanabhasa, Joint Managing Director, of the Company for a period of 5 years from 1st January 2016 to 31st December 2020 on the remuneration and other terms and conditions as set out herein below:

1.	Tenure	1 st January 2016 to 31 st December 2020
2.	Salary	Rs.1,00,000/- (Rupees One Lakh Per month)
3.	Commission	1 % of the Net Profit of the Company but restricted to annual salary.
4.	Perquisites	Chauffeur driven car for official use. Free use of a mobile telephone and a fixed line telephone at residence. Subscription to Membership of two clubs excluding admission and life membership fees.
5.	Minimum remuneration	In the event of loss or inadequacy of profits in any financial year, salary as above shall be paid as minimum remuneration.
6.	Overall ceiling	In any event the total salary, commission & perquisites shall be within the overall ceilings as specified in Section II of Part II of Schedule V to the Companies Act, 2013.

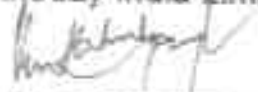
Note: Profit for the purpose of the above managerial remuneration shall be as per computation under Sections 197 and 198 of the Companies Act, 2013.

RESOLVED further that the Board of Directors be and is hereby authorized to modify, alter or amend the remuneration and other terms of appointment from time to time provided that such remuneration shall also be in conformity with the ceiling limits specified in Part II of Schedule V of Companies Act, 2013, or any statutory modifications or re-enactment thereof.

RESOLVED further that the Board of Directors or the Committee thereof be and is hereby authorized to take all such steps as may be necessary, proper, or expedient to give effect to this resolution."

Place: Bangalore
Date : 29th May 2015

By order of the Board
For Khoday India Limited


(R. Venkat subramanyan)
Company Secretary

Notes:


- A. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the Company.
- B. A blank Proxy Form and Attendance Slip are enclosed. The instrument appointing the proxy should however, be deposited at the Registered office of the Company not less than 48 hours before the commencement of the Meeting. Members /Proxies are requested to bring their attendance slip along with their copy annual report to the Meeting.
- C. An explanatory statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed herein.
- D. Members/Proxies are advised to bring their Attendance slip along with their copy of the Annual Report to the Meeting. Members who hold shares in dematerialized form are requested to write their Client ID / DP ID Nos. and those who hold shares in Physical Form are requested to write their Folio No. in the Attendance slip.

In compliance with Section 152 (6) of the Companies Act, 2013 read with Article 37 (A) of the Articles of Association of the Company, the two non-executive Directors viz., Mr.K.L.Ramachandra and Mr.K.S.Giridhar retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The particulars of these Directors as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges are provided in the Corporate Governance Report forming part of the Annual Report. The Board of Directors of the Company commends their respective re-appointments.

Further, two ordinary resolutions for the re-appointment of Mr.K.L.Srihari, Vice-Chairman and Managing Director and Mr.K.L.A. Padmanabhasa, Joint Managing Director for further period of 5 years from 1st January 2016 to 31st December 2020 are proposed to be considered at the ensuing AGM. The particulars of both Whole-time Directors are provided in the Corporate Governance Report forming part of the Annual Report.

Place: Bangalore
Date : 29th May 2015

By order of the Board
For Khoday India Limited


(R.Venkat subramanyan)
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No: 5

RE-APPOINTMENT OF MR.K.L.SRIHARI AS VICE-CHAIRMAN AND MANAGING DIRECTOR:

Mr.K.L.Srihari was re-appointed as Whole-time Director designated as Vice-Chairman and Managing Director of the Company for a period of 5 years 1st January 2016 to 31st December 2020, pursuant to the approval accorded by the Members for a resolution passed in that behalf at the Annual General Meeting held on 28th October 2011. The Board of Directors at its meeting held on 29th May 2015, re-appointed Mr.K.L.Srihari as Director of the Company for a further period of 5 years from 1st January 2016 to 31st December 2020, on the terms and conditions as set out in the resolution and as approved by Nomination and Remuneration Committee of the Board of Directors at its meeting held on 29th May 2015. The approval of the Members at the ensuing Annual General Meeting is sought for his re-appointment.

Your Board recommends the adoption of resolution for the re-appointment of Mr.K.L.Srihari.

None of the Independent Directors is directly or indirectly concerned or interested in the resolution.

Item no. 6:

RE-APPOINTMENT OF MR.K.L.A.PADMANABHASA AS JOINT MANAGING DIRECTOR:

Mr.K.L.A.Padmanabhasa was re-appointed as Whole-time Director designated as Joint Managing Director of the Company for a period of 5 years 1st January 2016 to 31st December 2020, pursuant to the approval accorded by the Members for a resolution passed in that behalf at the Annual General Meeting held on 28th October 2011. The Board of Directors at its meeting held on 29th May 2015, re-appointed Mr.K.L.A.Padmanabhasa as Director of the Company for a further period of 5 years from 1st January 2016 to 31st December 2020, on the terms and conditions as set out in the resolution and as approved by Nomination and Remuneration Committee of the Board of Directors at its meeting held on 29th May 2015. The approval of

the Members at the ensuing Annual General Meeting is sought for his re-appointment,

Your Board recommends the adoption of resolution for the re-appointment of Mr.K.L.A.Padmanabhasa.

None of the Independent Directors is directly or indirectly concerned or interested in the resolution.

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DIRECTORS' REPORT

Your Directors present the 49th Annual Report on the working of your Company and the Audited Statement of Accounts for the year ended 31st March 2015:

Financial Highlights (Stand Alone):

(Rs. in Lakhs)

Sl.No.	Particulars	2014-15	2013-14
1.	Revenue from operations	15945.70	17001.99
	Other Income	55.65	269.72
2.	Total Revenue	16001.35	17271.71
3.	Profit / (Loss) before Tax	(3125.41)	478.47
4.	Provision for Taxation Current Tax	0	92.00
5.	Profit/(Loss) after Tax	(3382.29)	386.47
	LESS: Income Tax for the earlier years	0.72	0.49
	LESS: Prior year adjustments	3.46	42.57
6.	Net Profit/(Loss) for the year	(3386.47)	343.40
7.	Appropriation Dividend	-	-
	Dividend Tax	-	-
8.	Balance carried forward	(3386.47)	343.40
9.	EPS - Basic & Diluted	(9.56)	0.91

Review of performance:

Even though the sale of alcoholic beverages during the year witnessed an increase of about Rs.55 Crores over the previous year, the higher provisioning for depreciation under the new Companies Act, 2013, and the overall increase in the cost production have lead to the Company registering a net loss of Rs.33.86 Crores.

Dividend:

Your Directors regret the inability to recommend any dividend in view of the loss incurred by the Company during the financial year.

Annual Evaluation of Board's Performance:-

In compliance with the requirement under Clause 49 of the Listing Agreement, a meeting of the Independent Directors was held on 14th February 2015, wherein the performance of Non-Independent Directors, including the Chairman, was evaluated.

To determine the criteria of evaluation of performance of Independent Directors as required under Clause 49 of the Listing Agreement, the Nomination and Remuneration Committee as its meeting held on 08-09-2014 established the criteria based on which the Board at its meeting held on the same day critically adjudged the performance of Independent Directors, with out the presence of the Independent Director being evaluated. The text of the Nomination and Remuneration Policy framed by the Board of Directors at its meeting held on 11-08-2014 is attached to this Report.

Change in nature of business, if any and material changes and commitments:

There has been no change in the nature of business during the financial year. So also there has been no material change and commitments between 31st March 2015 and 29th May 2015, impacting the financial position of the Company.

Details of significant and material Orders passed by Regulators / Courts :

a) Reduction of paid-up equity share capital :-

During June 2014, the Company filed a petition numbered 132/2014 before the Hon'ble High Court of Karnataka at Bangalore praying for an Order confirming the special resolution passed by the members at the Annual General Meeting held on 30th December 2013 for reduction of paid-up equity share capital by cancelling 39,31,042 shares held by the public, under Section 100 read with Sections 101 to 105 of the Companies Act, 1956.

The Hon'ble Court vide its Order dated 07th August 2014, allowed the Company's petition by confirming the said special resolution . Upon filing a certified copy of the said Order with the Registrar of Companies in Karnataka, Bangalore, the Registrar issued the Certificate of Registration dated 12th September 2014, for alteration by reduction of the paid-up equity share capital from Rs.37,59,12,370/- to Rs.33,66,01,950/- . Consequently the entire paid-up share capital of the Company presently held by its promoters and persons belonging to the promoter group.

Subsequently, about 4 weeks thereafter, Securities and Exchange Board of India (SEBI), filed Applications before the same Court for impleading itself in the Company's petition ii) recall and stay of the Order dated 07-08-2014. Although an Order was passed by the single judge on 08-01-2015, keeping in abeyance the earlier Order dated 07-08-2014. On an appeal filed by the Company the Division Bench of the same court, quashed the Order dated 08-01-2015, with a direction to the Company Judge who passed the earlier order dated 07-08-2014 to adjudicate SEBI's application for impleadment. The Company has since filed its objection to the same. The matter is pending disposal. Thus effectively the Order dated 07-08-2014, is in force as an order-in-rem.

In the mean while, the Company's consistent efforts to implement the Court's Order by fixing the Record Date first on 29-09-2014 and subsequently on 10-10-2014 and 07-04-2015 for the purpose of drawing up the list of public shareholders entitled to payment in respect of the shares so cancelled, has been delayed by BSE Limited, at the instance of SEBI.

The Orders of the Court and SEBI as detailed above, do not impact the going concern status of the Company.

b) Listing Agreement with stock exchanges

The Company has complied with the requirements of regulatory authorities on capital markets and no penalties have been imposed during the last three years. However, in the matter of compliance under Clause 40(A) of the Listing Agreement, the Securities and Exchange Board of India (SEBI) vide its final order dated 24th July 2014 confirmed its interim order dated 04th June 2013, vide which i) the voting right in respect of shares held by the persons in the promoters/ promoter group of the Company was frozen and restricted to 1/3 of the entitlement, i.e. to the extent of 31.38 % ii) the buying and selling or otherwise dealing in securities of the Company held by the promoters was prohibited and iii) the promoters and directors of the Company were restrained from holding any new position as a director in any listed company.

The Company has already challenged the Order of SEBI in an Appeal filed before Securities Appellate Tribunal, on the strength of the Order dated 07th August 2014 passed by the Hon'ble High Court of Karnataka. The appeal is pending disposal.

Internal Control Systems:

The Company has an adequate system of internal control procedures which is commensurate with the size and nature of business. These procedures are designed to ensure that all the assets are safeguarded, protected against loss and all transactions authorized, recorded and reported correctly. The internal control systems of the Company are monitored and evaluated by the Internal Auditor, whose reports are periodically reviewed by the Audit Committee.

Deposits:

The Company did not accept any deposits from the public during the year. Further, there were no outstanding deposits pending repayment.

Directors :

Changes in Directors:

Mr.Sudhakar Shetty, Independent Director resigned from the Board w.e.f. 08th August 2014, owing to his personal and professional pre-occupation and in his place Mrs.Pameila Sunawala was appointed as Independent Woman Director w.e.f. 08th September 2014, pursuant to Clause 49 II (A) of Listing Agreement, as amended vide SEBI Circular dated 17-04-2014.

Re-appointment of directors retiring by rotation:

In accordance with Article 37(A) of the Articles of Association of the Company Mr.K.L.Ramachandra and Mr.K.S.Giridhar the Non-Executive Directors retire by rotation and being eligible have offered to be re-appointed at the ensuing Annual General Meeting.

Re-appointment of Whole-time Directors:

The term of Mr.K.L.Srihari , Vice-Chairman and Managing Director who was re-appointed for a period of five years, at the Annual General Meeting held on 28-10-2011 concludes on 31st December 2015 and accordingly he is proposed to be re-appointment for a further period of five years at the ensuing Annual General Meeting.

The term of Mr.K.L.A.Padmanabhasa as Joint Managing Director, was re-appointed for a period of five years, at the Annual General Meeting held on 28-10-2011 concludes on 31st December 2015 and

accordingly he is proposed to be re-appointment for a further period of five years at the ensuing Annual General Meeting

The particulars of all the above Directors proposed to be re-appointed are given in the separate section relating to report on Corporate Governance.

Form No. AOC-2

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

(Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto)

A majority of the transactions entered into by the Company with the related parties during the financial year 2014-15 are in the nature of sales / purchase / service transactions, for which prior approval has been accorded by the Regional Director, South Western Region, Ministry of Corporate Affairs at Hyderabad, under section 297 of the Companies Act, 1956. In respect of transactions other than those specifically approved as above, the value of each of them is well within the limit as specified under the Rule 3 of Companies (Accounts) Rules, 2014, read with SEBI Circular CIR/CFD/POLICY CELL/2/2014 dated 17-04-2014 and the Board of Directors and Audit Committee of Directors have accorded prior approval for the same. The Legal Opinion dated 23-05-2015 issued by M/s. Josita Juris, in the matter of consolidation of financials of related parties and its disclosure, is annexed to this Report.

Whistler Blower Mechanism :

The Company has a Whistler Blower Policy in place for vigil mechanism, as mandated by Clause 49 of the Listing Agreement.

Statutory Auditors :

M/s Rangaraju & Associates, Chartered Accountants (Firm Registration no.6912S), were re-appointed as Independent Statutory Auditors of the Company at the Annual General Meeting held on 29-12-2014 for the residuary term of 3 years in accordance with Section 139 (2) read with Rule 6(3) of the Companies (Audit and Auditors) Rules 2014 and the same is proposed to be ratified at the ensuing Annual General Meeting.

Secretarial Auditor

The provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, mandates Secretarial Audit to be conducted from the financial year commencing on or after 1st April 2014 by a Company Secretary in Practice. The Board at its meeting held on 14-02-2015 has therefore appointed Mr. P. Narasimha Pai (Certificate of Practice No. 11629) as the Secretarial Auditor for the financial year ended 31st March 2015. The Secretarial Auditor's Report for the financial year ended 31st March 2015 is annexed to this Board's Report.

Transfer to Investor Education & Protection Fund

During the financial year, the Company has transferred a sum of Rs.6,52,952/- being the unpaid and unclaimed dividend in respect of financial year 2006-07, to the Investor Education & Protection Fund established by the Central Government, in compliance with Section 205C of the Companies Act, 1956.

Share Capital

As stated in the foregoing paragraphs, the Hon'ble High Court of Karnataka at Bangalore vide its Order dated 07-08-2014, confirmed the special resolution passed by the members at the Annual General Meeting held on 30th December 2013 for reduction of paid-up equity share capital by canceling 39,31,042 shares held by the public, under Section 100 read with Sections 101 to 105 of the Companies Act, 1956. Upon registration of the said Order by the Registrar of Companies in Karnataka, Bangalore, vide Certificate dated 12th September 2014, the paid-up equity share capital of the Company stands reduced from Rs.37,59,12,370/- to Rs.33,66,01,950/-, divided into 3,36,60,195 equity shares of Rs.10/-each . The entire paid-up share capital of the Company is presently held by its promoters and persons belonging to the promoter group and the Company's financial statements as at 31st March 2015 have been prepared accordingly based on the Legal Opinion dated 14-05-2015 issued by M/s. Josita Juris, as annexed to this Report.

Details of Managerial Remuneration pursuant to Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014:-

During the financial year, the Company did not pay any remuneration to any of its executive , non-executive and independent directors, excepting sitting fee paid to independent directors for attending meetings of the Board and the Committees thereof. The details of sitting fee paid

are given in Corporate Governance Report annexed hereto.

There were 385 permanent employees on the rolls of the Company as at 31st March 2015.

No employee of the Company was in receipt of a remuneration exceeding Rs.5 lakhs per month or Rs.60 Lakhs per annum during the financial year.

During the financial year, no increase was effected in the salary of Chief Executive Officer, Company Secretary or any Manager of the Company.

It is affirmed that the remuneration paid to the employees at all levels is as per the remuneration policy of the company.

Conservation of energy, technology absorption, foreign exchange earnings and outgo, if any:

The information with respect to Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo is furnished at Annexure 'A'.

Industrial Relations:

Industrial Relations were cordial throughout the year under review. Your Directors appreciate the dedicated services and co-operation of employees at all levels.

Corporate Governance:

A separate section on Corporate Governance is included in the Annual Report. The Company has complied with the requirements of Corporate Governance as stipulated in clause 49 of the Listing Agreement. The Certificate obtained from the Company's Auditors on compliance with Corporate Governance requirements is annexed thereto.

Directors' Responsibility Statement:

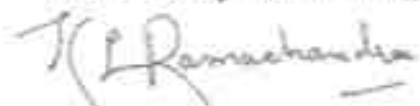
Pursuant to the provisions of Section 134 (5) of the Companies Act, 2013, (the Act) your Directors state that:-

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there were no material departures;
- ii. the accounting policies selected by them were applied consistently, judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March 2015 and of the loss incurred by the Company for the period ended the said date;
- iii. they have taken proper and sufficient care for the 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 fraud and other irregularities;
- iv. the annual accounts have been prepared on a going concern basis.
- v. the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi. the Directors devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgements:

Your Directors thank the customers, vendors, bankers, financial institutions, Central and State Governments for their continued support and co-operation extended to the Company.

For and on behalf of the Board of Directors
For Khoday India Limited



Date: 29th May 2015
Place: Bangalore

K.L. Ramachandra
Chairman

Annexure "A" to Directors' Report

FORM - A

Conservation of Energy:-

- Optimum plant load factor was ensured during the manufacturing cycle resulting in considerable savings in energy costs.
- Fans, lights and other electrical devices were switched off when not in use thereby achieving energy saving to a considerable extent. Regular lighting is increasingly being switched to CFLs.
- Replacement of capacitors resulted in better power factor and the resultant savings in power costs.

The other disclosures of particulars in Form A are not applicable, as the production in Company's glass manufacturing unit has ceased w.e.f. 01-07.2010.

FORM - B (See Rule 2)

2. RESEARCH & DEVELOPMENT EFFORTS: No Research & Development activities were undertaken by the Company during the year.

3. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:
The Company did not introduce any new technology in its manufacturing process during the year.

(in Rs.000s)

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

PARTICULARS	31-03-2015	31-03-2014
A.FOREIGN EXCHANGE OUT GO	2348	18211
B. FOREIGN EXCHANGE EARNINGS	4393	1520

ANNEXURE TO DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

Industry structure and developments: The alcoholic beverages industry in India is made up of Indian Made Foreign Liquor (IMFL), Beer, Wine, Country Liquor and imported alcoholic beverages. The IMFL segment of the industry recorded a growth of about 11 % during the year and your Company's aggregate volume of sales recorded a growth of about 3.8 %. The premium brands of IMFL such as "Peterscot", "Red Knight Select" and "Red Knight Reserve" brands of whisky carved out a market share of about 2 %. The product distribution in most states is managed through the respective State Beverages Corporation.

Opportunities and threats: The projected GDP growth of about 7.9 % for 2015-16, though modest, presents an opportunity for increased consumer spends on alcoholic beverages. However, the continuing increase in taxes which constitute nearly 2/3rds of shelf price of the premium brands, the absence of uniform rates of taxes and the diverse policies of the state governments on marketing and the restriction on advertising in both the print and electronic media are the major dampeners for higher rates of growth. The consistent reduction in custom duties on imported spirits resulting in easy availability of multinational brands constitutes another challenge for the Company.

Segment wise/ product wise performance:

The revenue for the Company was generated through business operations in the product segments of Liquor, Glass, Contract, Systems and "Others" comprising miscellaneous activities. The Liquor segment generated a gross revenue of Rs.514.55 crores but posted a loss of Rs.18.66 crores. The Glass and Contract segments did not generate any revenue and hence, the expenditure of Rs.76.61 lakhs and Rs.3.1 lakhs incurred respectively has been booked as loss. The Systems segment also did not generate any revenue and thus the depreciation provision of Rs.5.65 crores has been booked as loss. The "Others" segment registered a revenue of Rs.3.03 crores, however, the excess of expenditure of Rs.13.46 lakhs over the income has been booked as loss.

Outlook: The IMFL segment of the industry in particular is expected to register a growth of about 14% and your Company has plans to improve sales volumes during 2015-16 by about 8%.

Business risks and mitigatory efforts: The business risks for the Company could be broadly classified as follows:

(i) Raw material procurement :- The risk of non-availability of extra neutral alcohol in adequate quantities is managed through forward contracts for uninterrupted supplies.

(ii) Timely and adequate availability of working capital:- The Company faces the twin risk of timely availability of funds in adequate measure as also the steep interest rates charged by the banks, which are managed through a close monitoring of the working capital needs and timely borrowing through hard negotiations with the lenders by the top management on a regular basis.

(iii) Product prices and competition :- The Company operates in a highly competitive business environment characterized by availability of various products both domestically produced and imported, at different price points. The risk from competitive product pricing is managed through adherence to high quality standards and product differentiation.

(iv) Regulatory issues :- The high incidence of taxes and the absence of the uniform regulatory regime for taxation and distribution through out the country, impedes the Company's efforts to improve its sales volumes. These issues are regularly being taken up with the Government through the Industry Associations of which the Company is an active Member.

Internal Control System : The Company follows a system of internal controls to ensure effectiveness and efficiency of operations, safeguard of assets, the reliability of financial reporting and compliance with applicable laws and regulations.

Financial performance vis-à-vis Operational performance:

The Company's net income has registered a decline of Rs.12 Crores over the previous year. In this background, the higher provisioning for depreciation under the new Companies Act, 2013, and the overall increase in the cost production have lead to the Company registering a net loss of Rs.33.86 Crores.

Material development in human resources / industrial relations front: The Company's efforts are directed at improving employee output across all levels through operational efficiency and higher levels of motivation. The industrial relations in all the units of the company remained cordial throughout the year.

Cautionary statement: Statements in the Management Discussion and Analysis prescribing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable security laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the markets in which the Company operates; changes in the Government Regulations, Tax Laws and other statutes and incidental factors.

CORPORATE GOVERNANCE REPORT

Company's philosophy on code of Corporate Governance:

The Company believes that good governance is essential to achieve long term Corporate goals and enhance shareholders' value and accordingly has established transparency of procedures and reporting systems for dealing, dissemination of information with due disclosures, strict adherence to statutory and regulatory prescription and increasing accountability to its shareholders, bankers and customers. All matters of strategy, significant developments etc. are routinely placed before the Board. The 2 committees of the Board viz., Audit Committee and Stakeholders Relationship Committee meet regularly to transact business in respect of all matters entrusted to them. The Company also have constituted two other committees viz. i) Nomination and Remuneration Committee for the purpose of considering and recommending the appointment of directors and senior management personnel and payment of remuneration to them and ii) Committee on Reduction of Share Capital, for over seeing the procedural matters arising out of the Order passed by the Hon'ble High Court of Karnataka, Bangalore, allowing the Company's petition COP : 132/2014 in the matter of Reduction of Capital, under the authority given by the Special Resolutions passed by the Members at the Annual General Meeting of the Company held on 30th December 2013.

Board of Directors:

The Board of Directors along with its Committees provide leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company.

Composition :

The Board presently comprises 14 Directors of whom 3 are Executive Promoter Directors, 4 are Non-executive Promoter Directors and 7 are Independent Non-executive Directors. The Company has a Non-executive Chairman.

Both the Executive & Non-executive Directors were not paid any remuneration during the year other than Sitting Fees paid to the Non-Executive Directors for attending the Meetings of the Board and Committees thereof.

The details of the attendance of the Directors at the Board Meetings & last Annual General Meeting and directorships in other companies are as under:-

Name of Directors	Designation	Category	No. of Board Meetings attended	Attendance at the last AGM held on 30-12-2013	No. of directorships in public companies other than Khoday India Limited	No. of memberships held in Committees of the Board of Khoday India Limited
Mr.K.L. Ramachandra	Chairman	Promoter-Non-Executive	5	Present	5	1-Member
Mr..K.L.Srihari	Vice Chairman & Managing Director	Promoter-Executive	5	Present	5	1-Member
Mr.K.L.A. Padmanabhasa	Joint Managing Director	Promoter-Executive	5	Present	5	-
Mr..K.L.Swamy	Executive Director	Promoter-Executive	5	Present	5	1-Member
Mr..Khoday Swamy Giridhar	Director	Promoter - Non Executive	5	Present	5	1 Chairman 1 -Member
Mr..Khoday Ramachandra Nithyanand	Director	Promoter - Non Executive	5	Present	7	-
Mr..Khoday Srihari Gurunath	Director	Promoter - Non Executive	5	Present	7	-
Prof.L.R.Vagale	Director	Independent- Non Executive	2	-	-	1-Member 1-Member
Maj.Gen.(Retd.) M.K.Paul	Director	Independent- Non Executive	5	Present	-	3-Chairman
Mr.Bangra Kulur Ratnakar Rao	Director	Independent- Non Executive	5	-	-	1 Member -
Mr.Sudhakar Shetty *	Director	Independent - Non Executive	1	-	-	-
Mr.Damam Vittalsa Sathyanarayana	Director	Independent - Non Executive	5	Present	-	2 Member
Mr.Puranic Ramachar Ananda Murthy	Director	Independent - Non Executive	5	Present	-	1 Member
Mr.Dowray	Director	Independent	5	Present	-	-

Prabhakara Rao		nt - Non Executive				
Mrs.Pamela Sunawala **	Director	independe nt - Non Executive	2	-	-	-

* Mr.Sudhakar Shetty resigned as Independent Director w.e.f. 08th August 2014.

** At the Board Meeting held on 08th September 2014, Mrs.Pamela Sunawala was appointed as Additional Director, in the category of Independent Director in the Casual Vacancy caused by the resignation of Mr.Sudhakar Shetty.

During the financial year 2014-15, 5 Board meetings were held i.e on 27-05-2014, 11-08-2014, 08-09-2014, 15-11-2014 & 14-02-2015.

Note: The directors are not on the committee of the Board of any company other than Khoday India Limited.

Disclosures concerning directors proposed to be re-appointed:

- i) Mr.Khoday Lakshmansa Ramachandra

Mr.K.L.Ramachandra : Mr.K.L.Ramchandra aged 84 years is the eldest of the illustrious Khoday Brothers. Mr.Ramachandra is an industrialist by profession, presiding over as a Chairman of the business conglomerate of the Khoday Group of Companies. Renowned for his business acumen and administrative skills, the articulate Mr.Ramachandra steered the Company as its Chairman and Managing Director, for over a period of 23 years since its incorporation upto April 1989, when he handover the reins of Chief Executive to his younger brother and the present Vice-Chairman and Managing Director Mr.K.L.Srinari.

Mr.K.L.Ramachandra is presently the Non-Executive Chairman of the Company and he also a Member of the Audit Committee of the Board of Directors of the Company. The Company is continues to be benefited by the wise counsel of Mr.Ramachandra in various facets of business.

Mr.K.L.Ramachandra holds 62,17,863 equity shares of the Company in his name as on 31st March 2015 as well as on 29th May 2015.

Mr.K.L.Ramachandra is a Director in 5 other public companies and 14 private companies in the Khoday Group.

- ii) Mr.Khoday Swamy Giridhar, a Scion of the Khoday Family has been a Non-executive Director of the Company since his appointment on 30th December 2008. Aged 43 years, Mr.Giridhar holds a Diploma in Civil

Engineering and has been actively associated with the various facets of the business in the Khoday Group. Mr.Giridhar holds 72,000 equity shares of the Company in his name as on 31st March 2015 as well as on 29th May 2015.

Mr.Giridhar is a Director in 6 other public companies and 14 private companies in the Khoday Group.

iii) Mr.K.L.Srihari: - Mr.K.L.Srihari, aged 76 years is the Vice-Chairman and Managing Director of the Company. Mr Srihari being the second of the illustrious Khoday Brothers, is an Industrialist by profession, steering the business of the Khoday Group of Companies for over 40 years through his vast business knowledge, acumen, dynamism and practical approach.

Mr.Srihari is a philanthropist of renown and has single handedly taken upon himself the on going gigantic project of relocating and restoring the ancient "Sri Venugopala Swamy Temple" near Mysore which was submerged soon after the building of KRS dam. The versatile Mr.Srihari is also a great patron of fine arts.

Mr.Srihari is a Member of the Stakeholders Relationship Committee of Directors of the Company.

Mr.K.L.Srihari holds 83,82,241 equity shares of the Company in his name as on 31st March 2015 as well as on 29th May 2015.

Mr.Srihari is a Director in 5 other public companies and 14 private companies in the Khoday Group.

vi) Mr.K.L.A.Padmanabhasa: - Mr.K.L.A.Padmanabhasa, aged 74 years is the third of the illustrious Khoday Brothers. Mr. Padmanabhasa is the Joint Managing Director in charge of RCA Division of the Company. The pragmatic Mr. Padmanabhasa is an Industrialist by profession for over 40 years, closely associated with all the aspects of business in the Khoday Group. His wise counsel is immensely relied upon by all his brothers in the Khoday Group of Companies.

Mr. Padmanabhasa holds 62,12,087 equity shares of the Company in his name as on 31st March 2015 as well as on 29th May 2015.

Mr. Padmanabhasa is a Director in 5 other public companies and 14 private companies in the Khoday Group.

Code of Business Conduct and Ethics :

The Company has formulated a comprehensive Code of Business Conduct and Ethics applicable to Directors and Senior Management Personnel all of whom have affirmed adherence to the said code through individual declarations.

Audit Committee:

The Audit Committee of the Board of Directors was constituted during the year 1991 itself and has been meeting regularly ever since, long before the introduction of Sec.292A of the Companies Act, 1956 by Companies (Amendment) Act 2000 vide which public companies with a paid up capital of not less than Rs.5 Crores are required to constitute an Audit Committee. The Committee oversees the Company's financial reporting process and the disclosure of its financial information to ensure correctness of such reporting and disclosure. The Committee ensures compliance with requirements as to the audited annual financial statements & un-audited quarterly financial statements furnished to the stock exchanges under the Listing Agreement. Statutory payments by the Company to various authorities are also reviewed by the Committee.

The Audit Committee presently comprises 4 members viz., Mr.K.L.Ramachandra – Non-Executive Director, and other 3 Independent non-executive Directors viz., Prof.L.R.Vagale, Maj.Gen.(Retd.)M.K.Paul & Mr.D.V.Sathyanarayana. The Company Secretary acts as the Secretary to the Committee. Maj.Gen.(Retd.)M.K.Paul is the Chairman of the Committee. The Audit Committee Meetings were held on 27-05-2014, 11-08-2014, 15-11-2014 & 14-02-2015.

Name of Members	Designation	Category	No. of Audit Committee Meetings attended
Mr.K.L.Ramachandra	Member	Promoter-Non-Executive	4
Prof.L.R.Vagale	Member	Independent-Non Executive	1
Maj.Gen.(Retd.) M.K.Paul	Chairman	Independent-Non Executive	4
Mr.Sudhakar Shetty	Member	Independent	1

(resigned w.e.f. 08-08-2014)		- Non Executive	
Mr.D.V.Sathyannarayana (appointed w.e.f. 08-08-2014)	Member	Independent - Non Executive	2

Nomination and Remuneration Committee:-

The 'Nomination and Remuneration Committee' constituted for the purpose of considering and recommending the appointment of directors and senior management personnel and payment of remuneration to them comprises the three Independent Non-executive Directors viz., Maj.Gen.(Retd.) M.K.Paul, Prof.L.R.Vagale & Mr.D.V.Sathyannarayana. The Committee held its only meeting on 08-09-2014 during the financial year.

Committee on Reduction of Share Capital:

The Committee on Reduction of Share Capital, was constituted by the Board of Directors at its meeting held on 06th September 2014, for over seeing the procedural matters arising out of the Order passed by the Hon'ble High Court of Karnataka, Bangalore, allowing the Company's petition COP : 132/2014 in the matter of Reduction of Capital, The Committee comprises three Independent Non-executive Directors viz., Maj.Gen.(Retd.) M.K.Paul, Mr.B.K.Ratnakar Rao & Mr.P.R.Ananda Murthy and the Promoter Director Mr.K.S.Giridhar. The Committee held its meeting on 01-10-2014 and 16-03-2015 during the financial year.

6. Shareholders'/ Investors' Grievance Committee:

The Stakeholders Relationship Committee is constituted to consider and approve transfer, transmission of shares and other incidental aspects. It comprises of 3 Directors viz. Mr.K.S.Giridhar, the Non-Executive Director is the Chairman of the Committee and Mr.K.L.Srihari & Mr.K.L.Swamy are the other two members. Mr.R.Venkat subramanyan, Company Secretary functions as the Compliance Officer.

During the year, the Committee held its meeting at the interval of every fortnight.

The Company received a complaint from a shareholder, which was duly redressed to the satisfaction within 30 days of receipt.

Declaration by Independent Directors:

All the seven Independent Directors have given the declaration to the Company stating their independence pursuant to Section 149(6) of the Companies Act, 2013.

Pursuant to the revised Clause 49 of the Listing Agreement notified vide SEBI circular dated 17-04-2014, the Independent Directors of the Company held a meeting on 14-02-2015, without the presence of any of the Non-Independent Directors.

General Body Meetings:

A) Particulars of last three Annual General Meetings held:

AGM	Financial year ended	Venue	Date	Time	Whether Special Resolution passed
48 th	31-3-2014	'Brewery House', 7 th Mile, Kanakapura Road, Bangalore	29-12-2014	11.30 A.M.	Yes, passed for continuation of appointment of two whole-time directors, beyond 70 years of age and re-appointment of another whole-time director.
47 th	31-3-2013	Shravanti Kalyana Mantapa, Bangalore	30-12-2013	11.30 A.M.	Yes. A special resolution for alteration of articles of association and another special resolution for Reduction of paid-up equity share capital were passed
46 th	31-3-2012	Shravanti Kalyana Mantapa, Bangalore	30-10-2012	12.00 Noon	Yes. Passed for appointment of Director.

Postal Ballot:

No resolution is proposed to be passed by postal ballot at the ensuing Annual General Meeting scheduled to be held on 08th June 2015.

Disclosures:

- (i) Attention of the Members is drawn to the list of related parties with whom transactions were entered into during the financial year as disclosed in Note no. 36 of Notes on Accounts, forming part of this Annual Report. The Company's related party transactions are generally with other companies in the Khoday Group and the transactions are entered in to based on considerations of business exigencies. All related party transactions are negotiated on arms length basis, intended only to further the interests of the Company.

The Company has consistently followed and applied the Accounting treatment in respect of various transactions, as prescribed in the Accounting Standards, without any deviation.

- (ii) Remuneration to Directors:

(a) None of the Directors under both the Executive and Non-executive category have been paid any remuneration by the Company during the year, excepting Sitting Fees paid to the Non-executive Directors for attending the Meetings of the Board and the Committees thereof, as detailed below.

Sl.No.	Name of the Director (Non-Executive)	Sitting Fees paid during the year
1.	Maj.Gen(Retd.) M .K. Paul	22,750/-
2.	Prof.L.R.Vagale	7,000/-
3	Mr.Bangra Kulur Ratnakar Rao	14,000/-
4.	Mr.Sudhakar Shetty	3,500/-
5.	Mr.D.V.Sathyanarayana	19,250/-
5.	Mr.P.R.Ananda Murthy	14,000/-
7.	Mr.D.Prabhakara Rao	8,750/-
8.	Mrs.Pamela Sunawala	3,500/-

Note: 1) The sitting fees paid as above is well within the prescribed limit.
2) No sitting fees was paid to any of the Executive Directors.

b) Details of Shareholding of Non-Executive Directors of the Company:

Of the eleven Non-Executive Directors Mr.K.L.Ramachandra who is also the Chairman holds 62,17,863 shares of the Company, Mr.K.S.Girdhar, Mr.K.R.Nithyanand and Mr.K.H.Gurunath hold 72,000, 36007 and 35,964 shares of the Company in their respective names. Our of the 7 Independent and Non-Executive Directors, Prof.Vagale, Maj.Gen(Retd.) M.K.Paul, Mr.Bangra Kulur Ratnakar Rao, Mr.D.V.Sathyanarayana, and Mr.D.Prabhakara Rao do not hold any shares of the Company in their name. Mr.P.R.Anandamurthy and Mrs.Pamela Sunawala held 1 and 150 equity shares of the Company respectively, which have since been canceled pursuant to Reduction of Capital to the extent of the entire public shareholding.

iv) CEO/CFO Certification: The Managing Director has Certified to the Board of Directors, inter-alia, the accuracy of financial statements and adequacy of internal controls for financial reporting purpose as required under Clause 49 (V) of the Listing Agreement for the year ended 31-03-2015.

Compliance with mandatory requirements under Clause 49:-

The mandatory requirements as per Clause 49 of the Listing Agreement have been complied with by the Company.

Non-mandatory requirements under Clause 49 of the Listing Agreement:

i) The Chairman is a Non-Executive Director. The Company has not reimbursed any expenses incurred for maintenance of his office or in the performance of his duties.

ii) The Report of the Auditors on the financial statements do not contain any qualification / remarks.

Penalties / punishment /compounding of offences :

No penalty was imposed on the Company or its Officers by any Authority of the Government , during the year.

Means of communication:

i. The statements of quarterly financial results are furnished to the Stock Exchanges through facsimile transmission (fax) immediately after conclusion of the Board Meeting and also

through courier in compliance with the requirement under the Listing Agreement.

- ii. The un-audited financial results are published in the English daily newspaper "Financial Express" and Kannada daily newspaper "Vijaya Vani".

Action is being taken to host on the Company's website, "khodayindia.com" (which is being reconstructed) the quarterly un-audited financial statements, audited financial statement, shareholding pattern and policies framed pursuant to the requirement under amended clause 49 of the Listing Agreement, such as Nomination and Remuneration Policy, Related Party Transaction Policy, Whistle Blower Policy and Code of Conduct to Regulate, Monitor and Report Trading by Insiders..

The Company's Annual Report containing inter-alia Directors' Report, Auditor's Report, Audited Annual Accounts and other important information is circulated to the Members and others entitled thereto.

General Shareholder Information:

i. The 49th Annual General Meeting is scheduled to be held on Monday the 08th June 2015 at 11.00 a.m at the Registered Office of the Company at "Brewery House", Kanakapura Main Road, Bangalore-560 062.

ii. Financial year : 1st April 2014 to 31st March 2015

iii. Dividend Payment Date : No dividend payment is proposed.

iv. Shares of the Company Listed at :-

a. BSE Ltd,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400 001
Phone No: 022-22721233 / 34

The Annual Listing Fee for the year 2015-16 has been paid to BSE Limited. The Company has also paid the Annual Custody Fee for the year 2015-16 to two Depositories viz., NSDL and CDSL.

v. Company's Stock Code : 507435 (BSE)

vi. Stock Market Price Data (BSE) & performance vis-à-vis BSE Sensex:

Month	Share Price		BSE Sensex	
	High	Low	High	Low
April-14	59.80	54.30	22939	22197
May-14	66.70	55.00	25375	22277
June-14	73.00	60.50	25725	24270
July-14	67.45	59.30	26300	24892
Aug-14	74.00	59.10	26674	25232
Sept-14	73.70	68.00	27355	26220
Oct-14	73.00	63.50	27894	25911
Nov-14	72.30	62.15	28822	27739
Dec-14	65.75	56.40	28809	26469
Jan-15	64.35	58.00	29844	26776
Feb-15	63.75	55.35	29560	28044
Mar-15	61.10	51.80	30024	27248

vii. Registrar and Share Transfer Agent:
M/s. Integrated Enterprises (India) Limited,
30, Ramana Residency,
4th Cross, Sampige Road,
Malleswaram, Bangalore-560 003
Tel: 080-23460815 to 18
Fax No:080-23460819
Email: irg@integratedindia.in

viii (a). Share Transfer System:

The requests for transfer, transmission etc. in respect of shares held in the physical mode are processed by the Registrar M/s. Integrated Enterprises (India) Limited who forward to the Company once every 15 days, a Memorandum containing details of the proposed transfers, transmission etc. for Company's approval. The said Memorandum and the concerned documents are scrutinized and approved by the Stakeholders Relationship Committee of the Board of Directors. Upon conveying of the said approval, the share certificates are endorsed with share transfer / transmission details and despatched by the Registrar to the transferees / beneficiaries within 1 month of receipt of the documents as required under Clause 3 (c) of the Listing Agreement with the Stock Exchanges. Requests for dematerialization of shares are processed and the confirmation in that regard are conveyed to Depositories within 15 days of receipt. All routine correspondence connected with share transfers / transmissions etc. are attended to by the Registrar. The Company's representative periodically visits the Registrar's office to monitor the work entrusted.

b). Secretarial Audit:

- Pursuant to Clause 47 (c) of the Listing Agreement with the Stock Exchanges, Certificates on half yearly basis, issued by the Company Secretary in Practice for due compliance of Share transfer formalities by the company are forwarded to the Stock Exchanges as prescribed. The Audit confirms that the total issued / paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form.
- Pursuant to SEBI (Depositories & Participants) Regulations 1996, Certificates have also been received from a Practicing Company Secretary for dematerialization of the Company's shares and for conducting a Secretarial Audit on a quarterly basis for reconciliation of the share capital of the Company.

ix. Distribution of Shareholding:-

The particulars of Shareholding Pattern as on 31st March 2015 has been given in the annexed format MGT 9, pursuant to section 92(3) of the *Companies Act, 2013* and rule 12(1) of the *Companies (Management and Administration) Rules, 2014*].

x. Dematerialization of shares and liquidity:

Equity shares of the company being in the compulsory dematerialized segment, their trading was facilitated through both the Depository Systems in India, viz., NSDL and CDSL. The International Securities Identification Number (ISIN) allotted for the Company's shares under the Depository System is INE687B01014-KIL. The aggregate number of shares held in dematerialized form is 29,82,340 as on 31st March 2015.

xi. There are no outstanding warrants or any convertible instruments issued by the Company.

Plant Location: No.54, Kannayakana Agrahara
Anjanapura Post,
Bangalore - 560 062.

xii. Address for correspondence: Khoday India Limited
"Brewery House",
7th Mile, Kanakapura Road,
Bangalore-560 062.

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March 2015

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN:- L85110KA1965PLC001590
- ii) Registration Date : 28-09-1965
- iii) Name of the Company - Khoday India Limited
- iv) Category / Sub-Category of the Company - Manufacturing
- v) Address of the Registered office and contact details

'Brewery House', 7th Mile, Kanakapura Road, Bangalore-560 062
- vi) Whether listed company Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any
M/s Integrated Enterprises (India) Limited
30, Ramana Residency,
4th Cross, Sampige Road,
Malleshwaram,
Bangalore-560 003.
Ph.No: 23460815

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl.no.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1.	Alcoholic beverages of all types	24116	99.6%

III. PARTICULARS OF HOLDING SUBSIDIARY AND ASSOCIATE COMPANIES

Sl.no.	Name and Address of the Company	CIN /GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Khoday Properties Private Limited	U07010KA2005PTC036862	Subsidiary	100 %	2 (87)

Financial Performance and Statement about Khoday Properties Private Limited

The Company did not undertake any business activity during the year. However, its financials are as under:

1. Share Capital - Rs.5,00,000/- divided into 50,000 equity shares of Rs.10/- each. The entire share capital is held by the holding company Khoday India Limited.
2. Reserves and Surplus - Rs.(38,24,988/-)
3. Total Assets
 - * Fixed Assets - Nil
 - * Current Assets, Loans & Advances - Rs.5,78,665/-
4. Total Liabilities - Rs.39,05,653/-
5. Details of Investments - Nil
6. Turnover - Nil
7. Profit /Loss before Taxation - Loss Rs.2,96,842/-
8. Provision for Taxation - Nil
9. Profit /Loss after Taxation - Loss Rs.2,96,842/-
10. Proposed Dividend - Nil

e) Venture Capital Funds	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-Tota (B)(1):									
2. Non-Institutions	0	0	0	0	0	0	0	0	0
a) Bodies Corp.	0	0	0	0	0	0	0	0	0
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2)									
Total Public shareholding (B) = (B)(1)+(B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs and ADRs	0	0	0	0	0	0	0	0	0
Grand total (A+B+C)	0	33660195	33660195	100	0	33660195	33660195	100	0

ii) Shareholding of Promoters :

1.	Srihari K L (HUF)	433100	1.29
2.	Ramachandra K L (HUF)	429148	1.27
3.	Padmanabhasa K L A (Huf)	428887	1.27
4.	Swamy K L (Huf)	418428	1.24
5.	Srihari K.L	385982	1.15
6.	Ramachandra K L	406024	1.21
7.	Padmanabhasa K L A	400500	1.19
8.	Swamy K L	363168	1.08

9.	Ghanashyam K P	72000	0.21
10.	Girdhar K S	72000	0.21
11.	Lalitha Swamy Khoday	72114	0.21
12.	Srihari K L (Ptnr K Lakshmana & Co)	69826	0.21
13.	Srihari K L (Trustee L K Trust)	65455	0.19
14.	Nithyananda K R	36000	0.11
15.	Dayananda K R	36000	0.11
16.	Srinivas K H	36000	0.11
17.	Radheshyam K H	36000	0.11
18.	Rajalekshmi Srihari Khoday	35964	0.11
19.	Gurunath K H	35964	0.11
20.	Gulab Padmanabhasa Khoday	35964	0.11
21.	Srihari K L (Trustee L K & Sons)	27273	0.08
22.	Gayathri Holdings Private Limited	2342150	6.96
23.	Srihari K L - Partner - M/S Khoday R C A Industries	632552	1.88
24.	Vyjayanti Tradings Private Limited	535136	1.59
25.	Macdonald Tradings Private Limited	545286	1.62
26.	Panchaganga Tradings Private Ltd	532686	1.58
27.	Honeywell Business Private Limited	385215	1.14
28.	Sri Gurunath Tradings Private Ltd	556436	1.65
29.	Pancha Kalyani Tradings Pvt Ltd	527886	1.57
30.	Peter Scot Tradings Private Limited	481036	1.43
31.	Khoday's Breweries Ltd	97318	0.29
32.	Ekay Tradings Corporation Pvt Ltd	39958	0.12
33.	The Distillers Company Pvt Ltd	11818	0.04
34.	K L Ramachandra - HUF	5382693	15.99
35.	K L Srihari - HUF	5382695	15.99
36.	K L A Padmanabhasa - HUF	5382693	15.96
37.	K L Swamy - HUF	5382694	15.99
38.	K L Srihari	7	0.00
39.	K L A Padmanabhase	7	0.00
40.	K L Swamy	7	0.00
41.	K R Nithyanand	7	0.00
42.	The Distillers Company Pvt Ltd	53846	0.16
43.	Hercules Construction Co. Pvt Ltd	106923	0.32
44.	K L Srihari - Trustee - L K Trust	1385351	4.12
	Total	33660195	100.00

Change in Promoters' Shareholding - There are no changes in Promoters' shareholding

No shares belonging to Promoter's holding were pledged / encumbered

iii) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

iv) Shareholding of Directors and Key Managerial Personnel :

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Mr.K.L.Ramachandra Chairman	6217863	16.54	6217863	16.54
2.	Mr.K.L.Snhari - Vice-Chairman & MD	8382241	22.29	8382241	22.29
3.	Mr.K.L.A.Padmanabhasa Joint Managing Director	6212087	16.52	6212087	16.52
4.	Mr.K.L.Swamy	6264297	16.39	6264297	16.39
5.	Mr.K.R.Nithyanand	36007	0.11	36007	0.11
6.	Mr.K.H.Gurunath	35964	0.11	35964	0.11
7.	Mr.K.S.Girdhar	72000	0.21	72000	0.21
8.	Mr.P.R.Ananda Murthy *	0	0	0	0
9.	Mrs.Pamela Sunawala *	0	0	0	0

*Mr.P.R.Ananda Murthy and Mrs.Pamela Sunawala held 1 and 150 equity shares of the Company upto 12-09-2014, in the category of public shareholders which have since been cancelled consequent to the issue of certificate by the Registrar of Companies registering the Order dated 07-08-2014 passed by the Hon'ble High Court of Karnataka, reducing the paid up share capital.

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for repayment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	101,14,70,544/-	7,33,38,173/-	0	108,48,08,717/-
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	1,21,26,501/-	0	0	1,21,26,501/-
Total (i+ii+iii)	102,35,97,045/-	7,33,38,173/-	0	109,69,35,218/-
Change in Indebtedness during the financial year				
• Addition	7,42,67,390/-	99,11,03,750/-	0	106,53,71,140/-
• Reduction	0	0	0	
Net change	7,42,67,390/-	99,11,03,750/-	0	106,53,71,140/-
Indebtedness at the end of the financial year				
i) Principal Amount	108,57,37,934/-	106,44,41,923/-	0	215,01,79,857/-
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	1,23,87,180/-	0	0	1,23,87,180/-
Total (i+ii+iii)	109,81,25,114/-	106,44,41,923/-	0	216,25,67,037/-



RANGARAJU AND ASSOCIATES

CHARTERED ACCOUNTANTS

AUDIT & TAXATION DIVISION

No. 207, 2nd Floor,
73/25, Shree Complex,
St. John's Road,
Bangalore - 560 042

Ph : 91 80 2530 7989
Fax : 91 80 2530 7962
e-mail : rangaraju.associates@gmail.com

INDEPENDENT AUDITOR'S REPORT

To the Members of
Khoday India Limited.

Report on the Financial Statements

We have audited the accompanying financial statements of Khoday India Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements, on a going concern basis, 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing & detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design and implementation 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 standalone 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 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

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2015;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note no. 28 regarding confirmation of Reduction of Capital under Section 100 of the Companies Act, 1956 by the Hon'ble High Court of Karnataka and subsequent applications filed by SEBI in the same forum.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31st March, 2015, and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2015, from being appointed as a director under Section 164(2) of the Act.
- f) With respect to the other matters 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 litigation on its financial position in its financial statements vide Note no. 27 to the Financial Statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For RANGARAJU AND ASSOCIATES
CHARTERED ACCOUNTANTS

Krishnan Rangaraju

KRISHNAN RANGARAJU
PARTNER

Membership No. 018487

Firm Regn.No.069125



Place : Bangalore
Date : 29.05.2015

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in Para 1 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) We have been informed that the fixed assets of the Company are physically verified by the Management according to a phased program designed to cover all the items 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, physical verification was carried out during the year and to the best of our knowledge no material discrepancies were noticed.
- ii. (a) As explained to us, Inventories have been physically verified by the management at reasonable intervals during the year. The stocks in possession of the third parties have been confirmed by them.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventories and we have been informed that no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any Loans, secured or unsecured to Companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. As the Company has not granted any loans, reporting under Clauses (iii) (a) and (iii) (b) of the Companies (Auditors Report) order, 2015 does not arise.
- iv. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Companies Act, 2013 and the rules framed there under.
- vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- vii. (a) According to the information and explanations given to us and as per our verification of the records of the Company, in our opinion, the company is generally regular in depositing undisputed statutory dues including Income Tax, Service Tax, Employees Provident Fund, Employees State Insurance, Value Added Tax/Sales Tax, Wealth Tax, Customs Duty, Excise Duty and other statutory dues applicable to it and there are no statutory dues outstanding for a period of more than six months from the date they become payable as on the last day of the financial year.

(b) According to the information and explanations given to us and as per records of the Company, the following are the particulars of dues on account of Employees Provident Fund and Income Tax which have not been deposited on account of dispute before the forum mentioned there against.

Name of the Statute	Nature of Dues & Related Period	Amount (Rs. In Thousands)	Forum where dispute is pending
Employees Provident Fund Act, 1952	EPF for the F.Y 2006-07 and 2007-08	10,716	Employees Provident Fund Tribunal New Delhi.
Income Tax Act, 1961	Income Tax for the AY 2012-13	20,836	Commissioner of Income Tax (Appeals)

(c) According to the information and explanations given to us and as per records of the Company, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.

- viii. According to the information and explanations given to us and as per the records of the Company, the Company has accumulated losses at the end of the financial year which exceed fifty percent of its net worth. Further, the Company has incurred cash loss during the financial year but has not incurred cash loss in the immediately preceding financial year.
- ix. According to information and explanations given to us, the company has not defaulted in repayment of principal and interest dues to the bank or any financial institutions.
- x. According to the information and explanations given to us, the Company has not given any guarantee for the loans taken by others from banks or financial institutions.
- xi. In our opinion, and according to information and explanations given to us, term loans have been applied for the purposes for which they were raised.
- xii. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For RANGARAJU AND ASSOCIATES
CHARTERED ACCOUNTANTS

Krishnan Rangaraju

KRISHNAN RANGARAJU
PARTNER

Membership No. 018457
Firm Regn No. 069125



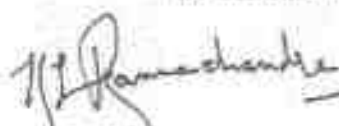
Place : Bangalore
Date : 29.05.2015

Balance Sheet as at 31st March, 2015

(Amount in Rupees)

PARTICULARS	Note	As at 31.03.2015	As at 31.03.2014
EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
[a] Share Capital	1	336,601,950	375,912,370
[b] Reserves & Surplus	2	(88,899,370)	505,266,172
		247,702,580	881,178,542
2. NON - CURRENT LIABILITIES			
[a] Long - Term Borrowings	3	1,289,954,643	307,415,322
[b] Other Long - Term Liabilities	4	3,281,038	3,281,038
[c] Long - Term Provisions	5	33,962,000	32,741,000
		1,327,197,682	343,437,360
3. CURRENT LIABILITIES			
[a] Short - Term Borrowings	6	677,076,803	665,692,987
[b] Trade Payables	7	160,786,464	292,426,138
[c] Other Current Liabilities	8	692,336,386	934,976,697
[d] Short - Term Provisions	9	430,450	7,249,129
		1,530,630,104	1,810,344,950
TOTAL:-		3,105,530,366	3,034,960,852
ASSETS			
1. NON-CURRENT ASSETS			
[a] Fixed Assets	10		
[i] Tangible Assets		492,889,115	475,994,137
[ii] Capital Work in Progress		-	3,708,172
[b] Non - Current Investments	11	615,238,945	614,952,235
[c] Long - Term Loans and Advances	12	72,434,717	92,720,534
[d] Other Non-Current Assets	13	11,722,689	10,113,254
		1,192,285,466	1,197,488,332
2. CURRENT ASSETS			
[a] Inventories	14	1,072,654,000	1,090,573,516
[b] Trade Receivables	15	492,284,313	442,292,611
Cash & Cash Equivalents	16	54,879,482	42,927,699
[d] Short - Term Loans & Advances	17	277,886,116	248,958,512
[e] Other Current Assets	18	15,740,969	12,720,181
		1,913,244,900	1,837,472,520
TOTAL:-		3,105,530,366	3,034,960,852
Significant Accounting Policies	A		
Notes on Accounts	1 - 44		
The Notes referred to above form an integral part of the Balance Sheet			

For and Behalf of the Board


K. L. RAMACHANDRA
Chairman

K. L. SRIHARI
Vice - Chairman &
Managing Director

R. VENKAT SUBRAMANYAN
Company SecretaryAs per our report of even date
For RANGARAJU AND ASSOCIATE
Chartered Accountants

KRISHNAN RANGARAJU
Partner

Membership No. 018357

Firm Reg. No. 22/10/1987

Statement of Profit and Loss for the Year Ended 31.03.2015


(Amount in Rupees)


PARTICULARS	Note	(Amount in Rupees)	
		For the Year Ended 31.03.2015	For the Year Ended 31.03.2014
INCOME :-			
Revenue from Operations	19	1,594,570,274	1,700,199,525
Other Income	20	5,565,464	26,972,908
TOTAL REVENUE:-		1,600,135,738	1,727,172,433
EXPENSES :-			
Cost of raw materials consumed and purchase of goods for resale	21	927,715,838	859,296,703
Changes in inventories of finished goods and Work-in-Progress	22	39,016,910	(86,054,566)
Employees benefit expenses	23	177,661,244	156,652,645
Finance costs	24	212,765,730	246,508,347
Depreciation: - Refer Note No 42	10		
Depreciation for the year		114,777,144	56,627,733
Less: Transferred from Revaluation reserve		-	5,554,239
		114,777,144	51,073,494
Impairment loss for the year		-	1,750,620
Other expenses	25	440,760,796	450,097,560
TOTAL EXPENSES:-		1,912,697,662	1,679,324,804
PROFIT/ (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX		(312,561,925)	47,847,629
Exceptional items - Refer Note No 29		25,667,733	-
PROFIT / (LOSS) BEFORE TAXATION		(338,229,658)	47,847,629
Provision for Taxation - Current Income Tax		-	9,200,000
PROFIT/ (LOSS) AFTER TAXATION		(338,229,658)	38,647,629
Income Tax relating to earlier years - (Not)		72,054	49,309
Prior year adjustments		346,100	4,257,354
NET PROFIT/ (LOSS) FOR THE YEAR		(338,647,812)	34,340,966
Basic and Diluted Earnings per Share (in Rupee) Refer Note - 38		(9.58)	0.91
Significant Accounting Policies	A		
Notes on Accounts	1-44		
The Notes referred to above form an integral part of Statement of Profit and Loss			

For and Behalf of the Board

As per our report of even date
For RANGARAJU AND ASSOCIATE
Chartered Accountants


K. L. RAMACHANDRA
Chairman


K. L. SRIHARI
Vice - Chairman &
Managing Director


R. VENKAT SUBRAMANYAN
Company Secretary


KRISHNAN RANGARAJU
Partner

Membership No. 018457
Firm Regn No. 069129



KHODAY INDIA LIMITED

Notes on Balance Sheet and Statement of Profit & Loss for the Year ended 31.03.2015

PARTICULARS		As at 31.03.2015	As at 31.03.2014
NOTE - 1 : SHARE CAPITAL			
AUTHORISED			
4,50,00,000 (PY - 4,50,00,000) Equity Shares of Rs.10/- each		450,000,000	450,000,000
ISSUED , SUBSCRIBED AND PAID UP			
3,36,60,195 (PY - 3,75,91,237) Equity Shares of Rs 10/- each		336,601,950	375,912,370
RECONCILIATION OF NUMBER OF SHARES		As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
Balance as at the beginning of the year (Number of Shares: 3,75,91,237; PY-3,75,91,237)		375,912,370	375,912,370
Less: Reduction of Capital - Memorandum note no 20 (Number of Shares : 39,31,042 ; Previous year - Nil)		39,310,420	-
Balance as at the end of the year (Number of Shares: 3,36,60,195; PY-3,75,91,237)		336,601,950	375,912,370
TERMS/RIGHTS ATTACHING TO EQUITY SHARES			
The Company has only one class of equity shares having a par value of Rs.10/- per share with voting rights.			
Pursuant to the Minimum Public Shareholding regulations prescribed under Securities Contracts (Regulation) Act, 1956, SEBI has passed an order dated 24th July, 2014, limiting the voting rights, dividend, bonus shares etc. of the Promoter/Promoter group to 31.38%.			
An appeal has been filed by the Company and the promoters before the Securities Appellate Tribunal, Mumbai, challenging the order passed by SEBI and is awaiting further orders. However without admitting, the Company has complied with the order of SEBI.			
DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY			
Name of the Shareholder	Number of Shares and % of		
	As at 31.03.2015	As at 31.03.2014	
K.L. Ramachandra (H.U.F)	58,11,839 (17.27%)	58,11,839 (15.46%)	
K.L. Srihari (H.U.F)	58,15,795 (17.28%)	58,15,795 (15.47%)	
K.L.A. Padmanabhasa (H.U.F)	58,11,580 (17.27%)	58,11,580 (15.45%)	
K.L. Swamy (H.U.F)	58,01,122 (17.23%)	58,01,122 (15.43%)	
Gayatri Holdings Pvt Ltd	23,42,150 (6.96%)	23,42,150 (6.23%)	
As per the records of the Company, including its register of shareholders/members, the above shareholding represents both legal and beneficial ownership of shares. The company has neither bought back nor issued any bonus shares in the last five years.			
Total...		336,601,950	375,912,370
NOTE - 2 : RESERVES AND SURPLUS			
CAPITAL RESERVE			
As per last Balance Sheet		{A}	27,346,980
As at the end of the financial year			27,346,980

KHODAY INDIA LIMITED

Notes on Balance Sheet and Statement of Profit & Loss for the Year ended 31.03.2015

PARTICULARS		As at 31.03.2015	As at 31.03.2014
SHARE PREMIUM ACCOUNT			
As per last Balance Sheet	(C)	115,462,890	115,462,890
Less: Utilisation for Reduction of Capital		115,462,890	-
As at the end of the financial year	(D)	-	115,462,890
REVALUATION RESERVE :			
As per last Balance Sheet		110,759,483	116,313,722
Less: Transferred to Profit & Loss Statement - Refer Note No 42		-	5,554,239
As at the end of the financial year	(D)	110,759,483	110,759,483
GENERAL RESERVE :			
As per last Balance Sheet	(E)	373,218,033	373,218,033
Less: Utilisation for Reduction of Capital		140,054,840	-
As at the end of the financial year		233,163,193	373,218,033
SURPLUS IN THE STATEMENT OF PROFIT & LOSS:			
As per last Balance Sheet		(122,052,555)	(156,393,521)
Add: Profit/(Loss) for the year		(338,647,812)	34,340,966
As at the end of the financial year	(F)	(460,700,367)	(122,052,555)
Total... (A+B+C+D+E+F)		(88,899,370)	505,266,172
NOTE - 3 : LONG - TERM BORROWINGS:			
SECURED LOANS:			
a. Term Loans:			
i - From Banks		350,156,968	323,068,201
ii - From Others		24,946,454	9,064,523
Less: Current Maturities of long term debt (Refer note 8a)		175,073,000	113,256,514
	(A)	200,030,422	218,876,210
b. Long Term Maturities of Finance Lease Obligations - Hire Purchase			
Less: Current maturities of Finance Lease Obligations (Refer note 8b)		45,944,889	25,771,334
	(B)	20,462,590	10,570,396
		25,482,299	15,200,938
UNSECURED:			
a. Loans & Advances from Related Parties	(C)	1,064,441,923	73,338,173
Total... (A+B+C)		1,289,954,643	307,415,322
(a) (i) Term Loans from banks include			
SECURED BY	TERMS OF REPAYMENT	DEFAULT (if any)	
(1) Rs 337,634 thousands (PY: Rs. 323,068 thousands) secured by Pari Passu 1st Charge on Maturation stock and further secured by first charge by way of mortgage of Land and Building of the Company and immovable properties of firms in which some Directors are Partners, and further secured by personal guarantee of some Directors & eight shareholders and Corporate Guarantee of Firms and Trust in which some Directors are Partners and Trustees respectively	Repayable in 36 instalments commencing from April 2013 to June 2016 along with interest at 14% p.a (BR + 4.5% + 0.5%)	-NIL- (PY: NIL)	

KHODAY INDIA LIMITED

Notes on Balance Sheet and Statement of Profit & Loss for the Year ended 31.03.2015

PARTICULARS			As at 31.03.2015	As at 31.03.2014
(2) Rs 125.22 thousands (PY: NIL) secured by hypothecation of 25 vehicles in the name of the Company.	Repayable in 26 monthly instalments commencing from October 2014 along with interest ranging from 16.00% - 16.18% p.a	NIL		
(a) (ii) Term Loans from Others include				
(1) Rs 24,946 thousands (PY: NIL) secured by immovable property in the name of 3 Directors of the Company.	Repayable in 60 monthly instalments commencing from November 2014 along with interest at the rate of 14.50% per annum.	-NIL- (PY: NIL)		
(2) Rs. NIL (PY: Rs 9,065 thousands) secured by hypothecation of Cars of the Company.				
(b) Long Term Maturities of Finance Lease Obligations include				
Rs. 45,945 thousands (PY: Rs.25,721 thousands) secured by hypothecation of Vehicles of the company	Payments of Equated Monthly Instalments commencing from the month subsequent to taking the lease at interest ranging from 10.50% to 17% per annum.	-NIL- (PY: NIL)		
a. Unsecured Loans & Advances from Related parties				
	TERMS OF REPAYMENT	DEFAULT (if any)		
Rs. 106,44,42 thousands (PY: Rs. 73,336 thousands) taken from: Directors	Repayable after twelve months from April 2015 without interest.	-NIL- (PY: NIL)		
NOTE - 4 : OTHER LONG -TERM LIABILITIES:				
a. Trade payables*			3,081,038	3,081,038
b. Trade Deposits & Advance from Customers			200,000	200,000
Total...			3,281,038	3,281,038
*As per the information available with the company, there are no outstanding dues under Long Term Trade payables that are required to be furnished under section 22 of Micro, Small and Medium Enterprise Development Act, 2006				

KHODAY INDIA LIMITED

Notes on Balance Sheet and Statement of Profit & Loss for the Year ended 31.03.2015

PARTICULARS	As at 31.03.2015	As at 31.03.2014
NOTE - 5 : LONG - TERM PROVISIONS:		
a.Provisions for Employee Benefits	33,962,000	32,741,000
Total...	33,962,000	32,741,000
NOTE - 6 : SHORT - TERM BORROWINGS:		
SECURED LOANS:		
a. Loans repayable on demand		
From Banks		
- Cash Credit	677,076,803	665,692,987
Total...	677,076,803	665,692,987
a.Loans Repayable on demand (Cash Credit) from Banks is secured by		
SECURED BY	DEFAULT (if any)	
(1) First charge by way of Hypothecation of stock of Raw Materials, Semi Finished, Finished Goods, other packing materials, Bills Receivables, Book Debts, other movable properties and certain Fixed Deposits of Distillery Division on Pari Passu basis.		
(2) Equitable mortgage of properties of the company, of a private limited company, trust and firms in which some of the Directors are interested/ trustees/ partners.	-NIL-	
(3) Further secured by the immovable property of some of the Directors and their relatives.		
(4) By personal guarantee of some of the Directors, Shareholders and their relatives and corporate guarantees of some entities in which directors are interested.		
NOTE - 7 : TRADE PAYABLES:		
a.Micro, Small and Medium Enterprises	-	-
b.Others	160,786,464	202,426,138
Total...	160,786,464	202,426,138
NOTE - 8 : OTHER CURRENT LIABILITIES:		
a.Current maturities of Long Term Debt (Refer Note 3a)	175,073,000	113,256,514
b.Current maturities of Finance Lease Obligations (Refer Note 3b)	20,462,590	10,570,396
c.Unpaid Dividends - Refer Note No 41	-	653,402
d.Employee Benefits payable	48,174,620	44,631,088
e.Trade Deposits and Advance from Customers	127,549,447	265,212,858
f.Statutory Dues payable	12,341,824	14,058,264
g.Liabilities towards equity Share holders - Capital Reduction - Refer Note No 28	294,828,150	-
h.Dues to Related Parties	13,906,756	486,594,157
Total...	692,336,386	934,976,697

PARTICULARS				As at 31.03.2015	As at 31.03.2014
NOTE - 9 : SHORT - TERM PROVISIONS:					
a. For Excise Duty				430,450	7,249,129
Total ...				430,450	7,249,129
NOTE - 11 : NON-CURRENT INVESTMENTS					
<i>(Long - Term Investments)</i>					
A. TRADE INVESTMENTS					
i. EQUITY INSTRUMENTS (QUOTED)					
		Number of Shares			
Particulars	F V of each share	2014-15	2013-14		
Excell Glass Limited	1	500	500	500	500
United Spirits Ltd	10	282	282	1,765	1,765
United Breweries Limited	1	230	230	5,480	5,480
United Breweries (Holdings) Ltd	10	562	562	2,504	2,504
Sub Total ...			{ A }	10,249	10,249
ii. EQUITY INSTRUMENTS (UNQUOTED)					
Particulars	F V of each share	2014-15	2013-14		
Shreno Limited	100	33	33	4,000	4,000
Arthos Breweries Limited	10	225	225	2,000	2,000
Castle Breweries Limited	10	300	300	3,000	3,000
Pilsener Breweries Limited	10	100	100	2,000	2,000
Punjab Breweries Limited	10	250	250	3,000	3,000
Himalaya Distilleries Ltd	10	12500	12500	125,000	125,000
United Glass Bottles Mfg Co Ltd	10	13650	13650	137,000	137,000
Khoday Industries Pvt Ltd	1000	480	480	480,000	480,000
Panchakaisa Malt Limited	10	100	100	1,000	1,000
Sub Total ...			{ B }	757,000	757,000
iii. INVESTMENT IN SUBSIDIARIES (UNQUOTED)					
Particulars	F V of each share	2014-15	2013-14		
Khoday Properties Pvt Ltd	10	50000	50000	500,000	500,000
Total			{ C }	500,000	500,000
B. NON - TRADE INVESTMENTS					
i. EQUITY INSTRUMENTS (QUOTED)					
Particulars	F V of each share	2014-15	2013-14		
Gulf Oil Corporation Limited	2	6317	12635	56,860	113,720
Gulf Oil Lubricants India Limited	2	6317	-	56,860	-
Sub Total ...			{ D }	113,720	113,720
ii. EQUITY INSTRUMENTS (UNQUOTED)					
Particulars	F V of each share	2014-15	2013-14		
Graviss Hospitality Limited	2	4500	4500	5,000	5,000
Kasturi Foods & Chemicals Limited	10	5000	5000	50,000	50,000
MOI Engineering Limited	10	1400	1400	10,000	10,000
Metal Box India Limited	10	365	365	4,000	4,000
Modern Syntex (India) Ltd	10	400	400	12,000	12,000
Sub Total ...			{ E }	81,000	81,000

KHODAY INDIA LIMITED

Notes on Balance Sheet and Statement of Profit & Loss for the Year ended 31.03.2015

PARTICULARS				As at 31.03.2015	As at 31.03.2014
iii. INVESTMENT IN MUTUAL FUNDS (UNQUOTED)					
Canara Robeco - Daily Dividend	10	10,737	10,098	110,164	103,607
Canara Robeco - Regular Dividend	10	98,555	34,229	1,800,000	600,000
Sub Total				(F)	1,910,164
iv. INVESTMENT IN PARTNERSHIP FIRM					
Lakshmi Estate				611,771,958	612,691,806
Name of the Partners	Share of Partners		Total Capital (Rs. in thousands)		
	2014-15	2013-14	2014-15	2013-14	
Khoday India Limited	75.00%	75.00%	611,772	612,692	
K.L. Srilhari - HUF	8.25%	8.25%	50,206	50,283	
K.L. Swamy - HUF	8.25%	8.25%	53,132	53,209	
K.L. Ramachandra - HUF	8.25%	8.25%	50,206	50,262	
K.L.A. Padmanabhass - HUF	8.25%	8.25%	50,206	50,282	
Total				(G)	611,771,958
v. OTHERS					
Investment in Government Securities				152,850	152,850
Total				(H)	152,850
TOTAL OF NON-CURRENT INVESTMENTS				(A to H)	615,296,941
Less: Aggregate Provision for Diminution in the Value of Non-Current Inv				57,996	57,996
TOTAL NON - CURRENT INVESTMENTS (Net of Provision)				615,238,945	614,952,235
AGGREGATE AMOUNT OF QUOTED INVESTMENTS				123,969	123,969
AGGREGATE MARKET VALUE OF QUOTED INVESTMENTS				5,424,623	2,324,741
AGGREGATE AMOUNT OF UNQUOTED INVESTMENTS				615,172,973	614,886,263
NOTE - 12: LONG - TERM LOANS AND ADVANCES					
(Unsecured & Considered Good)					
a. Capital Advances				12,486,158	38,055,129
b. Security Deposits				19,490,336	18,741,476
c. Advance - Income Tax ITDS (Net of Provisions Rs. 43,500 thousands, PY -Rs 43,500 thousands)				10,381,736	3,768,454
d. Other Loans and Advances - Trade				30,076,487	32,155,475
Total...				72,434,717	92,720,534
NOTE - 13: OTHER NON-CURRENT ASSETS					
(Unsecured & Considered Good)					
a. Earnest Money Deposits				11,722,689	10,113,254
Total..				11,722,689	10,113,254
NOTE - 14 : INVENTORIES					
Valued at lower of Cost and NRV					
a. Raw Materials				132,645,444	110,666,368
b. Work-in-Progress				855,520,873	859,014,366
c. Finished Goods				35,492,473	71,015,891
d. Stock-in-trade				193,600	193,600
e. Stores, Spares and Packing Material				23,601,610	24,383,291
f. Other stock in trade - Land				25,300,000	25,300,000
Total..				1,072,654,000	1,090,573,516

KHODAY INDIA LIMITED

Notes on Balance Sheet and Statement of Profit & Loss for the Year ended 31.03.2015

PARTICULARS	As at 31.03.2015	As at 31.03.2014
NOTE - 15 : TRADE RECEIVABLES		
(Unsecured & Considered Good)		
a. Outstanding for a period exceeding six months from due date	84,687,425	83,143,482
b. Others	407,596,888	359,149,129
Total..	492,284,313	442,292,611
NOTE - 16: CASH AND CASH EQUIVALENTS		
a. Balance with Banks		
- In Current Accounts	17,006,571	8,119,450
- In Deposit Accounts as Margin Money	8,073,378	10,549,708
- In Unpaid Dividend Account	-	653,402
b. Cheques and Drafts on Hand	150,000	1,133,140
c. Cash on hand	29,649,532	22,471,999
Total..	54,879,482	42,927,699
NOTE - 17: SHORT - TERM LOANS AND ADVANCES		
(Unsecured & Considered Good)		
a. Lease Deposit with Related Party*	123,626,000	123,626,000
b. Loans and Advances to Employees	4,904,064	4,303,786
c. Trade Advances	52,252,039	61,756,297
d. Balances with Govt. Authorities	96,894,014	59,272,429
* Lease Deposit with a firm in which some of the Directors are partners.		
Total..	277,686,116	248,958,512
NOTE - 18: OTHER CURRENT ASSETS		
a. Interest Accrued on Fixed Deposits	3,233,429	2,537,712
b. Prepaid Expenses	12,507,560	10,182,489
Total..	15,740,989	12,720,181
NOTE - 19 : REVENUE FROM OPERATIONS		
Sale of IML	5,145,573,603	4,594,736,244
Contract Income	-	267,600,000
Others*	23,411,295	35,379,415
	5,168,984,897	4,897,715,660
Less: Excise Duty	3,574,414,823	3,187,516,135
*Includes sale of spirits and flavouring materials.		
Total..	1,594,570,274	1,700,199,525
NOTE - 20 : OTHER INCOME		
Interest Income from Fixed deposits	1,054,134	882,805
Dividend Income from Non - Current Investments	45,134	31,231
Dividend Income from Mutual Fund	6,558	3,607
Interest received on Income Tax Refund	-	15,416
Royalty and Other Income	1,013,839	3,805,127
Profit on Sale of Fixed assets	-	736,091
Sundry Credit balances Written Back	3,445,800	21,498,631
Total..	5,565,464	26,972,908

KHODAY INDIA LIMITED

Notes on Balance Sheet and Statement of Profit & Loss for the Year ended 31.03.2015

PARTICULARS	As at 31.03.2015	As at 31.03.2014
NOTE - 21 : COST OF RAW MATERIALS CONSUMED AND GOODS PURCHASED FOR RESALE		
OPENING STOCK		
Raw Materials and goods purchased for resale	110,859,969	117,070,158
Power and Fuel	3,279,353	1,621,748
Stores, Spares and Packing Materials	21,103,939	22,270,139
Total.. (A)	135,243,260	140,962,046
ADD: PURCHASES		
Raw Materials and goods purchased for resale	778,345,597	686,034,298
Power and Fuel	81,056,807	84,010,483
Stores, Spares and Packing Materials	89,410,828	83,533,137
Total.. (B)	948,813,232	853,577,918
LESS: CLOSING STOCK		
Raw Materials and goods purchased for resale	132,839,044	110,859,969
Power and Fuel	674,167	3,279,353
Stores, Spares and Packing Materials	22,827,443	21,103,939
Total.. (C)	156,340,654	135,243,260
Consumption of Raw Materials and Purchased for resale		
Raw Materials and goods purchased for resale	756,366,521	692,244,487
Power and Fuel	83,681,993	82,352,879
Stores, Spares and Packing Materials	87,687,324	84,699,337
Cost of Raw Material Consumed and goods purchased for resale (A + B - C)	927,715,838	859,296,703
NOTE - 22 : CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
CLOSING STOCK :-		
Finished Goods	35,492,473	71,015,891
Work-In-Progress	855,520,873	859,014,366
Total.. (A)	891,013,346	930,030,256
OPENING STOCK :-		
Finished Goods	71,015,891	75,367,114
Work-In-Progress	859,014,366	768,608,576
Total.. (B)	930,030,256	843,975,690
Increase / (Decrease) in Stock (A - B)	(39,016,910)	86,054,566
NOTE - 23 : EMPLOYEES BENEFITS		
Salaries, Wages, Gratuity, Bonus and leave encashment	146,367,643	132,485,995
Staff Welfare Expenses	22,914,732	16,127,547
Contribution to P.F. and Other Funds	8,378,869	8,039,104
Total..	177,661,244	156,652,645
NOTE - 24 : FINANCE COST		
Interest		
On Term Loan	56,644,969	51,954,147
On Others	152,842,655	190,891,726
Bank Charges	3,278,106	3,662,474
Total..	212,765,730	246,508,347

KHODAY INDIA LIMITED

Notes on Balance Sheet and Statement of Profit & Loss for the Year ended 31.03.2015

PARTICULARS	As at 31.03.2015	As at 31.03.2014
NOTE - 25 : OTHER EXPENSES		
Manufacturing Expenses:		
Power & Lighting Charges	26,988,364	23,284,262
Repairs & Maintenance :		
- Buildings	5,694,409	3,198,613
- Plant & Machinery	22,066,743	14,307,117
- Electrical	2,182,127	1,393,730
Total	(A)	42,183,722
Administrative and Selling Expenses:		
Rent	13,696,257	13,151,036
Rates & Taxes	53,856,641	37,167,257
Insurance	1,271,677	1,116,855
Repairs & Maintenance :		
- Vehicles	16,667,523	14,957,621
- Others	6,015,481	4,945,632
Freight, Octroi & Storage Expenses	49,090,561	45,006,629
Lease Rent	16,126,457	14,312,695
Travelling & Conveyance	25,750,029	30,954,410
Printing & Stationery	2,416,939	2,840,340
Telephone, Postage & Courier Charges	6,530,732	7,433,615
Books & Periodicals	326,917	335,607
Security Service Charges	10,010,722	9,703,972
Legal & Professional Charges	64,439,242	61,272,447
Directors Sitting Fees	87,590	56,000
Payments to Auditors		
- As Auditor	561,800	561,800
Cost Audit Fees	22,472	22,472
Bad Debts	169,422	32,316,538
Donation	28,102	43,651
Commission & Discount on Sales	22,366,438	27,063,479
Sales Promotion	62,198,237	53,059,442
Advertisement	6,476,728	5,180,606
Service Charges	4,754,689	1,788,676
Irrecoverable advances written off	651,985	26,098,295
Miscellaneous Expenses	19,270,229	16,960,670
Share of Loss in Partnership Firm	919,848	1,088,446
Loss on Foreign Currency Transactions & Translation	82,528	475,546
Total	(B)	407,913,838
Total	(A+B)	440,760,796
Total		450,097,560

FIXED ASSETS SCHEDULE AS ON 31-03-2015

IN ₹

S/N	PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		AS ON 01.04.2014	ADDITIONS	SALES / TRANSFERS	AS ON 31.03.2015	AS ON 01.04.2014	FOR THE YEAR	WITHDRAWN	REMAINING LOSS CHARGED TO PROFIT & LOSS ACCOUNT	AS ON 31.03.2015	AS ON 31.03.2015
1	LAND	24,108,210			24,108,210					24,108,210	24
2	BUILDINGS	447,997,805	982,240		448,980,045	214,154,873	21,502,581		235,637,634	212,642,411	233
3	PLANT & MACHINE	619,383,645	76,848,488		696,232,131	514,137,229	29,187,263		543,024,602	194,887,539	105
4	FURNITURE & FIXTURES OTHER OFFICE EQUIPMENTS	400,140,536	3,828,284		403,968,822	337,704,268	40,503,996		376,298,290	26,670,535	65
5	VEHICLES	577,610,565	46,412,112		624,022,677	1,30,247,426	23,492,822		153,740,240	72,283,419	47
	Total	1,672,217,753	131,872,122		1,803,089,875	1,196,223,616	114,777,145		1,311,000,760	492,889,115	475
	Previous Year	1,634,776,830	43,741,003		1,678,517,833	1,141,087,497	36,627,133	3,222,232	1,750,820	475,914,137	493
6	CAPITAL WORK-IN-PROG	3,708,172	-		3,708,172	-	-		-	3,708,172	3
7	Previous Year	3,708,172	-		3,708,172	-	-		-	3,708,172	3

KHODAY INDIA LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

Particulars	[Rupees in thousands]	
	2014-15	2013-14
A. Cash flow from Operating Activities		
Net Profit Before Tax	(338,230)	47,848
Adjusted for:		
Depreciation	114,777	51,073
Impairment of Assets	-	1,751
Loss/(Profit) on sale Fixed Assets	-	(736)
Interest Income	(1,054)	(883)
Dividend Income	(52)	(35)
Interest & Bank Charges	212,766	246,508
Sundry Credit balance written back	(3,446)	(21,499)
Irrecoverable advances and Bad debts written off	841	58,415
Loss from Lakshmi Estate (Partnership Firm)	920	1,088
Unrealised Foreign Exchange Fluctuation		
Operating Profit Before Working Capital Changes	(13,478)	383,531
Adjusted for:		
Trade and other Receivables	(60,197)	(192,066)
Inventories	17,920	(80,336)
Trade and other payables	(587,873)	178,200
Cash Generated from operations	(643,629)	289,329
Net prior year adjustments	(346)	(4,257)
Taxes paid (Current and relating to Previous years)	6,541	(160)
Net Cash from / (Used in) Operating Activities [A]	(637,434)	284,912
B. Cash Flow from Investing activities		
Purchase of Fixed Assets	(131,672)	(43,741)
Sale of Fixed Assets	-	3,814
Movement in Investment	(1,207)	(704)
Interest Income (Gross)	1,054	883
Dividend Income	52	35
Net Cash from / (Used in) Investing Activities [B]	(131,772)	(39,713)
C. Cash flow from Financial Activities		
Proceeds from Borrowings	1,117,750	157,436
Repayment of Borrowings	(123,827)	(150,880)
Interest & Bank Charges	(212,766)	(246,508)
Net Cash flow from/(Used in) Financing Activities [C]	781,157	(239,952)
Net Cash Flows during the year (A+B+C)	11,951	5,246
Cash & Cash Equivalents(Opening Balance)	42,928	37,682
Cash & Cash Equivalents (Closing Balance)	54,879	42,928

Significant Accounting Policies and Notes on Financial Statements**[Rupees in Thousands]****A. Significant Accounting Policies****(a) Accounting Convention:**

The Financial Statements have been prepared under the Historical Cost Convention (except for certain assets which are revalued) in accordance with the Generally Accepted Accounting Practices in India.

(b) Basis of Preparation:

The financial statements have been prepared to comply with the mandatory accounting standards notified by Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 2013.

(c) Estimates and Assumptions:

Preparation of Financial Statements require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent liabilities as at the date of the Balance Sheet and the reported amounts of income and expenses during the reporting period. Examples include provision for doubtful debts, useful life of assets, etc. Actual results may differ from these estimates.

(d) Inventories:

Inventory of raw material, stores, spares, materials in transit, work in progress, finished goods – both manufactured and traded are valued at lower of cost and net realizable value.

The cost is calculated on First-in First-Out basis and comprises of expenditure incurred in the normal course of business in bringing such inventory to its present location, and includes the borrowing cost that are attributable to maturation stocks which has been considered for valuation of Work In Progress wherever applicable, and allocation of appropriate overheads based on normal level of activity.

Stock in Trade – Land is valued at the value on the date of conversion from capital asset to stock in Trade or the current market value, whichever is lower.

(e) Cash Flow Statements:

Cash Flow Statement has been prepared under "Indirect Method" as prescribed by Accounting Standard-3. Cash and cash equivalents comprise Cash in Hand, Cheques in Hand, Current and other accounts (including Fixed Deposit) held with Banks.

(f) Events occurring after the Balance Sheet Date:

Assets and liabilities are adjusted for events occurring after the balance sheet date that provide additional evidence to assist the estimation of amounts related to conditions existing at the balance sheet date.

(g) Net Profit or Loss for the period, prior period items and Changes in Accounting Policies:**• Net Profit for the period:**

All the items of income and expenses in the period are included in the determination of net Profit / Loss for the period, unless specifically mentioned elsewhere in the financial statements or is required by an Accounting Standard.

Significant Accounting Policies and Notes on Financial Statements**[Rupees in Thousands]**

- **Prior Period Item:**

Income / Expenditure are disclosed in Prior Year Adjustments only when the value exceeds Rupees One Lakh in each case.

- **Extra Ordinary Items:**

Extraordinary items, if any are disclosed separately in accordance with Accounting Standard - 5.

(h) Depreciation Accounting:

Depreciation has been provided on fixed assets based on the useful life prescribed under Schedule II to the Companies Act 2013, on written down value method except for Plant & Machinery and Building of Distillery Division acquired prior to 31st March 1999 and the assets of Paper Division where the depreciation has been provided on straight line basis. The useful life of Oakwood Barrels has been taken as 14 years, based on technical evaluation. Depreciation is provided on pro-rata basis on additions and deletions from the date the assets were put to use and up to the date of sale / transfer, respectively.

Certain Fixed Asset were been revalued during the year 1998-99. Consequent to provisions contained in Schedule II to the Companies Act, 2013 read with "Applicable Guide on the Provisions of Schedule II to the Companies Act, 2013" issued by the ICAI, the depreciation amount attributable to the revalued portion of Fixed Assets have been charged to the Statement of Profit & Loss Account and not drawn from the Revaluation Reserve.

(i) Revenue Recognition:

- Sales are recognized when the significant risks and rewards of ownership of the goods have passed to the buyer which coincides with the dispatch of goods to the customers. Sales are net of returns; sales tax collected and tax collected at source are not included in sales. Sales include excise duty and additional excise duty.
- Dividend on Investments is accounted in the year in which the right to receive is established.
- Incomes from services or contracts are recognized in accordance with the terms of the contract.

(j) Accounting for Tangible Fixed Assets:

Fixed assets are stated at cost of acquisition inclusive of inward freight, duties (net off CENVAT Credit) and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalized. Expenses capitalized also include applicable borrowing costs till the date of commencement of production. Assets acquired under hire purchase are capitalized to the extent of the principal value.

Significant Accounting Policies and Notes on Financial Statements**[Rupees in Thousands]****(k) Accounting for Effect in Foreign Exchange Rates:**

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Foreign currency monetary assets and liabilities on the balance sheet date are translated at year end exchange rates. Exchange difference arising either on settlement of foreign exchange transactions or translation of monetary items is recognized as income or expense in the year in which they arise.

(l) Accounting for Investments:

- Non Current Investments are valued at cost. Provision is made to recognize a diminution other than temporary, in the value of each long-term investment.
- Current Investments are stated at lower of cost and quoted/fair value.

(m) Accounting for Employee benefits:

- **Short term benefits**
Short term employee benefits expected to be paid in exchange for the services rendered by the employees is recognized during the period when the employee renders the services.
- **Provident Fund**
Provident fund is a defined contribution scheme as the Company pays fixed contribution at pre-determined rates. The obligation of the Company is limited to such fixed contribution. The contributions are charged to Profit & Loss Account.
- **Gratuity**
The company provides for gratuity, a defined benefit retirement plan covering eligible employees. Liabilities with regard to the Gratuity are determined by actuarial valuation as at the balance sheet date.
- **Leave Encashment**
The company provides for Leave Encashment, a defined benefit retirement plan covering all the employees. Liabilities with regard to the Leave Encashment are determined by actuarial valuation as at the balance sheet date.

(n) Borrowing Cost:

Borrowing costs attributable to acquisition and construction of assets are capitalized as part of the cost of such asset up to the date when such asset is ready for its intended use. Borrowing costs attributable to 'Maturation stocks' has been considered for valuation of Work in Progress, as these stocks require a substantial period of time to bring them to saleable condition. Other Borrowing Costs are treated as revenue expenditure.

(o) Segment Reporting:

The company has considered business segment as reporting segment and accordingly identified Liquor, Glass, Contract and Systems as reporting business segments. Secondary segmental reporting is performed on the basis of the geographical location of the customers and accordingly segmental revenue is reported as revenue from India and from outside India.

Significant Accounting Policies and Notes on Financial Statements**[Rupees in Thousands]****(p) Related Party Transactions:**

The related party transactions have been classified under the heads Subsidiary, Key Management Personnel, relatives of Key Management Personnel and Entities over which Key Management Personnel and / or their relatives are able to exercise significant influence.

(q) Lease:

- Finance Lease Payments are apportioned between Finance Charges and reduction of lease liability as per the relevant agreements.
- Operating Lease payments are recognized in the Statement of Profit and Loss over the lease term.

(r) Earning per Share:

- Basic earning per share has been computed with reference to Weighted Average number of Shares outstanding at monthly rests.
- Diluted Earnings per share has been computed based on the basic earnings adjusted for all dilutive potential equity shares.

(s) Accounting for Taxes on Income:

Tax expense comprises of current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Deferred income-tax reflects the impact of timing difference between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the Tax Laws and rates that have been enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized on brought forward unabsorbed depreciation and brought forward losses only if there is a virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits. Deferred tax asset of earlier years is reassessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which, such deferred tax assets can be realized.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax asset and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and deferred tax liabilities relate to taxes on income levied by same governing taxation laws.

Minimum Alternate Tax (MAT) Credit recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of MAT credit asset is written down to the extent there is no longer convincing evidence to the effect that the company will pay normal income tax during the specified period.

Significant Accounting Policies and Notes on Financial Statements

[Rupees in Thousands]

(t) Impairment of Asset:

At each balance sheet date, the management reviews the carrying amounts of its assets to determine whether there is any indication that those assets were impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which the asset is identified as impaired, unless the asset is carried at revalued amount, in which case any impairment loss of a revalued asset is treated as a decrease in Revaluation Reserve. The impairment loss recognized in prior accounting periods is reversed if there has been an increase in the estimate of recoverable value.

(u) Provision, Contingent Liabilities and Contingent Assets:

- A present obligation, as a result of past events which could be reliably estimated, is provided in the accounts, if it is probable that there will be an outflow of resources.
- Contingent liabilities are not recognized, but are disclosed at their estimated value by way of notes in the Financial Statements.
- Contingent Assets are neither recognized nor disclosed in the financial statements.

(v) Trade Receivables and Loans & Advances:

Trade receivables and Loans and Advances are stated after making adequate provision for those doubtful of recovery.

(w) Expenditure:

Expenses are accounted on accrual basis and provision is made for all known losses and liabilities.

(x) Excise Duty:

Excise duty recovered is included in the sale of products. Excise duty paid on dispatches and in respect of finished goods lying at factory premises are shown separately as an item of excise duty in the Profit and Loss account and included in the valuation of Finished Goods.

26 Previous year figures have been re-grouped/ re-arranged wherever necessary to conform to the current year's presentation.

27 Contingent Liabilities

S.No.	Particulars	2014-15	2013-14
1.	Claims against the company not acknowledged as debts	16,915	39,664
2.	Disputed Income Tax not provided for	20,836	-

Significant Accounting Policies and Notes on Financial Statements

[Rupees in Thousands]

- 28 A special resolution u/s 100 of the Companies Act 1956 approving the reduction of paid up share capital of the Company held by Public shareholders to the extent of 3,931,042 shares at Rs 75/- per share amounting to Rs 294,828 was passed at the AGM held on 30th December 2013. The Hon'ble Karnataka High Court, on 7th August, 2014 passed an order confirming the special resolution passed by the Company in the said AGM. A certificate of reduction of Capital was issued by the said ROC dated 12th September, 2014 and the MCA records have been updated, incorporating the Reduction of Capital.

The Company has made requisite entries in the books of accounts giving effect to the Reduction of Capital by reducing its Share Capital, Reserves/Securities Premium and creating a liability towards the equity share holders under the head "Liability to Equity Share Holders" and demand drafts to the tune of Rs 285,000 are available with the Company as on date for settlement of this liability. The Company has also obtained a legal opinion for the same and considers the liability to be a subsisting liability.

Subsequently, on an application filed by SEBI on 8th January, 2015, the Hon'ble High Court of Karnataka directed that the order dated 7th August, 2014 be kept in abeyance. However, on an appeal filed by the Company challenging the impugned order, the divisional bench of the High Court of Karnataka quashed the order dated 8th January, 2015 and ordered that the matter be remitted back to the learned Company Judge for first considering the application of SEBI seeking impleadment in the proceedings and thereafter consider the application for recalling the order dated 7th August, 2014. The matter is pending before the Hon'ble High Court.

- 29 Exceptional items represent payment of Rs 25,668 paid as settlement to two parties.

30 CIF Value Of Imports

Particulars	2014-15	2013-14
Raw Materials	52,557	85,537
Capital Goods	27,191	-

31 Consumption of Imported and Indigenous Materials And Components

Particulars	2014-15		2013-14	
	In %	In Value	In %	In Value
Imported	4.49%	41,578	10.30%	88,459
Indigenous	95.51%	886,137	89.70%	770,839
Total Materials Consumed		927,715		859,296

32 Expenditure In Foreign Currency

Particulars	2014-15	2013-14
For Travel	2,346	6,548
For Consulting Services	-	11,651
For Others	-	12

Significant Accounting Policies and Notes on Financial Statements

[Rupees in Thousands]

33 Earnings in Foreign Currency

Particulars	2014-15	2013-14
FOB Value of Exports	4,393	1,520

34 Employee Benefits

As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:

Defined Contribution Plan

Contribution to defined contribution plan recognized as expense for the year.

PARTICULARS	2014-15	2013-14
Employer's Contribution to Provident Fund	6,261	6,253

Defined Benefit Plan

In case of Gratuity, the present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity. In line with the accounting policy and as per the Accounting Standard - 15(R), the summarized position of post-employment benefits is recognized in the Profit & Loss A/c and Balance Sheet as under:

A. Changes in the present value of the obligations

Particulars	2014-15		2013-14	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	(Unfunded)	(Unfunded)	(Unfunded)	(Unfunded)
Present Value of defined benefit obligation	30,842	1,899	29,399	1,632
Interest Cost	2,467	152	2,352	131
Current service cost	617	38	(5,940)	(317)
Add / (Less)				
Benefits Paid	(6,798)	(211)	(2,552)	(88)
Actuarial loss/ (gain) on obligations	4,865	90	7,583	541
Present value of defined benefit obligation	31,994	1,968	30,842	1,899

B. Amount recognized in Balance Sheet

Particulars	2014-15		2013-14	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	(Unfunded)	(Unfunded)	(Unfunded)	(Unfunded)
Present value of defined benefit obligation	31,994	1,968	30,842	1,899
Add / (Less)				
Unrecognized past service cost	-	-	-	-
Unrecognized transitional liability	-	-	-	-

Significant Accounting Policies and Notes on Financial Statements

[Rupees in Thousands]

Unfunded net liability / (asset) recognized in Balance Sheet	31,994	1,968	30,842	1,899
Present value of defined benefit obligation	31,994	1,968	30,842	1,899
Breakup of accrued liability				
Non Current Liability	31,994	1,968	30,842	1,899

C. Expenses recognized in the Profit & Loss Statement

Particulars	2014-15		2013-14	
	Gratuity (Unfunded)	Leave- Encashment (Unfunded)	Gratuity (Unfunded)	Leave Encashment (Unfunded)
Current service cost	617	38	(5,940)	(317)
Interest cost	2,467	152	2,352	131
Add / (Less)				
Net Actuarial loss/(gain) recognized in the year	4,865	90	7,585	543
Net benefit expense	7,949	280	3,997	357

D. Principal Actuarial assumption at the Balance sheet date

Particulars	2014-15		2013-14	
	Gratuity (Unfunded)	Leave Encashment (Unfunded)	Gratuity (Unfunded)	Leave Encashment (Unfunded)
Discount rate	8%	8%	8%	8%
Rate of escalation in salary	5%	5%	5%	5%
Mortality rate	LIC 1994-96 Ultimate	LIC 1994-96 Ultimate	LIC 1994-96 Ultimate	LIC 1994-96 Ultimate
Expected Average Remaining working lives of Employees	15	15	15	15
Method used	PUCM	PUCM	PUCM	PUCM
Date of Actuarial Report	22 nd April 2015	22 nd April 2015	12 th May 2014	12 th May 2014

35 Segment Reporting is presented in Consolidated Financial Statements in terms of Accounting Standard 17 on Segment Reporting.

36 Related Party Disclosures

The List of related parties as identified by the Management is as under:

Subsidiary

1. Khoday Properties Private Limited

Key Management Personnel

1. K.L. Ramachandra (Non Executive Chairman)
2. K.L. Srihari (Managing Director)
3. K.L.A. Padmanabhasha (Joint Managing Director)
4. K.L. Swamy (Executive Director)

Significant Accounting Policies and Notes on Financial Statements**[Rupees in Thousands]**

5. K R Nithyanand (Non Executive Director)
6. K H Gurunath (Non Executive Director)
7. K S Giridhar (Non Executive Director)

Relatives of Key Management Personnel

1. K H Radheshyam
2. K.H. Srinivas
3. Estate of Late K L Narayanasa
4. K P Ganashayam
5. K R Dayanand
6. K S Brijmohan
7. Rajalakshmi Srihari
8. Gulab P Khoday
9. Lalitha Swamy Khoday
10. Padma N Khoday
11. Meera Bai
12. Dhanalakshmi

Entities over which Key Management Personnel and/or their relatives are able to exercise significant influence

1. K L Ramachandra – HUF
2. K L A Padmanabhasha – HUF
3. K L Srihari – HUF
4. K L Swamy – HUF
5. Acqua Borewells Private Limited
6. Blendwell bottlers Private Limited
7. Cassonava Distilleries Private Limited
8. Coconut Groves & Holiday Resorts Pvt Limited
9. Daatha Builders Private Limited
10. Elkay Farm
11. Elkay Tradings Corporation Private Limited
12. Five Brothers Marketing Private Limited
13. Forest Resort (Bandipur) Limited
14. Gayathri Foundation
15. Gayathri Holdings Private Limited
16. General mining and minerals
17. Hercules Construction Company Pvt Limited
18. Honeywell Business Private Limited
19. Ingo Property Developers Private Limited
20. Jay Pee Shoes Private Limited
21. K Lakshmana & Company
22. Kankapura Trading Private Limited
23. Khoday Brothers
24. Khoday Breweries Limited
25. Khoday Business Private Limited
26. Khoday Control Systems Private Limited
27. Khoday Eshawarsa and Sons
28. Khoday Hotels Private Limited
29. Khoday Industries (Kuppam) Private Limited
30. Khoday Industries (Hyderabad) Private Limited
31. Khoday Industries Pvt Limited

Significant Accounting Policies and Notes on Financial Statements**[Rupees in Thousands]****Entities over which Key Management Personnel and/or their relatives are able to exercise significant influence**

32. Khodays Brothers International Limited
33. Khodays Technologies Limited
34. Kilara Power Limited
35. LK Polyfibre Limited
36. LK Power Corporation Limited
37. LK Trust
38. Lakshmi Estate
39. Macdonald Tradings Private Limited
40. Mc Donald Distilleries Private Limited
41. Murugan enterprises
42. National Distilleries Limited
43. North India Distillers Private Limited
44. Panchaganga Tradings Private Limited
45. Panchakalyani Tradings Private Limited
46. Parsan Holiday Resorts Private Limited
47. Peterscot Tradings Private Limited
48. Ram Mohan & Company Private Limited
49. Ranch Coffee Estate
50. River Resorts Limited
51. Saraswathi Estate
52. Sovereign Hotels
53. Spring Borewells Company Private Limited
54. Sree Gurunath Panels
55. Sri Gurunath Tradings Private Limited
56. Sri Narmada Distilleries Private Limited
57. Surya Watch Industries Private Limited
58. The Distillers Company Private Limited
59. Thiruvonam Wines
60. Tiger Breweries Limited
61. Trishul Wineries & Distilleries Private Limited
62. United Glass Bottles Manufacturing Company Limited
63. Universal Business Concepts Private Limited
64. Universal Trading Company
65. Vaishnavi Communications Private Limited
66. Vindhya Distilleries
67. Vyjayanthi Tradings Private Limited
68. Wesco Power Generation Limited
69. West India Distilleries Private Limited
70. Yajaman Enterprises

KHODAY INDIA LIMITED

Significant Accounting Policies and Notes on Financial Statements

[Rupees in Thousands]

Particulars	2014-15				2013-14			
	Subsidiary	Key Management Personnel	Relatives of Key Management personnel	Entities over which Key Management Personnel and/or their relatives are able to exercise significant influence	Subsidiary	Key Management Personnel	Relatives of Key Management personnel	Entities over which Management Personnel and/or their relatives are able to exercise significant influence
A. Income								
Sales				17,318				
B. Expenses								
Purchase of Goods / Services				1,846				
Leasing arrangement / Rent		270	810	2,713		270	810	
Traveling, Sales promotion and others				2,523				
Sales of Fixed Assets				3,103				
Purchase of Fixed Assets				109,719 (Dr)		73,338 (Cr)		
Closing Balance		1,064,442 (Cr)						
C. Investment in Subsidiary	500			611,763	500			
D. Others				480				
Guarantee and Collateral obtained from*				1,052,180			997,825	

* Includes Personal Guarantee obtained from entities over which key management personnel are able to exercise significant influence, Key management Personnel and their related parties.

NOTE: No Amount has been written back or written off during the year in respect of amounts due to or from related parties.

Significant Accounting Policies and Notes on Financial Statements

[Rupees in Thousands]

37 Leases

The Company has taken certain assets on operating lease and certain assets on Finance Lease. The amounts of further minimal lease payments are stated below:

Particulars	2014-15	2013-14
Operating Lease:		
Less than 1 year	1,574	1,574
Later than 1 year & not later than 5 years	Nil	Nil
Later than 5 years	Nil	Nil
Finance Lease:		
Less than 1 year	20,463	10,570
Later than 1 year & not later than 5 years	25,482	15,201
Later than 5 years	Nil	Nil

38 Earnings Per Share

Particulars		2014-15	2013-14
Profit/(Loss) after Taxation as per Profit and Loss Account	A	(338,648)	34,341
Weighted Average Number of Equity Shares (In Nos in '000)	B	35,437	37,591
Earnings per Share - Basic (in Rs.) [A/B]		(9.56)	0.91
Earnings per Share - Diluted (in Rs.) [A/B]		(9.56)	0.91
Face Value per Share (in Rs.)		10	10

39 Deferred Tax

In accordance with the Accounting Standard - 22 "Accounting for Taxes on Income" the company reviewed the deferred tax assets and liabilities. As a measure of prudence, this net deferred tax asset has not been recognized in the financial statement. The details are as below:-

Particulars		2014-15	2013-14
Deferred Tax - Liabilities:			
On Depreciation differences		-	10,662
On Prepaid license fee		31,392	19,483
TOTAL	A	31,392	30,145
Deferred Tax - Assets			
On Depreciation differences		15,383	-
On Employees Benefits		22,832	23,069
On unabsorbed tax losses and depreciation		143,841	56,037
TOTAL	B	182,056	79,106
Net Deferred Tax Liabilities / (Assets) [A - B]		(150,664)	(48,961)

Significant Accounting Policies and Notes on Financial Statements

[Rupees in Thousands]

40 Payments made to Directors

Particulars	2014-15	2013-14
Directors' sitting fees	87	56

41 During the year, the Company has transferred unclaimed dividend of Rs 653 to the Investor Education and Protection Fund.

42 (a) Pursuant to enactment of the Companies Act, 2013, the Company has applied the estimated useful life for depreciation of assets as specified in Schedule II. Accordingly, the balance carrying amount of assets is being depreciated over the revised/remaining useful life of the assets. The written down value of fixed assets whose remaining useful life is Nil as at 1st April, 2014 amounting to Rs 27,468 have been charged to the Statement of Profit & Loss Account.

Further, in line with Schedule II of the Companies Act, 2013 read with the "Application Guide on the Provisions of Schedule II to the Companies Act, 2013" issued by the ICAI, the depreciation portion attributable to the revalued portion of fixed assets amounting to Rs 5,368 have been charged to the statement of Profit & Loss account and not withdrawn from the Revaluation Reserve.

(b) Had the Company applied the provisions of Schedule XIV to the Companies Act, 1956, the depreciation would have been lower by Rs 52,471. Accordingly, the charge to the statement of profit & loss account is higher to this extent in the current year.

43 Fixed Assets includes a building with a WDV of Rs. 10,330 (Previous Year: Rs. 10,856) the title of which is under dispute before the Debt Recovery Tribunal / City Civil Court. Pending resolution of this dispute, the company continues to reckon the Building as an asset in its financial statement.

Significant Accounting Policies and Notes on Financial Statements

[Rupees in Thousands]

44 Certain confirmation of balances for Trade Payables (Current and Non-Current), Trade Deposits and Advances, Capital Advances, Deposits, Other Loans & Advances and Trade Receivables are awaited. The accounts' reconciliations of some parties where confirmation have been received are in progress. Adjustments for differences, if any, arising out of such confirmations/ reconciliations would be made in the accounts on receipt of such confirmations and reconciliations thereof. The Management is of the opinion that the impact of adjustments, if any, is not likely to be significant. In the opinion of the Management all current assets, loans and advances including advances in capital accounts would be realized at the values at which these are stated in the accounts, in the ordinary course of business.

For and on Behalf of the Board



K. L. RAMACHANDRA
CHAIRMAN

K. L. SRIHARI
VICE - CHAIRMAN &
MANAGING DIRECTOR



R. VENKAT
SUBRAMANYAN
COMPANY SECRETARY

As per our report of even date
for RANGARAJU & ASSOCIATES
CHARTERED ACCOUNTANTS



KRISHNAN RANGARAJU
(PARTNER)

Membership No. 018457
(Firm Regn No: 069125)



Place: Bangalore
Date: 29.05.2015

KHODAY INDIA LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

Particulars		[Rupees in thousands]	
		2014-15	2013-14
A.	Cash flow from Operating Activities		
	Net Profit Before Tax	(338,230)	47,848
	Adjusted for:		
	Depreciation	114,777	51,073
	Impairment of Assets	-	1,751
	Loss/(Profit) on sale Fixed Assets	-	(736)
	Interest Income	(1,054)	(883)
	Dividend Income	(52)	(35)
	Interest & Bank Charges	212,766	246,508
	Sundry Credit balance written back	(3,446)	(21,499)
	Irrecoverable advances and Bad debts written off	841	58,415
	Loss from Lakshmi Estate (Partnership Firm)	920	1,088
	Unrealised Foreign Exchange Fluctuation		
	Operating Profit Before Working Capital Changes	(13,478)	383,531
	Adjusted for:		
	Trade and other Receivables	(60,197)	(192,066)
	Inventories	17,920	(80,336)
	Trade and other payables	(587,873)	178,200
	Cash Generated from operations	(643,629)	289,329
	Net prior year adjustments	(346)	(4,257)
	Taxes paid (Current and relating to Previous years)	6,541	(160)
	Net Cash from / (Used in) Operating Activities [A]	(637,434)	284,912
B.	Cash Flow from Investing activities		
	Purchase of Fixed Assets	(131,672)	(43,741)
	Sale of Fixed Assets	-	3,814
	Movement in Investment	(1,207)	(704)
	Interest Income (Gross)	1,054	883
	Dividend Income	52	35
	Net Cash from / (Used in) Investing Activities [B]	(131,772)	(39,713)
C.	Cash flow from Financial Activities		
	Proceeds from Borrowings	1,117,750	157,436
	Repayment of Borrowings	(123,827)	(150,880)
	Interest & Bank Charges	(212,766)	(246,508)
	Net Cash flow from/(Used in) Financing Activities [C]	781,157	(239,952)
	Net Cash Flows during the year (A+B+C)	11,951	5,246
	Cash & Cash Equivalents(Opening Balance)	42,928	37,682
	Cash & Cash Equivalents (Closing Balance)	54,879	42,928