ANNUAL REPORT

(ABRIDGED)

2008-2009

JCT LIMITED

Board of Directors

Mr. Samir Thapar	Vice Chairman & Managing Director
Mr. Rajmohan Singh	Director (Operations)
Mr. Mahesh Sahai	
Mr. Gordhan Kathuria	
Mr. Apar Singh Dugal	
Dr. Satya Pal Narang	
Mr. Sonjoy Sethee	IFCI Nominee

Company Secretary
Mr. S.C. Saxena

Auditors
S.P. Chopra & Co.
Chartered Accountants
F-31, Connaught Place
New Delhi - 110 001

Registered Office
Village Chohal
Distt. Hoshiarpur - 146 024
(Punjab)

Units
Textiles : Phagwara (Punjab)
: Sriganganagar (Raj.)
Filament : Hoshiarpur (Punjab)

Subsidiaries
Rajdhani Trading Co. Limited
Gupta & Syal Limited

Corporate Office
Thapar House
124, Janpath
New Delhi - 110 001

Registrar & Share Transfer Agents
RCMC Share Registry Pvt. Ltd.
B-106, Sector-2
Noida-201 301
Tel.: 95120-4015880
Fax: 95120-2444346
e-mail: shares@rcmcdelhi.com

Institutions & Bankers

IFCI Limited
Allahabad Bank
Bank of Baroda
Bank of Rajasthan Limited
Punjab National Bank
Punjab & Sind Bank
State Bank of India
State Bank of Bikaner & Jaipur
State Bank of Patiala
State Bank of Travancore

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NOTICE

THE 60th ANNUAL GENERAL MEETING OF JCT LIMITED will be held at the Registered Office at Village Chohal, Dist. Hoshiarpur (Punjab) on Friday, the 25th day of September, 2009 at 12.30 P.M. to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Accounts of the Company for the financial year ended 31st March, 2009 and the Reports of the Directors and Auditors thereon.

2. To re-elect Mr. G. B. Kathuria as Director retiring by rotation and pass the following resolution:

   "RESOLVED that Mr. G. B. Kathuria be and is hereby re-elected as Director of the Company."

3. To re-elect Dr. S. P. Narang as Director retiring by rotation and pass the following resolution:

   "RESOLVED that Dr. S. P. Narang be and is hereby re-elected as Director of the Company."

4. To appoint Auditors and to fix their remuneration and to consider and, if thought fit, to pass the following resolution:

   "RESOLVED that M/s. S. P. Chopra & Company, Chartered Accountants, be and are hereby appointed as the Auditors of the Company to hold such office until the conclusion of the next Annual General Meeting at a remuneration of Rs. 12,00,000/- payable in one or more instalments plus service tax as applicable, and reimbursement of out-of-pocket expenses incurred."

By Order of the Board
For JCT LIMITED

Place: New Delhi
Dated: June 30, 2009

S. C. Saxena
Company Secretary

NOTES FOR MEMBERS' ATTENTION:

(a) A Member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on a poll on his/her behalf. A proxy need not be a Member of the Company.

   Proxies, in order to be effective, must be received at the Registered Office at Village Chohal, Dist. Hoshiarpur (Punjab), not less than forty-eight hours before the time of the Meeting.

(b) Members are requested to notify immediately change of address, if any:

   (i) To their Depository Participants (DPs) in respect of their electronic share accounts, and

   (ii) To the Company or its Share Transfer Agent in respect of their physical share holdings.

(c) The Share Transfer Books and Register of Members o the Company shall remain closed from 18th September 2009 to 25th September, 2009 (both days inclusive).

(d) As per the provisions of the amended Companies Act 1956, facility for making nominations is now available tc INDIVIDUALS holding shares in the Company Shareholders holding shares in physical form may obtair the Nomination Form – 2B prescribed by the Governmen from the Company/ Share Transfer Agent.

(e) All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays between 11.00 A.M and 1.00 P.M. upto the date of the Annual General Meeting

(f) In accordance with the provisions of Article 161 of the Articles of Association of the Company, Mr. G. B. Kathuria and Dr. S. P. Narang, will retire by rotation at the Annua General Meeting and, being eligible, offer themselves fo re-election. Additional information, pursuant to Clause 49 of the Listing Agreement with the Stock Exchange in respec of those Directors seeking re-election on retirement by rotation at the Annual General Meeting, are giver hereunder:

Mr. G. B. Kathuria

Mr. Kathuria has been a Director of the Company since 5th April, 1999. He retired as Chairman & Managing Director o Bank of India in the year 1995. He is having vast knowledge and experience in Finance & Banking. He is also the Chairmar of the Audit, Asset Sale and Remuneration Committee(s) of the Board of Directors. He is also the Director on the Board of Raji Amrit marketing Pvt. Limited.

Dr. S. P. Narang

Dr. Narang has been a Director of the Company sinc 20th July, 2001. He has done M.Com, PhD, LL.B, FCS an Fellow Member of All India Management Association (FIMA with consistent good academic record and retired as CEO c the Institute of Company Secretaries of India (ICSI). Presentl he is a Professor of Eminence of School of Management, Indir Gandhi National Open University (IGNOU). He has bee actively involved in education and academic planning Professional development and education programmes research/suggestions on government regulatory authorities guidance notes and teaching papers, providing corporat services etc. in the matters mostly relating to corporat management. He has also participated in many internation conferences related to Company Law and Secretarial matter He is on the Board of DSE Financial Services Limited, Prith Information Solutions Limited and NH Elite Education Servic Limited. He has also been a member of the various committe constituted by the Central & State Government including SE and closely associated with the various Chambers Commerce like FICCI, ASSOCHAM, CII and PHDCC.

DIRECTORS' REPORT

To the Members of JCT Limited

The Directors of your Company present the 60th Annual Report on the affairs of the Company together with audited statement of account of the Company for the year ended on 31st March, 2009.

The Financial Results for the year are given below:

(Rs. in lakhs)

	2008-2009	2007-2008
Gross Income from operations	57,766	54,589
Other Income	1,882	1,749
Interest & financing charges (net)	4,232	2,602
Profit/(loss) before depreciation	(1,707)	3,067
Depreciation	4,356	2,563
Net Profit/(loss) before tax	(6,063)	504

DIVIDEND

In view of losses, the Directors are unable to recommend any dividend.

OPERATIONS

Textile Units

Over last couple of years the Company modernized its cotton textile unit at Phagwara by replacing old set up of machinery in spinning and weaving sections. In the spinning section, old spindles and preparatory machines were replaced with 22,000 spindles from Zinser and Erfangji and the preparatory machines from Trutzschler, Trumac and LMW. In the weaving section, 456 shuttle looms were replaced with Airjet and Rapier Looms from Picanol. In the processing section, a continuous pre-treatment range and an E-control continuous dyeing range from Monforts were added and became operational during the 4th quarter of the financial year 2007-08. With these overall capacity of export worthy fabrics increased from 20 lakh meters per month to 32 lakh meters per month. A new synthetic fabrics unit with 150 waterjet looms from Tsudokoma and processing machinery from Korea has also been set up. Overall capacity of this unit is about 15 lakhs meters of fabric per month. Apart from these, a new 8 MW bio-mass based captive power plant and a new Effluent Treatment Plant have also been set up and are now operational. Company has made massive investment for this expansion and modernization.

Global recessionary trend which initially started as a financial crisis in US had a severe negative impact on the demand of textile fabrics. The new capacities that came up in the textile segment over the last few years, have further built up pressure as interest and depreciation burden has increased sharply.

Because of the subdued demand particularly in the garment export segment, production capacities in the textile unit could not be fully utilised. With the Government fixing the minimum support price of cotton at a price 40% higher than the in the previous year, the raw material cost also caused a major dent in the profitability of the Textile Industry. The price of rice husk, the key fuel for the Boiler and Power Plant, touched unprecedented high levels thereby negating the very purpose of putting up the Power Plant, especially in the 1st and 2nd quarter of the FY 2008-09.

The demand from domestic market appears to be picking up and the cost of various dyes and chemicals which was very high during the previous year have started coming down but the cotton prices still remain a matter of great concern. Rice husk (used as fuel) prices have since softened but are still much higher than the projected levels. The company expects consolidation and stabilization during the third quarter of the current year, when prices of fabrics are likely to improve, and profitability levels come back to be a little positive to sustain the onslaught of continued long recession.

The Company is in the process of adding 100 machines for Garmenting within the existing set up as a step towards value addition and integration. The Company has also initiated an action for starting of Branded Menswear Retail Sale on a franchise model. The first of its showroom is expected to come up in the 1st week of October, 2009.

Production at the Textile Unit at Sriganganagar remained suspended since July, 2007. Management initiated steps for hive-off of the said unit. Although the approval of the Members is already on record but the final sale/hive-off could not materialise during the year.

Filament Unit

Nylon Filament Yarn (Textile Grade) market in India has remained stagnant over last couple of years at around 43,000 TPA. Substantial rise in Caprolactum price in the first eight months of the year and inverted excise duty structure also contributed to lower growth in the industry. JCT is one of the largest players in the Indian Nylon Filament Industry having capacity of 14,000 TPA. During the year the Company sold 11,452 M.T. of Nylon Filament Yarn as compared to 11,399 M.T. in the previous year. Operating margins started to improve in the last quarter of the year as Caprolactum prices eased down.

FINANCE

During the year, the Company repaid the term loan instalments aggregating Rs. 2,320 lakhs. Optionally Partially Convertible Preference Shares (OPCPS) Rs. 307 lakhs and Zero Rate Debentures (ZRDs) Rs. 671 lakhs were also redeemed as per stipulated terms. In case of certain loans/debentures which became due for repayment during the year there were some delays due to liquidity constraints. As on 31.03.2009 Rs. 36.46 lakhs remained overdue for payment which has been paid subsequently. Due to inadequacy of profits, capital redemption reserve could not be created.

Fixed Deposit

Deposits remaining unclaimed at maturity amounted to Rs. 13.97 lakhs as on 31st March, 2009. Of the above, deposits of Rs. 9.11 lakhs have been repaid/ renewed subsequently.

Consolidated Financial Statements

As required by Accounting Standards AS 21 prescribed by the Institute of Chartered Accountants of India, the audited

Consolidated Financial Statements of the Company and its subsidiaries are annexed and form an integral part of this Report.

Statutory Disclosures

The Statement and Annual Accounts of subsidiary Companies along with the report of Board of Directors and Auditors' as required under section 212 of the Companies Act, 1956 are annexed here to and forms an integral part of this report.

As directed by the Central Government, the financial data of subsidiaries have been furnished as separate statement under 'Details of Subsidiaries' forming part of the Annual Report. Further, pursuant to Accounting Standard (AS-21) issued by the Institute of Chartered Accountants of India, consolidated financial statements presented by the Company in this Annual Report includes financial information of the subsidiaries.

The particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are given in a separate Annexure to this Report. The Annexure is not being sent alongwith this Report to the Members of the Company in line with the provisions of Section 219(1)(b)(iv) of the said Act. These documents will be made available on request by any member of the Company.

The statement containing the information relating to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are annexed hereto and forms an integral part of the report.

Pursuant to Clause 49 of the Listing Agreement, report on Corporate Governance and Management Discussions and Analysis are annexed hereto and form an integral part of this report.

Directors' Responsibility Statement

As required under Section 217 (2AA) of the Companies Act, 1956 this is to confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanations relating to material departures, if any;

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

(iii) proper and sufficient care have been taken with best of knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the said 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.

Auditors

M/s. S. P. Chopra & Company, Chartered Accountants, Auditors of the Company, retire and being eligible offer themselves for re-appointment. The Audit Committee and the Board of Directors recommend the re-appointment of M/s. S. P. Chopra & Company as the Auditors of the Company.

Auditors' Report

In respect of the observations made by the Auditors in the Annexure to their main report, directors have to submit that (a) the delays in payment of certain provident fund dues in respect of textile unit at Sriganganagar were due to financial constraints as the unit continued to incur losses with the production activity remaining suspended; (b) there were delays in repayment of certain instalments of term loans/ debentures due to liquidity constraints and same were made good subsequently and in some cases lenders have approved extension in repayment period; (c) due to inadequacy of operating surplus some short term funds were used for repayment of long term loans.

Cost Auditors

Pursuant to provisions of Section 233-B of the Companies Act, 1956, your Directors have appointed Mr. P. K. Verma AICWA, ACMM, as the Cost Auditors to conduct the Cost Audit of Textile Units at Phagwara and Sriganganagar and Filament Unit at Hoshiarpur, for the year ending 31st March, 2010 and the requisite approval of Central Government have been received.

Directors

In accordance with the provisions of the Companies act, 1956 and Articles of Association of the Company, Mr. G. B. Kathuria and Dr. S. P. Narang, retire by rotation and being eligible offer themselves for re-election.

Acknowledgement

Your Directors wish to place on record their appreciation for the team spirit, dedication, and commitment shown by the work force of the Company during this year. Their unstinted support has been and continues to be integral to your Company's ongoing growth.

Your Directors express their gratitude to the financial institution, banks and business associates for their continued co-operation and look forward to their continued support.

For and on behalf of the Board

Place : New Delhi — Samir Thapar

Dated: June 30, 2009 — *Vice Chairman & Managing Director*

ANNEXURE TO DIRECTORS' REPORT

Information under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31.3.2009.

(A) CONSERVATION OF ENERGY

(a) Energy conservation measures taken:

Textile Division

Redistribution of power to reduce transmission losses and efficient loading on transformers. Control of cooling tower fans on temperature basis. Use of energy efficient axial fans and lights.

Filament Division

Installation of one centrifugal Compressor, compressed air consumption is reduced by plugging the leakages and continuous metering & monitoring. Replacement of conventional motors with energy efficient motors. Air conditioning load is reduced by modifying/altering the return air duct of POY.

(b) Additional investments and proposals, if any, being implemented for reduction in consumption of energy:

Textile Division

Added capacity of power generation from 5.5 MW to 8.0 MW. Appox 60000 additonal unit per day thereby saving exchequer on payment to Electricity Board. Incorporation of energy efficient equipment from design stage for new E.T.P Plant (variable drives for blower fans) and new Thermax make boiler 50 TPH (variable drives for I.D fans & F.D fans). Recovery of soft water from cooling cylinder of E-control & Merceriser-II machines. Installation of Steam Control Valve with temperature controller on hot water tank. the approximate saving of steam is one Ton per day.

Filament Division

Installation of one Vapour Absorption Machine (VAM) to replace Brine Chilling machine. No. of positions of Draw Twisting Machines to be increased from 120 to 144 for 20 m/cs. One godet will be stopped in double godet DT machine. All condensate of Power plant will be recoverd.

(c) Impact of Measures:

On account of aforesaid steps/measures, considerable savings have been achieved in respect of per unit consumption of energy and other utilities cost.

(d) Total energy consumption and energy consumption per unit of production:

As per Form 'A' Attached.

(B) PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT (FORM'B')

1. Specific areas in which R&D carried out by the Company:

Textile Division

Control of finish width, GSM & EPI in case of lycra, control the CSV, reduce bobbin ejection at autoconer, increase heater efficiency in blow room, reduce TPI in 2/15 PV dyed.

Filament Division

Development of various FDY, FOY and micro deniers as per changing market needs and improvement in first quality percent as per segment wise domestic and export requirements. Increased the production of Dyed yarn with existing machines by reducing process cycle time and reduction in cost by introducing modified dyeing recipes.

2. Benefits Derived:

Textile Division

Increase in GSM, Strech percentage & EPI as per customer specifications in case of lycra fabric. Improve the quality of fabric in term of CSV. Increased production and less splice. Improvement in the quality of sliver and yarn. Increased productivity and improved quality.

Filament Division

Reduction in cost of production and better sales realization on new varieties of yarn produced.

3. Future plan of action:

Initiative to increase the productivity and reduce the conversion cost by eliminating the wastage at all levels and optimum utilization of resources, minimizing the idle time and break downs by adopting the proper maintenance schedules. Increase in quality percentage to meet the customers need. Increase in productivity of mono deniers.

4. Expenditure on Research & Development:

	Current Year (Rs. in lakhs)	Previous Year (Rs. in lakhs)
Capital	**2.79**	110.26
Recurring	**101.07**	90.36
	103.86	200.62
Total R&D Expenditure as a Percentage of total turnover	**0.18%**	0.37%

(C) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

(a) Efforts in brief, made towards technology absorption adaptation and innovation:

New Machines with latest technology and state of the art have been installed at Textile Division to produce cloth and as well as to reduce the cost of the fabric of the desired quality.

(b) Benefits derived:

The efforts for product improvement, cost reduction and technology absorption, adaptation and innovation have resulted into a larger product range of fabrics, development of new type of filament yarn and reduction in the cost.

(c) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year):

Not Applicable

(D) FOREIGN EXCHANGE EARNINGS & OUTGO

(a) Activities relating to exports, initiatives taken to increase export, development of new export markets for product services and export plans:

There have been continuous concerted efforts to maintain export performance both in fabric and as well as Nylon Filament Yarn. Efforts are being made to further explore for more markets.

(b) Total Foreign Exchange used and earned:

	Current Year (Rs. in lakhs)	Previous Year (Rs. in lakhs)
Used	**1,450.00**	2,074.69
Earned	**6,089.63**	6,284.83

TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION

FORM 'A'

A. POWER AND FUEL CONSUMPTION:

	Current Year	Previous Year
1. Electricity		
(a) Purchased:		
Units	**63,090,621.00**	54,984,828.00
Total Cost (Rs./Lacs)	**2,769.70**	2,313.31
Rate/Unit(Rs.)	**4.39**	4.21
(b) Own Generation:		
(i) Through Diesel Generators		
Units	**1,218,540.00**	473,511.00
Unit per Ltr of Diesel Oil	**3.06**	3.28
Cost/unit (Rs.)	**9.17**	2.28
(ii) Through Steam Turbine Generators		
Units	**92,978,622.00**	86,798,280.00
Total cost of Coal/ Rice Husk (Rs. in lakhs)	**3,658.79**	2,875.16
Cost/unit (Rs.)	**3.93**	3.31
2. Coal / Husk (Boilers)		
Quantity (tonnes)	**96,981.98**	77,869.80
Total Cost (Rs./Lacs)	**3,581.28**	2,445.42
Average Rate (Rs)	**3,692.73**	3,140.40
3. Furnace Oil (Boilers)		
Quantity (K.Ltrs)	**1,460.38**	1,484.22
Total Cost (Rs./Lacs)	**339.67**	314.99
Average Rate (Rs.)	**23,259.08**	21,222.47
4. LDO/HSD (Furnaces / DG sets)		
Quantity (Ltrs)	**331,810.00**	103,250.00
Total Cost (Rs./Lacs)	**105.64**	28.93
Average Rate/ltr (Rs.)	**31.84**	28.02
5. Other/Internal Generation		
Steam		
Quantity (tonnes)	**405,825.00**	345,105.00
Total Cost (Rs./Lacs)	**4,064.70**	2,851.15
Average Rate (Rs.)	**1,001.59**	826.17

B. Consumption cost per unit of production (Rs.)

	Current Year		Previous Year	
Products	**Electricity**	**Steam**	Electricity	Steam
Filament Yarn/Chips	**33.60**	**8.45**	22.85	5.00
Cloth	**7.06**	**7.45**	4.36	5.29

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

I. OVERALL VIEW

Global recessionary trend has taken a heavy toll on the Indian Textile Industry. Growth of textile industry in India over last five years was driven by healthy growth of exports to US and Europe. With US and Europe under severe grip of recession, demand from these markets shrunk sharply and most of the textile mills were forced to operate at sub-optimum capacities. More so substantial additional capacities built up over last 2-3 years have further built up the pressure as interest and depreciation burden increasing sharply. Government of India's move to increase minimum support price for cotton by 40% over previous year has worsened the situation. There was sharp increase in the other input costs also while pressure built up on the selling prices due to lower demand. The negative impact of these developments is reflected in the financial results of the company.

During the year total revenue from operations increased by 4.9% to Rs. 58,883 lakhs from Rs. 56,143 lakhs in the previous year. Textile operations contributed 55.3% of total revenue at Rs. 32,570 lakhs (previous year: 57% at Rs. 32,015 lakhs) while Filament operations contributed the balance 44.7% of the total revenue at Rs. 26,313 lakhs (previous year: 43% at Rs. 24,128 lakhs). On the profitability front, operations generated profit (before depreciation and unallocated expenses including interest) of Rs. 3,810 lakhs as against Rs. 6,741 lakhs during the previous year. Contribution towards profit (before depreciation and unallocated expenses including interest) from Textile operations dropped sharply to Rs. 1,463 lakhs from previous year's level of Rs. 5,015 lakhs while filament operations contributed improved profit of Rs. 2,347 lakhs (previous year Rs. 1,726 lakhs). With the *implementation of expansion and modernization programme involving heavy investments in plant and machinery and other fixed* assets, incidence of depreciation increased to Rs. 4,337 lakhs compared to Rs. 2,489 lakhs in the previous year. Simultaneously, interest and finance cost also increased to Rs. 4,232 lakhs from Rs. 2,603 lakhs in the previous year. Unallocated expenses increased to Rs. 2,052 lakhs from Rs. 1,348 lakhs in the previous year as the crash in stock markets required additional provision of Rs. 581 lakhs towards diminution in the value of investments. Steep fall in the margins from the textiles operations coupled with increase in depreciation and interest cost resulted in a net loss of Rs. 6,137 lakhs during the year compared to net profit Rs.380 lakhs in the previous year.

Directors are confident that with the support of employees, investors and bankers the Company will be in position to tide over the unprecedented crisis situation in the textile industry. Management has taken further initiatives to start value addition garmenting and retailing activities. Directors believe that the initiatives taken towards expansion and modernization will give handsome returns as the industry situation improves.

II. TEXTILE OPERATIONS

During the year production of textile fabrics registered a modest growth of 4.3% to 411.32 lakhs meters compared to 394.19 lakh meters in the previous year. In volume terms, Sales improved by 5% to 411.04 lakh meters of fabric compared to 391.47 lakh meters in the previous year. This includes production and sales of the newly set up 100% synthetic performance fabrics unit, its products having been widely accepted in the market. In value terms, total revenue from textile operations improved by 1.7% to Rs. 32,570 lakhs from previous year's Rs. 32,015 lakhs. Growth would have been slightly better but for Sriganaganagar textile mill which contribution just Rs. 87 lakhs towards revenue during the year compared to Rs. 1,911 lakhs in the previous year. Due to slack demand of fabrics, enhanced production capacities remained underutilized. Market segment-wise and area-wise revenue from textile operations is as under:

MARKET SEGMENT	Fabrics-RMG	Fabrics-Export	Fabrics-Domestic	Institutions	Yarn & Others	Total
2008-09						
- Rs. in Lakhs	17,898	4,712	7,551	1,838	571	32,570
- %age	55.0%	14.5%	23.2%	5.6%	1.8%	100%
2007-08						
- Rs. in Lakhs	*15,256*	*3,722*	*10,488*	*675*	*1,874*	*32,015*
- %age	*47.7%*	*11.6%*	*32.8%*	*2.1%*	*5.9%*	*100%*

Region	Northern	Western	Southern	Eastern	Exports	Total
2008-09						
- Rs. in Lakhs	9,848	2,948	10,387	4,675	4,712	32,570
- %age	30.2%	9.1%	31.9%	14.4%	14.5%	100%
2007-08						
- Rs. in Lakhs	*11,457*	*3,627*	*9,589*	*3,620*	*3,722*	*32,015*
- %age	*35.8%*	*11.3%*	*30.0%*	*11.3%*	*11.6%*	*100%*

With the new machineries coming into operation, sales in RMG and Export segment increased by 17.3% and 26.6% respectively while sales in the domestic segment came down with discontinuation of some low value addition products following scrapping of old set up of machineries. Institutional sales also improved but sale of yarn reduced sharply as production at Sriganganagar unit remained suspended. Profit (before depreciation and unallocated expenses including interest) from Textile operations dropped sharply to Rs. 1,463 lakhs from previous year's level of Rs. 5,015 lakhs. Underutilisation of the capacities coupled with steep

increase in costs of input – cotton, rice husk (fuel) and dyes and chemicals without corresponding increase in selling prices resulted in worst ever performance of the business in the last two decades. Depreciation of textiles operations increased by 95% to Rs. 3,591 lakhs from Rs. 1,842 lakhs in the previous year. After providing for depreciation, textile operation incurred loss of Rs. 2,128 lakhs compared to profit of Rs. 3,173 lakhs in the previous year.

Of late costs of rice husk and various dyes and chemicals which was very high during the previous year have started rationalizing but the cotton prices still remain a matter of great concern. The demand from domestic market appears to be picking up but overseas demand still remains sluggish.

III. FILAMENT OPERATIONS

During the year production of nylon yarn marginally improved to 11,093 MT compared to 10,926 MT in the previous year while production of nylon chips (for outside sales) increased to 338 MT from 181 MT in the previous year. In volume terms Sales of nylon yarn improved to 11,452 MT compared to 11,399 MT while Sale of nylon chips increased to 267 MT from 192 MT in the previous year. In value terms, total revenue from filament operations improved by 9.1% to Rs. 26,313 lakhs from previous year's Rs. 24,128 lakhs. During the first two quarters margins in the segment remained under pressure due to very high prices of Caprolactum, a petroleum derivative raw material for nylon. Costs of other inputs also including rice husk (fuel) also increased which could not be passed on to the consumers. However, towards end of the third quarter, with petroleum prices dropping sharply, Caprolactum prices also corrected, providing much awaited relief to the industry. Profit (before depreciation and unallocated expenses including interest) from Filament operations improved to Rs. 2,347 lakhs from previous year's level of Rs. 1,726 lakhs. After providing for depreciation Rs. 746 lakhs (previous year Rs.647 lakhs), filament operations generated profit (before unallocated expenses and interest) of Rs. 1,601 lakhs compared to Rs. 1,079 lakhs in the previous year.

Nylon filament yarn (textile grade) industry in India has remained more or less stagnant over last 2-3 years and largely dependent on domestic consumption. Very high raw material prices, competition from indiscriminate imports and inverted excise duty have stinted the growth of the industry. Indigenously, there is only one reliable source of Caprolactum and volatility in the petroleum prices is almost immediately reflected in its prices. Anti-dumping duty on imports from certain Asian countries continues but ambiguous wording of the notification permits imports of certain deniers without attracting anti-dumping duty. In Dec. 2008, basic excise duty on Caprolactum was reduced to 8% from 12% while on Nylon Yarn it was reduced to 4% from 8%, thus inverted excise duty structure continued although duty rates were reduced. However, at present levels of raw material prices, the industry is expected to perform reasonably well.

IV. INTERNAL CONTROL SYSTEMS

The Company has in place proper and adequate control systems and procedures to ensure efficacy of decisions for optimal utilization and protection of resources and compliance with applicable statutory laws and regulations as also internal policies. Continuous efforts are being made to upgrade the systems and procedures and to further improve compliances.

The Company's systems and processes in all areas are regularly reviewed by Internal Auditors and their reports are placed before the Audit Committee of Board of Directors.

Management Information Reports are compiled every month for analysis and review of performance and to enable implementation of corrective actions wherever required. Quarterly reports are also discussed at the Audit Committee Meetings.

The Company has commissioned SAP ERP at its Plant and Sales Offices of Nylon Filament Division. RAMCO ERP is already in operation at Textile Division for quite sometime. These ERPs incorporate the best practices and have greatly strengthened the internal control systems.

V. HUMAN RESOURCES

The Company takes pleasure in announcing that the Textile Division of the Company earned SA-8000 Certification by following the strict compliances as required by it. The workers' training was given an impetus with the appointment of qualified trainers and all workers are imparted at least 2 days training in a year. The HR initiatives are directed towards improving technical skill levels and team spirit to increase productivity. The Company had about 6600 employees as on 31.03.2009.

VI. CORPORATE SOCIAL RESPONSIBILITY AND CONSERVATION OF RESOURCES

JCT has always been proud of its social commitments and endeavours to conserve the natural resources. The commissioning of three-Bio Mass Fuel based Boilers and Turbines at Phagwara and Hoshiarpur with a total capacity of 18 MW Power is a case in instance. This also qualifies the Company in earning Carbon Credits for saving the fossil fuels.

The company has been patronizing the game of Football in the state of Punjab in a big way and also few other sports where budding sportspersons and potential talents have been groomed.

The units at Phagwara and Hoshiarpur have residential colonies for workers and staff. The Company is already running a Co-education School in Phagwara, which provides free education to the children of workers right upto the class 12th standard. Similar School is being run in Hoshiarpur, which has now been upgraded upto 8th standard and the Company intends to add the next senior class every year to go upto 12th class in the next 4 years

VII. STATEMENT OF CAUTION

Representations and statements made under 'Management Discussion and Analysis' are based on the expectations and perceptions of the management of the market conditions. Actual results may materially differ due to several factors which could influence the company's business operations such as demand and supply conditions, prices of inputs, changes in government levies and regulations, industrial relations and other economic developments in the country.

CORPORATE GOVERNANCE REPORT : 2008-2009

Company's philosophy on code of Governance

JCT has full belief that sound corporate governance is essential for the success of its operations in the long term. The organizational success is truly a reflection of the professionalism, conduct and ethical values of its management and employees. Our Company strives to ensure transparency in all its operations, make disclosures and comply with various laws and regulations.

1. **Board of Directors**

Composition of Board

During the year 2008-09, the Board has strength of seven Directors with a combination of two Executive and five Non–Executive Directors with considerable professional expertise and experience. None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees. Necessary disclosures regarding directorship held in other companies and committee positions as on 31.3.2009 have been made by the Directors.

Attendance of Directors at Board Meetings & AGM and number of companies in which the director is a member of the Board or its Committees as a member or chairperson thereof during the financial year.

Name of the Director & Designation	Category	Number of Board Meetings		No of other Companies in which a Director	No. of other Committees in which a Member#	No. of other Board/ Committees in which a Chairperson
		Held	Attended			
Mr. Samir Thapar Vice Chairman & Managing Director	Executive	5	2	6	—	—
Mr. Rajmohan Singh Director (Operations)	Executive	5	5	3	2	—
Mr. Mahesh Sahai	Non Independent Non Executive	5	3	4	2	—
Mr. G.B. Kathuria	Independent Non Executive	5	5	1	3	2
Dr. S.P. Narang	Independent Non Executive	5	5	3	5	1
Mr. A.S. Dugal	Independent Non Executive	5	5	1	1	—
Mr. Sonjoy Sethee Nominee - IFCI Ltd.	Independent Non Executive	5	4	1	2	—

Only the three Committees namely Audit, Remuneration and Shareholders' Grievance are considered.

The last Annual General Meeting of the Company was held on September 27, 2008 and attended by Mr. G.B. Kathuria, Dr. S.P. Narang, Mr. A.S. Dugal, Mr. Rajmohan Singh- Director (Operations) and Mr.Sonjoy Sethee (Nominee of IFCI), all directors of the Company.

Date and number of Board Meetings held

Five Board meetings were held during the year ended on 31.03.2009. These were held on June 30, 2008, August 25, 2008, September 27, 2008, October 31, 2008 and January 29, 2009.

Code of Conduct

The code of Conduct in line with the provisions of clause 49 of the listing agreement has been framed/adopted by the Board and is applicable to all the members of the Board and Senior Management Executives. The Board Members and Senior Management of the Company have confirmed compliance with the Code of Conduct.

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended March 31,2009.

For JCT Limited

Samir Thapar

Vice Chairman & Managing Director

2. Audit Committee

Constitution

The audit committee at present consists of Mr. G. B. Kathuria, Mr. Mahesh Sahai, Dr. S. P. Narang, Mr. Sonjoy Sethee (Nominee of IFCI) and Mr. Rajmohan Singh- Director (Operations). The Statutory Auditors, Cost Auditor and Internal Audit Member of the Company also attend such meetings. Mr. G.B. Kathuria who is an independent director is the Chairman of the Committee.

Date and number of Committee Meetings held

Five meetings of the Audit Committee were held during the year ended on 31.03.2009. These were held on June 30, 2008, August 25, 2008, October 31,2008, January 29, 2009 and March 13,2009.

Attendance of Directors

Name of Committee Member		No of Meetings held	No of Meetings attended
Mr. G.B. Kathuria	Independent Non Executive	5	5
Dr. S.P. Narang	Independent Non Executive	5	5
Mr. Mahesh Sahai	Non-Independent NonExecutive	5	4
Mr. Rajmohan Singh	Executive Director (Operations)	5	5
Mr. Sanjoy Sethee	Nominee - IFCI Ltd.	5	4

Power, Role and Review of information by Audit Committee

The role and terms of reference of the Audit Committee covers the areas mentioned under Clause 49 of the Listing Agreement and Section 292 A of the Companies Act,1956 besides other matters as may be referred by the Board of Directors. These inter-alia include review of Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible, reviewing annual and quarterly financial statement with management before submission to the Board reviewing the adequacy of internal control system with management, external and internal auditors and reviewing the Company's financial risk and management policies.

3. Subsidiary Companies.

Company has two unlisted Indian subsidiaries namely Rajdhani Trading Company Limited and Gupta & Syal Limited. In each case the turnover/net worth does not exceed 20% of the turnover/ networth of the Company. The minutes of Board Meetings of Indian subsidiary Companies are placed before the Board of Directors of the Company. The Audit Committee reviews the financial statement including investments, if any.

4. Disclosures

Basis of related party transactions

No transaction of a material nature has been entered into by the Company with the Directors, Senior Management, personnel and their relatives that may have a potential conflict with the interest of the Company except as disclosed under the related party transactions as per the Accounting Standard 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India (ICAI) which are set out in the Annual Report.

Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards issued by ICAI. The significant accounting policies which are consistently applied have been set out in the Notes to the Accounts.

Risk Management

Board was apprised of the assessment done of risk factors and the management policy for control and minimization of the same during the year. There is elaborate system for the assessment and control on continuous basis also.

Remuneration of Directors

Terms of reference are to recommend/review the remuneration package of the Managing/whole time Director based on performance and keeping in view the applicable provisions of the Companies Act, 1956.

The committee at present comprises of Mr. G.B. Kathuria, Dr. S. P. Narang and Mr. Sonjoy Sethee, Nominee of IFCI, all independent directors and Mr. Mahesh Sahai, the non-independent non-executive director. Mr. G.B. Kathuria is the Chairman of the Committee.

Attendance of Members

One Meeting of the remuneration committee was held during the year on 3.6.2008. All the directors of the remuneration committee except nominee director of IFCI attended the meeting.

Remuneration Policy

Remuneration policy is aimed at attracting and retaining high caliber talent. The policy therefore takes into account the remuneration trends in the industry and the competitive requirement of its business.

Details of remuneration of Directors

The details of remuneration paid to the Executive Directors during the year are given below:

Rs. in lakhs

NAME	Mr. Samir Thapar Vice Chairman & Managing Director		Mr. Rajmohan Singh Director (Operations)	
	Current Year	Previous Year	**Current Year**	Previous Year
Salary including allowances	**44.17**	19.20	**33.72**	19.35
Contribution to Provident & super annuation funds*	**7.50**	4.80	**6.00**	4.50
Perquisites & Reimbursements	**3.83**	4.80	**14.28**	3.55
TOTAL	**55.50**	28.80	**54.00**	27.40

* excluding the provision made towards gratuity and leave encashment on actuarial basis.

Executive Directors are under service contracts on terms and conditions as approved by the Board/shareholders from time to time and the remuneration as permissible under the provisions of the Companies Act, 1956. The Non-executive Directors do not draw any remuneration from the Company except sitting fee of Rs.15,000/- for attending Audit Committee Meeting Rs.8000/- other committee and Rs.20,000/- for each meeting of the Board w.e.f 1.4.2008. The total amount of sitting fee paid to such directors during the period was Rs.8,46,000/-.

Management

Management Discussion & Analysis Report is annexed and form the part of the Director's Report.

Shareholders' Grievence Committee

The said committee at present consists of Dr. S. P. Narang, Mr. A. S. Dugal, Mr. G. B. Kathuria all Non Executive Independent Directors and Mr. Rajmohan Singh, Executive Director (Operations). The committee meets normally once in three months to oversee proper redressal of grievances of shareholders/investors and compliance of stipulation in the matter of listing of shares with stock exchange/ depositories etc. The matter of transfer/transmission of share/debentures, sub-division/consolidation and issue of new/duplicate shares/ debenture certificates etc. including demat/remat of share/debentures in the normal course are looked after by the committee of Senior Executive consisting of Mr. Sanjiva Jain, Sr. Vice President (Finance) and Mr. S.C. Saxena, Company Secretary who have been authorized for the same.

Name of the Non-Executive Director heading the Committee

Dr. S. P. Narang, Director.

Name & Designation of Compliance Officer

Mr. S.C. Saxena, Company Secretary.

Number of complaints received, not solved & shares pending transfer

18 complaints were received and replied to the satisfaction of shareholders duing the year under review. There was no pending complaints as on 31st March, 2009. There is no share transfer or any other correspondence pending for more than fifteen days as on the date of this report. The Company also have exclusive e-mail ID i.e jctsecretarial@jctltd.com for investors to contact the Company in case of any information and grievance.

General Body Meetings

The last three Annual General Meetings of the Company were held on July 26, 2006, September 28, 2007 and September 27, 2008 at the registered office of the Company at Village Chohal, District Hoshiarpur, Punjab and an Extra-ordinary General Meeting held on October 6, 2006.

At the Annual General Meeting held on July 26, 2006, certain investments in securities u/s 372A of the Companies Act, 1956 were approved through Special Resolution.

An Extra ordinary General Meeting was held on October 6, 2006 for the resolution u/s 314(1) (b) & 293 (1) (a) of the Companies Act, 1956, for the appointment of Mr. M. M. Thapar as Advisor to the Company and creation of mortgage and charges in addition to the existing mortgage and charges by the Company for financial facilities not exceeding Rs.550 crores.

Resolution through Postal Ballot

Pursuant to Section 192A & 293 (1) (a) of the Companies Act, 1956, an Ordinary Resolution relating to hive off Company's Textile Unit at Sriganganagar (Rajasthan) was approved through Postal Ballot by the shareholders with the requisite majority as detailed below and taken on record on 27.9.2008. Mr. Sanjiv Gupta, partner of M/s. S.P. Chopra & Co., the statutory auditors was appointed to scrutinize the Postal Ballot Voting Process;

Details of Voting Pattern

Particulars		No of Postal Ballot	No of Shares
(a)	Total Postal Ballot Forms received	46	180,683,063
(b)	Less invalid Postal Ballot Form	8	No details
(c)	Net valid Postal Ballot Form	38	180,683,063
(d)	Postal Ballot Form with Assent for the Resolution	33	180,679,713
(e)	Postal Ballot Form with Dissent for the Resolution	5	3,350

Details of non-compliance, penalties etc. imposed by Stock Exchange, SEBI etc. on any matter related to capital markets, during the last three years

No stricture/penalties have been imposed on the Company by the Stock Exchanges or the Securities and Exchange Board of India (SEBI) or any statutory authority on any matters related to Capital Markets during the last three years.

Means of Communication

(a)	Quarterly Results	:	Through publication
(b)	Newspapers wherein results normally published	:	Business Standard (English) Punjab Kesari (Hindi) Tribune (Hindi & Punjabi)
(c)	Any web site, where displayed	:	Yes on the web site of Mumbai Stock Exchange i.e. www.bseindia.com and SEBI web site i.e. www.sebiedifar.nic.in
(d)	Whether it also displays official news releases and the presentations made to institutional investors or to analysts	:	Yes

General shareholder information

AGM	60th Annual General Meeting
Date	25th September, 2009
Time	12.30 p.m.
Financial Year	2009-2010
Venue	Village Chohal, Dist. Hoshiarpur (Punjab)-146 024

Financial Year 2009 - 2010

Un-audited results for quarter ending June, 30, 2009 - July, 2009
Un-audited results for quarter ending September, 30, 2009 - October, 2009
Un-audited results for quarter ending December, 31, 2009 - January, 2010
Un-audited results for quarter ending March 31, 2010 - April, 2010
Audited results for the year ending March, 31, 2010 - July, 2010

Date of Book Closure	:	September 18, 2009 to September 25, 2009 (both days inclusive)
Dividend Payment Date	:	Not applicable
Listing on Stock Exchanges	:	Mumbai and Luxumbourge Stock Exchange
Stock Code	:	500223 (BSE)

Market Price Data

Month	High	Low
April, 2008	8.54	7.01
May	8.68	6.96
June	7.24	5.50
July	6.00	4.83
August	6.35	5.20
September	5.75	3.82
October	4.23	2.75
November	3.50	2.30
December	3.13	2.25
January, 2009	3.19	2.16
February	2.50	1.91
March	2.00	1.55

Performance in comparison to broad based indices such as BSE Sensex, Crisil Index etc.

The shares of the Company are not considered by Stock Exchange in their index fluctuations.

Registrar & Share Transfer Agents

RCMC Share Registry Pvt. Limited
B-106, Sector- 2
NOIDA - 201301
Telephone : 95120-4015880
Fax : 95120-2444346
E-mail : shares@rcmcdelhi.com

Share Transfer System

The system for transfer of shares in physical form is delegated to Share Transfer Committee which meets once in a fortnight and the average time taken for transfer of shares is within 15 days.

Shareholding Pattern by size (as on 31.3.2009)

Category		No. of Shares	No. of Shareholder	%age of Shares
1	5000	**40,978,956**	97,946	11.48
5001	10000	**12,438,143**	4,155	3.48
10001	20000	**15,767,323**	2,854	4.41
20001	30000	**10,976,027**	1,097	3.07
30001	40000	**5,131,557**	360	1.44
40001	50000	**4,676,557**	248	1.31
50001	100000	**10,449,432**	372	2.93
100001	Above	**256,651,197**	302	71.88
	TOTAL	**357,069,192**	107,334	100.00

Shareholding Distribution Pattern (as on 31.3.2009)

Category	No. of Shares	%age
Promoters	182,504,874	51.11
Non-Promoters (Institutions/Banks/Mutual Funds/State Govt.)	37,979,023	10.64
Others (Corporate Bodies/Individuals/custodian) non resident	136,585,295	38.25
TOTAL	357,069,192	100.00

Dematerialization of shares and liquidity

Presently, 97.34% of shares are in dematerialized form. The shares of the Company are listed on Bombay Stock Exchange Ltd., which provide sufficient liquidity to the investors. SEBI vide its circular no. MRD/DoP/Cir-05/2009 dated 20.5.2009 has now made it mandatory for the Transferee(s) to furnish copy of PAN Card to the Company/RTAs for register of transfer of shares in physical form of Listed Companies irrespective of the amount of such transction.

Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity

Name of the Instrument	Date of conversion	Amount to be converted into Equity
Optionally Partially Convertible Preference shares of Rs.100/- each	Any time before the last instalment of redemption due on 31.12.2011	20%
Foreign Currency Convertible Bonds (FCCB)(issued on April 8, 2006)	Any time prior to the close of business on March 8, 2011	Convertible into equity shares at a reset price of Rs.11.84 each w.e.f. 7.4.2008

Plant Locations

Textile units at Phagwara (Punjab) and Sriganganagar (Rajasthan)
Filament unit at Chohal, Dist. Hoshiarpur (Punjab)

Address for Correspondence

a) Registered Office - Village Chohal, Dist. Hoshiarpur (Punjab) - 146 024
b) Corporate Office - Thapar House, 124, Janpath, New Delhi - 110 001

5. CEO/CFO Certification

Mr. Samir Thapar, Vice Chairman & Managing Director and Mr. Sanjiva Jain, Sr. Vice President (Finance) of the Company have certified to the Board that:

(a) They have reviewed financial statements and the cash flow statement for the year ended 31st March, 2009 and that to the best of their knowledge and belief:

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

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

  (iii) no transaction entered into by the Company during the year ended 31st March, 2009 are fraudulent, illegal or violative of the Company's code of conduct.

(b) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

(c) There has not been any:

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

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

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

AUDITORS' CERTIFICATE TO THE SHAREHOLDERS ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

We have examined the compliance of conditions of corporate governance by JCT Limited for the year ended on 31st March, 2009 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange.

The compliance of conditions of corporate governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the Directors and the management of the Company, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

As per records maintained by the the Company, there were no investor grievances remaining unattended/ pending for more than one month.

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

For S. P. CHOPRA & CO.
Chartered Accountants

Place : New Delhi
Dated : June 30, 2009

Pawan K. Gupta
Partner
Membership No. 92529

STATEMENT REGARDING SUBSIDIARY COMPANIES PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

1. Name of the subsidiary Company	Rajdhani Trading Co. Ltd	Gupta & Syal Ltd.
2. Holding Company's interest	Wholly owned subsidiary	Wholly owned subsidiary
3. Net aggregate amount of Profit/(Loss)		
(i) For the subsidiaries financial year/period ended 31st March, 2009 (in Rs.)	8,327	(60,495)
(ii) For the previous financial years of the subsidiary companies since it became subsidiary (in Rs.)	(86,757)	268,094
4. Net aggregate amount of subsidiary companies' profits, less losses and dealt within the Company's accounts:		
(i) For the subsidiaries financial year/period ended 31st March, 2009	Nil	Nil
(ii) For the previous financial years of the subsidiary companies since it became subsidiary	Nil	Nil
5. (a) There was no change in the Company's interest in any subsidiary company between the end of the preceding financial year of the subsidiary and the end of the Company's financial year		
(b) Material changes occured between the end of the preceding financial year of the subsidiary and the end of the company's financial year in respect of subsidiary's:		
(i) Fixed Assets (ii) Investments (iii) The moneys lent by it (iv) The moneys borrowed by it for any purpose other than that of meeting current liabilities.	Nil	Nil

Sanjiva Jain
Sr. Vice President (Finance)

S.C. Saxena
Secretary

Samir Thapar
Vice Chairman & Managing Director

G.B. Kathuria
A.S. Dugal
Directors

Place : New Delhi
Dated : June 30, 2009

AUDITORS' REPORT ON ABRIDGED FINANCIAL STATEMENT

To the Members

We have examined the attached abridged Balance Sheet of JCT Limited as at 31st March, 2009, the abridged Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto together with the Significant Accounting Policies and Notes thereon. These abridged financial statements have been prepared by the Company pursuant to Rule 7A of the Companies (Central Government's) General Rule and Forms, 1956 and are based on the audited finance statements of the Company for the year ended 31st March, 2009 prepared in accordance with the provisions of Section 211 of the Companies Act, 1956 and covered by our report of even date to the members of the Company, which is attached hereto.

For S. P. CHOPRA & CO.
Chartered Accountants
Pawan K. Gupta
Partner
Membership No. : 92529

Place: New Delhi
Dated: June 30, 2009

AUDITORS' REPORT

To the Members

1. We have audited the attached Balance Sheet of JCT Limited, as at 31st March, 2009, the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that;
   (a) we have 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, Profit and Loss Account and Cash Flow Statement dealt with by the Report are in agreement with the books of account;
   (d) on the basis of the written representations received from the directors of the Company and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as director of the Company in terms of Section 274 (1) (g) of the Companies Act, 1956;
   (e) in our opinion the Balance Sheet, Profit & Loss Account and Cash Flow Statement of the Company dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956;
   (f) in our opinion and to the best of our information and according to the explanations given to us, the said Accounts read together with the Significant Accounting Policies and other notes thereon in Schedule No. 'IX' give the information as required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
      (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
      (ii) in the case of the Profit and Loss Account, of the losses of the Company for the year ended on that date; and
      (iii) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For S. P. CHOPRA & CO.
Chartered Accountants
Pawan K. Gupta
Partner
Membership No. : 92529

Place: New Delhi
Dated: June 30, 2009

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our Report of even date)

(i) In respect of its fixed assets:
   (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
   (b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
   (c) There is no disposal of a substantial part of fixed assets during the year.

(ii) In respect of its inventories:
   (a) As explained to us, inventories except those lying with third parties, have been physically verified by the management in accordance with the perpetual inventory programme, at regular intervals during the year. In our opinion, the frequency of verification is reasonable.
   (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 size of the Company and nature of its business.

(c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed in physical verification of inventory as compared to the book records.

(iii) The Company has neither granted nor taken any loans, secured or unsecured from/to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

(v) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered into a register maintained under Section 301 of the Companies Act, 1956.

(vi) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 58A, Section 58AA and other relevant provisions of the Companies Act, 1956 and the Rules framed thereunder, with regard to the deposits accepted from the public. As informed to us, no order has been passed by the National Company Law Tribunal, Reserve Bank of India, any court or any other Tribunal during the year.

(vii) In our opinion and according to the information and explanations given to us, the internal audit system is commensurate with the size and nature of the Company's business.

(viii) We have broadly reviewed the books of account maintained by the Company in respect of the Textile and Filament Units of the Company where Order has been made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records.

(ix) In respect of statutory dues:

(a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities *though there has been a delay in few cases.* According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as on 31st March, 2009 for a period of more than six months from the date they became payable.

(b) The disputed statutory dues aggregating to Rs. 2,872.74 lakhs, that have not been deposited on account of matters pending in appeal before appropriate authorities are as under:

Sl. No.	Name of the statute	Nature of the Dues	Forum where dispute is Pending	Amount (Rs. in lakhs)
1.	Central Excise Act	Excise Duty	Upto Commissioner's level CESTAT Tribunal	197.96 1,272.92 1,007.71
2.	Central Sales Tax and Sales Tax Act of various states	Sales Tax	Upto AETC Rajasthan Tax Board	4.23 51.10
3.	Customs Duty Act	Customs Duty	Commissioner of Customs	186.05
4.	Income tax Act, 1961	Income Tax	CIT ITAT Supreme Court	56.15 14.13 82.49
		TOTAL		2,872.74

(x) Though the Company has accumulated losses but they are less than 50 per cent of its net worth at the year-end. It has not incurred any cash losses in the current year but not in the immediately preceding financial year.

(xi) Based on our audit procedures and according to the information and explanations given to us, there have been delays by the *Company in repayment of dues to financial institutions, banks or debenture holders amounting to Rs. 1542.70 lakhs during the year with maximum of 83 days.*

(xii) According to the information and explanations given to us and based on the documents and records produced to us, Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/society.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments.

(xv) The Company has given guarantee for a loan taken by another body corporate from a financial institution. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima-facie prejudicial to the interest of the Company.

(xvi) In our opinion, according to the information and explanations given to us, the term loans raised during the year have been applied for the purposes for which they were raised.

(xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the *fund of, Rs. 2,083 lakhs raised on short term basis have been used for repayment of long term loans.*

(xviii) The Company has not made any preferential allotment of shares to any parties or companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

(xix) On the basis of records made available to us, the Company has created securities in respect of debentures.

(xx) The Company has not raised any money by way of public issues during the year.

(xxi) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For S. P. CHOPRA & CO.
Chartered Accountants
Pawan K. Gupta
Partner
Membership No. : 92529

Place : New Delhi
Dated : June 30, 2009

ABRIDGED BALANCE SHEET
AS AT 31ST MARCH, 2009

(Statement containing salient features of Balance Sheet as per Section 219(1)(b)(iv) of the Companies Act, 1956)

(Rs. in lakhs)

			31.3.2009		31.3.2008
I.	**SOURCES OF FUNDS**				
1.	SHAREHOLDERS' FUNDS				
	(a) Capital				
	(i) Equity	**8,926.73**		8,926.73	
	(ii) Preference	**3,039.48**		3,346.58	
			11,966.21		12,273.31
	(b) Reserves & surplus				
	(i) Capital redemption reserves	**165.44**		165.44	
	(ii) Debenture redemption reserve	**2,045.76**		2,045.76	
	(iii) Revaluation reserve	**682.84**		706.99	
	(iv) Share premium account	**6,951.11**		7,724.96	
			9,845.15		10,643.15
2.	LOAN FUNDS				
	(a) Debentures (Non-convertible)	**1,342.07**		2,013.09	
	(b) Fixed deposits	**1,259.95**		1,044.02	
	(c) Secured loans (other than debentures)	**28,982.51**		29,951.17	
	(d) Unsecured loans	**20,805.13**		16,566.39	
			52,389.66		49,574.67
	TOTAL		**74,201.02**		72,491.13
II.	**APPLICATION OF FUNDS**				
1.	FIXED ASSETS				
	(a) Net block (original cost less depreciation)	**51,421.49**		46,289.46	
	(b) Capital work-in-progress	**397.36**		5,944.39	
			51,818.85		52,233.85
2.	INVESTMENTS				
	(a) Government securities	—		0.03	
	(b) Investment in subsidiary companies - unquoted	**84.02**		84.02	
	(c) Others				
	(i) Quoted - At market value	**485.83**		1,006.36	
	(ii) Unquoted	**5,707.25**		6,656.18	
			6,277.10		7,746.59
3.	(a) CURRENT ASSETS, LOANS & ADVANCES				
	(i) Inventories	**11,994.05**		13,137.80	
	(ii) Sundry debtors	**3,794.97**		4,097.04	
	(iii) Cash and bank balances	**923.17**		1,227.73	
	(iv) Other current assets	—		0.11	
	(v) Loans and advances - to others	**5,654.04**		5,185.12	
		22,366.23		23,647.80	
	Less:				
	(b) CURRENT LIABILITIES AND PROVISIONS				
	(i) Current liabilities	**13,690.61**		12,945.81	
	(ii) Provisions	**2,281.09**		1,765.49	
		15,971.70		14,711.30	
	NET CURRENT ASSETS (a-b)		**6,394.53**		8,936.50
4.	PROFIT AND LOSS ACCOUNT		**9,710.54**		3,574.19
	TOTAL		**74,201.02**		72,491.13

Significant Accounting Policies and notes forming part of the Abridged Balance Sheet - Annexure 'I'

Sanjiva Jain	S.C. Saxena	Samir Thapar	G.B. Kathuria
Sr. Vice President (Finance)	*Secretary*	*Vice Chairman & Managing Director*	A.S. Dugal *Directors*

Auditors' Report to the Members of JCT Limited
As per our report of even date attached
For S.P. CHOPRA & CO.
Chartered Accountants
Pawan K. Gupta
Partner
Membership No. 92529

Place : New Delhi
Dated : June 30, 2009

ABRIDGED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED ON 31ST MARCH, 2009

(Statement containing salient features of Profit and Loss Account as per Section 219(1)(b)(iv) of the Companies Act, 1956)

(Rs. in lakhs)

		31.3.2009		31.3.2008
INCOME				
Sales (Details as per Annexure 'II')		**57,522.98**		54,363.01
Dividend		**3.13**		1.91
Interest on Bonds		**0.06**		0.34
Other income		**2,122.26**		1,972.36
Increase/(Decrease) in stocks		**358.37**		(204.19)
		60,006.80		56,133.43
EXPENDITURE				
Raw materials consumed				
(i) Opening stock	**2,767.24**		3,823.43	
(ii) Purchases	**23,405.70**		22,529.03	
	26,172.94		26,352.46	
Less: Closing stock	**1,384.23**		2,767.24	
		24,788.71		23,585.22
Manufacturing expenses		**18,451.51**		13,884.38
Purchase		**259.10**		798.87
Excise duty		**1,812.09**		2,346.36
Selling expenses		**2,757.22**		2,436.79
Payments to and provisions for employees		**6,426.17**		5,361.56
Managerial remuneration		**77.89**		38.55
Interest (net)		**4,232.20**		2,602.54
Depreciation (net)		**4,355.55**		2,562.83
Auditors' remuneration including other services & expenses		**18.19**		16.37
Provisions for advances etc. (net)		**23.15**		—
Other expenses		**2,867.73**		1,995.65
		66,069.51		55,629.12
Profit/(Loss) before tax		**(6,062.71)**		504.31
Provision for tax		**(73.64)**		(124.24)
Profit/(Loss) after tax		**(6,136.35)**		380.07
Loss brought forward from last year		**(3,574.19)**		(3,954.26)
Balance loss carried over to Abridged Balance Sheet		**(9,710.54)**		(3,574.19)
Significant Accounting Policies and notes forming part of the Abridged Profit & Loss Account - Annexure 'I'				
Earnings/(Loss) per share - in Rs. (refer note No. 22 of Annexure -I)				
- Basic		(1.72)		0.11
- Diluted		(1.22)		0.08

Sanjiva Jain
Sr. Vice President (Finance)

S.C. Saxena
Secretary

Samir Thapar
Vice Chairman & Managing Director

G.B. Kathuria
A.S. Dugal
Directors

As per our report of even date attached
For S.P. CHOPRA & CO.
Chartered Accountants
Pawan K. Gupta
Partner
Membership No. 92529

Place : New Delhi
Dated : June 30, 2009

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31st MARCH, 2009

(Rs. in lakhs)

	Year ended 31.3.2009	Year ended 31.3.2008
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(loss) before tax	**(6,062.70)**	504.31
Adjustment for:		
Depreciation	**4,355.56**	2,562.83
Dividend/Interest on Investment	**(3.19)**	(2.25)
Profit on sale of investments	**(4.55)**	(37.20)
Provision for diminution in value of investments	**580.70**	(106.52)
Profit on sale of fixed assets (net)	**(434.83)**	(166.96)
Assets written off	**6.31**	9.67
Excess provision for doubtful debts written back	**(13.65)**	(16.33)
Provision for advances etc. (net)	**23.15**	-
Bad debts written off	**266.70**	27.58
Interest (net)	**4,232.19**	2,602.54
Foreign exchange fluctuation (net)	**47.17**	(1,182.31)
Liabilities/provisions no longer required, written back	**(105.45)**	(70.04)
Depreciation excess provided in earlier years written back	**(1.55)**	(2.16)
Investments written off	**3.74**	158.81
	8,952.30	3,777.66
Operating profit before working capital changes	**2,889.60**	4,281.97
Adjustment for working capital changes:		
Inventories	**1,143.75**	989.44
Trade and other receivables	**(391.17)**	(1,924.32)
Trade payables and others	**1,365.86**	(1,380.26)
	2,118.44	(2,315.14)
Cash generated from operations:	**5,008.04**	1,966.83
Cash flow from operating activities	**5,008.04**	1,966.83
Income tax paid (net of provision)	**(125.43)**	(74.02)
Net cash flow from operating activities	**4,882.61**	1,892.81
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets including capital work in progress	**(1,159.69)**	(9,290.22)
Decrease/(Increase) in fixed assets on adjustment of exchange rate fluctuation	**(2,948.40)**	917.40
Sale of fixed assets	**573.45**	437.57
Purchase/sale of investments (net of provision for diminution)	**889.61**	61.85
Interest received on loans and advances	**78.53**	104.38
Dividend/Interest on Investments	**3.19**	2.25
Net cash used in investing activities	**(2,563.31)**	(7,766.77)

CASH FLOW STATEMENT (*Contd.*)

(Rs. in lakhs)

	Year ended 31.3.2009	Year ended 31.3.2008
C. CASH FLOW FROM FINANCING ACTIVITIES		
Equity share capital	—	1,784.90
Repayment of Preference Shares (net)	**(307.10)**	(281.82)
Repayment of debentures (net)	**(671.02)**	(1,116.24)
Repayment/proceeds from long term secured loans (net)	**(2,319.28)**	9,977.08
Proceeds from short term loans - Secured	**1,350.63**	137.09
Proceeds from short term loans - Unsecured	**732.43**	(1,937.76)
Increase/(decrease) in unsecured loans on adjustment of foreign exchange fluctuation	**2,948.40**	(917.40)
Foreign exchange fluctuations (net)	**(47.17)**	1,182.31
Interest and financing charges	**(4,310.73)**	(2,706.92)
Net cash used in financing activities	**(2,623.84)**	6,121.24
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(304.54)**	247.28
CASH AND CASH EQUIVALENTS (OPENING)	**1,227.72**	980.44
CASH AND CASH EQUIVALENTS (CLOSING)	**923.18**	1,227.72

Note to cash flow statement :

Cash and cash equivalents consist of cash in hand and balances with banks. Cash and cash equivalents included in the Cash flow statement comprise of the following Balance Sheet Items:

Cash in hand	**187.59**	198.07
Balances with Banks :		
— Current accounts	**64.59**	136.86
— Others	**670.81**	892.35
Cash and bank balances lodged as security	**0.19**	0.44
	923.18	1,227.72

Sanjiva Jain
Sr. Vice President (Finance)

S.C. Saxena
Secretary

Samir Thapar
Vice Chairman & Managing Director

G.B. Kathuria
A.S. Dugal
Directors

As per our report of even date attached
For S.P. CHOPRA & CO.
Chartered Accountants
Pawan K. Gupta
Partner
Membership No. 92529

Place : New Delhi
Dated : June 30, 2009

ANNEXURE – 'I'

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of Financial statements

The accompanying financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India ("GAAP") and the provisions of Companies Act, 1956, except for certain fixed assets which have been revalued.

2. Use of Estimates

The preparation of financial statements in conformity with GAAP in India requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known/materialised.

3. Fixed Assets

(a) Fixed assets, except those revalued, are accounted for on historical cost basis (inclusive of the cost of installation and exchange fluctuations on foreign currency loans obtained for acquisition of fixed assets) less accumulated depreciation and impairment loss, if any.

(b) Expenditure during construction period attributable to the fixed assets incurred upto the date of commercial production are capitalized.

(c) Expenditure on renovation/modernisation relating to existing fixed assets is added to the cost of such assets where it increases its performance/life significantly.

4. Intangible assets

Intangible assets consist of computer software and are stated at cost of acquisition/implementation less accumulated depreciation. It is amortized over a period of 5 years on straight line basis.

5. Investments

Investments primarily meant to be held over long term period are valued at cost. Provision is made when in the management's opinion, there is decline, other than temporary, in the carrying value of such investments. Current investments are stated at the lower of cost or quoted/fair value, computed category wise.

6. Inventory Valuation

(a) Inventories are valued at the lower of cost and net realisable value.

(b) In respect of raw materials and stores & spares, cost is computed on weighted average basis. Finished goods and process stock include cost of inputs, conversion and other costs incurred in bringing the inventories to their present location and condition.

(c) Obsolete, defective and unserviceable stocks are provided for, wherever required.

7. Depreciation

(a) Depreciation is provided as under:

(i) On written down value basis at the applicable rates prescribed under Schedule XIV of the Companies Act, 1956 on pro-rata basis except in respect of Plant & Machinery and Buildings, which is provided on straight line method at the applicable rates prescribed under Schedule XIV of the Companies Act, 1956 on pro-rata basis.

(ii) Depreciation on buildings of Textile Units revalued in earlier years is calculated on the respective revalued figures spread equally over the residual life of the concerned buildings as assessed by the valuer. The difference in depreciation on revalued amount so determined and the depreciation on the original cost of such assets calculated in accordance with Section 205(2) of the Companies Act, 1956 is transferred from Revaluation Reserve to the credit of Depreciation Account.

(b) In respect of assets sold/discarded during the year, depreciation is provided upto the month prior to the date of sale/ discarding.

8. Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impaired loss of prior accounting period is increased/reversed where there has been change in the estimate of recoverable amount. The recoverable value is the higher of the assets' net selling price and value in use.

9. Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currency existing at balance sheet date are translated at the exchange rate prevailing on that date. Exchange differences in case of borrowed funds and liabilities in foreign currency for the acquisition of fixed assets from a country outside India are adjusted to the cost of fixed asset. All other exchange differences are recognised in profit and loss account. Premium or discount on forward exchange contract is amortised as expense or income over the life of the contract. Exchange difference on such contract is recognized in the statement of profit & loss account in the reporting period in which the exchange rates changes. Any profit or loss arising on cancellation or renewal of forward contract is recognised as income and expenditure during the period.

10. Revenue Recognition

(a) Sales are inclusive of excise duty/sales tax/VAT and net of trade discounts. Export sales are recognised on the date the Company ships the exported goods as evidenced by their Bill of Lading/Air-way Bill.

(b) Sale of Certified Emission Reduction (CER) is recognised as income on the generation of CER.

(c) Export entitlements under the duty entitlement pass book (DEPB) scheme are recognised in the Profit & Loss account when the right to receive credit as per the terms of the scheme is established in respect of the exports made. Obligation/ entitlements on account of advance license scheme for imports of raw materials are accounted for at the time of purchase of raw materials.

(d) Other items of revenue are recognised in accordance with the Accounting Standard (AS-9). Accordingly, wherever there are uncertainties in the ascertainment/realisation of income such as interest from customers (including the financial condition of the person from whom the same is to be realised), the same is not accounted for.

(e) Profit/loss on sale of revalued fixed assets are stated with reference to the written down value determined on the basis of their historical cost.

11. Research & Development

Current revenue expenditure on Research & Development is charged as expense in the year in which incurred; expenditure which results in the creation of capital assets is taken to fixed assets and depreciation thereon is provided in the same manner as in the case of other fixed assets of the Company.

12. Government Grants

Government grants are recognized when there is a reasonable assurance of compliance with the conditions attached to such grants and where benefits in respect thereof have been earned and it is reasonable certain that the ultimate collection will be made. Government subsidy received for a specific asset is reduced from the cost of the said asset.

13. Employee Benefits

(i) Liability towards Provident Fund is funded through a separate Trust and contributions thereon are made to the Trust.

(ii) Gratuity to employees is provided for on the basis of actuarial valuation reduced by balance available under group gratuity policy with the Insurance Companies. The deficit between the actual payments and recoveries against claims are charged to revenue.

(iii) Liability towards earned leave which is encashable is provided for on the basis of actuarial valuation.

(iv) The Company has an approved Superannuation Scheme for its Officers not covered under the Payment of Bonus Act, 1965. Contributions are made in accordance with the Scheme and the Trust Rules.

14. Borrowing Cost

Borrowing costs that are allocated to the acquisition or construction of qualifying assets are capitalised as part of cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

B. CONTINGENT LIABILITIES NOT PROVIDED FOR

(a) Claims against the Company not acknowledged as debts : Rs. Nil lakhs (Previous year : Rs. 46.12 lakhs)

(b) Guarantees given by the bankers on behalf of the Company : Rs. 174.68 lakhs (Previous year : Rs. 200.10 lakhs).

(c) Unutilised amount of letters of credit established : Rs. 222.86 lakhs (Previous year : Rs. 82.86 lakhs)

(d) Disputed liabilities not adjusted as expenses in the Accounts for various years being in appeals towards:

	As at 31.3.2009 (Rs. in lakhs)	As at 31.3.2008 (Rs. in lakhs)
Sales Tax	**55.33**	62.38
Income Tax	**152.77**	152.77
Excise Duty	**2,478.59**	1,440.94
Stamp Duty	**187.72**	187.72
Custom Duty	**186.05**	186.05
Others	**189.45**	176.20
Total	**3,249.91**	2,206.06

C. NOTES

1. Estimated amount of contracts remaining to be executed on Capital Account and not provided for in the Accounts (net of advances) : Rs. 322.97 lakhs (Previous year : Rs. 517.48 lakhs).

2. Secured loans of Rs. 28,648.54 lakhs (Previous year: Rs. 29,558.29 lakhs) from banks/financial institutions and a body corporate are additionally secured by personal guarantees of Vice Chairman and Managing Director and Shri M.M. Thapar. Further, secured loans of Rs. 1,974.41 lakhs are secured through pledge of 90,898,773 equity shares of JCT Limited held by Promoters group companies.

   Secured loan of Rs. 1,646.43 lakhs from a scheduled bank is collaterally secured by way of pledge of a title deed of an immovable property belonging to a wholly owned subsidiary company.

3. Corporate guarantee of Rs. 3,580.00 lakhs given to IFCI Ltd. for the term loan given to JCT Electronics Ltd. was invoked in earlier year. As the said term loan has been restructured in terms of the scheme sanctioned by the Board for Industrial Finance and Reconstruction and the Company has stated not to be in default as on date, necessary steps have been initiated for the withdrawal of invocation of guarantee.
4. Unsecured loans include:
   (a) Interest free loan of Rs. 617.16 lakhs from a promoter Company is repayable after the secured loans of Rs. 1,974.41 lakhs are settled in full. The Company has the option to adjust this loan against the investment in the promoter Company.
   (b) Short term loan of Rs. 1,998.76 lakhs from a scheduled bank is collaterally secured by way of pledge of a title deed of an immovable property belonging to a wholly owned subsidiary company and personal guarantee of Vice Chairman and Managing Director.
5. Foreign Currency Convertible Bonds

   The Company raised US$ 30 million through the issue of 2.5% unsecured Foreign Currency Convertible Bonds (FCCBs) on 8.4.2006. FCCBs amounting to US$ 4 Million were converted into equity shares in earlier year.

   As per the terms of the issue, the bondholders have the option to convert the FCCBs into fully paid-up equity shares upto 8th March, 2011 at a reset price of Rs. 11.84 per equity share with a fixed exchange rate of Rs.44.6225 per US$.

   FCCBs may be redeemed at the specified early redemption amounts in whole and not in part at the option of the Company at any time on or after 7.4.2009 but prior to 8.4.2011 subject to satisfaction of certain conditions.

   FCCBs on maturity on 8.4.2011 are redeemable by the company at a premium of 20.075% in either cash or by allotment of fully paid up equity shares of Rs. 2.50 each with the condition that the equity shares can be allotted for only upto 65% of the redemption amount.

   Prorata premium for the year of Rs. 773.84 lakhs payable on redemption has been adjusted against the Share Premium Account (Previous year: Rs. 310.22 lakhs - net)
6. In respect of the Company's holding in JCT Electronics Ltd.:
   (a) The Company has given an undertaking to a financial institution and bank of JCT Electronics Ltd. that the Company would not dispose off, pledge, charge, or create any lien, assign 39,33,000 equity shares having face value of Re. 1/- each.
   (b) The Company has pledged 4,287,000 equity shares having a face value of Re. 1/- each with a financial institution for financial facility availed by JCT Electronics Ltd.
7. The Company had revalued its certain freehold land held at Tehsil Phagwara on 1.4.2005 and the resultant revalued amount of Rs. 10,417.70 lakhs was substituted for the historical cost in the gross block of fixed assets.
8. Government grant received/receivable of Rs. 416.54 lakhs against specific plant and machinery has been reduced against its cost.
9. Capital work in progress includes undernoted pre-operative expenditure pending allocation on commencement of commercial production.

(Rs. in lakhs)

	As at 1.4.2008	Additions	Less Capitalised	As at 31.3.2009
Salary and wages	114.57	47.37	146.28	15.66
Raw material/Stores & Spares consumed	132.57	66.47	199.04	—
Interest (net)	298.22	214.97	513.19	—
Power & Fuel	285.57	(101.63)	183.94	—
Insurance	0.10	—	0.10	—
Foreign exchange fluctuation (net)	(65.92)	—	(65.92)	—
Office & Misc. Expenses	42.46	9.27	42.02	9.71
Discount and Bank charges	8.72	0.05	8.77	—
Travelling expenses	68.38	46.24	7.97	106.65
Legal & Professional fees	39.28	29.05	35.42	32.91
Total	923.95	311.79	1,070.81	164.93

10. The Company has continued to adjust the foreign currency exchange differences on amounts borrowed for acquisition of fixed assets, to the carrying cost of fixed assets which is in accordance with provision of the Companies Act, 1956, read with notification dated 31st March, 2009 of the Government of India. This has resulted in increase in fixed assets by Rs. 2,948.40 lakhs during the year (Previous Year: decrease Rs. 917.40 lakhs)

11. During the year the Company has implemented ERP system at Filament Unit. However, in respect of module for inventory it is still under stabilization. Although quantities have been reconciled with physical records, variations in valuation of inventory is being analysed. However, no significant variation is expected in financial results on such analysis.

12. Loans and advances include the following amounts:

	As at 31.3.2009 (Rs. in lakhs)	Maximum amount outstanding during the year (Rs. in lakhs)
Associate Companies *		
JCT Chemicals & Fibres Ltd.	402.91	417.91
Firemount Textile (India) Ltd.	9.08	9.08

* Interest-free and with no stipulation for repayment

13. (a) The Company has not recorded cumulative deferred tax assets on account of timing differences as stipulated in Accounting Standard 22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India in view of substantial losses and no taxable income for the current year as also due to uncertainity of future taxable income.

    (b) In view of no taxable profits, no provision for Income Tax on profits of the year as per the provisions of the Income tax Act, 1961 is considered necessary. Adequate provision in respect of Wealth tax, Fringe Benefit Tax has been made in the accounts.

14. During the year no production took place at the Company's textile unit at Sriganganagar. The Company is taking steps to revive/dispose off the unit.

15. In view of inadequacy of profits:

    (a) No commission is payable to whole time directors.

    (b) No capital redemption reserve has been created during the year.

16. Employee Benefits

    (a) General description of the defined benefit scheme:

    Gratuity : Payable on separation as per the Employees Gratuity Act @ 15 days pay for each completed year of service to eligible employee who render continuous service of 5 years or more.

    Leave Encashment : Payable on encashment as per the policy or on separation to the eligible employees who have accumulated earned leave.

    (b) Defined Benefit Plan

    The employees' gratuity fund scheme managed by a Trust is a defined benefit plan.

    In respect of gratuity and leave encashment, 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.

    (c) Other disclosures as required under AS-15 (Revised 2005) on "Employee Benefits" in respect of defined benefit obligations are as under:

    (i) **Reconciliation of opening and closing balances of Defined Benefit obligation**

(Rs. in lakhs)

		Gratuity (Funded)	Gratuity (Unfunded)	Leave encashment (Unfunded)
Defined Benefit obligation at beginning of the year	2008-09	1,054.26	740.32	412.72
	2007-08	1,129.91	677.65	382.97
Current Service Cost	2008-09	77.44	50.49	45.10
	2007-08	62.94	196.86	139.72
Interest Cost	2008-09	79.07	55.52	30.95
	2007-08	84.74	50.82	28.72
Actuarial (gain)/loss	2008-09	136.38	40.91	59.57
	2007-08	7.65	(35.34)	1.78
Benefits paid	2008-09	(121.96)	(82.50)	(113.67)
	2007-08	(230.98)	(149.67)	(140.47)
Defined Benefit obligation at year end	2008-09	1,225.19	804.74	434.67
	2007-08	1,054.26	740.32	412.72

(ii) Reconciliation of opening and closing balances of fair value of plan assets

(Rs. in lakhs)

	Gratuity (Funded)	
	2008-09	**2007-08**
Fair value of plan assets at beginning of the year	502.00	487.98
Expected return on plan assets	46.69	45.13
Actuarial gain/(loss)	(5.17)	(4.13)
Employer contribution	53.96	204.00
Benefits paid	(121.96)	(230.98)
Fair value of plan assets at year end	475.52	502.00
Actual return on plan assets	41.52	41.00

(iii) Reconciliation of fair value of assets and obligations

(Rs. in lakhs)

		Gratuity (Funded)	Gratuity (Unfunded)	Leave encashment (Unfunded)
Fair value of plan assets	2008-09	475.52	—	—
	2007-08	502.00	—	—
Present value of obligation	2008-09	1,225.19	804.74	434.67
	2007-08	1,054.26	740.32	412.72
Amount recognized in Balance Sheet (Liability)	2008-09	(749.67)	(804.74)	(434.67)
	2007-08	(552.26)	(740.32)	(412.72)

(iv) Expense recognized during the year (Under the head "Payments to and Provisions for Employees" – Refer Schedule 'V')

(Rs. in lakhs)

		Gratuity (Funded)	Gratuity (Unfunded)	Leave encashment (Unfunded)
Current Service Cost	2008-09	77.44	50.49	45.10
	2007-08	62.94	196.86	139.72
Interest Cost	2008-09	79.07	55.52	30.95
	2007-08	84.74	50.82	28.72
Expected return on plan assets	2008-09	(46.69)	—	—
	2007-08	(45.13)	—	—
Actuarial (gain)/loss	2008-09	136.38	40.91	59.57
	2007-08	7.65	(35.34)	1.78
Net Cost	2008-09	246.20	146.92	135.62
	2007-08	110.20	212.34	170.22

(v) Investment Details

(% Invested)

	As at 31st March, 2009	As at 31st March, 2008
Life Insurance Corporation of India	100	100

(vi) Actuarial assumptions

	As at 31.3.2009	As at 31.3.2008
Method used		Projected unit credit
Mortality Table (LIC)		1994-96 (duly modified)
Discount rate (per annum)	7.50%	7.50%
Expected date of return on plan assets (per annum)	9.30%	9.25%
Withdrawal Rate (per annum) upto 30/44 years and above 44 years	3% / 2% / 1%	3% / 2% / 1%
Rate of escalation in salary (per annum)	5.00%	5.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

(vii) The disclosure above is in respect of the current year and the preceding year. The disclosure in respect of three immediate preceding annual periods as required by 'AS-15 (Revised 2005)' is not presented as the management considered it impracticable in the absence of requisite information.

17. Disclosure of Derivative Instruments:

(a) The following are the outstanding forward exchange contracts used for hedge against currency exposures as at 31st March, 2009.

Currency	In foreign currency (in million)	In Indian Rupee (in lakhs)	Exposure to Buy/Sell
US$	3.10	1,594.31	Sell

(b) Foreign currency exposures that have not been specifically hedged by a derivative instrument or otherwise as at 31st March, 2009 are given below:

	Rs. in lakhs		Foreign Currency in millions			
	Current year	Previous year	Current Year		Previous year	
			Currency	Amount	Currency	Amount
Sundry Debtors	345.03	328.63	US$	0.68	US$	0.83
	60.77	72.87	Euro	0.09	Euro	0.13
Loans and Advances	288.65	52.19	Euro	0.30	Euro	0.08
	—	1.26	—	—	US$	0.13
Recoverable in cash or in kind (unsecured)	—	111.45	—	—	MYR	0.89
Foreign Currency Convertible Bonds	14,988.26	11,266.02	US$	29.13	US$	28.09
Sundry Creditors	72.63	17.40	US$	0.18	US$	0.04
	45.83	63.05	Euro	0.01	Euro	0.10

18. Foreign exchange variation loss (net) on account of revenue transactions amounting Rs. 47.17 lakhs (Previous year gain (net): Rs. 264.83 lakhs) has been debited/credited to respective revenue heads.

19. The Company has an export obligation of Rs. 18,443.16 lakhs against import of machinery under EPCG Scheme which it would meet within stipulated period.

20. Related party disclosures:

A. Relationship

(a) Subsidiary Companies:
Gupta & Syal Ltd.
Rajdhani Trading Co. Ltd.

(b) Key Management Personnel:
Mr. Samir Thapar
Mr. Rajmohan Singh

(c) Other related parties where control/ significant influence exists:
Mr. M.M. Thapar
JCT Electronics Ltd.
Provestment Securities Pvt. Ltd.
JCT Chemicals & Fibres Ltd.
India International Airways Ltd.
CNLT (Far East) Berhad
Karam Chand Thapar & Bros. Ltd.
JCT Sports Pvt. Ltd.
Firemount Textles (India) Ltd.
KCT Textiles Ltd.

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

B. Transactions with related parties

(Rs. in lakhs)

	31.3.2009	31.3.2008
EXPENSES		
Professional Fee		
Mr. M.M. Thapar	15.20	6.00
Establishment Expenses		
Rajdhani Trading Co. Ltd.	(0.12)	—
Rent Paid		
Gupta & Syal Ltd.	0.60	0.90
Rajdhani Trading Co. Ltd.	0.27	0.27
Travelling Expenses		
India International Airways Ltd.	26.96	26.57
Advertisement & Publicity Expenses		
JCT Sports Pvt. Ltd.	109.46	—
Exchange Loss		
CNLT (Far East) Berhad	—	34.75
INCOME		
Exchange Fluctuations on divided and Technical fee receivable from		
CNLT (Far East) Berhad	—	0.62
INVESTMENT		
Karam Chand Thapar & Bros. Ltd.	—	(1,915.15)
KCT Textiles Ltd.*	(287.24)	2,872.40
Provestment Securities Pvt. Ltd.	(597.06)	—
Equity shares of Karam Chand Thapar & Bros. Ltd.	(0.39)	(7.33)
FIXED ASSETS		
Sale of Land to Provestment Securities Pvt. Ltd.	305.00	—

(Rs. in lakhs)

	Dr./(Cr.) Balance as on 1.4.2008	Recd/adjusted/ given during the year	Refunded/ adjusted during the year	Dr./(Cr.) Balance as on 31.3.2009
UNSECURED LOANS				
Provestment Securities Pvt. Ltd.	(1,402.00)	—	784.84	(617.16)
Other Receivables				
Rajdhani Trading Co. Ltd.	—	0.12	0.12	—
JCT Chemicals & Fibres Ltd.	417.91	—	15.00	402.91
CNLT (Far East) Berhad	111.45	—	111.45	—
Firemount Textiles (India) Ltd.	6.45	2.63	—	9.08
Gupta & Syal Ltd.	—	2.05	2.05	—
	535.81	4.80	128.62	411.99
Payables				
JCT Electronics Ltd.	(50.86)	(9.00)	2.25	(57.61)
JCT Sports Pvt. Ltd.	—	(108.22)	77.43	(30.79)
Provestment Securities Pvt. Ltd.	(3.67)	(720.28)	681.08	(42.87)
CNLT (Far East) Berhad	(139.28)	—	139.28	—
India International Airways Ltd.	(4.65)	(32.35)	27.24	(9.76)
	(198.46)	(761.63)	849.85	(110.24)

Note: Details of remuneration to key management personnel referred to in 1(b) above are given in Note No. D.9 of this Schedule.

21. Segment Reporting Policies

(a) Identification of segments

(i) Primary Segments

Business segment: The Company's operating businesses are organised and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products. Two identified segments are Textiles and Filament yarn. The products considered as a part of Textile segment are cloth, yarn and fents, rags and chindies. The products considered as a part of Filament segment are nylon yarn and chips.

(ii) Secondary Segment

Geographical Segment: The analysis of geographical segment is based on the geographical location of the customers.

(b) Inter Divisional transfers of goods, as marketable products produced by separate divisions of the Company, for captive consumption are made as if sales were made to third parties at current market prices and are included in turnover.

(c) Unallocable Items

Corporate income, corporate expenses, interest, capital and reserves are considered as part of unallocable items which are not identifiable to any business segment.

Segment information:

(Rs. in lakhs)

	Textile	Filament	Total
External Sales/Income-2008-09	32,091.98	25,673.91	57,765.89
External Sales/Income-2007-08	31,208.32	23,380.33	54,588.65
Segment revenue-2008-09	32,569.59	26,312.96	58,882.55
Segment revenue-2007-08	32,014.95	24,127.79	56,142.74
Segment results-2008-2009	(2,127.73)	1,600.91	(526.82)
Segment results-2007-2008	3,173.11	1,078.80	4,251.91
Segment assets-2008-09	56,609.47	14,227.42	70,836.89
Segment assets-2007-08	58,048.03	13,985.81	72,033.84
Segment liabilities-2008-09	15,399.05	6,034.98	21,434.03
Segment liabilities-2007-08	14,126.81	5,268.73	19,395.54

Reconciliation of reportable segment with the financial statements:

(Rs in lakhs)

	Revenues	Net Profit/(Loss)	Assets	Liabilities
Total of reportable Segments - 2008-09	58,882.55	(526.82)	70,836.89	21,434.03
Total of reportable Segments - 2007-08	56,142.74	4,251.91	72,033.84	19,395.54
Add:				
Corporate-Unallocated				
2008-09	765.88	(1,303.69)	9,386.93	46,927.33
2007-08	301.40	(1,145.06)	11,407.82	44,890.43
Interest expenses (net)				
2008-09	—	(4,232.20)	—	—
2007-08	—	(2,602.54)	—	—
Taxes				
2008-09	—	(73.64)	238.36	—
2007-08	—	(124.24)	186.58	—
As per financial statements - 2008-09	59,648.43	(6,136.35)	80,462.18	68,361.36
As per financial statements - 2007-08	56,444.14	380.07	83,628.24	64,285.97

(d) Secondary segment reporting (By geographical segments)

The following is the distribution of the Company's sales by geographical market, regardless where the goods were produced:

(Rs. in lakhs)

	Current Year	Previous year
Sales to domestic market	51,200.75	47,869.36
Sales to overseas market	6,322.23	6,493.65
Total	57,522.98	54,363.01

The Company has common fixed assets for producing goods for domestic and overseas markets. Hence, separate figures for fixed assets/additions to fixed assets cannot be furnished.

22. Earnings per share:

	Current Year	Previous Year
Net Profit/(Loss) as per Profit & Loss Account – Rs. in lakhs	(6,136.35)	380.07
Weighted average number of equity shares for Basic Profit	35,70,69,192	35,70,69,192
Add: (i) Adjustment for option for 30,39,479 (Previous year : 33,46,582) Optionally Partially Convertible Preference Shares of Rs. 100/- each	6,91,15,832	7,15,72,656
(ii) Adjustment for option for US$ 26,000,000 Foreign currency Convertible Bonds	7,64,78,876	7,64,78,876
Weighted average number of equity shares for Diluted Profit/Loss	50,26,63,900	50,51,20,724
Nominal value of Equity Share (Rs.)	2.50	2.50
Basic Earning/(Loss) per Share (Rs.)	(1.72)	0.11
Diluted Earning/(Loss) per Share (Rs.)	(1.22)	0.08

23. Figures for previous year have been re-arranged, wherever necessary to conform to current year's classification.

ANNEXURE 'II'

ADDITIONAL INFORMATION ON THE ABRIDGED PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2009

1. Particulars in respect of the installed capacities and the actual production :

	Installed Capacity						Actual Production	
	Class of goods	Unit	**Current Year**	Previous Year	Class of goods	Unit	**Current Year**	Previous Year
(a)	Ring spindles	Nos.	**70,728**	70,728	Yarn*	M.T.	**10,634**	12,590
(b)	Rotor open end	Nos.	**2,568**	2,568				
(c)	Looms	Nos.	**486**	486	Cloth** (in '000)	Mts.	**41,132**	39,419
					Fents, rags & chindies	M.T.	**498**	550
(d)	Synthetic filament including industrial yarn/tyre cord	M.T.	**14,000**	14,000	Nylon filament yarn	M.T.	**11,093**	10,926
(e)	Polyester/nylon chips	M.T.	**1,000**	1,000	Polyester/nylon chips	M.T.	**338**	181
(f)	Cotton Ginning (Note 3)		**6 Saw gins-capacity 193 bales per day (3 shifts)**	9 Saw gins-capacity 253 bales per day (3 shifts)	Processed cotton	Bales	**14,741**	—
			5 Delinters-capacity 125 quintals cottonseed per day of 11 hours working					

* inclusive of 10,602 MT consumed for the manufacture of cloth (Previous year : 11,727 M.T.).
** inclusive of 79 thousand metres internally consumed (Previous year: 62 thousand metres).

NOTES: 1. Installed capacities are as those certified by the management.
2. Licensed capacities are not given as no license is required.
3. Cotton ginning factory at Abohar undertook outside ginning & pressing jobs only.

2. Sales

	Class of Goods	Unit of Quantity	Current Year Quantity	Current Year Value	Previous Year Quantity	Previous Year Value
				(Rs. in lakhs)		(Rs. in lakhs)
A.	**MANUFACTURING:**					
	Cloth (in '000)	Mts	**41,104**	**30,883.13**	39,147	28,556.15
	Fents, rags and chindies	M.T.	**499**	**239.40**	554	273.77
	Yarn	M.T.	**68**	**60.79**	922	746.24
	Nylon filament yarn	M.T.	**11,452**	**25,218.87**	11,399	23,013.98
	Polyester/nylon chips	M.T.	**267**	**295.20**	192	243.08
	Others		**—**	**570.35**	—	696.46
B.	**TRADING:**					
	Ready-made garments (in '000)	Pcs	**45**	**255.24**	66	510.00
	Cotton	M.T.	**—**	**—**	621	323.33
	TOTAL			**57,522.98**		54,363.01

3. Key Performance Ratios

		2008-09	2007-08
(a)	Sales to total assets	**0.71:1**	0.65:1
(b)	Operating profit to capital employed	**0.21:1**	0.29:1
(c)	Return on net worth	**(0.34):1**	0.02:1
(d)	Net profit to sales	**(0.11):1**	0.01:1

Signatures to Annexures 'I' to 'II'

Sanjiva Jain
Sr. Vice President (Finance)

S.C. Saxena
Secretary

Samir Thapar
Vice Chairman & Managing Director

G.B. Kathuria
A.S. Dugal
Directors

As per our report of even date attached
For S.P. CHOPRA & CO.
Chartered Accountants

Place : New Delhi
Dated : June 30, 2009

Pawan K. Gupta
Partner
Membership No. 92529

AUDITORS' REPORT ON ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors

We have examined the attached abridged consolidated Balance Sheet of JCT Limited and its subsidiaries as at 31st March, 2009, the abridged consolidated Profit and Loss Account and also the consolidated Cash Flow Statement for the year ended on that date annexed thereto together with the Significant Accounting Policies and Notes thereon. These abridged consolidated financial statements have been prepared by the Company pursuant to Rule 7A of the Companies (Central Government's) General Rule and Forms, 1956 and are based on the audited consolidated Financial Statement of the Company for the year ended 31st March, 2009 prepared in accordance with the requirements of Accounting Standard (AS)-21 "Consolidated Financial Statements" issued by the institute of Chartered Accountants of India and covered by our report of even date to the Board of Directors of the Company, which is attached hereto.

For S.P. CHOPRA & CO.
Chartered Accountants

Pawan K. Gupta
Partner
Membership No. : 92529

Place : New Delhi
Date : June 30, 2009

AUDITORS' REPORT

To the Board of Directors on consolidated financial statements

We have examined the attached consolidated Balance Sheet of JCT Limited and its subsidiaries as at 31st March, 2009, the consolidated Profit and Loss Account and the consolidated cash flow statement for the year then ended. These financial statements are the responsibility of the management of JCT Limited. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework generally accepted in India and are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of subsidiaries, whose financial statements reflect total assets of Rs. 9.09 lakhs as at 31st March, 2009 and total loss of Rs. 0.52 lakhs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the subsidiaries, is based solely on the report of the other auditors.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21, "Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of JCT Limited and its subsidiaries.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of JCT Limited and its subsidiaries, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

(a) in the case of the consolidated Balance Sheet of state of affairs of JCT Limited and its subsidiaries as at 31st March, 2009;

(b) in case of the consolidated Profit and Loss Account of the losses of JCT Limited and its subsidiaries for the year then ended; and

(c) in case of the consolidated cash flow statement of the cash flows of JCT Limited and its subsidiaries for the year then ended.

For S.P. CHOPRA & CO.
Chartered Accountants

Pawan K. Gupta
Partner
Membership No. : 92529

Place : New Delhi
Date : June 30, 2009

CONSOLIDATED ABRIDGED BALANCE SHEET

AS AT 31ST MARCH, 2009

(Statement containing salient features of Balance Sheet as per Section 219(1)(b)(iv) of the Companies Act, 1956

(Rs. in lakhs)

			31.3.2009		31.3.2008
I.	**SOURCES OF FUNDS**				
1.	SHAREHOLDERS' FUNDS				
	(a) Capital				
	(i) Equity	**8,926.73**		8,926.73	
	(ii) Preference	**3,039.48**		3,346.58	
			11,966.21		12,273.31
	(b) Reserves & surplus				
	(i) Capital redemption reserves	**165.44**		165.44	
	(ii) Debenture redemption reserve	**2,045.76**		2,045.76	
	(iii) Revaluation reserve	**682.84**		706.99	
	(iv) Share premium account	**6,951.11**		7,724.96	
			9,845.15		10,643.15
2.	LOAN FUNDS				
	(a) Debentures (Non-convertible)	**1,342.07**		2,013.09	
	(b) Fixed deposits	**1,259.95**		1,044.02	
	(c) Secured loans (other than debentures)	**28,982.51**		29,951.17	
	(d) Unsecured loans	**20,805.13**		16,566.39	
			52,389.66		49,574.67
	TOTAL		**74,201.02**		72,491.13
II.	**APPLICATION OF FUNDS**				
1.	FIXED ASSETS				
	(a) Net block (original cost less depreciation)	**51,422.12**		46,290.13	
	(b) Capital work-in-progress	**397.36**		5,944.41	
			51,819.48		52,234.54
2.	INVESTMENTS				
	(a) Government securities	—		0.03	
	(b) Others				
	(i) Quoted - At market value	**488.53**		1,006.36	
	(ii) Unquoted	**5,707.25**		6,658.18	
			6,195.78		7,664.57
3.	GOODWILL (on consolidation)		**112.42**		112.42
4.	(i) CURRENT ASSETS, LOANS & ADVANCES				
	(a) Inventories	**11,994.05**		13,137.80	
	(b) Sundry debtors	**3,794.97**		4,097.04	
	(c) Cash and bank balances	**927.87**		1,233.89	
	(d) Other current assets	—		0.11	
	(e) Loans and advances - to others	**5,655.10**		5,185.88	
		22,371.99		23,654.72	
	(ii) Less: CURRENT LIABILITIES AND PROVISIONS				
	(a) Current liabilities	**13,691.06**		12,946.26	
	(b) Provisions	**2,281.09**		1,765.49	
		15,972.15		14,711.75	
	NET CURRENT ASSETS (i-ii)		**6,399.84**		8,942.97
5.	PROFIT AND LOSS ACCOUNT		**9,673.49**		3,536.63
	TOTAL		**74,201.01**		72,491.13

Signification Accounting Policies and notes forming part of the Abridged Consolidated Balance Sheet - Annuxure - 'I'

Sanjiva Jain	S.C. Saxena	Samir Thapar	G.B. Kathuria
Sr. Vice President (Finance)	*Secretary*	*Vice Chairman & Managing Director*	A.S. Dugal *Directors*

As per our report of even date attached
For & on behalf of S.P. CHOPRA & CO.
Chartered Accountants

Place : New Delhi
Dated : June 30, 2009

Pawan K. Gupta
Partner
Membership No. 92529

CONSOLIDATED ABRIDGED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED ON 31ST MARCH, 2009

(Statement containing salient features of Profit and Loss Account as per Section 219(1)(b)(iv) of the Companies Act, 1956)

(Rs. in lakhs)

		31.3.2009		31.3.2008
INCOME				
Sales (Details as per Annexure 'II')		57,522.98		54,363.01
Dividend		3.13		1.91
Interest on Bonds		0.06		0.34
Other income		2,122.79		1,972.36
Increase/(Decrease) in stocks		358.37		(204.19)
		60,007.33		56,133.43
EXPENDITURE				
Raw materials consumed				
(i) Opening stock	2,767.24		3,823.43	
(ii) Purchases	23,405.70		22,529.03	
	26,172.94		26,352.46	
Less: Closing stock	1,384.23		2,767.24	
		24,788.71		23,585.22
Manufacturing expenses		18,451.51		13,884.38
Purchase		259.10		798.87
Excise duty		1,812.09		2,346.36
Selling expenses		2,757.22		2,436.79
Payments to and provisions for employees		6,426.29		5,361.56
Managerial remuneration		77.89		38.55
Interest (net)		4,231.93		2,602.54
Depreciation (net)		4,355.60		2,562.87
Auditors' remuneration including other services & expenses		18.27		16.45
Provisions for advances and contingencies (net)		23.15		—
Other expense		2,868.65		1,994.84
		66,070.41		55,628.43
Profit/(Loss) before tax		(6,063.08)		505.00
Provision for tax		(73.80)		(124.40)
Profit/(Loss) after tax		(6,136.88)		380.60
Transfer from foreign currency translation reserve		—		23.36
Loss brought forward from last year		(3,536.63)		(3,940.59)
Balance loss carried over to Abridged Consolidated Balance Sheet		(9,673.51)		(3,536.63)
Significant Accounting Policies and notes forming part of the Abridged consolidated Profit & Loss Accounts - Annexure 'I'				
Earnings/(Loss) per share - in Rs. (refer note No. 24 of Annexure -I)				
- Basic		(1.72)		0.11
- Diluted		(1.22)		0.08

Sanjiva Jain
Sr. Vice President (Finance)

S.C. Saxena
Secretary

Samir Thapar
Vice Chairman & Managing Director

G.B. Kathuria
A.S. Dugal
Directors

As per our report of even date attached
For & on behalf of S.P. CHOPRA & CO.
Chartered Accountants

Place : New Delhi
Dated : June 30, 2009

Pawan K. Gupta
Partner
Membership No. 92529

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2009

(Rs. in lakhs)

	Year ended 31.3.2009	Year ended 31.3.2008
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(loss) before tax	**(6,063.06)**	505.00
Adjustment for:		
Depreciation	**4,355.60**	2,562.87
Dividend/Interest on Investment	**(3.19)**	(2.25)
Profit on sale of investments	**(4.78)**	(37.20)
Provision for diminution in value of investments	**581.99**	(106.52)
Profit on sale of fixed assets (net)	**(434.83)**	(166.96)
Assets written off	**6.31**	9.67
Excess provision for doubtful debts written back	**(13.65)**	(16.33)
Provision for advances etc. (net)	**23.15**	—
Bad debts written off	**266.70**	27.58
Interest (net)	**4,231.93**	2,602.54
Foreign exchange fluctuation (net)	**47.17**	(1,182.31)
Liabilities/provisions no longer required, written back	**(105.45)**	(70.04)
Depreciation excess provided in earlier years written back	**(1.55)**	(2.16)
Investments written off	**3.74**	158.81
	8,953.14	3,777.70
Operating profit before working capital changes	**2,890.08**	4,282.70
Adjustment for working capital changes:		
Inventories	**1,143.75**	989.44
Trade and other receivables	**(391.42)**	(1,958.16)
Trade payables and others	**1,365.86**	(1,511.67)
	2,118.19	(2,480.39)
Cash generated from operations:	**5,008.27**	1,802.31
Cash flow from operating activities	**5,008.27**	1,802.31
Income tax paid (net of provision)	**(125.63)**	(74.04)
Net cash flow from operating activities	**4,882.64**	1,728.27
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets including capital work in progress	**(1,159.69)**	(9,290.22)
Decrease/(Increase) in fixed assets on adjustment of exchange rate fluctuation	**(2,948.40)**	917.40
Sale of fixed assets	**573.45**	437.57
Purchase/sale of investments (net of provison for diminution)	**887.83**	220.66
Interest received on loans and advances	**78.80**	104.38
Dividend/Interest on Investments	**3.19**	2.25
Net cash used in investing activity	**(2,564.82)**	(7,607.96)

CASH FLOW STATEMENT ***(Contd.)***

(Rs. in lakhs)

	Year ended 31.3.2009	Year ended 31.3.2008
C. CASH FLOW FROM FINANCING ACTIVITIES		
Equity share capital	—	1,784.90
Redemption of Preference Shares (net)	**(307.10)**	(281.82)
Redemption of debentures (net)	**(671.02)**	(1,116.24)
Repayment/proceeds from long term secured loans (net)	**(2,319.28)**	9,977.08
Proceeds from short term loans - Secured	**1,350.63**	137.09
Proceeds from short term loans - Unsecured	**732.43**	(1,937.76)
Increase/(decrease) in unsecured loans on adjustment of foreign exchange fluctuation	**2,948.40**	(917.40)
Foreign exchange fluctuations (net)	**(47.17)**	1,182.31
Interest and financing charges	**(4,310.73)**	(2,706.92)
Net cash used in financing activities	**(2,623.84)**	6,121.24
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(306.02)**	241.55
CASH AND CASH EQUIVALENTS (OPENING)	**1,233.89**	992.35
CASH AND CASH EQUIVALENTS (CLOSING)	**927.87**	1,233.90

Note to cash flow statement :

Cash and Cash equivalents consist of cash in hand and balances with banks.

Cash and cash equivalents included in the cash flow statement comprise the following Balance Sheet items

Cash on hand	**187.67**	198.09
Balances with banks :		
— *Current accounts*	**65.70**	143.01
— Others	**674.31**	892.36
— Cash and bank balances lodged as security	**0.19**	0.44
	927.87	1,233.90

Sanjiva Jain
Sr. Vice President (Finance)

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As per our report of even date attached
For & on behalf of S.P. CHOPRA & CO.
Chartered Accountants

Place : New Delhi
Dated : June 30, 2009

Pawan K. Gupta
Partner
Membership No. 92529

ANNEXURE 'I'

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of Financial statements

The accompanying consolidated financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India ("GAAP") and the provisions of Companies Act, 1956, except for certain fixed assets which have been revalued.

The consolidated financial statements are prepared in accordance with the principles and procedures laid out by the Accounting Standard on consolidated financial statements issued by the Institute of Chartered Accountants of India. The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and transactions and resulting un-realised gains/losses. The consolidated financial statements are prepared applying uniform accounting policies in use at the Company and its subsidiaries.

2. Use of Estimates

The preparation of financial statements in conformity with GAAP in India requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known/materialised.

3. Fixed Assets

(a) Fixed assets, except those revalued, are accounted for on historical cost basis (inclusive of the cost of installation and exchange fluctuations on foreign currency loans obtained for acquisition of fixed assets) less accumulated depreciation and impairment loss, if any.

(b) Expenditure during construction period attributable to the fixed assets incurred upto the date of commercial production are capitalised.

(c) Expenditure on renovation/modernisation relating to existing fixed assets is added to the cost of such assets where it increases its performance/life significantly.

4. Intangible Assets

Intangible assets consist of computer software and are stated at cost of acquisition/implementation less accumulated depreciation. It is amortized over a period of 5 years on straight line basis.

5. Investments

Investments primarily meant to be held over long term period are valued at cost. Provision is made when in the management's opinion, there is decline, other than temporary, in the carrying value of such investments. Current investments are stated at the lower of cost and or quoted/fair value, computed categorywise.

6. Inventory Valuation

(a) Inventories are valued at the lower of cost and net realisable value.

(b) In respect of raw materials and stores & spares, cost is computed on weighted average basis. Finished goods and process stock include cost of inputs, conversion and other costs incurred in bringing the inventories to their present location and condition.

(c) Obsolete, defective and unserviceable stocks are provided for, wherever required.

7. Depreciation

(a) Depreciation is provided as under:

(i) On written down value basis at the applicable rates prescribed under Schedule XIV of the Companies Act, 1956 on pro-rata basis except in respect of Plant & Machinery and Buildings, which is provided on straight line method at the applicable rates prescribed under Schedule XIV of the Companies Act, 1956 on pro-rata basis.

(ii) Depreciation on buildings of Textile Units revalued in earlier years is calculated on the respective revalued figures spread equally over the residual life of the concerned buildings as assessed by the valuer. The difference in depreciation on revalued amount so determined and the depreciation on the original cost of such assets calculated in accordance with Section 205(2) of the Companies Act, 1956 is transferred from Revaluation Reserve to the credit of Depreciation Account.

(iii) In case of one subsidiary Company, depreciation on Building, Leasehold has been provided @ 5% on written down value basis.

(iv) In case of another subsidiary Company, depreciation is provided on written down value basis in the manner and at the applicable rates prescribed in Schedule XIV of the Companies Act, 1956.

(b) In respect of assets sold/discarded during the year, depreciation is provided upto the month prior to the date of sale/ discarding.

8. Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impaired loss of prior accounting period is increased/reversed where there has been change in the estimate of recoverable amount. The recoverable value is the higher of the assets' net selling price and value in use.

9. Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currency existing at balance sheet date are translated at the exchange rate prevailing on that date. Exchange differences in case of borrowed funds and liabilities in foreign currency for the acquisition of fixed assets from a country outside India are adjusted to the cost of fixed asset. All other exchange differences are recognised in profit and loss account. Premium or discount on forward exchange contract is amortised as expense or income over the life of the contract is recognized in the statement of Profit & Loss account in the reporting period in which the exchange rates changes. Any profit or loss arising on cancellation or renewal of forward contract is recognised as income and expenditure during the period.

10. Revenue Recognition

(a) Sales are inclusive of excise duty/sales tax/VAT and net of trade discounts. Export sales are recognised on the date the Company ships the exported goods as evidenced by their Bill of Lading/Air-way Bill.

(b) Sale of Certified Emission Reduction (CER) is recognised as income on the generation of CER.

(c) Export benefit entitlements under the duty entitlement pass book (DEPB) scheme are recognised in the Profit & Loss account when the right to receive credit as per the terms of the scheme is established in respect of the exports made. Obligation/entitlements on account of advance license scheme for imports of raw materials are accounted for at the time of purchase of raw materials.

(d) Other items of revenue are recognised in accordance with the Accounting Standard (AS-9). Accordingly, wherever there are uncertainties in the ascertainment/realisation of income such as interest from customers (including the financial condition of the person from whom the same is to be realised), the same is not accounted for.

(e) Profit/loss on sale of revalued fixed assets are stated with reference to the written down value determined on the basis of their historical cost.

11. Research & Development

Current revenue expenditure on Research & Development is charged as expense in the year in which incurred; expenditure which results in the creation of capital assets is taken to fixed assets and depreciation thereon is provided in the same manner as in the case of other fixed assets of the Company.

12. Government Grants

Government grants are recognized when there is a reasonable assurance of compliance with the conditions attached to such grants and where benefits in respect thereof have been earned and it is reasonably certain that the ultimate collection will be made. Government subsidy received for a specific asset is reduced from the cost of the said asset.

13. Employee Benefits

(a) Liability towards Provident Fund is funded through a separate Trust and contributions thereon are made to the Trust.

(b) Gratuity to employees is provided for on the basis of actuarial valuation reduced balance available under group gratuity policy with the Insurance Companies. The deficit between the actual payments and recoveries against claims are charged to revenue.

(c) Liability towards earned leave which is encashable is provided for on the basis of actuarial valuation.

(d) The Company has approved Superannuation Scheme for its Officers not covered under the Payment of Bonus Act, 1965. Contributions are made in accordance with the Scheme and the Trust Rules.

14. Borrowing Cost

Borrowing costs that are allocated to the acquisition or construction of qualifying assets are capitalised as part of cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

B. CONTINGENT LIABILITIES NOT PROVIDED FOR

(a) Claims against the Company not acknowledged as debts : Rs. Nil lakhs (Previous year : Rs. 46.12 lakhs).

(b) Guarantees given by the bankers on behalf of the Company : Rs. 174.68 lakhs (Previous year : Rs. 200.10 lakhs).

(c) Unutilised amount of letters of credit established : Rs. 222.86 lakhs (Previous year : Rs. 82.86 lakhs).

(d) Disputed liabilities not adjusted as expenses in the Accounts for various years being in appeals towards:

	As at 31.3.2009 (Rs. in lakhs)	As at 31.3.2008 (Rs. in lakhs)
Sales Tax	**55.33**	62.38
Income Tax	**152.77**	152.77
Excise Duty	**2,478.59**	1,440.94
Stamp Duty	**187.72**	187.72
Custom Duty	**186.05**	186.05
Others	**189.45**	176.20
Total	**3,249.91**	2,206.06

C. NOTES

1. The financial statements of the subsidiaries used in the consolidation are drawn upto the same reporting date as that of parent Company. The list of subsidiary companies which are included in the consolidation with the parent Company are as under:

   (a) Gupta & Syal Limited

   (b) Rajdhani Trading Co. Ltd.

   All these Companies are wholly owned subsidiaries of the parent Company i.e. JCT Limited and incorporated in India.

2. Estimated amount of contracts remaining to be executed on Capital Account and not provided for in the Accounts (net of advances) : Rs. 322.97 lakhs (Previous year : Rs. 517.48 lakhs).

3. Secured loans of Rs. 28,648.54 lakhs (Previous year: Rs. 29,558.29 lakhs) from banks/financial institutions and a body corporate are additionally secured by personal guarantees of Vice Chairman and Managing Director and Mr. M.M. Thapar. Further, secured loans of Rs. 1974.41 lakhs are secured through pledge of 90,898,773 equity shares of JCT Limited held by promoters/group Companies. Secured loan of Rs. 1,646.43 lakhs from a scheduled bank is colletorally secured by way of pledge of a title deed of an inmovable property belonging to a wholly owned subsidiary Company.

4. Corporate guarantee of Rs. 3,580.00 lakhs given to IFCI Ltd. for the term loan given to JCT Electronics Ltd. was invoked in an earlier year. As the said term loan has been restructured in term of the scheme sanctioned by the Board for Industrial Finance and Reconstruction and the Company has stated not to be in default as on date, necessary steps have been initiated for the withdrawal of invocation of guarantee.

5. Unsecured loans include:

   (a) Interest free loan of Rs. 617.16 lakhs from a promoter company is repayable after the secured loans of Rs. 1,974.41 lakhs are settled in full. The Company has the option to adjust this loan against the investment in the promoter Company.

   (b) Short term loan of Rs. 1,998.76 lakhs from a scheduled bank is collaterally secured by way of pledge of a title deed of an immovable property belonging to a wholly owned subsidiary company and personal guarantee of Vice Chairman and Managing Director.

6. Foreign Currency Convertible Bonds:

   The Company raised US$ 30 million through the issue of 2.5% unsecured Foreign Currency Convertible Bonds (FCCBs) on 8.4.2006. FCCBs amounting to US$ 4 Million were converted into equity shares in earlier year.

   As per the terms of the issue, the bondholders have the option to convert the FCCBs into fully paid-up equity shares upto 8th March, 2011 at a reset price of Rs. 11.84 per equity share with a fixed exchange rate of Rs. 44.6225 per US$.

   FCCBs may be redeemed at the the specified early redemption amounts in whole and not in part at the option of the Company at any time on or after 7.4.2009 but prior to 8.4.2011 subject to satisfaction of certain conditions.

   FCCBs on maturity on 8.4.2011 are redeemable by the Company at a premium of 20.075% in either cash or by allotment of fully paid up equity shares of Rs. 2.50 each with the condition that the equity shares can be allotted for only upto 65% of the redemption amount.

   Pro rata premium for the year of Rs. 773.84 lakhs payable on redemption have been adjusted against the Share Premium Account (Previous year : Rs. 310.22 lakhs - net).

7. In respect of the Company's holding in JCT Electronics Ltd.:

   (a) The Company has given an undertaking to a financial institution and bank of JCT Electronics Ltd. that the Company would not dispose off, pledge, charge, or create any lien, assign 3,933,000 equity shares having face value of Re. 1/- each.

   (b) The Company has pledged 4,287,000 equity shares having a face value of Re. 1/- each with a financial institution for financial facility availed by JCT Electronics Ltd.

   The Company had revalued its certain freehold land held at Tehsil Phagwara on 1.4.2005 and the resultant revalued amount of Rs. 10,417,70 lakhs was substituted for the historical cost in the gross block of fixed assets.

   Government grant received/receivable of Rs. 416.54 lakhs against specific plant and machinery has been reduced against its cost.

10. Capital work in progress includes undernoted pre-operative expenditure pending allocation on commencement of commercial production.

(Rs. in lakhs)

	As at 1.4.2008	Additions	Less Capitalised	As at 31.3.2009
Salary and wages	114.57	47.37	146.28	15.66
Raw material/Stores & spares consumed	132.57	66.47	199.04	—
Interest (net)	298.22	214.97	513.19	—
Power & Fuel	285.57	(101.63)	183.94	—
Insurance	0.10	—	0.10	—
Foreign Exchange fluctuation (net)	(65.92)	—	(65.92)	—
Office & Misc. expenses	42.46	9.27	42.02	9.71
Discount and bank charges	8.72	0.05	8.77	—
Travelling expenses	68.38	46.24	7.97	106.65
Legal & professional fees	39.28	29.05	35.42	32.91
Total	923.95	311.79	1,070.81	164.93

11. The Company has continued to adjust the foreign currency exchange differences on amounts borrowed for acquisition of fixed assets, to the carrying cost of fixed assets which is in accordance with provision of the Companies act, 1956, read with notification dated 31st March, 2009 of the Government of India. This has resulted in increase in fixed assets by Rs. 2,948.40 lakhs during the year (Previous Year: decrease Rs. 917.40 lakhs).

12. During the year the Company has implemented ERP system at Filament Unit. However, in respect of module for inventory it is still under stabilization. Although quantities have been reconciled with physical records, variations in valuation of inventory is being analysed. However, no significant variation is expected in financial results on such analysis.

13. Loans and advances include the following amounts:

	As at 31.3.2009 (Rs. in lakhs)	Maximum amount outstanding during the year (Rs. in lakhs)
Associate Companies *		
JCT Chemicals & Fibres Ltd.	402.91	417.91
Firemount Textile (India) Ltd.	9.08	9.08

* Interest-free and with no stipulation for repayment

14. (a) The Company has not recorded cumulative deferred tax assets on account of timing differences as stipulated in Accounting Standard 22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India in view of substantial losses and no taxable income for the current year as also due to uncertainity of future taxable income.

(b) In view of no taxable profits, no provision for Income Tax on profits of the year as per the provisions of the Income tax Act, 1961 is considered necessary in the case of JCT Ltd. Adequate provision for income tax on taxable profits has been made in the case of both the subsidiary companies under the Income Tax Act, 1961.

(c) Adequate provision in respect of Wealth tax, and Fringe Benefit Tax has been made in the accounts.

15. During the year no production took place at the Company's textile unit at Sriganganagar. The company is taking steps to revive/dispose off the unit.

16. In view of inadequacy of profits:

(a) No commission is payable to whole time directors.

(b) No capital redemption reserve has been created during the year.

17. Employee Benefits

(a) General description of the defined benefit scheme:

Gratuity	:	Payable on separation as per the Employees Gratuity Act @ 15 days pay for each completed year of service to eligible employees who render continuous service of 5 years or more.
Leave Encashment	:	Payable on encashment as per the policy or on separation to the eligible employees who have accumulated earned leave.

(b) Defined Benefit Plan

The employees' gratuity fund scheme managed by a Trust is a defined benefit plan.

In respect of gratuity and leave encashment, 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.

(c) Other disclosures as required under AS-15 (Revised 2005) on "Employee Benefits" in respect of defined benefit obligations are as under:

(i) Reconciliation of opening and closing balances of Defined Benefit obligation

(Rs. in lakhs)

		Gratuity (Funded)	Gratuity (Unfunded)	Leave encashment (Unfunded)
Defined Benefit obligation at beginning of the year	2008-09	1,054.26	740.32	412.72
	2007-08	1,129.91	677.65	382.97
Current Service Cost	2008-09	77.44	50.49	45.10
	2007-08	62.94	196.86	139.72
Interest Cost	2008-09	79.07	55.52	30.95
	2007-08	84.74	50.82	28.72
Actuarial (gain)/loss	2008-09	136.38	40.91	59.57
	2007-08	7.65	(35.34)	1.78
Benefits paid	2008-09	(121.96)	(82.50)	(113.67)
	2007-08	(230.98)	(149.67)	(140.47)
Defined Benefit obligation at year end	2008-09	1,225.19	804.74	434.67
	2007-08	1,054.26	740.32	412.72

(ii) Reconciliation of opening and closing balances of fair value of plan assets

(Rs. in lakhs)

	Gratuity (Funded)	
	2008-09	2007-08
Fair value of plan assets at beginning of the year	502.00	487.98
Expected return on plan assets	46.69	45.13
Actuarial gain/(loss)	(5.17)	(4.13)
Employer contribution	53.96	204.00
Benefits paid	(121.96)	(230.98)
Fair value of plan assets at year end	475.52	502.00
Actual return on plan assets	41.52	41.00

(iii) Reconciliation of fair value of assets and obligations

(Rs. in lakhs)

		Gratuity (Funded)	Gratuity (Unfunded)	Leave encashment (Unfunded)
Fair value of plan assets	2008-09	475.52	—	—
	2007-08	502.00	—	—
Present value of obligation	2008-09	1,225.19	804.74	434.67
	2007-08	1,054.26	740.32	412.72
Amount recognized in Balance Sheet (Liability)	2008-09	(749.67)	(804.74)	(434.67)
	2007-08	(552.26)	(740.32)	(412.72)

(iv) Expense recognized during the year (Under the head "Payments to and Provisions for Employees" – Refer Schedule 'V')

(Rs. in lakhs)

		Gratuity (Funded)	Gratuity (Unfunded)	Leave encashment (Unfunded)
Current Service Cost	2008-09	77.44	50.49	45.10
	2007-08	62.94	196.86	139.72
Interest Cost	2008-09	79.07	55.52	30.95
	2007-08	84.74	50.82	28.72
Expected return on plan assets	2008-09	(46.69)	—	—
	2007-08	(45.13)	—	—
Actuarial (gain)/loss	2008-09	136.38	40.91	59.57
	2007-08	7.65	(35.34)	1.78
Net Cost	2008-09	246.20	146.92	135.62
	2007-08	110.20	212.34	170.22

(v) Investment Details

(% Invested)

	31st March 2009	As at 31st March 2008
Life Insurance Corporation of India	100	100

(vi) Actuarial assumptions

	As at 31.3.2009	As at 31.3.2008
Method used		Projected unit credit
Mortality Table (LIC)		1994-96 (duly modified)
Discount rate (per annum)	7.50%	7.50%
Expected date of return on plan assets (per annum)	9.30%	9.25%
Withdrawal Rate (per annum) upto 30/44 years and above 44 years	3% / 2% / 1%	3% / 2% / 1%
Rate of escalation in salary (per annum)	5.00%	5.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

(vii) The disclosure above is in respect of the current year and the preceding year. The disclosure in respect of three immediately preceding annual period as required by 'AS-15 (Revised 2005)' is not presented as the management considered it impracticable in the absence of requisite information.

18. Disclosure of Derivative Instruments:

(a) The following are the outstanding forward exchange contracts used for hedge against currency exposures as at 31st March, 2009:

Currency	In foreign currency (in million)	In Indian Rupee (in lakhs)	Exposure to Buy/Sell
US$	3.10	1,594.31	Sell

(b) Foreign currency exposures that have not been specifically hedged by a derivative instrument or otherwise as at 31st March, 2009 are given below:

	Rs. in lakhs		Foreign Currency in million			
	Current year	Previous year	Current Year		Previous year	
			Currency	Amount	Currency	Amount
Sundry Debtors	345.03	328.63	US$	0.68	US$	0.83
	60.77	72.87	Euro	0.09	Euro	0.13
Loans and Advances	288.65	52.19	Euro	0.30	Euro	0.08
	—	1.26	—	—	US$	0.13
Recoverable in cash or in kind (unsecured)	—	111.45	—	—	MYR	0.89
Foreign Currency Convertible Bonds	14,988.26	11,266.02	US$	29.13	US$	28.09
Sundry Creditors	72.63	17.40	US$	0.18	US$	0.04
	45.83	63.05	Euro	0.01	Euro	0.10

19. Foreign exchange variation loss (net) on account of revenue transactions amounting to Rs. 47.17 lakhs (Previous year gain (net): Rs. 264.83 lakhs) has been debited/credited to respective revenue heads.
20. The Company has an export obligation of Rs. 18,443.16 lakhs against import of machinery under EPCG Scheme which it would meet within stipulated period.
21. In case of one of the subsidiary companies, although the company did not incur cash losses in the current year or in immediately preceding financial year, its entire net worth was eroded on account of accumulated losses.
22. Related party disclosures:

A. Relationship

(a) Other related parties where control/ significant influence exists:
Mr. M.M. Thapar
JCT Electronics Ltd.
Provestment Securities Pvt. Ltd.
JCT Chemicals & Fibres Ltd.
India International Airways Ltd.
CNLT (Far East) Berhad
Karam Chand Thapar & Bros. Ltd.
JCT Sports Pvt. Ltd.
Firemount Textles (India) Ltd.
KCT Textiles Ltd.

(b) Key Management Personnel:
Mr. Samir Thapar
Mr. Rajmohan Singh

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

B. Transactions with related parties

(Rs. in lakhs)

	31.3.2009	31.3.2008
EXPENSES		
Professional Fee		
Mr. M.M. Thapar	15.20	6.00
Travelling Expenses		
India International Airways Ltd.	26.96	26.57
Advertisement and Publicity Expenses		
JCT Sports Pvt. Ltd.	109.46	—
Exchange Loss		
CNLT (Far East) Berhad	—	34.75
INCOME		
Exchange Fluctuations on divided and Technical fee receivable from		
CNLT (Far East) Berhad	—	0.62
INVESTMENT		
Karam Chand Thapar & Bros. Ltd.	—	(1,915.15)
KCT Textiles Ltd.	(287.24)	2,872.40
Provestment Securities Pvt. Ltd.	(597.60)	—
Equity shares of Karam Chand Thapar & Bros. Ltd.	(0.39)	(7.33)
FIXED ASSETS		
Sale of Land to Provestment Securities Pvt. Ltd.	305.00	—

(Rs. in lakhs)

	Dr./(Cr.) Balance as on 1.4.2008	Recd/adjusted/ given during the year	Refunded/ adjusted during the year	Dr./(Cr.) Balance as on 31.3.2009
UNSECURED LOANS				
Provestment Securities Pvt. Ltd.	(1,402.00)	—	784.84	(671.16)
Other Receivables				
Rajdhani Trading Co. Ltd.	—	0.12	0.12	—
JCT Chemicals & Fibres Ltd.	417.91	—	15.00	402.91
CNLT (Far East) Berhad	111.45	—	111.45	—
Firemount Textiles (India) Ltd.	6.45	2.63	—	9.08
Gupta & Syal Ltd.	—	2.05	2.05	—
	535.81	4.80	128.62	411.99
Payables				
JCT Electronics Ltd.	(50.86)	(9.00)	2.25	(57.61)
JCT Sports Pvt. Ltd.	—	(108.22)	77.43	(30.79)
Provestment Securities Pvt. Ltd.	(3.67)	(720.28)	681.08	(42.87)
CNLT (Far East) Berhad	(139.28)	—	139.28	—
India International Airways Ltd.	(4.65)	(32.35)	27.24	(9.76)
	(198.46)	(761.63)	849.85	(110.24)

Note: Details of remuneration to key management personnel referred to in 1(b) above are given in Note No. D.9 of this Schedule.

23. Segment Reporting Policies

(a) Identification of segments

(i) Primary Segments

Business segment: The Company's operating businesses are organised and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products. Two identified segments are Textiles and Filament yarn. The products considered as a part of Textile segment are cloth, yarn and fents, rags and chindies. The products considered as a part of Filament segment are nylon yarn and chips.

(ii) Secondary Segment

Geographical Segment: The analysis of geographical segment is based on the geographical location of the customers.

(b) Inter Divisional transfers of goods, as marketable products produced by separate divisions of the Company, for captive consumption are made as if sales were made to third parties at current market prices and are included in turnover.

(c) Unallocable Items

Corporate income, corporate expenses, interest capital and reserves are considered as part of unallocable items which are not identifiable to any business segment.

Segment information:

(Rs. in lakhs)

	Textile	Filament	Total
External Sales/Income-2008-09	32,091.98	25,673.91	57,765.89
External Sales/Income-2007-08	31,208.32	23,380.33	54,588.65
Segment revenue-2008-09	32,569.59	26,312.96	58,882.55
Segment revenue-2007-08	32,014.95	24,127.79	56,142.74
Segment results-2008-2009	(2,127.73)	1,600.91	(526.82)
Segment results-2007-2008	3,173.11	1,078.80	4,251.91
Segment assets-2008-09	56,609.47	14,227.42	70,836.89
Segment assets-2007-08	58,048.03	13,985.81	72,033.84
Segment liabilities-2008-09	15,399.05	6,034.98	21,434.03
Segment liabilities-2007-08	14,126.81	5,268.73	19,395.54

Reconciliation of reportable segment with the financial statements:

(Rs in lakhs)

	Revenues	Net Profit/(Loss)	Assets	Liabilities
Total of reportable Segments - 2008-09	58,882.55	(526.82)	70,836.89	21,434.03
Total of reportable Segments - 2007-08	56,142.74	4,251.91	72,033.84	19,395.54
Add:				
Corporate-Unallocated				
2008-09	766.41	(1,304.31)	9,424.38	46,927.78
2007-08	301.40	(1,145.06)	11,407.82	44,890.43
Interest expenses (net)				
2008-09	—	(4,231.93)	—	—
2007-08	—	(2,602.54)	—	—
Taxes				
2008-09	—	(73.80)	238.40	—
2007-08	—	(124.24)	186.58	—
As per financial statements - 2008-09	59,648.96	(6,136.86)	80,499.67	68,361.81
As per financial statements - 2007-08	56,444.14	380.07	83,628.24	64,285.97

(d) Secondary segment reporting (By geographical segments)

The following is the distribution of the Company's sales by geographical market, regardless where the goods were produced:

(Rs. in lakhs)

	Current Year	Previous year
Sales to domestic market	51,200.75	47,869.36
Sales to overseas market	6,322.23	6,493.65
Total	57,522.98	54,363.01

The Company has common fixed assets for producing goods for domestic and overseas markets. Hence, separate figures for fixed assets/additions to fixed assets cannot be furnished.

24. Earnings per share:

	Current Year	Previous Year
Net Profit/(Loss) as per Profit & Loss Account – Rs. in lakhs	(6,136.88)	380.60
Weighted average number of equity shares for Basic Profit	35,70,69,192	35,70,69,192
Add: (i) Adjustment for option for 30,39,479 (Previous year : 33,46,582) Optionally Partially Convertible Preference Shares of Rs. 100/- each	6,91,15,832	7,15,72,656
(ii) Adjustment for option for US$ 2,60,00,000 Foreign currency Convertible Bonds	7,64,78,876	7,64,78,876
Weighted average number of equity shares for Diluted Profit/Loss	50,26,63,900	50,51,20,724
Nominal value of Equity Share (Rs.)	2.50	2.50
Basic Earning/(Loss) per Share (Rs.)	(1.72)	0.11
Diluted Earning/(Loss) per Share (Rs.)	(1.22)	0.08

25. Figures for previous year have been re-arranged, wherever necessary to conform to current year's classification.

ANNEXURE 'II'

ADDITIONAL INFORMATION ON THE CONSOLIDATED ABRIDGED PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2009

1. Particulars in respect of the installed capacities and the actual production :

	Class of goods	Unit	Installed Capacity Current Year	Installed Capacity Previous Year	Class of goods	Unit	Actual Production Current Year	Actual Production Previous Year
(a)	Ring spindles	Nos.	**70,728**	70,728	Yarn*	M.T.	**10,634**	12,590
(b)	Rotor open end	Nos.	**2,568**	2,568	Cloth** (in '000)	Mtrs.	**41,132**	39,419
(c)	Looms	Nos.	**486**	486	Fents, rags & chindies	M.T.	**498**	550
(d)	Synthetic filament including industrial yarn/tyre cord	M.T.	**14,000**	14,000	Nylon filament yarn	M.T.	**11,093**	10,926
(e)	Polyester/nylon chips	M.T.	**1,000**	1,000	Polyester/nylon chips	M.T.	**338**	181
(f)	Cotton Ginning (Note 3)		**6 Saw gins-capacity 193 bales per day (3 shifts)**	9 Saw gins-capacity 253 bales per day (3 shifts) 5 Delinters-capacity 125 quintals cottonseed per day of 11 hours working	Processed cotton	Bales	**14,741**	—

* inclusive of 10,602 MT consumed for the manufacture of cloth (Previous year : 11,727 MT).

** inclusive of 79 thousand metres internally consumed (Previous year: 62 thousand metres).

NOTES: 1. Installed capacities are as those certified by the management.
2. Licensed capacities are not given as no license is required.
3. Cotton ginning factory at Abohar undertook outside ginning & pressing jobs only.

2. Sales

	Class of Goods	Unit of Quantity	Current Year Quantity	Current Year Value	Previous Year Quantity	Previous Year Value
				(Rs. in Lakhs)		(Rs. in Lakhs)
A.	**MANUFACTURING:**					
	Cloth (in '000)	Mts	**41,104**	**30,883.13**	39,147	28,556.15
	Fents, rags and chindies	M.T.	**499**	**239.40**	554	273.77
	Yarn	M.T.	**68**	**60.79**	922	746.24
	Nylon filament yarn	M.T.	**11,452**	**25,218.87**	11,399	23,013.98
	Polyester/nylon chips	M.T.	**267**	**295.20**	192	243.08
	Others		—	**570.35**	—	696.46
B.	**TRADING:**					
	Ready-made garments	Pcs	**45**	**255.24**	66	510.00
	Cotton	M.T.	—	—	621	323.33
	TOTAL			**57,522.98**		54,363.01

3. Key Performance Ratios

		2008-09	2007-08
(a)	Sales to total assets	**0.71:1**	0.65:1
(b)	Operating profit to capital employed	**0.21:1**	0.29:1
(c)	Return on net worth	**(0.34):1**	0.02:1
(d)	Net profit to sales	**(0.11):1**	0.01:1

Signatures to Annexures 'I' to 'II'

Sanjiva Jain
Sr. Vice President (Finance)

S.C. Saxena
Secretary

Samir Thapar
Vice Chairman & Managing Director

G.B. Kathuria
A.S. Dugal
Directors

As per our report of even date attached
For S.P. CHOPRA & CO.
Chartered Accountants
Pawan K. Gupta
Partner
Membership No. 92529

Place : New Delhi
Dated : June 30, 2009

DIRECTORS' REPORT

To the Members

Your Directors present their Annual Report and Accounts for the year ended 31.3.2009.

Financial Results

During the year under review, the company has made a profit of Rs. 12,427/- after providing for depreciation to the tune of Rs. 571/-. In view of accumulated losses no payment of dividend is recommended.

Directors

Mr. Satish Kapoor, Director, retires by rotation and being eligible, offers himself for re-appointment.

Auditors

M/s. Gautam Suri & Company, Chartered Accountants, the retiring Auditors being eligible offer themselves for re-appointment. They have furnished a certificate that their re-appointment, if made, would be within the limits specified in Section 224(1B) of the Companies Act, 1956.

Auditors Report

The observations made by the Auditors in their Report are adequately explained in the notes to the Accounts and Significant Accounting Policies and need no further elaboration.

Requirement under Section 217(2A) of the Companies Act, 1956

There are no employees covered under the provisions of the Section 217(2A) of the Companies Act, 1956 read under the Companies (Particulars of Employees) Rules, 1975.

Directors' Responsibility Statement

As required under Section 217 (2AA) of the Companies Act, 1956 the Directors hereby confirm that:

(i) In the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;

(ii) Such accounting policies have been selected and applied consistently and judgements / estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;

(iii) Proper and sufficient care have been taken with the best of knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the said Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

(iv) The annual accounts have been prepared on a going concern basis.

For & on behalf of Board
Jitender Khanna
Director

Place : New Delhi
Dated : May 22, 2009

AUDITORS' REPORT

To the members

1. We have audited the attached Balance Sheet of M/s. Rajdhani Trading Company Limited as at 31st March, 2009 and also the Profit & Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph (03) above, we report that:
   (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
   (ii) 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;
   (iii) The Balance Sheet and Profit and Loss Account, dealt with by this report are in agreement with the books of account;
   (iv) In our opinion, the Balance Sheet and Profit and Loss Account, dealt with by this report comply with the Accounting Standards, referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
   (v) On the basis of written representations received from the directors, as on 31st March, 2009 none of them are disqualified from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
   (vi) No comments are offered on clause (g) of the Section 227(3) of the Companies Act, 1956, since the Central Government has not yet published any notification in the Official Gazette for levy and collection of cess under section 441A of the Companies Act, 1956;
   (vii) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read with Significant Accounting Policies and Notes thereon, give the information required by the Companies Act, 1956, 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, 2009;
      (b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date.

For GAUTAM SURI & CO.
Chartered Accountants

Place : New Delhi
Dated : May 22, 2009

Gautam Suri
Sole Proprietor
Membership No. 89819

ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph (03) of our Report of even date

1. In respect of fixed assets of the Company:
   (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
   (b) The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancy has been noticed on such verification.
2. The Company does not have any inventories and as such the clause in not applicable.
3. During the year, the Company has neither granted nor taken any loans secured or unsecured to/from companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956. Therefore the provision of clause 4(iii) of the Companies (Auditors' Report) order, 2003 are not applicable to the Company.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures, commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit no major weakness has been noticed in the internal control system.
5. (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the Register maintained under section 301 of the Companies Act, 1956, have been so entered.
   (b) In our opinion and according to the information and explanation given to us, the transaction made in pursuance of contracts of arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of concerned parties during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposit under the provisions of the section 58A and 58AA of the Companies Act, 1956 and the rules framed there-under during the year.
7. In our opinion, the Company has an internal audit system, commensurate with the size and nature of its business.
8. The Central Government has not prescribed the maintenance of cost records by the Company under Section 209 (1) (d) of the Companies Act, 1956, therefore the provision of clause 4 (viii) of the Companies (Auditors' Report) order, 2003 is not applicable to the Company.
9. (a) According to the records of the Company, it is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other applicable statutory dues.
   (b) According to the information and explanations given to us, there is no undisputed amount payable in respect of income tax, wealth tax, sales tax, custom duty, excise duty and cess as at the year end; for a period more than six months from the date they became payable.
   (c) According to the information and explanation given to us, there are no dues of custom duty, wealth tax and cess, which have not been deposited on account of any dispute.
10. The Company has not incurred any cash losses (Previous Year: Rs 1,454/-) during the financial year under report.
11. The Company has not defaulted in repayment of dues to Financial Institutions and Banks. Further the Company does not have any outstanding debentures.
12. The Company has not granted any loans and advances, on the basis of security by way of pledge of shares, debentures and other securities, during the year.
13. The Company is not a chit fund, nidhi or mutual benefit fund/society. Therefore the provisions of clause 4 (xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
14. The Company has not dealt or traded in shares, securities, debentures and other investments during the year.
15. According to the information and explanation given to us, the Company has not given any guarantee during the year, for loans taken by others from Banks or other Financial Institutions.
16. The Company has neither raised any term loan during the year nor any utilized amount was left on this account, as at the beginning of the year. Therefore the provisions of clause 4(xvi) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
17. According to the information and explanation given to us and on all overall examination of the Balance Sheet of the Company, we report that the funds raised on short-term basis have not been used for long-term investment and vice-versa.
18. The Company has not made any preferential allotment of shares to any person during the year.
19. The Company does not have any outstanding debentures. Therefore, the provision of clause 4(xix) of the Companies (Auditors' Report) Order, 2003 is not applicable to the Company.
20. The Company has not raised any money by public issue during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For GAUTAM SURI & CO.
Chartered Accountants

Place : New Delhi
Dated: May 22, 2009

Gautam Suri
Sole Proprietor
Membership No. 89819

BALANCE SHEET

AS AT 31ST MARCH, 2009

LIABILITIES		31.3.2009 Rs.	31.3.2008 Rs.
SHARE CAPITAL			
AUTHORISED			
10,000 (Previous year: 10,000) Equity Shares of Rs 100/- each		1,000,000	1,000,000
ISSUED, SUBSCRIBED & PAID UP			
5,010 (Previous year: 5,010) Equity Shares of Rs.100/- each		501,000	501,000
CURRENT LIABILITIES & PROVISIONS			
Current Liability			
Liability for expenses	7,450	—	4,950
Provision			
Provision for Income Tax	4,100		
		11,550	—
		512,550	505,950
ASSETS			
FIXED ASSETS (As per Schedule 'A' attached)			
Gross block	50,136		50,136
Less: Depreciation	46,601		(46,030)
		3,535	
CURRENT ASSETS, LOANS & ADVANCES			
Current Assets:			
Cash in hand	4,900		1,450
Balance with scheduled banks on current account	2,071		366,907
Fixed Deposit Account	350,000		
		356,971	
Loans & Advances:			
Security Deposit	20,900		20,900
Tax Deducted at Source	2,770		—
Interest Receivable	24,114		
		47,784	
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)			
PROFIT & LOSS ACCOUNT		104,260	112,587
Notes to Accounts and Significant Accounting Policies as per Schedule 'B'			
		512,550	505,950

PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2009

	Current Year Rs.	Previous Year Rs.
INCOME		
Income from other sources	27,000	27,000
Interest on Fixed Deposit (TDS Rs 2,770/- Previous year Nil)	26,884	—
	53,884	27,000
EXPENSES		
Audit fee	2,500	2,500
Rent paid	18,141	17,836
Discount & Bank Charges	183	1,491
Filing fee	2,000	667
Establishment Expenses	12,000	—
Repair & Maintinance	6,062	5,960
Depreciation	571	663
	41,457	29,117
Profit/(Loss)Loss for the year	12,427	(2,117)
Provision for Income Tax	4,100	—
Loss brought forward	112,587	110,470
Loss Carried Forward to Balance Sheet	104,260	112,587

AUDITORS' REPORT
In terms of our Report of even date
For GAUTAM SURI & CO.
Chartered Accountants
Gautam Suri
Sole Proprietor
Membership No.89819

Place : New Delhi
Dated : May 22, 2009

Directors : J.K. Gupta
Jitender Khanna

SCHEDULE 'A'

FIXED ASSETS

Assets	ORIGINAL COST			DEPRECIATION				WRITTEN DOWN VALUE	
	As on 1.4.2008	Sold during the year	**As on 31.3.2009**	As on 1.4.2008	For the year	Adjustments during the year	**Upto 31.3.2009**	**As on 31.3.2009**	As on 31.3.2008
Air conditioners	40,186	—	**40,186**	36,650	492	—	**37,142**	**3,044**	3,536
Generators	9,950	—	**9,950**	9,380	79	—	**9,459**	**491**	570
Current year's total	50,136	—	**50,136**	46,030	571	—	**46,601**	**3,535**	4,106
Previous year's total	50,136	—	**50,136**	45,367	663	—	**46,030**	**4,106**	4,769

SCHEDULE 'B'

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009

A. SIGNIFICANT ACCOUNTING POLICIES

These accounts have been prepared on historical cost convention and materially comply with the Accounting Standards issued by the Institute of Chartered Accountants of India.

1. **FIXED ASSETS**
   Fixed assets are stated at cost (inclusive of cost of installation less depreciation).
2. **DEPRECIATION**
   Depreciation is charged on written down value basis in the manner and at the applicable rates prescribed in Schedule XIV of the Companies Act, 1956.

B. NOTES ON ACCOUNTS

1. All the equity shares are held by the Holding Company i.e. M/s JCT Limited &/or its nominee.
2. Previous year figures have been re-grouped wherever necessary so as to make them comparable with the figures of the current year.
3. There was no amount due to any supplier as on 31.3.2009 and further there was no claim from suppliers for interest on delayed payment under the "Micro, Small and Medium enterprises Development Act, 2006".
4. In view of substantial carry forward losses and no business income for the current year and also due to uncertainty with regard to future business income, the Company has not recorded cumulative deferred tax assets on accounting of timing differences as stipulated in AS-22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.
5. Earning per share (As per AS 20)

	Current Year	Previous Year
Net Profit/(Loss) as per Profit & Loss Account (Rs.)	**8,327**	(2,117)
Weighted Average Nos of Equity Shares for Basic Profit/Loss	**5,010**	5,010
Weighted Average Nos of Equity Shares for Diluted Profit/Loss	**5,010**	5,010
Nominal value of Equity Share (Rs.)	**100**	100
Basic Earning per Share (Rs.)	**1.66**	(0.42)
Diluted Earning per Share (Rs.)	**1.66**	(0.42)

C. RELATED PARTY DISCLOSURES

1. Relationship
   (a) Holding company:
   JCT Limited
   (b) Key Management Personnel:
   Mr. Satish Kapoor
   Mr. J. K. Gupta
   Mr. Jitendra Khanna
   (c) Other related Parties:
   Gupta & Syal Ltd.
   Provestments Securities Pvt Ltd.
2. Details of the transaction carried out with the related parties in the ordinary course of business.

Nature of Transaction	Nature of relationship	Name of the related parties	Amount(Rs.)
A. Expenses/Income (during the year)			
Income from other sources	1(a)	JCT Limited	27,000
Establishment Expenses	1(a)	JCT Limited	12,000
B. Balance outstanding as on 31.3.2009			Nil

NOTE : Related party relationship is as identified by the Company and relied upon by the Auditors.

D. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPHS (3) to (4D) OF PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956 Nil

INFORMATION PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS	
Registration No.	29591
State Code	55
Balance Sheet date	31.3.2009
	Rs.
II. CAPITAL RAISED DURING THE YEAR	Nil
III. POSITION OF MOBILISATION & DEPLOYMENTS OF FUNDS	
Total liabilities	512,550
Total assets	512,550
SOURCES OF FUNDS	
Paid up capital	501,000
Reserves & surplus	—
Secured loans	—
Unsecured loans	—
APPLICATION OF FUNDS	
Net fixed assets	3,535
Investments	—
Net current assets	393,205
Misc. expenditure	—
Accumulated losses	104,260
IV. PERFORMANCE OF COMPANY	
Total income	53,884
Total expenditure	41,457
Profit before tax	12,427
Profit after tax	8,327
Earning per share in Rs. (weighted average)	1.66
Dividend rate %	Nil
V. GENERAL NAMES OF THREE PRINCIPALS PRODUCTS/ SERVICES OF COMPANY (AS PER MONETARY TERMS)	
Product description	N.A.
Item Code No.	N.A.

AUDITORS' REPORT

Signatures to schedules 'A' & 'B'
forming part of the Balance sheet
For GAUTAM SURI & CO.
Chartered Accountants
Gautam Suri
Sole Proprietor
Membership No.89819

Place : New Delhi
Dated: May 22, 2009

Directors : J.K. Gupta
Jitender Khanna

DIRECTORS' REPORT

To the Members

Your Directors present their 79th Annual Report and Accounts for the year ended on 31.3.2009.

Financial Results

The year under review ended with a Loss of Rs. 48,495/- before making a provision for income tax of Rs. 12,000/-. In view of accumulated losses, no dividend is recommended.

Directors

During the year Mr. Satish Kapoor was appointed as Additional Director of the Company by the Board with effect from 14.1.2009 and holds office upto the forthcoming Annual General Meeting. The Company has received notice in writing from M/s JCT Limited, the holding Company, proposing their candidature to the office of the Director pursuant to the provisions of Section 257 of the Act.

Dr. Umesh Kansal had resigned from the Board on 14.1.2009.

Mr. Sanjiva jain, Director retires by rotation and being eligible, offers himself for re-appointment.

Auditors

M/s. R.K. Khanna & Company, Chartered Accountants, the retiring Auditors being eligible offer themselves for re-appointment. They have furnished a certificate that their re-appointment, if made, would be within the limits specified in Section 224(1B) of the Companies Act, 1956.

Auditors' Report

The observations made by the Auditors in their Report are adequately explained in the notes to the Accounts and Significant Accounting Policies and need no further elaboration.

Requirement under Section 217(2A) of the Companies Act, 1956

There are no employees who come under the purview of the provisions of the Section 217(2A) of the Companies Act, 1956 read under the Companies (Particulars of Employees) Rules, 1975.

Directors' Responsibility Statement

As required under Section 217 (2AA) of the Companies Act, 1956, the Directors hereby confirm that:

(i) In the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;

(ii) Accounting policies selected were applied consistently and judgments/estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;

(iii) Proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Company Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) Annual accounts have been prepared on a going concern basis.

For & on behalf of Board

Place : New Delhi — Sanjiva Jain

Dated : April 21, 2009 — *Director*

AUDITORS' REPORT

To the Members

1. We have audited the attached Balance Sheet of M/s. Gupta & Syal Limited, New Delhi, as at 31st March, 2009 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, as amended by the Companies (Auditors' Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act 1956, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 & 5 of the said Order.
4. We further report that:
   (a) We have 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 accounts as required by law have been kept by the Company, so far as appears from our examination of these books.
   (c) The Company's Balance Sheet and Profit & Loss Account dealt with by the report are in agreement with the books of accounts.
   (d) In our opinion the Balance Sheet and Profit & Loss Account dealt with by this report comply with the accounting standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
   (e) On the basis of written representations received from directors, we report that none of the directors, is disqualified as on 31st March, 2009 from being appointed as director under Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
   (f) In our opinion and to the best of our information and according to the explanations given to us the said accounts read together with notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
      (i) in the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2009; and
      (ii) In the case of the Profit and Loss Account of the loss of the Company for the year ended on that date.

For R.K.J.K. KHANNA & CO.
Chartered Accountants

Place : New Delhi — Vipin Bali

Dated : April 21, 2009 — *Partner*

Membership No. 083436

ANNEXURE TO THE AUDITORS' REPORT

Referred to in the Paragraph 3 of our report of even date

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets.
   (b) As certified by the management physical verification of the fixed assets was undertaken during the year and no material discrepancies were noticed on such verification.
   (c) The Company during the year has not disposed off substantial part of the fixed assets, affecting its, going concern status.
2. The Company during the year has not held any inventory. Hence, paragraph 4 (ii) of the order is not applicable to the Company.
3. The Company has not granted or taken any loan, secured or unsecured to/from a company, firm or a party listed in the register maintained U/s 301 of the Companies Act, 1956 or to/from any other party/firm or Company. Hence paragraph 4 (ii) of the order is not applicable to the Company. However, to meet operating expenses the Company had in earlier years taken from time to time interest free amounts from holding company which is being reflected in current liabilities. Total amount due to holding Company is Rs. 36 lacs.
4. Paragraph (iv) of the order regarding Internal control procedures is not applicable to the Company, as the Company during the year has not made purchase of inventory, fixed asset of sale of good.
5. (a) According to information & explanations given to us and as per records produced before us, the transactions required to be entered into a register in pursuance of Section 301 of the Act, have been so entered.
   (b) According to information & explanations given to us, the transactions of purchase/sale of goods, material and services in pursuance of contracts with parties covered in register under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regards to prevailing price at the relevant time.
6. According to information and explanations given to us, the Company has not accepted any deposit from the public during the year under consideration.
7. Paragraph (vii) of the order regarding internal Audit is not applicable to the Company as the Company does not have turnover exceeding Rs.5 crore or paid up share capital and reserves exceeding Rs.50 lakhs.
8. The Company is not required to maintain cost records u/s 209 (1) (d) of the Companies Act, 1956.
9. (a) According to information and explanations given to us and as per records produced before us for verification, the Company is regular in depositing statutory dues including provident fund, employees' state insurance, sales tax, income tax, service tax, wealth tax, custom duty and any other statutory dues. As per information and explanations given to us, no undisputed statutory dues are outstanding as at 31 March, 2009, for a period exceeding six months from the date they become payable.
   (b) As per information and explanations furnished to us and on verification of records produced before us, we report that the Company has no pending dispute in respect of statutory liabilities referred to in clause (ix) (b) of the order.
10. The Company has not incurred cash losses in the current financial year or in immediately preceding financial year. However, as at 31.3.2009 its entire net worth was recorded on account of accumulated losses.
11. In our opinion and on verification of records, we report that the Company has not taken any loan from a financial institution or a bank and has not issued any debenture.
12. In our opinion and according to explanations given to us and as per verification of records, the Company has not granted any loan or advance on the basis of security by way of pledge of shares, Debentures and other securities.
13. In our opinion the provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures and other investments.
15. As per information and explanations given to us, the Company has not given any guarantee for loan taken by others from banks and financial institutions during the year.
16. The Company has not taken any term loan during the year.
17. In our opinion and according to the explanations given to us, the Company during the period under consideration has not raised any fund on short term basis.
18. The Company has not made any preferential allotment of shares during the year to parties covered under section 301 of the Companies Act, 1956.
19. The Company during the year has not issued any debentures.
20. The Company during the year has not raised any money by issue of shares.
21. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the year nor have we been informed of such case by the management.

For R.K.J.K. KHANNA & COMPANY
Chartered Accountants

Place : New Delhi
Dated: April 21, 2009

Vipin Bali
Partner
Membership No. 083436

BALANCE SHEET

AS AT 31ST MARCH, 2009

LIABILITIES		31.3.2009		31.3.2008
		Rs.		Rs.
SHARE CAPITAL				
AUTHORISED				
3,50,000 (Previous year : 3,50,000) Equity Shares of Rs.10/- each		3,500,000		3,500,000
10,000 (Previous year : 10,000) Preference Shares of Rs 100/- each		1,000,000		1,000,000
		4,500,000		4,500,000
ISSUED, SUBSCRIBED AND PAID-UP				
82,320 (Previous year : 82,320) Equity Shares of Rs.10/- each fully paid up		823,200		823,200
RESERVE & SURPLUS				
As per last Balance Sheet		227,000		227,000
		1,050,200		1,050,200

ASSETS				
INVESTMENTS (At cost)				
Building on leasehold land (including cost of land)	545,100		545,100	
HDFC Prudence Mutual Fund-Growth(2956.896 units- (Original Cost Rs. 400,000) (NAV Rs. 270,479)	270,479		200,000	
		815,579		745,100
CURRENT ASSETS, LOANS & ADVANCES (As per Schedule 'A')	222,934		340,413	
CURRENT LIABILITIES & PROVISIONS (As per Schedule 'B')	4,171,868		4,158,373	
NET CURRENT ASSETS		(3,948,934)		(3,817,960)
MISC. EXPENDITURE (To the extent not written off/adjusted)				
PROFIT & LOSS ACCOUNT				
Opening Balance	4,123,060		4,178,159	
Less: Profit/(Loss)Transfer from Profit And Loss Account	(60,495)		55,099	
		4,183,555		4,123,060
		1,050,200		1,050,200

AUDITORS' REPORT
As per our seperate Report of even date
For R.K.J.K. KHANNA & CO.
Chartered Accountants

Vipin Bali
Partner
Membership No. 083436

Place : New Delhi
Dated: April 21, 2009

Directors : Sanjiva Jain
Satish Kapoor

PROFIT & LOSS ACCOUNT

FOR THE PERIOD ENDED 31ST MARCH, 2009

Particulars	Current Year	Previous Year
	Rs.	Rs.
INCOME		
Profit on sale of Investment	22,566	—
Rent received	90,000	90,000
	112,566	90,000
EXPENSES		
Discount and bank charges	90	50
Filing fee	6,567	2,500
Rates and taxes	6,160	6,160
Printing & Stationery	—	280
Payment to auditors:		
Audit Fee	5,515	5,618
Legal & Professional Expenses	10,080	1,000
Depreciation on building	3,128	3,293
Provision made/(written back) for Diminution in the value of Investment in Mutual Fund	129,521	—
	161,061	18,901
Profit/(Loss) for the year	(48,495)	71,099
Provision for income tax	12,000	16,000
Profit/(Loss) Carried to Balance Sheet	(60,495)	55,099

AUDITORS' REPORT
As per our seperate Report of even date
For R.K.J.K. KHANNA & CO.
Chartered Accountants

Vipin Bali
Partner
Membership No. 083436

lace : New Delhi
ated: April 21, 2009

Directors : Sanjiva Jain
Satish Kapoor

SCHEDULES A TO C FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

SCHEDULE 'A'
CURRENT ASSETS, LOANS AND ADVANCES

		31.3.2009 Rs.		31.3.2008 Rs.
(A) CURRENT ASSETS				
Cash in hand	3,637		155	
Balance at bank with scheduled bank	108,945		248,427	
		112,582		248,582
(B) LOANS & ADVANCES				
Advance to be recived in cash or in kind or value to be received (considered good)				
Security deposit	57,340		57,340	
Advance tax	53,012		34,491	
		110,352		91,831
		222,934		340,413

SCHEDULE 'B'
CURRENT LIABILITIES AND PROVISIONS

(A) CURRENT LIABILITIES				
Due to holding Company	3,600,000		3,600,000	
Expenses payable	38,203		39,836	
		3,638,203		3,639,836
(B) PROVISIONS				
Provision for depreciation	485,665		482,537	
Provision for income tax	48,000		36,000	
		533,665		518,537
		4,171,868		4,158,37

SCHEDULE 'C'
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009

I. SIGNIFICANT ACCOUNTING POLICIES

1. In accordance with the practice consistently followed by the Company no depreciation had been provided on the Buildin held as an Investments Property as defined in the Accounting Standard "Accounting for Investments" (AS 13) issued b the Institute of Chartered Accountants of India. The said Investment is considered to be long term Investments and is cost as having regard to its current market value, there is no permanent diminution in its value
2. However in the course of an inspection of the Company's books and records conducted by the Department of Compar Affairs, Kanpur u/s 209 A of the Companies Act,1956, a query has been raised as to why depreciation should not b provided on building. Therefore, without prejudice to the submission made in sub para (1) above and as a matter abundant caution and based on professional advice received by the Company, provision for depreciation @ 5% written down value basis has been made in accounts
3. Investment in Mutual Fund are shown at cost or NAV whichever is lower and provision for diminution in the value of su investment is made in the books of Accounts.

II. NOTES ON ACCOUNTS

1. All the equity Shares are held by the Holding Company i.e. M/s JCT Limited and/ its nominee.
2. Previous year's figures have been re-grouped, wherever necessary, so as to make them comparable with the figures the current year.

3. There was no amount due to any supplier as on 31.3.2009 and further there was no claim from supplier for interest on delayed payment under the "Micro, Small and Medium Enterprise Development Act 2006"
4. The Company has no expenses which attract deferred tax on account of timing differences as stipulated in AS-22 "Accounting for taxes on Income" issued by the "Institute of Chartered Accountants of India".
5. The building on the leasehold Land is mortgaged by deposit of the Title Deed with a Scheduled Bank to secure the Financial facility granted by them to the Holding Company
6. Earning per share (As per AS 20) :

	Current Year	Previous Year
Net Profit as per Profit & Loss Accounts (Rs.)	**(60,495)**	55,099
Weighted Average Nos. of Equity Shares for Basic Profit	**82,320**	82,320
Weighted Average Nos. of Equity Shares for Diluted Profit	**82,320**	82,320
Nominal value of Equity Share (Rs.)	**10**	10
Basic Earning per Share (Rs.)	**(0.73)**	0.67
Diluted Earning per Share (Rs.)	**(0.73)**	0.67

III. RELATED PARTY DISCLOSURE

1. Relationship
   (a) Holding company:
   JCT Limited
   (b) Key Management Personnel:
   Mr. Rajmohan Singh
   Mr. Sanjiva Jain
   Mr. Satish Kapoor
   (c) Other related Parties:
   Rajdhani Trading Company Ltd.
   Provestments Securities Pvt. Ltd.

2. Details of the transaction carried out with the related parties in the ordinary course of business:

	Nature of Transaction	Nature of relationship	Name of the related parties	Amount (Rs.)
A.	Income/Expenditure (during the year)			
	Rent received	1(a)	JCT Limited	60,000
B.	Balance outstanding as on 31.3.2009			
	Loan taken	1(a)	JCT Limited	3,600,000

NOTE : Related party relationship is as identified by the Company and relied upon by the Auditors.

/. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPHS (3) TO (4D) OF PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956 Nil

Signatures to Schedules 'A' to 'C' forming part of the Balance Sheet

AUDITORS' REPORT
As per our seperate Report of even date
For R.K.J.K. KHANNA & CO.
Chartered Accountants

Vipin Bali
Partner
Membership No. 083436

ace : New Delhi
ated: April 21, 2009

Directors : Sanjiva Jain
Satish Kapoor

INFORMATION PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS	
Registration No	224
State Code	55
Balance Sheet Date	31.3.2009
	Rs.
II. CAPITAL RAISED DURING THE YEAR	Nil
III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS	
Total liabilities	1,050,200
Total assets	1,050,200
SOURCES OF FUNDS	
Paid up capital	823,200
Reserves & surplus	227,000
Secured loans	Nil
Unsecured loans	Nil
Current liabilities & provisions	4,171,868
APPLICATION OF FUNDS	
Net fixed assets	—
Investments	815,579
Loans & Advances	110,352
Current assets	112,582
Misc. expenditure	—
Accumulated losses	4,183,555
IV. PERFORMANCE OF COMPANY	
Total income	112,566
Total expenditure	161,061
Profit before tax	(48,495)
Profit after tax	(60,495)
Earning per share (weighted average)	(0.73)
Dividend rate %	Nil
V. GENERAL NAMES OF THREE PRINCIPALS PRODUCTS/ SERVICES OF COMPANY (AS PER MONETARY TERMS)	
Product Description	Owns property
Item Code No.	N.A.

AUDITORS' REPORT
As per our seperate Report of even date
For R.K.J.K. KHANNA & CO.
Chartered Accountants

Vipin Bali
Partner
Membership No. 083436

Place : New Delhi
Dated: April 21, 2009

Directors : Sanjiva Jain
Satish Kapoor

JCT LIMITED

Regd. Office : Village Chohal, Distt. Hoshiarpur - 146 024 (Punjab)

ATTENDANCE SLIP

Please complete the attendance slip and hand it over at the entrance of the Meeting venue.
(Member's particulars to be furnished below)

Folio No. _____ DP ID. _____ Client ID _____

Member's/Proxy's name (in Block Letters) _____

Address _____

I hereby record my presence at the 60th Annual General Meeting of the Company at Village Chohal, Distt. Hoshiarpur - 146 024 (Punjab) on Friday, the 25th September, 2009 at 12.30 p.m.

Signature of the member/proxy present_____

1. Please hand over the attendance slip at the entrance of the meeting venue.
2. This attendance is valid only in case shares are held on the date of meeting.

JCT LIMITED

Regd. Office : Village Chohal, Distt. Hoshiarpur - 146 024 (Punjab)

PROXY FORM

FOLIO NO.	

DP/CLIENT ID	

I/We _____ of _____

_____ being a member/members of JCT Limited,

hereby appoint _____ of _____

_____ or failing him _____

of_____ as my/our

proxy to attend and vote for me/us on my/our behalf at the 60th Annual General Meeting of the Company to be held on Friday, the 25th September, 2009 at 12.30 p.m.

Signed this ____ day of _____, 2009.

Signature_____

Affix 1 Rupee Revenue Stamp

Note : The form duly completed and signed should be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting.

Book - Post

If undelivered please return to :
RCMC Share Registry Pvt. Ltd.
B-106, Sector- 2
Noida - 201 301