

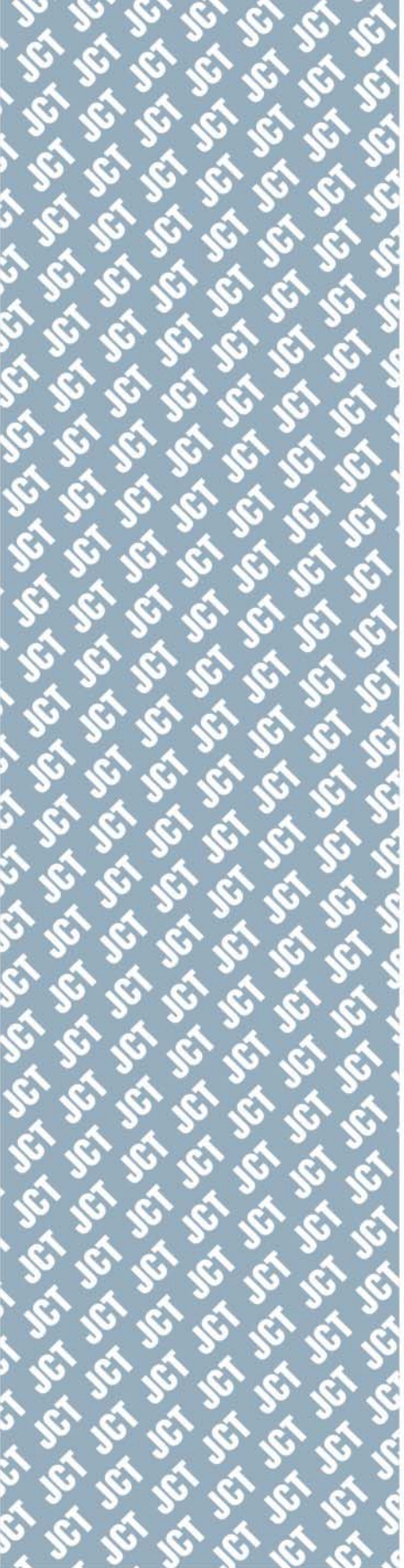
**FORM A****Format of covering letter of the annual audit report to be filed with the Stock Exchange**

S. No	Name of the company	<b>JCT Limited</b>
1.	Annual financial statements for the period ended	<b>01.10.2013-31.03.2014 (06 Months)</b>
2.	Type of Audit observation	<b>Matter of Emphasis in Auditor Report for the period ended at 31.03.2014</b>  a. Note No. 5.2 ; Non provision of yield protection of Rs. 1622.36 lakhs payable on unpaid amount of Foreign Currency Convertible Bonds (FCCBs) for the reasons stated therein and likely impact of winding up petition filed by the FCCB Trustee for non- payment of dues of US\$ 15.00 million equivalent to Rs.9071.91 lakhs since 08.04.2011. Capital Gain on settlement of US\$ 12.93 million FCCBs liability of Rs. 5082.50 lakhs has been directly credited to Reserve and Surplus as Capital Reserve based on legal opinion obtained by the management instead of taking to the Statement of Profit & Loss.  b. Note No. 5.3 (b); Delay including clearance of cheques to depositors of Rs. 328.46 lakhs as at 31.03.2014 under section 58A of the Companies Act, 1956.  c. Note No. 31.7; Accumulated losses have resulted in erosion of substantial net worth of the Company. However, the financial statements have been prepared on going concern basis on the grounds as disclosed in the Note No. 31.7.  d. Note No. 31.10; Non-confirmation/reconciliation of certain balances in trade receivables, advances and trade payables of the Company.

3.	Frequency of observation	<p>a. Note No. 5.2 reported 3 times. Same was mentioned in Auditor Report of year 2012 and 2013 too.</p> <p>b. Note No. 5.3 (b) reported 2 times. Same was mentioned in Auditor Report of year 2013 too.</p> <p>c. Note No. 31.7 reported five times. Same was mentioned in Auditor Report of year 2010, 2011, 2012 and 2013 too.</p> <p>d. Note No. 31.10 reported 2 times. Same was mentioned in Auditor Report of year 2013 too.</p>
4.	<p>1. Samir Thapar Chairman &amp; Managing Director</p> <p>2. Shri M P S Narang Chief Financial Officer</p> <p>3. Shri Sanjiv Gupta Partner S P Chopra &amp; Company, Chartered Accountants (Statutory Auditors)</p> <p>4. Shri G B Kathuria Chairman – Audit Committee</p>	<p style="text-align: right;"><b>Sd/-</b> .....</p> <p style="text-align: right;"><b>Sd/-</b> .....</p> <p style="text-align: right;"><b>Sd/-</b> .....</p> <p style="text-align: right;"><b>Sd/-</b> .....</p>

**Place: New Delhi**

**Dated: 28<sup>th</sup> August, 2014**



**JCT LIMITED**

**ANNUAL REPORT  
2013-14**



<b>BOARD OF DIRECTORS</b>	
Mr. Samir Thapar	Chairman & Managing Director
Ms Priya Thapar	Director (HR)
Mr. G ordhan Bhojraj Kathuria	
Dr. Ajit Kumar Doshi	
Mr. Chander Mohan Bhanot	
Mr. Suresh Kumar Singhak	Allahabad Bank Nominee
<b>Executive Director</b> Mr Rohit Sen	
<b>Chief Financial Officer</b> Mr. M .P .S Narang	<b>BANKERS</b> Allahabad Bank Bank of Baroda Punjab National Bank Punjab & Sind Bank State Bank of India State Bank of Patna State Bank of Travancore
<b>Company Secretary</b> Ms. Nidhi Goel	
<b>Auditors</b> S.P.Chopra & Co. Chartered Accountants F-31, Connaught Place New Delhi - 110 001	
<b>Registered Office</b> Village Chohal Distt. Hoshiarpur (Punjab)-146 024	
<b>Units</b> Textiles : Phagwara (Punjab) Filament : Hoshiarpur (Punjab)	
<b>Corporate Office</b> 305-309, 3rd Floor, Rattan Jyoti Building 18, Rajendra Place New Delhi-110 008	
<b>Website</b> : www.jct.co.in	
<b>CIN</b> - L17117PB1946PLC004565	
<b>Registrar &amp; Share Transfer Agents</b> B-25/A, 1st Floor, Okhla Industrial Area Phase II, New Delhi 110020 Tel: 011-26387320-321-323 Fax: 011-26387322 Email - sectshares@rcmcdehicom	<b>CONTENTS</b> Directors' Report ..... 3 Management Discussion & Analysis ..... 7 Corporate Governance ..... 9 Auditors' Report ..... 17 Balance Sheet ..... 20 Profit & Loss Account ..... 21 Cash Flow Statement ..... 22 Notes to Financial Statement ..... 24





## DIRECTORS' REPORT

To the Members of JCT Limited

The Directors of your Company present the 65th Annual Report on the affairs of the Company together with audited statement of account of the Company for the 6 months period ended 31st March 2014.

The highlights of financial Results for the period are given below :

	(a in lacs)	
	2013-14 (6 Months)	2012-13 (18 Months)
Gross Income from operations	49,224	1,32,644
Other Income	482	1,636
Profit before Interest, Depreciation, tax and Exceptional Items	3,664	6,288
Interest and financing charges	1,706	5,295
Depreciation and amortization Expense	1,656	7,392
Exceptional Items		
- Profit/ (Loss) of Discontinuing Operations	(51)	(674)
- Secured Lenders' Sacrifice	-	(1,622)
Provision for Tax		
- Current Period	-	-
- Earlier Year	(83)	82
Net Profit/(Loss)	334	(8,777)

## Dividend

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

## Operations

The Textile Division at Phagwara operated at an average of 95% of the installed capacity and produced 214.55 lakh meters of fabrics during the six months period ended 31st March 2014. Though the capacity utilisation has improved during the period but the capacities have not been utilized to its optimum level because of shortage of working capital funds. The performance improved substantially in terms of turnover and margins despite increased raw material cost.

The company has since expanded its customer base and has gone deeper with the existing customers to fully secure its production. Marketing strategy has been changing with the time and there has been a shift in product mix accordingly. The company has adopted a strategy of covering cotton to have minimum risk.

There has no operation in Srjanganagar since operations have been discontinued in earlier years. Some administrative expenses have been incurred over there to look after the land there.

Film Unit continues to maintain its position as one of the largest manufacturer of textile grade nylon yarn in India with installed capacity of 14000 MTS. During the period the unit produced 6464 MT of film yarn with average denier of 36.9.

The company has been changing its product mix on the basis of dependability on yarn sold in Surat market has been

shifted to yarn being sold in Amritsar & Mumbai markets. In view of L.O.Y base 20 M on Yarn is less prone to market fluctuations and has a much higher margin. To save on power cost the unit has installed CHS.

## Finance

The restructuring scheme of the company under CDR has been implemented fully and company has been timely servicing its repayment obligation towards lenders as per package. The charges on assets of the company could not be created due to the order of the Honble High Court of Punjab at Chandigarh restraining company to create charge over its assets. The company is grateful to all the banks for their continued and timely support in running the smooth operations.

## Foreign Currency Convertible Bonds (FCCBs)

The company had issued FCCBs of US\$ 30 million in April 2006 for a period of five years to part finance the company's expansion and modernization plan. The company could not redeem FCCBs on due date 08.04.2011. In the meantime, the trustees of FCCBs had filed a winding up petition in the Punjab High Court at Chandigarh in September 2012, which is pending for disposal.

During the period, the company settled 1293 FCCBs of US\$ 10,000/- each by converting into 11,59,54,059 equity shares of Rs 2.50 each.

The trustees are now representing outstanding 1249 FCCBs of US\$ 10000/- each, who are not in agreement with the proposal submitted by the company. The case is being argued on the maintainability of the winding up petition and company has been advised that the merits of the case do not warrant winding up.

## Fixed Deposits (FDs)

Deposit remaining unclaimed at maturity amounted to Rs.64.21 lakhs as on 31.3.2014. Of the above, deposits of Rs.50.11 lakhs have been repaid subsequently. The Company is regular in repayment and servicing of interest on fixed deposits. The Company has not been accepting fresh/renewals of deposits.

## Statutory Disclosures

The particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are set out in the Annexures to the Directors Report. Having regard to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. This information will be made available on request by any member of the Company.

The particulars relating to energy conservation, technology 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 forms an integral part of this report.

#### Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility statement, 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 six months period 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 at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment. Board on the recommendation of the Audit Committee has recommended the re-appointment for a period of three years in accordance with Section 139 of the Companies Act, 2013.

#### Auditors Report

The report by the auditors is self-explanatory. However, in respect of certain observations made by the Auditors in the Annexure to their main Report to the members of the Company, directors have to submit that (a) non-clearance / payment of cheque issued to fixed deposit holders, the same have been issued timely and have since been cleared/paid; (b) delay in deposits of statutory dues were for very short period due to non-availability of funds timely; (c) The company has defaulted in repayment of US\$ 15 million equivalent to Rs 9071.91 lakhs to FCCB holders, the trustees of bondholders have filed a winding up petition, which is pending for disposal, and the company has been advised that the merits of the case do not

warrant winding up. The company settled US\$ 12.93 Million FCCBs by issue of 11,59,54,059 Equity shares of Rs. 2.50 each at par in full and final settlement with the agreed bondholders. The resultant capital gain of Rs. 5082.50 lakhs on settlement of US\$ 12.93 Million towards FCCBs liability has been directly credited to Reserve & Surplus as Capital Reserve based on legal opinion obtained; and (d) Accumulated losses are more than fifty percent of the its net worth, on the strength of continuing improvement in operations, future plans and support of promoters, bankers, lenders, workmen and successful implementation of Corporate Debt Restructuring by all the banks.

#### Cost Auditors

The Company has appointed M/s Goyal, Goyal & Associates, as the Cost Auditors for conducting the audit of Cost Records of the Company for the period ended 31st March 2014.

#### Directors

In view of the provisions of the Companies Act 2013, read with the provisions of the Listing Agreement, one-half of the directors on the Board of the Company are required to be independent directors. The independent directors are not to be considered for the purpose of determining the directors liable to retire by rotation. Mr Gordhan Bhojraj Kathuria, Dr Ajit Kumar Doshi and Mr Chander Mohan Bhanot, they would be appointed as Independent Directors of the Company for a term of five consecutive years commencing from the date of the ensuing Annual General Meeting. Ms Priya Thapar - Director HR will be retiring at the ensuing Annual General Meeting and being eligible, offers herself for being re-elected.

Allahabad Bank, the Monitoring Institution under Corporate Debt Restructuring Scheme, had nominated Mr Suresh Kumar Singhala on 30th May 2014 in place of Mr Parthadeb Datta.

#### Acknowledgement

The Board placed on record its deep appreciation of the devoted services of the loyal workers, executives and other staff of the Company, who have contributed to the performance and the Company's continued inherent strength. It also extends their appreciation for the assistance and co-operations received from the banks, customers, vendors and stakeholders during the period under review.

For and on behalf of the Board

Place : New Delhi

Date : 12<sup>th</sup> August, 2014

SAMIR THAPAR  
Chairman & Managing Director



## ANNEXURE TO THE 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 6 months period ended 31.03.2014

### A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken and (b) Additional investments and proposals, if any, being implemented for reduction in consumption of energy :

#### Textile Division

Running of Auxiliaries (H.Plants, T.Blowers, Lights and exhaust fans) w.r.t. requirement conditions of product quality as well as production. Reduction of compressed air consumption under Continual Improvement Plan resulting good amount of power saving. Water saving through various projects i.e. run time control of tube wells, recovery of water on processing machines & use of treated effluent for various applications. Awareness on Energy conservation through training programmes & booking expenses of electricity, steam & air consumption, department wise. Modification in tube fittings circuits with MCB in place of rewirable fuses / bimetal type breakers in spinning. Installation of a Variable Frequency drives 55 Kw at soft water pump for controlling the flow and pressure of water which results in energy conservation. Replacement of Electronic chokes (100 nos) I.P.O. conventional chokes to save 0.25 kwh per choke per day. Optimisation of voltage level for power system and lighting with various voltage adjustment techniques. Maintaining Optimum power factor (above 0.99) at purchased power supply. Installation of high bay induction light at CDR shed in plant I.P.O.M.V lamps. Use of CFL 5/9/11/15/20 Watts (24 nos) in mills and replacement of M.V.lamps 250 watt with CFL 90 watt at medium bay lights (20 nos) w.r.t required Lux level. Optimisation of Electric power distribution from Open Access power purchase w.r.t. T.G.Power cost as well DISCOM. Removal of unwanted dust fans and tube fittings from spinning area. Emphasis on PAT scheme Energy conservation through online energy monitoring system in LAN. Installation of Motion sensors to switch off the lights when not required. Installation of Timer switches for switching off lights in mid night in some area. Temperature control installed in Rapier m/c's circulating oil cooling devices (32 nos ). Reduction of Angels and Pullies of various H.Plants as per Department conditions requirements for Reduction in electrical units consumption. Procurement of Star leveled equipments i.e. Air Conditioners, Geysers and Ceiling fans. Blow room -4 circuit modification to stop 2 nos motors of 1 HP & 2 HP w.r.t demand. Automiser in place of old technology Benson fans

#### Filament Division

Unification of Extruder 16 A & 16 B done by providing single extruder in place of two extruders. With this 50 KW/Hr Energy

saved. Replacement of HPS based Themopac system with Pet coke based Themopac system which will save in energy cost. Dowtherm boilers of New LOY Extruders taken on Thermol-66 from electrical Load. Saving of 105 KW/Hr saving achieved. Maintenance & Replacement of steam traps are carried out & thus steam saving is achieved. Optimizing the raw water quantity by throttling the out let valve of water tanks. Saving of Approx. 200M3/day water saved. In Draw twisting machines of Teijin/ Comoli/ Senia make air jets are replaced with Hebolin Heb P-102 jets. Saving in Intermingling air is achieved resulting in 114 KW/Hr power Saved.

(b) Impact of Measures:

Impact of various steps i.e. down trend has been observed approx (5.17%) from 6.35 U/Kg to 6.02 U/Kg

(c) 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

Adding New Capability in spinning i.e.1st time starting Yarn. Spinning from Inherent FR (Fire Retardant) Fibers like Aramid/ Modacrylic and different Blends Meta-Aramid/Para-Aramid, Modacrylic/Cotton.

Also adding New Capability in processing i.e. 1st time starting. Processing (dyeing & Finishing) of Technical Textiles (Protective fabrics) made from Fibers like Aramid/ Modacrylic and different Blends Meta- Aramid/ Para-Aramid, Modacrylic/Cotton Aramid. JCT Sort No. 32004 & 32005 (made from aramid fibres) has been tested & got passed from recognized 3rd part Lab 'AITEX- Spain'.

#### Filament Division

Batch Poly Recovery column modification & condenser installation resulted into huge saving of DM Water, power & enhancement of cooling tower life. Steam conservation has reduced consumption by app. 35%. In 2013-14.Poly-1 waste reduced by providing separate DM water pumps for circulation in quenching vats. More chips flexibility with batch poly chips utilisation on existing products like 70/20 brt, 90/20 brt & 210/40 brt. Implementation of 4M Concept in Spg & Textile section to increase productivity.

2. Derived :

#### Textile Division

JCT will be one among the few organizations who will produce Technical Textile (Protective Clothing) Products. These new products have wide scope in the Technical Textiles Market and can offer more profitability as compared to Normal Fabrics.





Filament Division

Provide products and services to our customers not only meeting but exceeding their requirements. Initiative to reduce cost of production by reduction in wastage, optimum utilization of resources & manpower to increase productivity & sales realization. Increase presence in international market in hank dyed & dope dyed segment.

3. Future Plan of action :

Textile Division

The Company has independent R&D Department which regularly provides suggestions for improvement so as to optimize the cost of products and improve the quality.

Filament Division

Plan to further increase LOY, POY, FDY/DT & DW machines to increase market share in domestic and international market. Focus on increasing productivity by maximum utilization of resources & modification in existing hardware.

(C) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

Efforts continued in strengthening the R&D facilities in order to provide a comprehensive range of products being manufactured both at Textile and Filament Yarn Unit. Training was imparted to technical staff as an ongoing process.

(b) Benefits derived :

Availability of energy efficient, environment friendly systems and equipment, wider range of products, improved quality and product designs and cost reduction were amongst the benefits derived.

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

The Company continuously strives to adopt latest technology for improving productivity, product quality and reducing consumption of raw material, energy and other inputs.

(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: The Company is exporting Textile Fabrics, Filament Yarns and has taken successful initiatives for increasing exports.

(b) Total Foreign Exchange used and earned:

	Current Period (6 Months) (Rs. in lacs)	Previous Period (18 Months) (Rs. in lacs)
Used	64.50	4278.62
Earned	4960.64	16018.81

TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION

FORM 'A'

A. POWER AND FUEL CONSUMPTION:		Current Period (6 months)	Previous Period (18 months)
1	Electricity		
	(a) Purchased:		
	Units	22441652	80769885
	Total Cost (Rs. in lacs)	1675.15	5706.82
	Rate/Unit(Rs.)	7.46	7.07
	Merchant Power		
	Units (Kwh)	7767931	25981886
	Total cost (Rs. in lacs)	497.71	1563.39
	Rate/Unit(Rs.)	6.41	6.02
	(b) Own Generation:		
	(i) Through Diesel Generators		
	Units	83548	712942
	Total Cost (Rs. in lacs)	12.69	101.17
	Cost/unit (Rs.)	15.19	14.19
	(ii) Through Steam Turbine Generators		
	Units	44807840	125087493
	Total cost of Coal / Rice Husk (Rs. In lacs)	1830.40	5365.46
	Cost/unit(Rs)	4.08	4.29
2	Coal / Husk ( Boilers )		
	Quantity(tonnes)	108618.58	329259.17
	Total Cost(Rs.in lacs)	4402.54	13234.86
	Average Rate(Rs)	4053.21	4019.59
3	Furnace Oil ( Boilers )		
	Quantity(K.Ltrs)	568955	2068990
	Total Cost(Rs.in lacs)	261.87	896.41
	Average Rate./Ltr (Rs)	46.03	43.33
4	LDO/HSD ( Furnaces / DG sets )		
	Quantity(Ltrs)	24930	231294
	Total Cost(Rs.in lacs)	12.69	101.17
	Average Rate/ltr(Rs)	50.91	43.74
5	Pet Coke (for CHS)		
	Quantity(Kgs)	222600	ñ
	Total Cost(Rs./Lacs)	18.54	ñ
	Average Rate./Ltr (Rs)	8.33	ñ
6	Other/Internal Generation		
	Steam		
	Quantity(tonnes)	347350	971292
	Total Cost(Rs. in lacs)	4422.44	13299.16
	Average Rate(Rs)	1,273.19	1,369.22

B. CONSUMPTION COST PER UNIT OF PRODUCTION (RS)				
	Current Period (6 months)		Previous Period (18 months)	
PRODUCTS	Elect. & DG Power	Steam	Elect. & DG Power	Steam
Filament Yarn / Chips	35.68	13.80	30.43	6.78
Cloth	8.509	10.71	5.98	7.41



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## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### I. OVERALL VIEW

In spite of the adverse market conditions prevailing the overall performance of the Company during the period has considerably improved compared to that of the previous year.

The global economic outlook remained uncertain and challenging with a growth of about three per cent in 2013. There were many reasons for this sluggishness including weak recovery in the US and Europe and a general economic slowdown in emerging economies like China and India.

There was no turnaround in the domestic economy in either consumption or investment as was reflected by the downward trend in both the capital and consumer goods segments. The high borrowing cost to combat inflation, coupled with lower consumption, low investment in infrastructure and other sectors of the economy were responsible for this, although agriculture and allied businesses had shown some improvement. Foreign Institutional Investors (FIIs) were record buyers of Indian debt instruments in the quarter ended March 2014, reflecting increased confidence in India's long-term economic prospects although growth is yet to show any definite signs of emerging from a slump. The Rupee has recently strengthened against the US Dollar which might adversely affect exports from India.

It is expected that the economy would grow in the coming years and the demand for prices of textile products would improve which will enable the Company to regain steady or better performance.

The circumstances prevailing in business segments of the Company and their operations are discussed hereunder.

### II. Business Segment - Textiles & Filament Yarns:

#### a) Industry Structure & Development:

Raw material costs have been increasing globally, coupled with a shortage of skilled workers. While a shift is taking place of textiles industries from China and Bangladesh to India, the industrial climate in India has also become adverse due to regular increases in input costs. Any further appreciation of the Rupee will adversely affect exports from India. Though the spinning industry has fared somewhat better those with a presence in weaving, processing or even composite businesses are facing the heat due to increases in input cost without being able to pass on such higher costs to customers as the market is simply unable to absorb the same.

#### b) Opportunities and Threats:

There is good scope for growth for the textile industry as India's share in the global trade in textiles is weak compared to other countries. The free trade environment is a great opportunity for the Indian textile industry to increase its share in the global market. Chinese exports are slowing down on account of various factors inclusive of increase in domestic demand and rising costs. This is a good opportunity of which our textile industry should make use but smaller countries like Bangladesh, Sri Lanka, Pakistan, Turkey and Vietnam etc. are becoming formidable challengers.

Lack of uninterrupted power, increased power costs, higher transaction costs, and high cost of labour is hindering the progress. However, we are making all out efforts to cope with all these challenges by continuous efforts at cost reduction, process improvements, diversification of products and improving productivity by improving efficiencies.

#### c) Segmental Review and Analysis:

The financial performance of our textile has stabilized and is showing improvements including in capacity utilization. As a result, the sales have improved aided by increasing demand in the domestic and U.S. Markets. The demand for premium branded goods is healthier and we are concentrating on high priced premium goods. The performance of the yarn Division remained fairly stable. Since April, 2014, the yarn market is depressed but it is hoped that it should improve in the current year.

We have, therefore, changed the product pattern based on cotton and synthetic fabric which is in demand and which customers have been seen to prefer in adverse market conditions. Considering the challenges that exist, the financial results of this division are satisfactory.



d) Risks and Concerns:

The fluctuation in the currency especially against the dollar is becoming problematic for long term booking of orders. Cotton prices are increasing regularly as are other input costs including power and logistics.

e) Outlook:

Our textile products have in the current year found acceptance by major international brands and also domestic players for all the products which also has the added beneficial effects of strengthening the quality / design and innovations in the product. 2014- 2015 may see better performance in India and possibly a stronger performing world economy.

III. Internal Control Systems

The Company has a well established framework of internal controls in all areas of its operations, including suitable monitoring procedures and competent and qualified personnel. In addition to statutory audit, financial controls are reviewed by independent agency of internal auditors, who report their findings to the Audit Committee of the Board. The audit committee comprising of independent directors ensures independence of function and transparency of the process of supervision and oversight. The Company conducts its business with integrity and high standard of ethical behavior and in compliance with the laws and regulations.

IV. HUMAN RESOURCES

The Company continued to enjoy healthy industrial relations during the period. The Company takes pride in the commitment, competence and dedication shown by its employees and workmen at all areas of business. Welfare and training at all levels of the employees and workmen continue to be areas of major focus for the company.

V. CORPORATE SOCIAL RESPONSIBILITY AND CONSERVATION OF RESOURCES

All applicable statutory provisions pertaining to health and safety and takes all possible measures to prevent accidents and occupational hazards. The manufacturing operations are conducted to ensure sensitivity towards the environment and minimize waste by encouraging "Green" practices. Efficient managements and use of renewable resources is encouraged. All employees are obliged to ensure that they fully understand all policies and they fully comply with the requirements.

The units at Phagwara and Hoshiarpur have residential colonies for workers and staff. The Company is running a Co-education School in Phagwara, which provides free education to the children of workers right upto the class 12th standard and similar School is being run in Hoshiarpur upto 8th standard.

VI. STATEMENT OF CAUTION

Statements in this report on 'Management Discussion and Analysis' describing the Company's objectives, expectations or predictions may be forward looking, considering the applicable laws and regulations. The statements are based on certain assumptions and expectation of future events. Actual results could, however, differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand-supply conditions, finished goods prices, raw materials costs and availability, fluctuations in exchange rates, changes in Government regulations and tax structure, economic developments within India and abroad.

The Company assumes no responsibility in respect of the forward looking statements herein, which may undergo changes in future on the basis of subsequent developments, information or events.

**CORPORATE GOVERNANCE REPORT: 2013-2014**

The Directors present the Company's Report on Corporate Governance pursuant to Clause 49 of the Listing Agreement with Stock Exchange. The report is updated as on the date of the report wherever applicable.

**Company's philosophy on Code of Governance**

JCT has consistently followed the principles of good corporate governance through transparency, accountability, fair dealing and mutual trust. A basic set of Corporate Values and Beliefs have become a way of life in the Company and each employee is responsible for strict adherence to these values.

**I. Board of Directors**

In terms of the Company's Corporate Governance Policy, all statutory and other significant & material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the Shareholders.

**Composition of Board**

During the six months period from 01.10.2013 to 31.03.2014 the strength of the board remained six Directors of Two Executive Directors including One women Director and Four Non- Executive Directors including one Nominee, which constitutes 50% as independent directors on the board. These directors have 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 31.03.2014 have been made by Directors.

Attendance of Directors at Board Meetings & Annual General Meeting and Number of Companies in which the director is a member of the Board or its committee as a chairperson thereof during the 6 months period commencing from 1.10.2013 to 31.03.2014.

Sl. No.	Name of Director	Category	Attendance in Board Meeting		Attendance in last AGM held on 30.12.2013	Other Board		
			Held	Attended		No of Directorships in other companies	No of committees in which a member	No of committees in which a chairperson
1	Mr. Samir Thapar Chairman & Managing Director	Executive	4	4	No	2	ñ	ñ
2	Ms. Priya Thapar* <sup>1</sup>	Executive	3	3	No	ñ	ñ	ñ
3	Mr. Gordhan Bhojraj Kathuria	Independent Non Executive	4	4	Yes	1	ñ	ñ
4	Dr Ajit Kumar Doshi	Independent Non Executive	4	3	No	1	ñ	ñ
5	Mr. Chander Mohan Bhanot	Independent Non Executive	4	4	Yes	ñ	ñ	ñ
6	Mr. Parthadeb Datta	Nominee Directorñ Allahabad Bank	4	1	No	ñ	ñ	ñ

\*appointed on 26.11.2013

Mr Suresh Kumar Singhala has joined the Board on 30.05.2014 as Nominee of Allahabad Bank in place of Mr Parthadeb Datta.

**Board Meetings**

During the year, the Board of the company met 4 times on 18.10.2013, 29.11.2013, 12.02.2014 and 28.03.2014. The maximum gap between any two Board meetings was less than four months.



The agenda papers and detailed notes are circulated to the Board well in advance of every meeting, where it is not practicable to attach any document to the agenda, then same is placed before the Board at the meeting and in special circumstances, additional items on the agenda are taken up at the meeting. In case of business exigencies or urgency of matters, resolutions are passed by circulation and same is placed before the Board in the next meeting. Besides performance of Company's operations before taking on record the quarterly / annual financial results of the Company, information supplied to the Board includes:

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the company and its operating divisions / business segments.
- Minutes of meetings of audit committee and other committees of the board.
- Information on recruitment senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the company, or substantial non-payment for goods sold by the company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
- Details of any joint venture or collaboration agreement.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations Sale of material nature, of investments, assets, which is not in normal course of business.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

#### Code of Conduct

The Board of Directors of the company plays an important role in ensuring good governance and has adopted the Code of Conduct for Directors and Senior Management Personnel. The Code is applicable to all the Board Members and Senior Management of the Company. A copy of the same is available on Company's website.

#### Declaration as required under Clause 49 of the Listing Agreement

All Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct for the six months period ended 31st March 2014.

For JCT Limited

SAMIR THAPAR  
Chairman & Managing Director



## II. Audit Committee

### 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, Section 292-A of the Companies Act, 1956 read with the relevant provisions of the Companies Act 2013 as well as that of the Listing Agreements besides other matters as may be referred to 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 are correct, sufficient and credible, reviewing annual accounts and include half-yearly, quarterly un-audited financial results 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.

### Composition

The Audit Committee consists of four Non Executive Directors, three of whom are Independent Directors i.e Mr. Gordhan Bhojraj Kathuria, Dr. Ajit Kumar Doshi and Mr. Chander Mohan Bhanot and one is a Nominee Director from Allahabad Bank. Mr Gordhan Bhojraj Kathuria is the Chairman of the Committee. Mr. Samir Thapar and Ms. Priya Thapar are the permanent invitees.

Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. All members of the Audit Committee have accounting and financial expertise.

Chief Financial Officer, Auditors including Internal & Cost and other functional heads including Non-Independent Executive Directors are regularly invited by the Audit Committee to its meetings. Company Secretary acts as a Secretary of the Committee.

The constitution of the Audit Committee meets the requirement of Section 292A of the Companies Act, 1956 read with the relevant provisions of the Companies Act 2013 as well as that of the Listing Agreements.

### Meetings and Attendance

Three Meetings of the Audit Committee were held during the six months period ended 31st March, 2014 i.e. on 29.11.2013, 12.02.2014 and 28.03.2014. The maximum gap between any two meetings was less than four months. Details are as follows :

Name of the Committee Member	Category	No. of Meetings Held	No. of Meetings Attended
Mr. Gordhan Bhojraj Kathuria	Independent Non Executive	3	3
Dr. Ajit Kumar Doshi	Independent Non Executive	3	2
Mr. Chander Mohan Bhanot	Independent Non Executive	3	3
Mr. Parthadeb Datta	Nominee-Allahabad Bank	3	1

## III. Nomination and Remuneration Committee

In accordance with the provisions of the Companies Act 2013 and the rules made there under ("the Act") and the Listing Agreement the Remuneration Committee is renamed as Nomination and Remuneration Committee. The terms of reference of the Committee is to recommend / review remuneration of the Whole-time Directors, Executive Directors etc. based on their performance and defined assessment criteria. Remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in accordance with the existing industry practice.

The committee at present comprises of Mr. Gordhan Bhojraj Kathuria, Dr Ajit Kumar Doshi and Mr Chander Mohan Bhanot, all independent directors. Mr. Gordhan Bhojraj Kathuria is the Chairman of the Committee.

### Attendance of Members

One meeting of the Remuneration Committee was held during the 6 months period ended 31st March, 2014 on 29.11.2013 and was attended by all the members of the committee.

### 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.

**Remuneration of Directors**

The detail of the remuneration paid during the Six months period under review is given below.

	Mr. Samir Thapar Chairman & Managing Director		Ms Priya Thapar Director - HR	
	Current Period (Six Months)	Previous Period (Eighteen Months)	Current Period (Six Months)	Previous Period (Eighteen Months)
Salary including Allowances	19.50	67.50	6.00	ñ
Contribution to Provident & Superannuation Funds	2.84	16.88	1.05	ñ
Perquisites & Reimbursements	4.50	18.90	2.00	ñ
<b>Total</b>	<b>26.84</b>	<b>103.28</b>	<b>9.05</b>	<b>ñ</b>

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

Chairman & Managing Director and Director-HR are under service contract 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 and the rules made there under. The Non-executive Directors do not draw any remuneration from the Company except sitting fee of Rs.20,000/- for attending each meeting of the Board and Committees. The total amount of sitting fee paid to such directors during the 6 months period was Rs. 6,20,000/-. Further, no shares and/or convertible instruments are held by the Non-executive Directors of the Company.

**IV. STAKEHOLDERS RELATIONSHIP COMMITTEE**

In accordance with the provisions of the Companies Act 2013 and the rules made there under ("the Act") and the Listing Agreement the Shareholders Committee is renamed as Stakeholders Relationship Committee.

The said committee presently consists of Dr Ajit Kumar Doshi, Mr Gordhan Bhojraj Kathuria and Mr. Chander Mohan Bhanot, all Non Executive Independent Directors. Dr Ajit Kumar Doshi is the Chairman of the Committee. 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 shares, sub-division /consolidation and issue of new /duplicate shares etc. including demat / remat of shares in the normal course are looked after by the committee of Senior Executives consisting of Mr Vinod Kumar Singhal - Controller of Finance & Accounts, Mr. Jitender Khanna - General Manager (Secretarial) and Ms Nidhi Goel - Company Secretary, who have been authorized by the Committee for the same.

The Committee met 2 times during the Period : on 29th November, 2013 and 12th February, 2014 and all the members have attended.

Name and Designation of the Compliance Officer

Ms Nidhi Goel, Company Secretary

Number of complaints received, not solved & pending

During the six months period, 17 complaints were received and replied to the satisfaction of the shareholders. There were no pending complaints as on 31st March, 2014. There is no share transfer or any correspondence pending for more than fifteen days as on date of this report. The Company also have exclusive email-id i.e. [jctsecretarial@jctltd.com](mailto:jctsecretarial@jctltd.com) for investors to contact the Company in case of any information and grievance.

**V. ALLOTMENT COMMITTEE**

The Company has constituted a Share Allotment Committee on 12th February 2014. The terms of reference of Share Allotment Committee includes to look into the receipt of money by way of subscription of Shares, Warrants, FCCBs or other convertible instruments issued or to be issued and allotment of Shares arising on conversion of Warrants, FCCBs or other convertible instruments.

Mr. Samir Thapar is the Chairman of the Committee and Dr. A K Doshi and Mr. C M. Bhanot are the members of the Committee. During the six months period ended 31st March, 2014, one meeting of the Share allotment Committee was held on 31.03.2014 and was attended by Mr. Samir Thapar and Mr. C M Bhanot.

**VI. SUBSIDIARY COMPANIES**

Company does not have any Subsidiary Company.

**VII. GENERAL BODY MEETINGS**

During the last three years, the Annual General Meetings (AGM) of your Company were held at 12.30 p.m. each on 26.9.2011, 30.11.2012 and at 10:30 A.M. on 30.12.2013 at the Registered Office of the Company at Village Chohal, District Hoshiarpur 1460-24 (Punjab).

All the resolutions, including the special resolutions set out in the respective Notices of the previous three AGMs were passed by the shareholders.

Resolution through Postal Ballot

No resolution has been passed during the period through postal ballot.

**VIII. Disclosures**

Basis of related party transactions

Related party transactions with the Directors, Senior Management, Personnel and their relatives are reported to the Audit Committee from time to time and have been disclosed under the Related Party Transactions as per Accounting Standard 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants Of India (ICAI) which are set out in the Annual Report and other relevant notes to the financial statements for the 6 months period ended 31.03.2014. There is no significant Related Party Transaction that may have potential conflict with the interest of the Company at large.

Disclosure of Accounting Treatment

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

Risk Management

Board has apprised of the assessment done of the risk factors and the management policy for the control and minimization of the same during the 6 months period. There is elaborate system for the assessment and control on continuous basis.

Proceeds from Public Issues, Right Issues and Preferential Issues etc.

No money has been raised through public / right issue / Preferential Issue during the Six months period ended 31st March, 2014, however, during the said period, Company issued / allotted 11,59,54,059 equity shares of Rs.2.50 each (fully paid-up) upon conversion of 1293 Foreign Currency Convertible Bonds (FCCBs) of US\$ 10,000 each, beyond maturity, in full and final settlement with the FCCB holders.

Management Discussion and Analysis Report

Management Discussion and Analysis Report forms part of the Annual Report and are in accordance with the requirements laid in the Listing Agreement.

Details of non-compliance, penalties etc. imposed by Stock Exchanges, Securities Exchange Board of India (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 Exchange(s) or SEBI or any statutory authority on any matters related to Capital Markets during the last three years.

**IX. Means of Communications**

- |   |   |  |
|---|---|--|
| (a) Quarterly Results                               | : | Through Publications                       |
| (b) Newspaper wherein results normally published    | : | Financial Express (all editions) & Jagbani |
| (c) Website at which result is published            | : | www.jct.co.in and www.bseindia.com         |
| (d) Whether it also displays official news releases | : | Yes, as and when necessary/required        |
- And the presentations made to institutional Investors or to analysts

**X. General Shareholder Details**

- |                                       |   |   |
|---------------------------------------|---|---|
| 1. Annual General Meeting             | : |   |
| Time, Day, Date & Venue               | : | 11 A.M. Thursday, the 25 <sup>th</sup> September, 2014<br>Village Chohal, District Hoshiarpur-146024 (Punjab) |
| 2. Financial Calendar (Provisional)   | : |   |
| ≠ Unaudited results for QE 30.06.2014 | : | }   |
| ≠ Unaudited results for QE 30.09.2014 | : | } Within 45 days of the close of the respective quarter   |
| - Unaudited results for QE 31.12.2014 | : | }   |
| - Audited results YE 31.03.2015       | : | } Within 60 days of the close of the year.  |





3. Book Closure : 22<sup>nd</sup> September 2014 to 25<sup>th</sup> September, 2014 ( Both days inclusive)
4. Dividend Payment Date : No Dividend is proposed
5. Registered Office : Village Chohal, District Hoshiarpur, Punjab
6. Company's Website : [www.jct.co.in](http://www.jct.co.in)
7. Registrar & Transfer Agents : RCMC Share Registry Private Ltd, B--25/1, 1st Floor, Okhla Industrial Area Phase II, New Delhi 110020  
Tel: 011-26387320-321-323 Fax: 011-26387322  
Email: - [sectshares@rcmcdelhi.com](mailto:sectshares@rcmcdelhi.com)
8. Listing at Stock Exchanges : The Stock Exchange - Mumbai
9. Stock Code : 500223
10. ISIN allotted to Equity Shares : INE945A01026
11. Stock Price Data (In Rs)

Month/Year	High	Low
October 2013	2.50	1.55
November 2013	2.16	1.82
December 2013	2.40	1.94
January 2014	2.44	1.80
February 2014	2.05	1.72
March 2014	2.20	1.56

12. Performance in comparison to broad base indices such as BSE Sensex, Crisil Index.  
The shares of the company are not considered by stock exchange in their index fluctuations.
13. 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 approximately 15 days. The company obtains from a Company Secretary in practice half yearly certificate of compliance as required under Clause 47 (c) of the Listing Agreement of the Stock Exchange.
14. Distribution of shareholding as on 31.03.2014

No. of Equity Shares held		No. of shareholders	%age of shareholders	No. of shares held	%age of Shareholding
From	To				
1	5000	86229	90.14	34795252	6.25
5001	10000	3881	4.06	11637331	2.09
10001	20000	2882	3.01	16059472	2.88
20001	30000	1122	1.17	11213517	2.01
30001	40000	401	0.42	5732133	1.03
40001	50000	268	0.28	5040213	0.91
50001	100000	441	0.46	12483711	2.24
100001 & Above		433	0.45	459831020	82.59
Total		95657	100	556792649	100

15. Shareholding Pattern as on 31.03.2014

Category	No. of shares	% Shareholding
Promoters/Promoters Group	223275874	40.10
Non Promoters (Bank/Mutual Funds/ State Govt/FIs/FIIs)	136298239	24.48
Others (Individual/Bodies Corporate/NRIs)	197218536	35.42
TOTAL	556792649	100.00

16. Dematerialization of shares and liquidity

As on 31.03.2014, 90.49 % of equity shares have been dematerialized.

- National Securities Depositories Limited (NSDL) : 83.02%
- Central Depositories Services Limited (CDSL) : 7.47%



## 17. Outstanding Convertible Instruments

Name of the Instrument	Maximum Amount likely to be converted into Equity Shares
Optionally Partially Convertible Preference Shares (OPCPS) of Rs.100/- each	₹ 20% of 10 lakhs OPCPS any time before the redemption due on 31.12.2016. ₹ 100% of 14 lakhs OPCPS any time before the redemption due on 26.12.2015
Foreign Currency Convertible Bonds (FCCBs) issued on 8.4.2006 and due on 8.4.2011	FCCBs not redeemed on due date. 1293 FCCBs of US\$ 10000 each aggregating to 12.93 Million converted into equity shares in full & final settlement with the FCCB holders during the period ended 31st March 2014. Winding-up petition has been filed by the Trustees of the FCCB holders in the Hon'ble High Court of Punjab & Haryana at Chandigarh which is pending disposal and the next date has been fixed for 18th August, 2014.

18. Plant Locations : Textile units at Phagwara (Punjab)  
Filament Yarn Unit at Hoshiarpur (Punjab)
19. Address for correspondence : Village Chohal, District Hoshiarpur (Punjab)-146024  
305, Rattan Jyoti Building, 18 Rajendra Place New Delhi-110008

## 20. Non mandatory requirements

The Company has fully complied with mandatory requirements as stipulated under Clause 49 of Listing Agreement with the Bombay Stock Exchange and has also adopted the following non Mandatory requirements as prescribed in Annexure ID to the clause 49 of the Listing Agreement

1. Non Executive Chairman's Office:  
The Chairman of the Company is Executive Chairman and hence this provision is not applicable.
2. Remuneration Committee  
Details of the composition and function of the Remuneration Committee are explained in para III of this report.
3. Shareholders' Rights  
The quarterly, half yearly and annual financial results of the Company are published in newspapers on all India basis and are also posted on the Company's Website. Significant events are also posted on Company's Website.
4. Audit Qualifications  
The observations of the Auditors have been fully explained in Notes 5.2, 5.3(b), 31.7 and 31.10 to the financial statements.
5. Whistle Blower Policy  
The Whistleblower Policy encourages Directors and Employees to bring to the Company's attention, instances of unethical behavior, and actual or suspected incidents of fraud or violation of the Company's Code of Conduct that could adversely impact the Company's operations, business performance and/or reputation. The Company investigates such incidents, when reported, in an impartial manner and takes appropriate action to ensure that the requisite standards of professional and ethical conduct are always upheld.  
The Company is committed to the highest possible standard of openness, probity and accountability. It is the policy of the Company to ensure that no employee is victimized for bringing such incidents to the attention of the Company. The practice of the Whistleblower Policy is overseen by the Audit Committee of the Board and Mr Jitender Khanna - General Manager (Secretarial) is the Vigilance Officer. The confidentiality of those reporting violations is maintained and they are not subject to any discriminatory practice.



CEO/CFO CERTIFICATION

We, the undersigned hereby certify to the Board that:

- (a) They have reviewed financial statements and the cash flow statement for the 6 months period ended 31st March, 2014 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; and
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transaction entered into by the Company during the 6 months period ended 31st March, 2014 are fraudulent, illegal or violative of the Company's code of conduct.
- (c) 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.
- (d) They have indicated to the auditors and the Audit Committee.
  - (i) significant changes in internal control over financial reporting during the 6 months period;
  - (ii) significant changes in accounting policies during the 6 months period 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.

Place: New Delhi  
Date : 12<sup>th</sup> August, 2014

M.P.S NARANG  
Chief Financial Officer

SAMIR THAPAR  
Chairman & Managing Director

**AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To,  
The Members of JCT Limited

We have examined the compliance of conditions of Corporate Governance by JCT Limited, for the 6 month period ended 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with relevant Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with 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 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.

We further state that 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  
Firm Registration No. 000346N

Place : New Delhi  
Date : 12<sup>th</sup> August, 2014

SANJIV GUPTA  
Partner  
Membership No.083364



## INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF JCT LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of JCT Limited (the "Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit & Loss and Cash Flow Statement for the six months period then ended and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Sub-section (3C) of Section 211 of "the Companies Act, 1956" (the "Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by

management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit & Loss, of the profit for the period ended on that date; and
- (c) in the case of Cash Flow Statement, of the cash flows for the period ended on that date.

### Emphasis of Matter

We draw attention to the following notes in the financial statements:

- i. Note No. 5.2; Non provision of yield protection of Rs. 1,622.36 lakhs payable on unpaid amount of Foreign Currency Convertible Bonds (FCCBs) for the reasons stated therein and likely impact of winding up petition filed by the FCCB Trustee for non payment of dues of US\$ 15.00 million equivalent to Rs. 9,071.91 lakhs since 08.04.2011, capital gain on settlement of US\$ 12.93 million FCCBs liability of Rs. 5,082.50 lakhs has been directly credited to Reserves and Surplus as Capital Reserve based on legal opinion obtained by the management instead of taking to the Statement of Profit & Loss.
- ii. Note No. 5.3(b); Delays including clearance of cheques to depositors of Rs. 328.46 lakhs as at 31.03.2014 under Section 58A of the Companies Act, 1956.
- iii. Note No. 31.7; Accumulated losses have resulted in erosion of substantial net worth of the Company. However, the financial statements have been prepared on going concern basis on the grounds as disclosed in the Note No. 31.7.
- iv. Note No. 31.10; Non-confirmation/reconciliation of certain balances in trade receivables, advances and trade payables of the Company.

Our opinion is not qualified in respect of these matters.



Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order, 2003' ("the Order"), issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards notified under the Act read with the General Circular No.15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
- e. On the basis of the written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the director is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Act.

For S.P Chopra & CO.  
Chartered Accountants  
Firm Registration No.000346N

SANJIV GUPTA

Partner

Place: New Delhi  
Date : 30<sup>th</sup> May, 2014

M. No. 83364

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

(REFERRED TO IN PARAGRAPH 1 UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION 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 the fixed assets.
  - b. As explained to us, the fixed assets have been physically verified by the management during the period 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. Fixed assets disposed off during the period were not substantial, and therefore, do not affect the going concern assumption.
- 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 period. 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, to/from 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 control system.
- 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 there under, with regard to the deposits accepted from the public except delays including clearance of cheques of Rs. 328.46 lakhs as at 31<sup>st</sup> March, 2014 issued to depositors in respect of repayment of deposits. 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 on the Company in respect of the aforesaid deposits.
- 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 with a view to determine whether they are accurate or complete.
- 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 at 31st March, 2014 for a period of more than six months from the date they became payable.
- b. The disputed statutory dues aggregating to Rs. 5,976.16 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 (₹ in lakhs)          |
|---------|---|--------------------|---|------------------------------|
| 1.      | Central Excise Act                                    | Excise Duty        | Upto Commissioner's Level<br>CESTAT<br>Tribunal | 445.81<br>1682.70<br>1979.19 |
| 2.      | Central Sales Tax and Sales Tax Act of various states | Sales Tax          | Upto AETC Tribunal<br>Supreme Court             | 447.33<br>1183.98<br>51.10   |
| 3.      | Customs Duty Act, 1962                                | Customs Duty       | Commissioner of Customs                         | 186.05                       |
|         |   |                    | TOTAL:  | 5976.16                      |
- x) In our opinion, the accumulated losses of the Company as at 31<sup>st</sup> March, 2014 are more than fifty percent of its net worth. However, the Company has not incurred cash losses during the current financial period and in the immediately preceding financial period.
- xi) Based on our audit procedures and according to the information and explanations given to us, the Company has defaulted in repayment of US\$ 15.00 million equivalent to Rs. 9,071.91 lakhs to Foreign Currency Convertible Bond (FCCBs) holders since 08.04.2011. During the period, the Company has settled US\$ 12.93 million FCCBs by issue of 11,59,54,059 equity shares of Rs. 2.50 each at par aggregating to Rs. 2,898.86 lakhs and capital gain on such settlement of Rs. 5,082.50 lakhs has been directly credited to Reserves & Surplus as Capital Reserve based on legal opinion obtained by the management instead of taking it to Statement of Profit & Loss and redemption premium of US\$ 2.57 million equivalent to Rs. 1,641.52 lakhs has been written back and added to share premium account.
- 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 a guarantee for a loan taken by another body corporate from a financial institution during the earlier year. 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 and according to the information and explanations given to us, the Company has not availed any term loan during the period.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
- xviii) The Company has made preferential allotment of shares to some parties and no shares are allotted to any company covered in the Register maintained under Section 301 of the Companies Act, 1956. During the period, the Company allotted 11,59,54,059 equity shares at par @ Rs. 2.50 per share aggregating to Rs. 2,898.86 lakhs, to Foreign Currency Convertible Bonds (FCCBs) holders in settlement of FCCBs liability of US\$ 12.93 million on preferential basis. Such allotment of equity shares at par is not prejudicial to the interests of the Company.
- xix) The Company has not issued any debentures during the period hence the issue of creation of charge or security does not arise.
- xx) The Company has not raised any money by way of public issues during the period.
- xxi) In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For S.P Chopra & CO.  
Chartered Accountants  
Firm Registration No.000346N

SANJIV GUPTA

Partner

M. No. 83364

Place : New Delhi  
Date : 30<sup>th</sup> May, 2014



JCT LIMITED

**BALANCE SHEET**  
AS AT 31<sup>st</sup> MARCH, 2014

(Rs. in Lakhs)

	Note No.	As at 31.03.2014		As at 30.09.2013	
<b><u>EQUITY AND LIABILITIES</u></b>					
Shareholders' Funds					
Share Capital	3	16,319.82		13,420.96	
Reserves & Surplus	4	(6,114.01)	10,205.81	(13,234.09)	186.87
Non-current liabilities					
Long-term Borrowings	5	17,265.07		18,562.53	
Other Long-term Liabilities	6	2,403.73		2,422.30	
Long-term Provisions	7	3,836.05	23,504.85	3,890.54	24,875.37
Current liabilities					
Short-term Borrowings	8	5,176.76		5,108.57	
Trade Payables	9	12,711.95		10,150.76	
Other Current Liabilities	10	18,500.57		28,948.51	
Short-term Provisions	11	655.80	37,045.08	581.16	44,789.00
Total			<u>70,755.74</u>		<u>69,851.24</u>
<b><u>ASSETS</u></b>					
Non-current assets					
Fixed Assets					
Tangible Assets	12	39,705.05		41,298.03	
Intangible Assets		55.44		71.16	
Capital Work-in-Progress		446.34		246.68	
		<u>40,206.83</u>		<u>41,615.87</u>	
Non-Current Investments	13	3,668.98		2,790.52	
Long-term Loans and Advances	14	688.62	44,564.43	700.99	45,107.38
Current assets					
Current Investments	15	₹		1,036.66	
Inventories	16	13,606.26		11,801.42	
Trade Receivables	17	6,723.18		5,652.10	
Cash and Bank Balances	18	655.07		1,318.60	
Short-term Loans and Advances	19	3,554.92		3,469.65	
Other Current Assets	20	1,651.88	26,191.31	1,465.43	24,743.86
Total			<u>70,755.74</u>		<u>69,851.24</u>
Significant accounting policies	2				
Accompanying notes form an integral part of the financial statements.					

V K Singhal  
Controller of Finance & Accounts

M P S Narang  
Chief Financial Officer

Nidhi Goel  
Company Secretary

Samir Thapar  
Chairman & Managing Director

As per our Report of even date attached  
S. P. CHOPRA & CO.  
Chartered Accountants  
Firm Registration No.000346N

Directors

G B Kathuria  
C M Bhanot  
A K Doshi  
S K Singhala  
Priya Thapar

Place : New Delhi  
Dated : 30<sup>th</sup> May, 2014

SANJIV GUPTA  
Partner  
Membership No. 83364



JCT LIMITED

**STATEMENT OF PROFIT & LOSS**  
FOR THE PERIOD ENDED 31<sup>st</sup> MARCH, 2014

(Rs. in Lakhs)

	Note No.	Current period (Six months)	Previous Period (Eighteen Months)
I. Revenue from operations (Gross)	21	49,223.88	132,643.55
Less: Excise Duty		<u>(1,998.04)</u>	<u>(5,846.14)</u>
126,797.41		47,225.84	126,797.41
II. Other Income	22	<u>482.28</u>	<u>1,635.89</u>
III. Total Revenue (I + II)		<u>47,708.12</u>	<u>128,433.30</u>
IV. EXPENSES:			
Cost of materials consumed	23	27,684.09	71,089.79
Other manufacturing expenses	24	8,578.42	26,198.07
Changes in inventories of finished goods and stock-in-process	25	(1,302.07)	1,002.39
Employee benefits expense	26	5,520.62	14,438.74
Finance costs	27	1,706.21	5,294.73
Depreciation and amortisation expense	28	1,656.49	7,391.60
Other expenses	29	<u>3,562.31</u>	<u>9,417.25</u>
Total Expenses		<u>47,406.07</u>	<u>134,832.57</u>
V. Profit/(Loss) before exceptional items and tax (III-IV)		302.05	(6,399.27)
VI. Exceptional items :			
(Loss) on Settlement of Secured lenders' sacrifice under Corporate Debt Restructuring Scheme of interest		₹	<u>(1,622.00)</u>
VII. Profit/(Loss) for the period from continuing operations before tax (V+VI)		302.05	(8,021.27)
VIII. Tax expense			
Income Tax - adjustments relating to previous years		<u>82.79</u>	<u>(82.00)</u>
IX. Profit/(Loss) for the period from continuing operations (VII+VIII)		384.84	(8,103.27)
X. (Loss) for the period from discontinuing operations	31.9.2	<u>(51.08)</u>	<u>(673.59)</u>
XI. Profit/(Loss) for the period after tax transferred to Reserves & Surplus (IX+X)		<u>333.76</u>	<u>(8,776.86)</u>
XII. Earning/(Loss) per share before exceptional items - in Rs.	31.16		
- Basic		0.07	(1.72)
- Diluted		0.06	(1.47)
Earning/(Loss) per share after exceptional items - in Rs.	31.16		
- Basic		0.07	(2.32)
- Diluted		<u>0.06</u>	<u>(1.99)</u>
Significant accounting policies	2		
Accompanying notes form an integral part of the financial statements.	30-32		

V K Singhal  
Controller of Finance & Accounts

M P S Narang  
Chief Financial Officer

Nidhi Goel  
Company Secretary

Samir Thapar  
Chairman & Managing Director

As per our Report of even date attached  
S. P. CHOPRA & CO.  
Chartered Accountants  
Firm Registration No.000346N

Directors  
G B Kathuria  
C M Bhanot  
A K Doshi  
S K Singhala  
Priya Thapar

Place : New Delhi  
Dated : 30<sup>th</sup> May, 2014

SANJIV GUPTA  
Partner  
Membership No. 83364



**CASH FLOW STATEMENT**  
FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2014

(Rs. in Lakhs)

	Period ended 31.03.2014	Period ended 30.09.2013
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax and exceptional items as per Statement of Profit and Loss	302.05	(6,399.27)
Adjustments for:		
Depreciation and Amortisation expense	1656.49	7,391.60
Provision for other than temporary diminution in value of investments	6.38	342.12
Fixed Assets written off	3.8	16.38
Provision for advances etc.	58.3	421.50
Bad debts written off	0.17	61.82
Liabilities/provisions no longer required, written back	(100.10)	(1,025.64)
Depreciation excess provided in earlier years written back (net)	ñ	ñ
Finance costs	1706.21	5,294.73
Interest Income	(242.90)	(231.49)
Dividend from current Investments	(0.03)	(9.39)
(Loss)/Profit on sale of current investments	2.95	(425.25)
Profit on sale of fixed assets (net)	(0.25)	(179.10)
Exchange fluctuation gain/(loss) (net)	(36.70)	183.69
	3,054.32	11,840.97
Operating cash profit before exceptional items and working capital changes	3,356.37	5,441.70
Adjustments for working capital changes:		
(Increase)/Decrease in Inventories	(1,804.84)	1,041.99
(Increase) in Trade and Other receivables	(1,476.76)	(2,093.27)
Increase/(Decrease) in Trade payables, Other liabilities and provisions	(7873.58)	1,776.20
	(11,155.18)	724.92
Cash Inflow from Operations	(7,798.81)	6,166.62
Income tax paid	159.63	(47.10)
Cash Inflow from Operating Activities before exceptional items	(7,639.18)	6,119.52
Adjustments for exceptional item:		
(Loss) from discontinuing operations (Refer Note 31.9.3)	(50.90)	(652.75)
Net Cash Inflow from Operating Activities	(7,690.08)	5,466.77

**JCT LIMITED**

	(Rs. in Lakhs)	
	Period ended 31.03.2014	Period ended 30.09.2013
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets including capital work in progress	(802.24)	(3,735.81)
Sale of fixed assets	544.41	699.54
Sale/ proceeds from investments (net of provision for diminution)	148.87	440.25
Interest Income	237.61	258.43
Dividend on current investments	0.03	9.39
Net Cash Outflow in Investing Activities	128.68	(2,328.20)
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Equity Shares	2898.86	1,022.00
Capital Gain on settlement of FCCB's liability	5082.5	ñ
Premium on settlement of FCCB's	1641.52	ñ
Exchange fluctuations in premium on unpaid FCCB's	68.95	ñ
Proceeds/(Repayment) from/of Secured long term borrowings	(1054.69)	5,688.16
Proceeds from Unsecured long term borrowings	(242.77)	323.71
(Repayment)/Proceeds of/from Secured short term borrowings	76.59	(2,911.56)
(Repayment)/Proceeds of/from Unsecured short term borrowings	(8.40)	(413.94)
Exchange fluctuations loss (net)	36.70	(183.69)
Finance costs	(1617.70)	(5,467.99)
Cash Outflow in Financing Activities before exceptional item:	6,881.56	(1,943.31)
Adjustments for exceptional items:		
Loss on settlement of Secured lenders' sacrifice under Corporate Debt Restructuring Scheme	-	(600.00)
Net Cash Outflow in Financing Activities	6,881.56	(2,543.31)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(679.84)	595.26
Add: Cash and Cash Equivalents at the beginning of the period	880.82	285.56
<b>CASH AND CASH EQUIVALENTS AT THE CLOSING OF THE PERIOD (Refer Note 18(i))</b>	<b>200.98</b>	<b>880.82</b>
Accompanying notes from an integral part of the financial statements		

V K Singhal  
Controller of Finance & Accounts

M P S Narang  
Chief Financial Officer

Nidhi Goel  
Company Secretary

Samir Thapar  
Chairman & Managing Director

As per our Report of even date attached  
S. P. CHOPRA & CO.  
Chartered Accountants  
Firm Registration No.000346N

Directors

G B Kathuria  
C M Bhanot  
A K Doshi  
S K Singhala  
Priya Thapar

Place : New Delhi  
Dated : 30<sup>th</sup> May, 2014

SANJIV GUPTA  
Partner  
Membership No. 83364



## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2014

### 1. GENERAL INFORMATION

JCT Limited (the Company) is primarily a manufacturer of cloth and nylon filament yarn. The Company's manufacturing facilities are located at Phagwara and Hoshiarpur.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1. 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 read together with Companies Act, 2013 to the extent applicable, except for certain fixed assets which have been revalued in earlier years.

#### 2.2. 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 and disclosure of contingent liabilities at 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.

#### 2.3. 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.
- (d) Leasehold improvements are amortised over the primary period of lease.

#### 2.4. Intangible asset

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

#### 2.5. 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 a decline, other than temporary, in the carrying value of such investments. Current investments are stated at the lower of cost or quoted price.

#### 2.6. 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 stock in process 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.

#### 2.7. 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, Buildings and Data processing equipments 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 period, depreciation is provided upto the month prior to the date of sale/ discarding.

#### 2.8. 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 Statement of Profit & Loss 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.

#### 2.9. 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 Statement of Profit & Loss. 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 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.

#### 2.10. Revenue Recognition

- a) Sales Revenue from sale of products is recognised on transfer of the significant risks and rewards of ownership of the goods to the buyer and it is reasonable to expect ultimate collection. Sales revenue 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. Sale of Certified Emission Reduction (CER) is recognised as income on the generation of CER.
- b) Export benefit entitlements under the duty entitlement pass book (DEPB) scheme are recognised in the Statement of Profit & Loss 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.
- c) 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 it is not accounted for as revenue.
- d) 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.

#### 2.11. 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.

#### 2.12. Employee Benefits

- (i) Gratuity to employees is provided for on the basis of actuarial valuation on projected unit credit method at balance sheet date and is managed by a Trust. The deficit if any between the actuarial liability and plan assets is recognised/provided at the year end.
- (ii) Earned Leave which is encashable is considered as long term benefit and is provided on the basis of actuarial valuation on projected unit credit method at balance sheet date.
- (iii) Liability towards Provident Fund is funded through a separate Trust and contributions thereon are made to the Trust.
- (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.



## JCT LIMITED

		(Rs.in lakhs)			
	Note No.	As at 31.03.2014	As at 30.09.2013		
<b>3. SHARE CAPITAL</b>					
Authorised:					
60,00,00,000 Equity Shares of Rs. 2.50 each		15,000.00	15,000.00		
50,00,000 Redeemable Preference Shares of Rs. 100 each		<u>5,000.00</u>	<u>5,000.00</u>		
		<u>20,000.00</u>	<u>20,000.00</u>		
Issued, Subscribed and Fully paid up:					
55,67,92,649 (44,08,38,590) Equity Shares of Rs. 2.50 each	3.1 & 3.2	13,919.82	11,020.96		
24,00,000 Optionally Partially Convertible Preference Shares (OPCPS) of Rs. 100 each (net of redemption)	3.3 & 3.4	<u>2,400.00</u>	<u>2,400.00</u>		
<b>TOTAL</b>		<u>16,319.82</u>	<u>13,420.96</u>		
3.1 During the period, the Company allotted 11,59,54,059 equity shares at par @ Rs.2.50 per share aggregating to Rs. 2,898.86 lakhs to Foreign Currency Convertible Bond holders in settlement of Foreign currency Convertible Bonds (FCCBs) liability of US\$ 12.93 million on preferential basis with a lock in period of 1 year. Out of such shares so allotted, 4,41,95,092 equity shares shall be dematerialised on receipt of post allotment listing approval from Bombay Stock Exchange Limited.					
3.2 In the previous period ended 30.09.2013, the Company allotted 8,17,60,000 equity shares at par @ Rs.2.50 per share aggregating to Rs. 2,044 lakhs (Rs. 1,022 lakhs each to a related Company and to secured lending bankers) on preferential basis with a lock in period of 1 year w.e.f. 30.05.2013 in terms of the Corporate Debt Restructuring (CDR) Scheme.					
3.3 10,00,000 OPCPS of Rs. 1,000 lakhs are redeemable on 31.12.2016 (date extended from 31.12.2011). 20% of the face value is optionally convertible into equity shares during the currency of OPCPS. They are neither entitled to dividend nor carry any voting right.					
3.4 14,00,000 OPCPS of Rs. 1,400 lakhs are redeemable on 26.12.2015 (date extended from 26.12.2010) with the option to convert before that the whole amount into equity shares at a rate to be determined and as permissible under the SEBI guidelines. They are neither entitled to dividend nor carry any voting right.					
3.5 Reconciliation of Shares Outstanding					
Particulars		As at 31.03.2014		As at 30.09.2013	
		No. of shares	Rs. in Lakhs	No. of shares	Rs. in Lakhs
<b>Equity Shares</b>					
At the beginning of the period		440,838,590	11,020.96	359,078,590	8,976.96
Issued, Subscribed and Fully paid up: (Refer note no. 3.1) (Previous period: Refer note no. 3.2)		<u>115,954,059</u>	<u>2,898.86</u>	<u>81,760,000</u>	<u>2,044.00</u>
At the end of the period		<u>556,792,649</u>	<u>13,919.82</u>	<u>440,838,590</u>	<u>11,020.96</u>
<b>OPCPS</b>					
At the beginning of the period		<u>2,400,000</u>	<u>2,400.00</u>	<u>2,400,000</u>	<u>2,400.00</u>
At the end of the period		<u>2,400,000</u>	<u>2,400.00</u>	<u>2,400,000</u>	<u>2,400.00</u>
3.6 Details of Shareholders holding more than 5% shares:					
Name of the Shareholder		As at 31.03.2014		As at 30.09.2013	
		No. of Shares	% held	No. of Shares	% held
<b>Equity Shares</b>					
Provestment Securities Private Limited		132,094,334	23.72	132,094,334	29.96
KCT Textiles Limited		90,545,111	16.26	90,545,111	20.54
ELM Park Fund Limited, Mauritius		53,819,225	9.67	ñ	ñ
Musk Holdings Limited, Mauritius		<u>44,195,092</u>	<u>7.94</u>	ñ	ñ
<b>OPCPS</b>					
Provestment Securities Private Limited		1,000,000	41.67	1,000,000	41.67
Alport Limited		<u>1,400,000</u>	<u>58.33</u>	<u>1,400,000</u>	<u>58.33</u>



## JCT LIMITED

### 4. RESERVES & SURPLUS (Rs.in lakhs)

	Note No.	As at 31.03.2014		As at 30.09.2013	
Capital Redemption Reserve					
As per last account			165.44		165.44
Share Premium Account					
As per last account		5,558.25		6,165.64	
Add: Premium on settlement of Foreign Currency Convertible Bonds (FCCBs) written back	4.1	1,641.52		ñ	
Add: Exchange fluctuation on premium on unpaid FCCBs	4.2	68.95	7,268.72	(607.39)	5,558.25
Debenture Redemption Reserve					
As per last account			2,045.76		2,045.76
Capital Reserve					
Add: Capital gain on settlement of FCCBs liability	5.2		5,082.50		ñ
Revaluation Reserve					
As per last account		4,792.15		4,844.06	
Less: Adjusted on sale of assets		ñ		(31.96)	
Less: Transferred to depreciation	28	(6.65)	4,785.50	(19.95)	4,792.15
Surplus					
Debit balance in Statement of Profit & Loss					
As per last account		(25,795.69)		(17,018.83)	
Add: Profit/(Loss) for the period		333.76	(25,461.93)	(8,776.86)	(25,795.69)
TOTAL			(6,114.01)		(13,234.09)

4.1 During the period, the Company settled FCCBs of US \$ 12.93 million by issue of equity shares (Refer note 3.1). Premium of Rs. 1,641.52 lakhs payable on such redemption has been written back and added to share premium account.

4.2 Redemption premium of US\$ 2.51 million (Previous period: US\$ 5.08 million) equivalent to Rs. 1,133.90 lakhs (Previous period: Rs. 2,294.92 lakhs) provided in share premium account on matured 2.5% FCCB of US\$ 12.49 millions (Previous period: US\$ 25.42 millions) in the earlier years has been reinstated at Rs. 1,516.71 lakhs (Previous period: Rs. 3,227.18 lakhs) and the resultant exchange fluctuation of Rs. 68.95 lakhs thereon has been adjusted in the share premium account.

### 5. LONG TERM BORROWINGS (Rs.in lakhs)

	Note No.	As at 31.03.2014		As at 30.09.2013	
		Current	Non-current	Current	Non-current
(a) Secured					
Term Loans from:					
- Banks	5.1.1	2,603.99	16,315.61	2,240.57	17,370.30
- Others	5.1.2	0.46	ñ	2.23	ñ
		2,604.45	16,315.61	2,242.80	17,370.30
(b) Unsecured					
Fixed Deposits from Public	5.3(b)	389.38	371.46	317.58	614.23
Foreign Currency Convertible Bonds (FCCBs) (including premium payable on redemption of Rs. 1,516.71 lakhs, Previous period: Rs. 3,227.18 lakhs)	5.2	9,071.91	ñ	19,302.79	ñ
Interest free loan from a related Company		ñ	578.00	ñ	578.00
		9,461.29	949.46	19,620.37	1,192.23
Total (a + b)		12,065.74	17,265.07	21,863.17	18,562.53
Less: Amount disclosed under iOther Current Liabilities†	10	(12,065.74)	ñ	(21,863.17)	ñ
NET AMOUNT		ñ	17,265.07	ñ	18,562.53



## 5.1 Nature of Security:

### 5.1.1 Term Loans from Banks :

- a. Rs.14,522.08 lakhs (Previous period: Rs. 15,149.61 lakhs) and interest accrued & due of Rs. 175.26 lakhs (Previous period: Rs. 112.76 lakhs) Secured by hypothecation of all the moveable properties including plant & machinery and accessories etc. (both present & future) and also equitable mortgage, by deposit of title deeds, of all the immoveable properties (both present & future) including land, factory buildings, structures, erections, constructions and/or further constructions to be made thereon pertaining to Textile and Filament Units. Further, these loans are additionally secured by the personal guarantees of Chairman and Managing Director and Sh. M.M.Thapar. Term loans from Allahabad Bank are additionally secured by first charge by way of an equitable mortgage over the land admeasuring around 9 acres and structures thereon at Phagwara.
- b. Rs. 934.76 lakhs (Previous period: Rs. 918.82 lakhs) and interest accrued & due of Rs. 9.55 lakhs (Previous period : Rs.5.78 lakhs) Secured by hypothecation of specific plant & machinery and the personal guarantees of Chairman and Managing Director and Sh. M.M.Thapar.
- c. Working capital term loans- Rs. 3,436.31 lakhs (Previous period: Rs. 3,520.78 lakhs) and interest accrued & due of Rs. 40.47 lakhs (Previous period: Rs. 24.51 lakhs) Secured by first charge ranking pari-passu inter-se amongst member banks on all the stocks of raw materials, stock in process, semi-finished and finished goods, stores & spares, bills receivable and books debts and all other moveables current assets both present and future pertaining to Company's Textile and Filament Units. These are also secured by second charge over the fixed assets pertaining to abovesaid Units and by personal guarantees of Chairman and Managing Director and Shri M M Thapar. Working capital term loans from Allahabad Bank are additionally secured by first charge by way of an equitable mortgage over the land admeasuring around 9 acres and structures thereon at Phagwara.
- d. Rs. 26.45 lakhs (Previous period Rs. 21.66 lakhs) Secured against hypothecation of specific vehicles.

### 5.1.2 Term Loans from Others :

Rs. 0.46 lakhs (Previous period: Rs. 2.23 lakhs) Secured against hypothecation of specific vehicles etc.

- 5.1.3 Securities specified above in respect of term loans, working capital term loans and funded interest on term loans approved in the previous period under the Corporate Debt Restructuring (CDR) Scheme have already been modified in terms of the Master Restructuring Agreement and other agreements executed on 18.01.2013. However, charge has not been filed due to restraint order of the Hon'ble High Court of Punjab & Haryana at Chandigarh. (refer note 31.8)

## 5.2 Default in repayment of FCCBs (included under current maturities as on 31.03.2014 in note no.10)

	(Rs.in lakhs)	
	As at 31.03.2014	As at 30.09.2013
FCCBs (including premium payable on redemption)	9,071.91	19,302.79

"The Company raised US\$ 30 million through issue of unsecured Foreign Currency Convertible Bonds (FCCBs) on 08.04.2006 to part finance the capital expenditure. FCCBs of US\$ 4.58 million were converted into equity shares during the tenure and US\$ 12.93 million were settled by issue of equity shares during the period ended 31.03.2014. The balance outstanding of US\$ 12.49 million (equivalent to Rs. 7,555.20 lakhs) alongwith premium of 20.075% (US\$ 2.51 million equivalent to Rs. 1,516.71 lakhs) became due for redemption on 08.04.2011. The Company has not been able to redeem such matured FCCBs due to paucity of cash



funds. Further, provision of Rs. 1,622.36 lakhs towards yield protection on the unpaid amount is not considered necessary as this will not be payable once the restructuring/settlement of FCCBs is completed.ii)The Bank of New York, trustees of the FCCBs, filed a winding up petition in the Hon'ble High Court of Punjab & Haryana on 29th September, 2012, on behalf of the FCCBs holders, which is pending for disposal. During the period, the Company has settled US\$ 12.93 million FCCBs by issue of 115,954,059 equity shares of Rs. 2.50 each at par. Based on legal opinion, the capital gain of Rs. 5,082.50 lakhs has been shown in Capital Reserve under 'Reserves & Surplus.ii)Other bondholders of FCCBs are pursuing the matter in the court for winding up of the Company for non payment of the dues. The Company has been advised that the merit of the case do not warrant winding up.

5.3 Maturity profile of the long term borrowings (Rs.in lakhs)

(a) Term Loan from Banks		Year of maturity					Total
Name of Bank	Interest Rate%	2015-16	2016-17	2017-18	2018-19 onwards		
Allahabad Bank	BR+1.25	1,866.91	1,286.22	1,126.86	2,867.73	7,147.72	
Punjab National Bank	BR+1.25	939.75	675.33	607.56	1,412.72	3,635.36	
State Bank of India	BR+1.25	773.88	731.75	549.00	1,438.00	3,492.63	
State Bank of Patiala	BR+1.25	446.79	278.88	270.71	798.97	1,795.35	
State Bank of Travencore	BR+1.25	38.27	9.51	ñ	ñ	47.78	
Bank of Baroda	BR+1.25	91.20	67.33	ñ	ñ	158.53	
Punjab & Sind Bank	BR+1.25	20.79	5.17	ñ	ñ	25.96	
ICICI Bank Ltd.-Car loans	Fixed EMI	6.95	5.01	ñ	ñ	11.96	
HDFC Bank Ltd.-Car loans	Fixed EMI	0.32	ñ	ñ	ñ	0.32	
		4,184.86	3,059.20	2,554.13	6,517.42	16,315.61	

(b) Fixed Deposits From Public 12.00 371.46 ñ ñ ñ 371.46

Status of Fixed deposits as at 31st March, 2014

Since 01.10.2012 the Company is not accepting and renewing public deposits u/s 58A of the Companies Act, 1956 and repaying the existing deposits as and when they became due and claimed. However during the period, there have been some delays including of clearance of cheques aggregating to Rs. 328.46 lakhs as at 31st March, 2014 which have since been cleared.

6. OTHER LONG TERM LIABILITIES (Rs.in lakhs)

	Note No.	As at 31.03.2014	As at 30.09.2013
Interest accrued but not due on Public fixed deposits		48.08	63.97
Security Deposits	6.1	2,355.65	2,358.33
<b>TOTAL</b>		<u>2,403.73</u>	<u>2,422.30</u>

6.1 Security deposits includes Rs. 1,948 lakhs (Previous period:Rs. 1,948 lakhs) against 'Leave & License' of certain properties with licensees' option to buy at an agreed price in which eventuality the security deposit would be adjusted against the sale proceeds.

7. LONG TERM PROVISIONS (Rs.in lakhs)

	Note No.	As at 31.03.2014	As at 30.09.2013
Provision for employee benefits towards gratuity and leave encashment		3,189.55	3,244.04
Provision against termination of agreements for sale of land		646.50	646.50
<b>TOTAL</b>		<u>3,836.05</u>	<u>3,890.54</u>





## 8. SHORT-TERM BORROWINGS

(a) Secured			
ñ Working Capital Loans from Banks	8.1	4,684.34	4,607.75
		<u>4,684.34</u>	<u>4,607.75</u>
(b) Unsecured			
ñ Book overdraft		492.42	500.82
		<u>492.42</u>	<u>500.82</u>
TOTAL (a+b)		<u>5,176.76</u>	<u>5,108.57</u>

8.1 Secured Working Capital Loans have been taken from consortium of scheduled banks and are secured by first charge ranking pari-passu inter-se amongst member banks on all the stocks of raw materials, stock in process, semi-finished and finished goods, stores & spares, bills receivable and books debts and all other moveables current assets both present and future pertaining to Company's Textile and Filament Units. These are also secured by second charge over the fixed assets pertaining to abovesaid Units and by personal guarantees of Chairman and Managing Director and Shri M M Thapar. Working capital loans from Allahabad Bank are additionally secured by first charge by way of an equitable mortgage over the land admeasuring around 9 acres and structures thereon at Phagwara. (Refer note 5.1.3 - for creation of charge).

## 9. TRADE PAYABLES

(Rs.in lakhs)

	Note No.	As at 31.03.2014	As at 30.09.2013
Acceptances under letter of credit		4,395.70	4,216.36
Others		8,316.25	5,934.40
TOTAL		<u>12,711.95</u>	<u>10,150.76</u>

9.1 There is no amount outstanding to suppliers under Micro, Small and Medium Enterprises Development Act, 2006 based on available information with the Company.

## 10. OTHER CURRENT LIABILITIES

(Rs.in lakhs)

	Note No.	As at 31.03.2014	As at 30.09.2013
Current maturities of Long-term borrowings	5.2	12,065.74	21,863.17
Interest accrued but not due on Public fixed deposits		71.40	62.01
Interest accrued but not due on other borrowings		0.74	3.85
Interest accrued and due on secured borrowings	5.1.1	225.28	143.05
Remuneration payable to wholetime directors		11.15	1.47
Unclaimed fixed deposits and Interest thereon	10.1	83.87	102.32
Unclaimed Preference shares		3.83	3.83
Security and other deposits		4.96	15.73
Statutory liabilities		561.31	879.57
Advance from customers		1,101.49	1,503.66
Accrued expenses		3,406.81	3,826.31
Other payables	10.2	963.99	543.54
TOTAL		<u>18,500.57</u>	<u>28,948.51</u>

10.1 There is no amount due and outstanding to be credited to Investors Education & Protection Fund.

10.2 Includes for machinery and civil works Rs. 42.57 lakhs (Previous period : Rs. 31.61 lakhs)



11. SHORT TERM PROVISIONS

(Rs.in lakhs)

	Note No.	As at 31.03.2014	As at 30.09.2013
Provision for employee benefits towards gratuity, leave encashment and superannuation		655.80	581.16
<b>TOTAL</b>		<u>655.80</u>	<u>581.16</u>

12 FIXED ASSETS

(Rs.in lakhs)

	Gross Block				Depreciation & Amortisation				Net Block	
	As at 01.10.2013	Additions during the period	Sales/ disposal/ adjustment during the period	As at 31.03.2014	As at 01.10.2013	For the period	On sales/ disposal/ adjustment during the period	As at 31.03.2014	As at 31.03.2014	As at 30.09.2013
<b>(i) Tangible Assets</b>										
Land freehold (Refer Note 12.1(a) & (b))	15,052.68	ñ	ñ	15,052.68	ñ	ñ	ñ	ñ	15,052.68	15,052.68
Buildings (Refer Note 12.1(c) & 12.2(b))	11,255.21	23.20	49.72	11,228.69	4,083.10	141.75	ñ	4,224.85	7,003.84	7,172.11
Plant & Machinery (Refer Note 12.2(a) & (b))	74,179.58	487.66	495.50	74,171.74	55,606.91	1,448.60	5.46	57,050.05	17,121.69	18,572.67
Data processing equipment	490.02	24.79	4.68	510.13	396.84	14.52	3.07	408.29	101.84	93.18
Electric installation including gadgets	614.88	8.23	5.36	617.75	455.90	8.33	2.76	461.47	156.28	158.98
Tools & implements	52.43	0.24	0.88	51.79	46.58	0.68	0.78	46.48	5.31	5.85
Furniture & fixtures	407.54	26.39	2.65	431.28	323.12	10.63	1.46	332.29	98.99	84.42
Office Equipments	18.06	1.87	2.95	16.98	11.05	0.51	1.86	9.70	7.28	7.01
Vehicles	695.09	30.20	5.04	720.25	544.14	22.58	3.43	563.29	156.96	150.95
Leasehold Improvements	23.51	ñ	ñ	23.51	23.51	ñ	ñ	23.51	ñ	ñ
Scrap (value of discarded assets)	0.18	ñ	ñ	0.18	ñ	ñ	ñ	ñ	0.18	0.18
<b>Sub Total</b>	<b>102,789.18</b>	<b>602.58</b>	<b>566.78</b>	<b>102,824.98</b>	<b>61,491.15</b>	<b>1,647.60</b>	<b>18.82</b>	<b>63,119.93</b>	<b>39,705.05</b>	<b>41,298.03</b>
Capital Work in progress (Refer note 12.3)	246.68	732.94	533.28	446.34	ñ	ñ	ñ	ñ	446.34	246.68
<b>Current period's total</b>	<b>103,035.86</b>	<b>1,335.52</b>	<b>1,100.06</b>	<b>103,271.32</b>	<b>61,491.15</b>	<b>1,647.60</b>	<b>18.82</b>	<b>63,119.93</b>	<b>40,151.39</b>	<b>41,544.71</b>
<b>Previous period's total</b>	<b>100,638.88</b>	<b>4,109.70</b>	<b>1,712.72</b>	<b>103,035.86</b>	<b>54,805.86</b>	<b>7,377.77</b>	<b>692.48</b>	<b>61,491.15</b>	<b>41,544.71</b>	
<b>(ii) Intangible Assets (other than internally generated)</b>										
Computer Software	275.47	ñ	ñ	275.47	204.31	15.72	ñ	220.03	55.44	71.16
<b>Current period's total</b>	<b>275.47</b>	<b>ñ</b>	<b>ñ</b>	<b>275.47</b>	<b>204.31</b>	<b>15.72</b>	<b>ñ</b>	<b>220.03</b>	<b>55.44</b>	<b>71.16</b>
<b>Previous period's total</b>	<b>197.90</b>	<b>77.57</b>	<b>ñ</b>	<b>275.47</b>	<b>149.69</b>	<b>54.62</b>	<b>ñ</b>	<b>204.31</b>	<b>71.16</b>	

12.1 (a) The Company had revalued its certain freehold land held at Tehsil Phagwara on 01.04.2005 and the resultant revalued amount of Rs. 10,417.70 lakhs was substituted for the historical cost in the gross block of land, net block as at 31.03.2014 is Rs. 10,417.70 lakhs. (Previous period: Rs. 10,417.70 lakhs.)

(b) The Company had revalued its freehold land at Village Chohal, Hoshiarpur on 15.03.2010 and the resultant revalued amount of Rs. 4,403.91 lakhs was substituted for the historical cost in the gross block of land, net block as at 31.03.2014 is Rs. 4,326.35 lakhs (Previous period: Rs. 4,326.35 lakhs)

(c) The Company had revalued its building at Tehsil phagwara on 30.04.1985 and the resultant revalued amount of Rs. 738.41 lakhs was added to the historical cost in the gross block of building of Rs. 1,077.32 lakhs.

"The aforesaid revaluations were done based on reports of external valuers at replacement / market value which resulted in net increase of Rs. 15,560.02 lakhs (Previous period: Rs. 15,560.02 lakhs) in the gross block of fixed assets."

12.2 (a) Government grant of Rs. 416.54 lakhs received in 2008-09 was reduced against the cost of specific plant and machinery.

(b) The Company has continued to adjust the foreign currency exchange variation on amounts borrowed (FCCBs) for acquisition of fixed assets to the carrying cost of fixed assets as the related borrowings originated in the year 2006, which is in accordance with provision of the Company's Act 1956, read with notification of the Government of India. This has resulted in decrease in fixed assets by Rs. 539.05 lakhs (Previous period: increase of Rs. 2976.68 lakhs), with corresponding decrease (Previous period: increase) in FCCBs borrowing during the period.



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12.3 Capital work in progress includes under noted pre-operative expenditure pending allocation on commencement of commercial production:

	As at 01.10.2013	Less: Capitalised/ adjusted	(Rs.in lakhs) As at 31.03.2014
Legal & Professional fees	35.00	24.53	10.47
Travelling and conveyance	2.56	2.56	ñ
Total	<u>37.56</u>	<u>27.10</u>	<u>10.47</u>

13. NON CURRENT INVESTMENTS

	Note No.	No.	As at 31.03.2014	(Rs.in lakhs) As at No. 30.09.2013
(Other Investments)				
(a) In Equity Shares of Associate Company - Quoted, fully paid up				
JCT Electronics Ltd. of Rs. 1 each	13.1	10,631,900	562.55	10,631,900 562.55
Less: Provision for other than temporary diminution in value			(521.09)	(514.71)
			<u>41.46</u>	<u>47.84</u>
(b) In Equity Shares of Associate Company - Unquoted, fully paid up				
India International Airways Ltd. of Rs. 10 each		3,630,000	537.00	3,630,000 537.00
Less: Provision for other than temporary diminution in value			(537.00)	(537.00)
			<u>ñ</u>	<u>ñ</u>
(c) In Equity Shares of Other Companies - Unquoted, fully paid up				
Preeti Vanijya (P) Ltd. of Rs. 10 each		52,312	418.50	52,312 418.50
Nimbua Greenfield (Punjab) Ltd. of Rs. 10 each		28,125	2.81	28,125 2.81
The New India Cooperative Bank Ltd. of Rs. 10 each		3,260	0.33	3,260 0.33
Mynah Industries Ltd. of Rs. 10 each		4,000	0.40	4,000 0.40
Less: Provision for other than temporary diminution in value			(0.40)	(0.40)
Shivalik Video Communication Ltd. of Rs. 100 each		9,200	9.20	9,200 9.20
Less: Provision for other than temporary diminution in value		ñ	(9.20)	(9.20)
			<u>421.64</u>	<u>421.64</u>
(d) In Debentures of Associate Companies - Unquoted, fully paid up				
Optionally Convertible Zero Rate Debentures of Provestment Securities Pvt. Ltd. of Rs.40 each (Net of redemption)	13.2(a)	2,988,000	1,195.20	2,988,000 1,195.20
Less: Amount disclosed under the head "Current investments"			ñ	(597.60)
Optionally Convertible Zero Rate Debentures of KCT Textiles Ltd., of Rs. 70 each (Net of redemption)	13.2(b)	2,872,398	2,010.68	2,872,398 2,010.68
Less: Amount disclosed under the head "Current investments"			ñ	(287.24)
			<u>3,205.88</u>	<u>2,321.04</u>
Total Non Current Investments			3,668.98	2,790.52
Aggregate amount of quoted investments			41.46	47.84
Market Value of quoted investments			41.46	47.84
Aggregate amount of unquoted investments			4,174.12	4,174.12
Less: Aggregate provision for other than temporary diminution in value			(546.60)	(546.60)
Less: Amount disclosed under the head "Current investments"			ñ	(884.84)
Net amount of unquoted investments			<u>3,627.52</u>	<u>2,742.68</u>

13.1 In respect of the Company's investment in JCT Electronics Ltd.:

- The Company has given an undertaking to a financial institution and a 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.
- The Company has pledged 42,87,000 equity shares having a face value of Re. 1 each with a financial institution for financial facility availed by JCT Electronics Ltd.

13.2 In respect of the Optionally Convertible Zero Rate Debentures, the Company has given moratorium of 5 years on repayment and they are redeemable as under:

- Redeemable in two equal annual instalments starting from 31.03.2019 instead of 31.03.2014.
- Redeemable in seven equal annual instalments starting from 31.03.2019 instead of 31.03.2014.



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14. LONG TERM LOANS AND ADVANCES	(Rs.in lakhs)		
	Note No.	As at 31.03.2014	As at 30.09.2013
(Unsecured, considered good)			
Capital Advances		157.12	116.17
Security Deposits		338.61	300.25
Advance Tax/Tax deducted at source (Net of Provision)		86.29	163.13
Advances to employees		106.60	121.44
<b>TOTAL</b>		<b>688.62</b>	<b>700.99</b>
15. CURRENT INVESTMENTS	(Rs.in lakhs)		
	Note No.	As at 31.03.2014	As at 30.09.2013
(At Cost)			
(a) In Debentures of Associate Companies - Unquoted, fully paid up			
Optionally Convertible Zero Rate Debentures of Provestment Securities Pvt. Ltd. of Rs.40 each (Net of redemption)	13.2(a)	ñ	597.60
Optionally Convertible Zero Rate Debentures of KCT Textiles Ltd. of Rs. 70 each (Net of redemption)	13.2(b)	ñ	287.24
		ñ	884.84
(b) Equity Shares of Other Companies - Quoted, fully paid up			
Tata Steel Ltd. of Rs. 10 each		ñ	9      0.05
Cheslind Textiles Ltd. of Rs. 10 each		ñ	15,000      1.50
Indian Card Clothing Ltd. of Rs. 10 each		ñ	75      0.02
The Waterbase Ltd. of Rs. 10 each		ñ	1,450,000      145.00
		ñ	146.57
(c) Mutual funds - Quoted, fully paid up			
Units of UTI Balance Fund-Growth Plan of Rs. 10 each		ñ	8,516      5.25
		ñ	5.25
Total Current Investments		ñ	1,036.66
Aggregate amount of quoted investments		ñ	151.82
Market value of quoted investments		ñ	158.86
Aggregate amount of unquoted investments		ñ	884.84
16. INVENTORIES	(Rs.in lakhs)		
	Note No.	As at 31.03.2014	As at 30.09.2013
(Valued at lower of cost or net realisable value)			
Raw Materials	16.1	2,060.13	1,496.95
Raw Materials - in transit		281.35	458.45
Stock-in-Process		4,508.23	3,531.01
Loose stock awaiting packing		642.64	747.35
Finished Goods		3,764.43	3,360.64
Finished Goods - in transit		57.67	31.90
Stores and Spares		2,234.50	2,162.25
Stores and Spares - in transit		57.31	12.87
<b>TOTAL</b>		<b>13,606.26</b>	<b>11,801.42</b>



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16.1 Raw materials of Rs. 800.80 lakhs (Previous period: Rs. 102.45 lakhs) lying with outside parties/creditors.

### 17. TRADE RECEIVABLES (Rs. in Lakhs)

	Note No.	As at 31.03.2014	As at 30.09.2013
Outstanding for a period exceeding six months			
- Unsecured, considered good	477.32		162.03
- Unsecured, considered doubtful	159.50		141.07
Less: Provision for doubtful debts	<u>(159.50)</u>	477.32	<u>(141.07)</u> 162.03
Others (unsecured, considered good)		<u>6,245.86</u>	<u>5,490.07</u>
<b>TOTAL</b>		<u><b>6,723.18</b></u>	<u><b>5,652.10</b></u>

### 18. CASH AND BANK BALANCES

<b>(i) Cash and Cash Equivalents</b>			
- Balance with Banks		80.14	373.85
- Fixed Deposits		₹	350.00
- Cheques, draft on hand/ remittance in transit		97.25	142.66
- Cash on Hand		<u>23.59</u>	<u>14.31</u> 880.82
<b>(ii) Others :</b>			
- Balance with Banks	18.1	6.43	7.88
- Fixed Deposits held as Margin Money		447.47	429.71
- Post Office Savings Accounts (lodged as security)		<u>0.19</u>	<u>0.19</u> 437.78
<b>TOTAL</b>		<u><b>655.07</b></u>	<u><b>1,318.60</b></u>

18.1 Includes Rs. 3.85 lakhs (Previous period: Rs. 3.85 lakhs) earmarked for redemption of preference shares and Rs. 2.58 lakhs (Previous period: Rs. 4.03 lakhs) against employees' security deposits.

### 19. SHORT TERM LOANS AND ADVANCES (Rs. in Lakhs)

	Note No.	As at 31.03.2014	As at 30.09.2013
(Unsecured, considered good)			
Security Deposits		6.76	37.91
Others:			
- Unsecured, considered good	19.1	3,548.16	3,431.74
- Unsecured, considered doubtful		402.30	424.28
- Less: Provision for doubtful		<u>(402.30)</u>	<u>(424.28)</u> 3,431.74
<b>TOTAL</b>		<u><b>3,554.92</b></u>	<u><b>3,469.65</b></u>

19.1 Others comprise of advance against raw materials, stores and spares, prepaid expenses, excise duty recoverable, CENVAT recoverable etc.

### 20. OTHER CURRENT ASSETS (Rs. in Lakhs)

	Note No.	As at 31.03.2014	As at 30.09.2013
(Unsecured, considered good)			
Interest Subsidy under Technology Upgradation Fund Scheme		1,086.17	837.08
Interest accrued on deposits/advances		45.20	39.91
Land held for disposal	20.1	134.58	134.58
Others			
- Unsecured, considered good	20.2	385.93	453.86
- Unsecured, considered doubtful		2.30	35.79
- Less: Provision for doubtful		<u>(2.30)</u>	<u>(35.79)</u> 453.86
<b>TOTAL</b>		<u><b>1,651.88</b></u>	<u><b>1,465.43</b></u>



20.1 The Company had revalued its freehold land at Sriganganagar on 30.4.1985 and the resultant revalued amount of Rs. 134.58 lakhs was substituted for the historical cost in the gross block of land, net block as at 31.03.2014 is Rs. 134.58 lakhs (Previous period: Rs. 134.58 lakhs)

20.2 Others comprise receivables on account of export incentives, CER receivable, DEPB receivable, interest receivable, rent receivable, claims etc.

21. REVENUE FROM OPERATIONS		(Rs. in Lakhs)	
	Note No.	Current period (Six Months)	Previous Period (Eighteen Months)
Sale of Finished Goods (Gross)	30.1	47,062.69	127,012.78
Other operating revenues:			
- Export incentives/ duty draw back		339.72	959.90
- Sale of process waste/ scrap		533.59	1,966.40
- Sale of steam generated		1,287.88	2,704.47
<b>TOTAL</b>		<u>49,223.88</u>	<u>132,643.55</u>
<b>22. OTHER INCOME</b>			
Interest Income from:			
-Bank deposits	23.22		57.01
-Income tax refund	156.28		ñ
-Customers and others	63.40	242.90	174.48
Dividend from current investments		0.03	9.39
Profit on sale of fixed assets (net)		0.25	179.10
Liabilities/provisions no longer required written back		100.10	1,025.64
Exchange fluctuation gain/(loss) (net)		36.70	(183.69)
Rent		50.92	213.50
Other Miscellaneous Income		51.38	160.46
<b>TOTAL</b>		<u>482.28</u>	<u>1,635.89</u>
<b>23. COST OF MATERIALS CONSUMED</b>			
Raw material	30.2		
Opening Stock		1,394.50	1,693.93
Purchases		<u>23,206.27</u>	<u>59,082.71</u>
		24,600.77	60,776.64
Less: Adjustments on account of Vat/Modvat		3.71	(46.26)
Less : Closing Stock	16.1	<u>(1,259.33)</u>	<u>(1,394.50)</u>
		23,345.15	59,335.88
Other materials (dyes, chemicals, sizing and packing materials)			
Opening Stock		1,051.15	772.07
Purchases		4,484.25	12,159.10
		5,535.40	12,931.17
Less: Adjustments on account of Vat/Modvat		(181.03)	(126.11)
Less: Closing Stock		<u>(1,015.43)</u>	<u>(1,051.15)</u>
<b>TOTAL</b>		<u>4,338.94</u>	<u>11,753.91</u>
		27,684.09	71,089.79
<b>24. OTHER MANUFACTURING EXPENSES</b>			
Stores & Spares Consumed		331.87	944.74
Power & fuel		7,200.19	22,010.89
Repairs to and maintenance of buildings		68.63	201.22
Repairs to and maintenance of plant & machinery		666.83	2,136.22
Processing charges		167.35	560.16
Material handling charges		144.42	371.24
Excise Duty	24.1	(0.87)	(26.40)
<b>TOTAL</b>		<u>8,578.42</u>	<u>26,198.07</u>



24.1 Represents the difference between excise duty on opening and closing stock of finished goods.

25. CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-PROCESS (INCREASE)/DECREASE (Rs. in Lakhs)

	Note No.	Current period (Six Months)	Previous period (Eighteen Months)
Inventories at the end of the period			
Finished Goods		3,764.43	3,360.64
Finished Goods-in transit		57.67	31.90
Loose stock awaiting packing		642.64	747.35
Stock-in-process	30.4	<u>4,508.23</u>	<u>3,531.01</u>
		8,972.97	7,670.90
Inventories at the beginning of the period			
Finished Goods		3,360.64	3,765.35
Finished Goods-in transit		31.90	64.82
Loose stock awaiting packing		747.35	651.39
Stock-in-process		<u>3,531.01</u>	<u>4,191.73</u>
		7,670.90	8,673.29
TOTAL		<u>(1,302.07)</u>	<u>1,002.39</u>

26. EMPLOYEE BENEFITS EXPENSES

Salaries, wages, bonus, gratuity, allowances etc.		4,801.59	12,597.18
Contribution to Provident, superannuation and other funds		579.53	1,485.96
Workmen & staff welfare expenses		139.50	355.60
TOTAL		<u>5,520.62</u>	<u>14,438.74</u>

27. FINANCE COSTS

Interest Expense on:			
- Term Loans		756.66	1,914.34
- Public fixed deposits and inter-corporate deposits		56.31	302.77
- Borrowing from banks for working capital		280.68	991.25
- Credit from vendors etc.		447.52	1,444.70
Other borrowing costs		165.04	641.67
TOTAL		<u>1,706.21</u>	<u>5,294.73</u>

28. DEPRECIATION AND AMORTISATION EXPENSE

Depreciation for the period	12	1,647.60	7,377.77
Less: Transfer from revaluation reserve	4	(6.65)	(19.95)
Less: Transfer to discontinuing operations	31.9.3	<u>(0.18)</u>	<u>(20.84)</u>
Amortisation for the period	12	15.72	54.62
TOTAL		<u>1,656.49</u>	<u>7,391.60</u>

**JCT LIMITED**

29. OTHER EXPENSES			(Rs. in Lakhs)
	Note No.	Current period (Six Months)	Previous period (Eighteen Months)
Rent		113.96	315.77
Insurance		40.57	122.62
Rates & taxes		43.05	88.03
Directors' fee		6.20	14.00
Directors' remuneration		27.37	67.50
Legal and professional fees		368.42	659.26
Travelling and conveyance		170.22	356.37
Payment to Statutory Auditors			
- For Audit fee	9.00		27.00
- For Certification work	5.11		17.15
- For Reimbursement of expenses	1.74	15.85	3.46
		<u>15.85</u>	<u>47.61</u>
Bad debts written off	106.99		663.43
Less: Transfer from Provision for bad and doubtful debts	(106.82)	0.17	(601.61)
		<u>0.17</u>	<u>61.82</u>
Provision for advances etc.		58.30	421.50
Loss on sale of raw materials/stores (net)		16.19	2.39
Loss/(profit) on sale of current investments		2.95	(425.25)
Provision for other than temporary diminution in value of investments		6.38	342.12
Fixed Assets written off		3.80	16.38
Selling & publicity expenses		141.67	305.28
Commission to dealers/convassing agents		397.81	1,137.99
Freight & cartage (net of recovery)		437.26	1,150.05
Sales tax & octroi		989.79	2,789.44
Cash discount on sales		168.75	519.77
Loss on revaluation of carbon emission reduction credits		38.14	77.04
Miscellaneous expenses		515.46	1,347.56
TOTAL		<u>3,562.31</u>	<u>9,417.25</u>





30. Disclosures as per Revised Schedule VI with respect to Statement of Profit & Loss

30.1 Particulars of Sale of Finished Goods: (Rs. in lakhs)

Particulars	Period ended 31.03.2014 (Six Months)	Period ended 30.09.2013 (Eighteen Months)
Manufactured		
-Cloth	26,308.45	68,603.27
-Nylon filament Yarn	20,232.23	56,352.27
-Polyester/nylon Chips	83.52	1,324.58
-Others	438.49	732.66
TOTAL	47,062.69	127,012.78

30.2 Details of raw materials consumed: (Rs. in lakhs)

Particulars	Period ended 31.03.2014 (Six Months)	Period ended 30.09.2013 (Eighteen Months)
Cotton	6,838.95	16,529.89
Grey cloth	2,601.03	5,362.74
Synthetic fibre	906.58	2,064.17
Finished fabrics	130.24	372.87
Blended yarn	2,012.89	6,306.87
Caprolactum	10,376.43	27,273.63
Renol Chips	211.80	559.00
Nylon chips	204.31	482.71
Nylon POY & Others	62.92	384.00
TOTAL	23,345.15	59,335.88

30.3 Value of imported raw materials, spare parts and components (excluding stores) consumed and the value of indigenous raw materials, spare parts and components (excluding stores) similarly consumed and the percentage of each to the total consumption:

Particulars	Period ended 31.03.2014 (Six Months)		Period ended 30.09.2013 (Eighteen Months)	
	Amount	Percentage	Amount	Percentage
(a) Raw materials - imported	794.95	3.41	2,715.50	4.58
Raw materials - indigenous	22,550.20	96.59	56,620.38	95.42
Total	23,345.15	100.00	59,335.88	100.00
(b) Spare parts & Components- imported	169.52	21.74	499.49	21.81
Spare parts & Components- indigenous	610.22	78.26	1,790.41	78.19
Total	779.74	100.00	2,289.90	100.00

30.4 Details of Stock-in Process: (Rs. in lakhs)

Particulars	Period ended 31.03.2014 (Six Months)	Period ended 30.09.2013 (Eighteen Months)
Cotton/synthetic fabrics	3,866.72	2,828.44
Nylon filament yarn	320.21	268.65
Nylon Chips	321.30	433.92
TOTAL	4,508.23	3,531.01



30.5 Value of imports on CIF basis: (Rs. in lakhs)

Particulars	Period ended 31.03.2014 (Six Months)	Period ended 30.09.2013 (Eighteen Months)
Raw Materials	801.34	2,266.77
Components and spare parts etc.	347.27	1,497.63
Capital Goods	0.15	89.26
<b>Total</b>	<b>1,148.76</b>	<b>3,853.66</b>

30.6 Expenditure in foreign currency: (Rs. in lakhs)

Particulars	Period ended 31.03.2014 (Six Months)	Period ended 30.09.2013 (Eighteen Months)
Commission on export Sales	26.10	128.84
Rebate on export sales	13.48	ñ
Travelling	8.73	40.45
Professional Services	ñ	207.41
Others	16.19	48.26
<b>TOTAL</b>	<b>64.50</b>	<b>424.96</b>

30.7 Earnings in foreign currency: (Rs. in lakhs)

Particulars	Period ended 31.03.2014 (Six Months)	Period ended 30.09.2013 (Eighteen Months)
Export of goods calculated on F.O.B. basis	4,960.64	16,018.81

30.8 No amount has been remitted during the period in foreign currency on account of dividend.

30.9 Prior period expenses aggregating Rs. 49.84 lakhs (net debit) have been accounted for in the respective heads of account [Previous period: Rs. 50.54 lakhs (net debit)]

31. Additional notes to the financial statements for the period ended 31st March, 2014.

31.1 Contingent liabilities and commitments not provided for: (Rs. in lakhs)

Particulars	As at 31.03.2014	As at 30.09.2013
(I) Contingent Liabilities		
(a) Claims against the Company not acknowledged as debts	76.87	20.78
(b) Guarantees given by the bankers on behalf of the Company	284.92	336.31
(c) Unutilised letter of credit	ñ	28.40
(d) Disputed liabilities not adjusted as expenses in the Accounts for various years being in appeals towards:		
- Sales tax	1,241.48	1,681.30
- Excise Duty	4,207.70	4,265.38
- Stamp Duty	187.72	187.72
- Custom Duty	186.05	186.05
- Entry Tax	1,934.14	1,488.08
- Others	217.04	212.24
<b>Total</b>	<b>7,974.13</b>	<b>8,020.77</b>
(II) Commitments		
(a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for in the accounts (net of advances)	514.56	332.06
(b) Export obligation against import of machinery under EPCG Scheme	198.24	1,583.56



31.2 Corporate guarantee of Rs. 3,580.00 lakhs given to a Financial Institution for term loan given to JCT Electronics Ltd. was invoked in earlier years. JCT Electronics Limited was making quarterly payments to Institution in terms of the Scheme sanctioned by the "Board for Industrial and Financial Reconstruction" (BIFR) till 31.3.2011. Thereafter the said institution with the consent of all the secured lenders whose interest were effected had filed a Modified Debt Restructuring Scheme (MDRS) before the BIFR covering the deferment of over-due quarterly instalments. The invocation of corporate guarantee is under abeyance till the approval of the MDRS.

31.3 (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 uncertainty of future taxable income.

(b) In view of no taxable profits for fiscal year 2013-14, no provision for Income Tax as per the provisions of the Income tax Act, 1961 is considered necessary. Adequate provision in respect of Wealth tax has been made in the Accounts.

31.4 In view of accumulated losses:

- (i) No commission is payable to whole time directors.
- (ii) No capital redemption reserve has been created during the period.

31.5 Leases:

The Company has taken premises on lease under cancellable and non cancellable operating lease arrangements with lease terms ranging from 1 to 3 years, which are subject to renewal thereafter at mutual consent. The cancellable arrangements can be terminated by either party after giving due notice. The lease rent expense recognized during the period amounts to Rs.92.27 lakhs (Previous period: Rs.242.96 Lakhs). The future lease payments in respect of non-cancellable operating leases for a period later than one year but not later than 3 years is Rs.184.90 lakhs as at 31st March, 2014 (Previous period: Rs.89.46 lakhs).

31.6 Disclosure of Derivative Instruments :

(a) There are no outstanding forward exchange contracts used for hedge against currency exposures as at 31st March, 2014.

(b) Foreign currency exposures that have not been specifically hedged by a derivative instrument or otherwise as at 31st March, 2014 are given below:

Particulars	Rs. in lakhs		Foreign Currency in millions			
	As at 31.03.2014	As at 30.09.2013	As at 31.03.2014		As at 30.09.2013	
			Currency	Amount	Currency	Amount
Trade Receivables	629.47	619.31	US\$	1.00	US\$	0.99
	5.04	55.08	EURO	0.01	EURO	0.07
Loans and Advances	4.31	68.39	EURO	0.01	EURO	0.08
Foreign Currency Convertible Bonds	9,071.91	19,302.79	US \$	15.00	US \$	30.50
Trade and other Payables	592.09	737.37	US \$	0.92	US \$	1.11
	19.48	82.58	EURO	0.02	EURO	0.10
	39.12	₹	JPY	6.61	JPY	₹

31.7 Going Concern:

Accumulated losses have resulted in erosion of substantial net worth of the Company. However, the financial statements have been prepared on a going concern basis on the strength of continued support of the promoters, bankers/ other lenders. Further, with the implementation of restructuring of Company's debt with its lending bankers under the Corporate Debt Restructuring Cell (CDR), the performance of the Company is expected to continue to improve. In addition, release of additional working capital fund sanctioned under CDR Scheme would further improve the liquidity position and operations of the Company. The management, considering the future plan for operations and support of the promoters, lenders, business associates and workmen is hopeful of improved profitability leading to improvement in its financial position.

31.8 Corporate debt restructuring (CDR)

The restructuring of the Company's debts with its lending bankers under the Corporate Debt Restructuring (CDR) Scheme mechanism have been implemented by the banks. The promoters and the Company have complied with the conditions of the scheme.

However, additional working capital funds of Rs. 4,577 lakhs have not yet been released by the banks as stipulated in the CDR Scheme due to order dated 17.10.2012 of the Hon'ble High Court of Punjab & Haryana at Chandigarh and



upheld by the Hon'ble Supreme Court restricting creation of charge on the assets of the Company on the petition filed by the Trustee of Foreign Currency Convertible Bond holders to wind up the Company due to default in repayment of their dues.

31.9 Discontinued Operations:

31.9.1 In earlier years, operations of both the Units at Sriganganagar Textile Mill were discontinued. The identified asset being land in both the Units, having net book value of Rs. 134.58 lakhs (Previous period: Rs. 134.58 lakhs) is being carried at book value as expected net realizable value is higher, and is disclosed in 'Note no. 20' as "Land held for disposal".

31.9.2 Company has recognised loss of Rs. 51.08 lakhs (Previous period: Rs. 673.59 lakhs) as 'Loss from discontinuing operations' and disclosed it separately in the 'Statement of Profit & Loss'.

31.9.3 Disclosures as required under 'Accounting Standard 24 - Discontinuing Operations' in respect of Sriganganagar Unit I and II are as under:

(Rs. in lakhs)

Particulars	As at 31.03.2014	As at 30.09.2013
Total Assets	223.06	262.58
Total Liabilities excluding corporate funds	5.27	127.16
Sales	ñ	5.12
Changes in inventories of finished goods and stock in process	ñ	(3.61)
Other Income	6.01	145.91
Expenses:		
Employee benefits	ñ	37.68
Compensation to workers for retiral	ñ	348.03
Depreciation	0.18	20.84
Interest	ñ	0.08
Other expenses	56.91	414.38
Loss before Tax	51.08	673.59
Loss after Tax	51.08	673.59
Net Cash Flows attributable to:		
Operating Activities (including change in working capital)	ñ	ñ
Investing Activities	ñ	ñ

31.10 The letters have been sent to most of the parties for confirmation of the balances under trade receivables, advances and trade payables. However, due to non receipt of the response from some of the parties, the balances from them are subject to confirmations/reconciliation. The impact, if any, subsequent to the confirmation/ reconciliation will be taken in the year of confirmation/reconciliation.

31.11 In the opinion of the management, the value of assets other than fixed assets and non-current investments, on realization in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

31.12 Related party disclosures (AS-18):

List of Related Parties and relationships

(a) Key Management Personnel : Mr. Samir Thapar - Chairman & Managing Director

(b) Associates : JCT Electronics Ltd.  
India International Airways Ltd.  
Provestment Securities Pvt. Ltd.  
KCT Textiles Ltd.  
JCT Sports Pvt. Ltd.

(c) Relatives of Key management Personnel:  
Mr. M. M. Thapar : Father of Mr. Samir Thapar  
Ms. Priya Thapar : Sister of Mr. Samir Thapar

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



31.13 Transactions with related parties: (Rs. in lakhs)

Transactions	Key Management Personnel	Associates	Relatives of Key Management Personnel
(i) Transactions during the period:			
a. Allotment of Equity Shares - Provestment Securities Pvt. Ltd.	ñ (ñ)	ñ (1,022.00)	ñ (ñ)
b. Interest free loan received - Provestment Securities Pvt. Ltd.	ñ (ñ)	ñ (578.00)	ñ (ñ)
c. Loans & advances repaid (net) - Provestment Securities Pvt. Ltd.	(ñ) (ñ)	13.12 (48.90)	ñ (ñ)
- JCT Electronics Ltd.	ñ (ñ)	ñ (0.07)	ñ (ñ)
d. Security Deposits repaid - Provestment Securities Pvt. Ltd.	ñ (ñ)	ñ (1150.00)	ñ (ñ)
e. Rent Paid - Mr. M. M. Thapar	ñ (ñ)	ñ (ñ)	0.15 (0.45)
f. Director's remuneration paid - Mr. Samir Thapar	19.50 (67.50)	ñ (ñ)	ñ (ñ)
-Ms. Priya Thapar	ñ (ñ)	ñ (ñ)	7.87 (ñ)
g. Sports Promotion Expenses - JCT Sports Pvt. Ltd.	ñ (ñ)	0.25 (9.12)	ñ (ñ)
h. Professional Fees paid - Mr. M. M. Thapar	ñ (ñ)	ñ (ñ)	13.48 (40.45)
(ii) Payables as at 31st March, 2014 :			
a. Provestment Securities Pvt. Ltd.	ñ (ñ)	578.00 (591.12)	ñ (ñ)
b. JCT Electronics Ltd.	ñ (ñ)	60.10 (60.10)	ñ (ñ)
c. Mr. M. M. Thapar	ñ (ñ)	ñ (ñ)	11.44 (36.18)
d. India International Airways Ltd.	ñ (ñ)	0.17 (0.17)	ñ (ñ)
(iii) Guarantees given & outstanding as at 31st March, 2014			
JCT Electronics Ltd.	ñ (ñ)	3580.00 (3580.00)	ñ (ñ)

Note: (Figures in brackets are for the period ended September 30, 2013)



31.14 Segment Reporting:

(a) Identification of segments

i) Primary Segments

Business segment: The Company's operating businesses are organized 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 and yarn. 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)

Particulars	Textiles		Filament		Total	
	Current period (Six Months)	Previous period (Eighteen Months)	Current period (Six Months)	Previous period (Eighteen Months)	Current period (Six Months)	Previous period (Eighteen Months)
External Sales/ Income	27,416.19	71,488.08	19,809.65	55,309.33	47,225.84	126,797.41
Segment Revenue	27,652.35	72,168.59	19,869.05	55,728.10	47,521.40	127,896.69
Segment Results	1,395.88	(1,960.05)	731.94	1,577.28	2,127.82	(382.77)
Segment Assets	46,502.00	44,631.91	18,170.58	18,747.89	64,672.58	63,379.80
Segment Liabilities	16,459.38	14,696.26	13,359.38	13,407.74	29,818.76	28,104.00

Reconciliation of reportable segment with the financial statements:

(Rs in lakhs)

Particulars	Revenues		Net Profit/ (Loss)		Assets		Liabilities	
	Current period (Six Months)	Previous period (Eighteen Months)	Current period (Six Months)	Previous period (Eighteen Months)	Current period (Six Months)	Previous period (Eighteen Months)	Current period (Six Months)	Previous period (Eighteen Months)
Total of reportable segments	47,521.40	127,896.69	2,127.82	(382.77)	64,672.58	63,379.80	29,818.76	28,104.00
Add: Corporate Unallocated	186.72	536.61	(119.56)	(721.77)	5,996.87	6,308.31	30,731.17	41,560.37
Finance costs	ñ	ñ	(1,706.21)	(5,294.73)	ñ	ñ	ñ	ñ
Exceptional Items(net)	ñ	ñ	(51.08)	(2,295.59)	ñ	ñ	ñ	ñ
Taxes	ñ	ñ	82.79	(82.00)	86.29	163.13	ñ	ñ
As per financial statements	47,708.12	128,433.30	333.76	(8776.86)	70,755.74	69,851.24	60,549.93	69,664.37

(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)

Particulars	Period ended 31-03-2014 (Six Months)	Period ended 30-09-2013 (Eighteen Months)
Sales to domestic market	39,098.61	104,406.86
Sales to overseas market	5,966.04	16,759.78
Total	45,064.65	121,166.64

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.



31.15 Employee Benefits:

(a) Defined Benefit Plan

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.

(b) Defined Contribution Scheme

Company's employees are covered by Provident Fund, Employees State Insurance and Superannuation scheme etc. to which the Company makes a defined contribution measured as a fixed percentage of salary. During the period, amount of Rs. 579.53 lakhs (Previous period : Rs. 1,485.96 lakhs) have been charged to the Statement of Profit & Loss towards contribution to the above schemes/benefits.

(c) Other Long term Benefits

Employees of the Company are entitled to accumulate their earned/privilege leave up to a maximum of 30 days for workers and 300 days for other employees which is payable/encashable as per the policy on their separation.

(d) Other disclosures as required under Accounting Standard-15 (Revised 2005) on "Employee Benefits" are as under:-

i) Recognition of opening and closing balances of Defined Benefit obligation (Rs. in lakhs)

Particulars	Gratuity (Funded)		Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	Current period (six months)	Previous period (eighteen months)	Current period (six months)	Previous period (eighteen months)	Current period (six months)	Previous period (eighteen months)
Defined Benefit obligation at beginning of the period	2,184.17	1,488.31	851.49	750.35	609.74	548.70
Current Service Cost	53.07	159.79	40.64	65.45	43.15	94.22
Interest cost	100.52	195.50	39.73	97.58	27.82	66.80
Actuarial Loss/(Gain)	62.86	570.87	(2.21)	41.98	6.32	140.58
Benefits Paid	(60.39)	(230.30)	(36.80)	(103.87)	(81.90)	(240.56)
Defined Benefit obligation at end of the period	2,340.23	2184.17	892.85	851.49	605.13	609.74

ii) Reconciliation of opening and closing balances of fair value of plan assets (Rs. in lakhs)

Particulars	Gratuity (Funded)	
	Current period (six months)	Previous period (eighteen months)
Fair value of plan assets at beginning of the period	250.24	284.31
Expected return on plan assets	9.62	33.38
Actuarial gain/(loss)	(3.61)	(3.31)
Employer contribution	26.39	166.16
Benefits paid	(60.38)	(230.30)
Fair value of plan assets at end of the period	222.26	250.24



III) Expenses Recognized in Employee Benefits Expenses during the period (Rs. in lakhs)

Particulars	Gratuity (Funded)		Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	Current period (six months)	Previous period (eighteen months)	Current period (six months)	Previous period (eighteen months)	Current period (six months)	Previous period (eighteen months)
Current Service Cost	53.07	159.79	40.64	65.45	43.15	94.22
Interest Cost	100.52	195.50	39.73	97.58	27.82	66.80
Expected return on plan assets	(9.62)	(33.38)	ñ	ñ	ñ	ñ
Actuarial Loss/(Gain)	66.46	574.18	(2.21)	41.98	6.32	140.58
Amount recognized in Statement of Profit and Loss	210.43	896.09	78.17	205.01	77.29	301.60

IV. Disclosure of the current period and previous four years/periods as required by paragraph 120(n) of ASñ15. (Rs. in lakhs)

Particulars	As at 31.03.2014 (Rs.)	As at 30.09.2013 (Rs.)	2011ñ12 (Rs.)	2010ñ11 (Rs.)	2009ñ10 (Rs.)
<b>Gratuity (Funded)</b>					
Defined Benefit obligation at end of the period	(2,340.24)	(2,184.17)	(1,488.31)	(1,373.81)	(1,241.17)
Fair value of plan assets at end of the period	222.26	250.24	284.31	399.25	346.03
Amount recognized in the Balance Sheet (Liability)	(2,117.98)	(1,933.93)	(1,204.00)	(974.56)	(895.14)
Experience Adjustment arising on:					
ñ The Plan Liabilities / PBO (Loss)/Profit	(121.95)	(734.68)	(61.19)	(12.17)	(181.87)
ñ The Plan Assets	(3.61)	(3.31)	(4.89)	1.17	(7.76)
<b>Gratuity (Unfunded)</b>					
Defined Benefit obligation at end of the period	(892.85)	(851.49)	(750.35)	(649.35)	(573.88)
Fair value of plan assets at end of the period	ñ	ñ	ñ	ñ	ñ
Amount recognized in the Balance Sheet (Liability)	(892.85)	(851.49)	(750.35)	(649.35)	(573.88)
Experience Adjustment arising on:					
ñ The Plan Liabilities / PBO (Loss)/Profit	(14.42)	(108.33)	(95.54)	(25.75)	(66.94)
ñ The Plan Assets	ñ	ñ	ñ	ñ	ñ
<b>Leave Encashment (Unfunded)</b>					
Defined Benefit obligation at end of the period	(605.13)	(609.74)	(548.70)	(490.89)	(408.44)
Fair value of plan assets at end of the period	ñ	ñ	ñ	ñ	ñ
Amount recognized in the Balance Sheet (Liability)	(605.13)	(609.74)	(548.70)	(490.89)	(408.44)
Experience Adjustment arising on:					
ñ The Plan Liabilities / PBO (Loss)/Profit	(21.39)	(186.31)	(65.36)	(91.82)	(59.66)
ñ The Plan Assets	ñ	ñ	ñ	ñ	ñ





## V) Investment Details (For Plan Assets)

(% invested)

Particulars	As at 31-03-2014	As at 30-09-2013
Life Insurance Corporation of India	100	100

## VI) Actuarial Assumptions:

Particulars	As at 31-03-2014	As at 30-09-2013
Method used	Projected unit credit	
Mortality Table	ALM(1994-96) Ultimate	LIC (1994-96) Ultimate
Discount rate (per annum)	9.20%	9.14%
Expected rate of return on plan assets (per annum)	8.25%	8.25%
Withdrawal Rate (per annum) upto 30/44 years and above 44 years	3%/2%/1%	
Rate of escalation in salary (per annum)	6%	6%

## 31.16 Earning/(Loss) per share:

Particulars	Current period (six months)	Previous period (Eighteen Months)
Net Profit/(Loss) as per Statement of Profit & Loss (Rs. in lakhs)	333.76	(8776.86)
Weighted average number of equity shares	46,00,06,862	37,75,79,028
Add: Adjustment for option for 24,00,000 Optionally Partially Convertible Preference Shares of Rs. 100/- each	6,40,00,000	6,40,00,000
Weighted average number of equity shares	52,40,06,862	44,15,79,028
Nominal value of Equity Share (Rs.)	2.50	2.50
Basic Earning/(Loss) per share before exceptional items (Rs.)	0.07	(1.72)
Diluted Earning/(Loss) per share before exceptional items (Rs.)	0.06	(1.47)
Basic Earning/(Loss) per share after exceptional items (Rs.)	0.07	(2.32)
Diluted Earning/(Loss) per share after exceptional items (Rs.)	0.06	(1.99)

32. Current period's figures being for six months are not comparable with the figures of the previous period being of eighteen months. Figures of the previous period have been rearranged and regrouped, wherever necessary, to conform to current period classification.

## Signatures to Notes 1 to 32i

V K Singhal  
Controller of Finance & Accounts

M P S Narang  
Chief Financial Officer

Nidhi Goel  
Company Secretary

Samir Thapar  
Chairman & Managing Director

As per our Report of even date attached  
S. P. CHOPRA & CO.  
Chartered Accountants  
Firm Registration No.000346N

Directors

G B Kathuria  
C M Bhanot  
A K Doshi  
S K Singhala  
Priya Thapar

SANJIV GUPTA

Partner

Membership No. 83364

Place : New Delhi  
Dated : 30<sup>th</sup> May, 2014







## JCT LIMITED

[CIN - L17117PB1946PLC004565]

Corporate Identification No. (CIN) : L17117PB1946PLC004565

Registered Office: Village Chohal, District Hoshiarpur 146 024 (Punjab)

Tel: 01882 - 258780, FAX: 01882 - 258059

Email ID : jctsecretaria@jctltd.com ; Website: jctco.in

### NOTICE

Notice is hereby given that the 65th Annual General Meeting of the Members of JCT Limited will be held on Thursday, the 25th September 2014 at 11 A.M. at the Registered Office of the Company at Village Chohal, District Hoshiarpur 146024 (Punjab), to transact the following business. Pursuant to Section 108 of the Companies Act 2013, read with the Rule 20 of the Companies (Management and Administration) Rules 2014, the Company is pleased to provide its Members the facility to cast their votes by electronic means (e-voting) on all the resolutions set forth in the Notice.

#### ORDINARY BUSINESS

1. To receive, consider and adopt the financial statements of the Company including the audited Balance Sheet as at 31st March 2014 and the statement of Profit and Loss for the period ended on that date together with the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of M s. Priya Thapar (DIN : 06742680), who retires by rotation and being eligible, offers herself for re-election.
3. To appoint Auditors and to fix their remuneration and to consider and, if thought fit, to pass with or without modification, the following resolution which will be proposed as an Ordinary Resolution.

"Resolved that pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made there under, and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s S P Chopra & Company, Chartered Accountants (Registration No.: 000346N) be and are hereby appointed as the Auditors of the Company, to hold such office for a period of three years till the conclusion of 68th Annual General Meeting, at a remuneration of Rs 20,00,000/- to conduct the audit for the financial year 2014-15, payable in one or more tranches plus service tax as applicable, and reimbursement of out of pocket expenses incurred.

#### SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.  
"Resolved that pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the rules made there under read with Schedule IV to the Companies Act, 2013 (as amended up to date), Dr. A Jit Kumar Doshi (DIN : 02298644), Director of the Company whose period of office is liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years, from the date of this Annual General Meeting till 25<sup>th</sup> September 2019."
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.  
"Resolved that pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the rules made there under read with Schedule IV to the Companies Act, 2013 (as amended up to date) Mr Gordhan Bhojraj Kathuria (DIN : 00062088), Director of the Company whose period of office is liable to determination by retirement of Directors by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years, from the date of this Annual General Meeting till 25<sup>th</sup> September, 2019."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.  
"Resolved that pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the rules made there under read with Schedule IV to the Companies Act, 2013 (as amended up to date) Mr Chander Mohan Bhanot (DIN : 06462056), Director of the Company whose period of office is liable to determination by retirement of Directors by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years, from the date of this Annual General Meeting till 25<sup>th</sup> September, 2019."



7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to Sections 42 & 62 and all other applicable provisions and rules, if any, of the Companies Act, 2013 (including any statutory modification thereto or re-enactment thereof for the time being in force) and in accordance with the Securities and Exchange Board of India Act, 1992 read with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, (the "SEBI ICDR Regulations"), the Foreign Exchange Management Act, 1999, read with the rules and regulations framed there under including, the Foreign Exchange Management (Transfer or Issue of Securities by a Person Resident Outside India) Regulations, 2000, the Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations, 2000 (collectively the "FEMA"), and other laws as may be applicable, including any amendment, modification, variation or re-enactment of the foregoing, and the provisions of any rules/regulations/guidelines issued/ framed by the Central Government, Reserve Bank of India, Securities and Exchange Board of India, the stock exchange where the shares of the Company are listed, and any other appropriate authorities (hereinafter collectively referred to as the "Appropriate Authorities"), enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with the Stock Exchange(s) where the shares of the Company are listed and subject to the Company obtaining all approvals from the Appropriate Authorities and subject to such conditions and modifications, as may be prescribed by any one of them while granting any such approval, consent, permission, and /or sanction, the consent, authority and approval of members, be and is hereby accorded to create, offer, issue, and allot on a preferential allotment basis, at such time and on such terms and conditions set out in these resolutions, and as may be decided by the Board in this connection in accordance with the SEBI ICDR Regulations or other applicable law as may be prevailing at the time of allotment/ listing of the Issue / Issued Shares (as defined hereinafter) 44,195,092 equity shares of face value of Rs.2.50 each (collectively the "Musk Issue Shares") pursuant to the restructuring and conversion of 493 Foreign Currency Convertible Bonds ("FCCBs) of face value of USD 10,000 each, to Musk Holdings Limited ("Musk").

"RESOLVED FURTHER THAT the issue and allotment of Musk Issue Shares on a preferential allotment basis shall be, inter alia, on the following terms and conditions:

- a) 44,195,092 shares allotted at a price not less than the price determined in accordance with FEMA and the SEBI ICDR Regulations;
- b) the relevant date ("Relevant Date") for the preferential issue of the Musk Issue Shares, as per the SEBI ICDR Regulations, for the determination of applicable price for the issue of the Musk Issue Shares shall be 26th August, 2014, which is a date that is 30 (thirty) days prior to the date on which this meeting of the shareholders is being held to consider and pass a resolution under Section 42 & 62 of Companies Act, 2013 for the preferential issue of the Issue Shares;
- c) the Musk Issue Shares so offered and allotted to Musk shall be in dematerialized form and shall, subject to receipt of necessary approvals, be listed and traded on Bombay Stock Exchange Limited, and shall be subject to the provisions of the applicable law, including FEMA, SEBI ICDR Regulations, the Listing Agreement and the Memorandum and Articles of Association of the Company;
- d) in pursuance of the preferential allotment, as aforesaid, to Musk Issue Shares shall remain locked in from such date and for such periods as specified under the SEBI ICDR Regulations; and
- e) the Shares shall rank pari passu in all respects including dividend entitlement with the existing equity shares of the Company."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized, in its entire discretion, to do all such acts, matters, deeds and things and to take all such steps and to do all such things and give all such directions as the Board may consider necessary, expedient or desirable and/or required in terms of applicable law, including without limitation, effecting any modification to the foregoing (including any modifications to the terms of the issue), to prescribe the forms of application, allotment, to enter into any agreements or other instruments, and to take such actions or give such directions as may be necessary or desirable and/or required in terms of applicable law and to file applications and obtain any approvals, permissions, sanctions which may be necessary or desirable and to settle any issues that may arise in regard thereto and to appoint such consultants, valuers, legal advisors, other advisors and all such agencies as may be required for the issue and allotment of the Musk Issue Shares, without being required to seek any further clarification, consent or approval of the Board and that the Board shall be deemed to have given its approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by the above resolutions to any Director or Directors or to any committee of Directors or any other officer or officers of the Company to give effect to the aforesaid resolution."

"RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects."



Members are hereby informed that the Board of Directors in their meeting held on 31.03.2014 have approved the allotment of equity shares to the Musk on receipt of the 'in principle' approval under Clause 24(a) of the Listing Agreement from the Stock Exchange, Mumbai vide their letter no. DCS/PREF/RD/PRE/585/2013-14 dated January 28, 2014.

Members are hereby further informed that requisite application for Listing of Musk Issue Shares was filed with the Stock Exchange, Mumbai, (here-in-after referred to as "BSE") and consequent upon the advice of the Stock Exchange, the Company in compliance with the regulation 74 and 76 of SEBI (CDR) Regulations, 2009 and to take the fresh consent of the shareholders for above allotment or FCCB conversion. In lieu of above BSE directions, Board of Directors in their Board Meeting held on 12th August, 2014 have approved the calling of Annual General Meeting to accord the fresh consent of shareholders.

The explanatory statement for the Special Resolution under Section 42 and 62 of the Companies Act, 2013 (corresponding Section of 81, 81(1A) of the Companies Act, 1956) are mentioned here under for consideration and record with or without modification.

8. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution.

"RESOLVED that in supersession of the Resolution passed by the Members of the Company at the 63rd Annual General Meeting of the Company held on 30th November 2012 and Pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act 2013 (corresponding to Section 293(1)(d) of the Companies Act, 1956) and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) to borrow such sum or sums of monies, in any manner, from time to time, as may be required for the purposes of businesses of the Company, with or without security and upon such terms and conditions as they may think fit, notwithstanding that the monies to be borrowed together with monies already borrowed by the Company (apart from temporary Loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs. 650 Crores (Rupees Six Hundred Fifty Crores Only) over and above the aggregate of the paid up share capital of the Company and its free reserves."

"RESOLVED FURTHER that for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to finalise, settle and execute such documents/deeds /writings/papers /agreements as may be required and do all such acts, deeds, matters and things, as it may, in its absolute discretion deem necessary, proper or requisite."

9. To consider and if thought fit, to pass with or without modification, the following resolution as Special Resolution.

"Resolved that pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 (Statutory modification or re-enactment thereof, for the time being in force), the new draft Articles as contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including a Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

10. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED that Clause V of the Memorandum of Association of the Company be altered by substituting the same as follows:

The Share Capital of the Company is Rs. 200,00,00,000/- (Rupees Two Hundred Crores Only) divided into:

- 70,00,00,000 - Equity Shares of Rs. 2.50 each
- 25,00,00,000 - Preference Shares of Rs. 100 each."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including a Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

"RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects."

By Order of the Board  
For JCT Limited

Place : New Delhi  
Dated : 12th August, 2014

Nidhi Goel  
Company Secretary

**NOTES FOR MEMBERS' ATTENTION:**

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business, under Item No. 4 to 10 above is annexed hereto. The information as required under Clause 49 of the Listing Agreement, relating to the Directors proposed to be appointed/re-appointed, is also provided in the Annexure to this Notice.
2. A MEMBER IS ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.  
The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the company, provided that not less than 3 days of notice in writing is given to the Company.
4. Members/ Proxies should bring the duly filled Attendance Slip enclosed herewith to attend the Meeting.
5. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
6. The Register of Members and Share Transfer Books will remain closed from Monday, the 22<sup>nd</sup> September 2014 to Thursday, the 25<sup>th</sup>, September 2014 (both days Inclusive) for the purpose of annual closing.
7. The Notice of 65<sup>th</sup> AGM and instructions for e voting along with the Attendance Slip and Proxy Form is being sent by electronic mode to all members whose email addresses are registered with the Company and/or Depository Participant(s) unless a member has requested for a hard copy of the same. We further request shareholders to update their e-mail address with the Share Transfer Agent/ Depository Participants to enable us to send the required communication/ correspondence by the Company via email. For members who have not registered their email address, physical copies of the aforesaid documents are being sent by the permitted mode. Copies of Annual Report are also available on Company's Website: [www.jct.co.in](http://www.jct.co.in).
8. In terms of Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has engaged the services of National Securities Depository Limited (NSDL) to provide the facility of electronic voting (e-voting) in respect of the Resolutions proposed at this AGM. The Board of Directors of the Company has appointed Ms. Seema Sharma, a Practicing Company Secretary, as the Scrutinizer for this purpose.

The procedure with respect to e-voting is provided below:-

- A. In case of Members who receive the Notice in electronic mode:
  - a) Open email and open PDF file viz. [JCT e-voting.pdf](#) with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
  - b) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/> and click on "Shareholder Login"
  - c) Put user ID and password as initial password/PIN noted in step (a) above. Click Login.
  - d) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Please do not share your password with any other person and take utmost care to keep your password confidential.
  - e) Home page of e-voting opens. Click on "E-Voting: Active Evoting Cycles" and select the Electronic Voting Event Number (EVEN) of JCT Limited
  - f) Now you are ready for e-voting as "Cast Vote" page opens.
  - g) Cast your vote by selecting appropriate option and click on "Submit". Thereafter click on "Confirm" when prompted.
  - h) Upon confirmation, the message "Vote cast successfully" will be displayed. Thereafter you will not be allowed to modify your vote.
  - i) Corporate and Institutional Shareholders (companies, trusts, societies etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ appropriate authorization, with the specimen signature(s) of the authorised signatory(ies) duly attested, to the Scrutinizer through e-mail at [pcs.seemasharma@gmail.com](mailto:pcs.seemasharma@gmail.com) or with a copy marked to NSDL's e-mail ID [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- B. In case of Members who receive the Notice by post:
  - a) User ID and initial password is provided in the admission slip for the AGM.



- b) Please follow the steps from Sl. Nos. (b) to (i) mentioned in (A) above, to caste your vote.
- C. Members already registered with NSDL for e-voting can use their existing user ID and password for Login. Thereafter please follow the steps from Sl. Nos. (e) to (i) mentioned in (A) above, to caste your vote.
- D. In case of any queries, you may refer to the Frequently Asked Questions for Shareholders and e-voting User Manual for Shareholders available under Downloads section of NSDL's e-voting website [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- E. The period for e-voting starts at 9.00 a.m. on Wednesday, 17<sup>th</sup> September, 2014 and ends at 9.00 p.m. on Friday, 19<sup>th</sup> September 2014. E-voting shall be disabled by NSDL at 9.00 p.m. on Friday, 19<sup>th</sup> September, 2014.
- F. General Information
- (a) Every Client ID No. / Folio No. shall have one e-vote, irrespective of the number of joint holders.
- (b) E-voting right cannot be exercised by a proxy.
- (c) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-Voting period unblock the votes in the presence of atleast two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (d) The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.jct.co.in](http://www.jct.co.in) and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to BSE Limited.
9. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days upto and including the date of the Annual General Meeting of the Company.

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013**

**Item No. 4**

Dr. Ajit Kumar Doshi is a Non-Executive Director of the Company. He Joined the Board in October, 2012. Mr. Doshi is a Director whose period office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of Companies Act, 2013, Dr. Doshi being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of five consecutive years from the date of this meeting till 25<sup>th</sup> September, 2019. A notice has been received from a member proposing Dr. Doshi as a candidate for the office of Director of the Company.

Dr. Doshi has done Ph. D in Law (Amalgamation & Merger), Chartered Accountant and LL.B and LL.M with consistent good academic record. He retired as Member (Technical) of Company Law Board and after retirement he went into academics and worked as Professor of Law with Hidayatullah National Law University Raipur &, National Law University Jodhpur, Army Institute of Management & Technology Greater Noida, He has delivered various lecture on Company Law and he is also an Examiner on the subject 'Corporate Laws & Practice' with ICAI and also an Examiner on the subject 'Corporate Restructuring Laws & Practice' with ICSI. He was also a visiting professor of Calcutta Business School, managed by top industrialist of the Country and is a visiting faculty of Indian Institute of Corporate Affairs, an Institute under the aegis of the Ministry of Corporate Affairs, Govt. Of India..

Dr. Doshi is a Chairman of Stakeholders Relationship Committee and Member of Audit, Nomination & Remuneration of Board of Directors of the Company. He is on the Board of Innovative Consulting Services Private Limited & is a partner in Punkaj Oswal & Co. a Chartered Accountants firm. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

In the opinion of the Board, Dr. Doshi fulfils the conditions specified in the Companies Act, 2013 and Rules made there under for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Dr. Doshi as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Except Dr Doshi being an appointee, none of the Directors and the Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise in the resolution set out in this item of the notice. This Explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

**Item No. 5**

Mr Gordhan Bhojraj Kathuria is a Non-Executive Director of the Company. He joined the Board of Directors of the Company in the year 1999. Mr Kathuria is a Director whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr Kathuria being eligible and offering himself for the appointment, is proposed to be appointed as an Independent Director for a term of five consecutive years from the date of this meeting till 25<sup>th</sup> September 2019. A notice has been received from a member proposing Mr. Kathuria as a candidate for the office of Director of the Company.

Mr Kathuria retired as a Chairman & Managing Director from Bank of India. He is having vast knowledge and experience in Finance and Banking.

He is Chairman of the Audit and Nomination & Remuneration Committees and Member of Stakeholders Relationship Committee of Board of Directors. He is Director of Amrit Marketing Private Limited. He is not holding any shares in JCT Limited





In the opinion of the Board, Mr Kathuria fulfils the conditions specified in the Companies Act, 2013 and Rules made there under for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr Kathuria as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

It is, therefore, in the Company's interest that it should continue to avail of his services as an Independent Director of the Board. Accordingly the Board recommends the resolution in relation to the appointment of Mr. Kathuria as an Independent Director for the approval by the shareholders of the Company.

Except Mr Kathuria being an appointee, none of the Directors and the Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise in the resolution set out in this item of the notice. This Explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No. 6

Mr. Chander Mohan Bhanot is a Non-Executive Director of the Company. He joined the Board of Directors of the Company in the year 2013. Mr Bhanot is a Director whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr Bhanot being eligible and offering himself for the appointment, is proposed to be appointed as an Independent Director for a term of five consecutive years from the date of this meeting till 25<sup>th</sup> September 2019. A notice has been received from a member proposing Mr. Bhanot as a candidate for the office of Director of the Company.

Mr. C M Bhanot is a law graduate. He retired as a General Manager from Bank of India. He has vast experience of 41 years in Banking Operations, Legal, Forex, Credit Monitoring and Human Resources etc.

He is a Member of Audit, Nomination & Remuneration and Stakeholders Relationship Committees of Board of Directors of the Company. He is not a Director in any other Company. He is not holding any shares in JCT Limited.

In the opinion of the Board Mr Bhanot fulfils the conditions specified in the Companies Act, 2013 and Rules made there under for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Bhanot as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

It is, therefore, in the Company's interest that it should continue to avail of his services as an Independent Director of the Board. Accordingly the Board recommends the resolution in relation to the appointment of Mr. Bhanot as an Independent Director for the approval by the shareholders of the Company.

Except Mr Bhanot being an appointee, none of the Directors and the Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise in the resolution set out in this item of the notice. This Explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No. 7

- a) The Company, based in North India, is a leading fully integrated manufacturer of cotton and blended fabrics and nylon filament yarn. It is a regular supplier to global garment brands, and supplies fabrics to major garment exports in India and overseas.
- b) Company had raised US\$ 30,000,000 (US\$ Thirty Million only) through issue of 2.5% (two point five per cent) unsecured foreign currency convertible bonds of face value of US\$ 10000 each (hereinafter referred to as iFCCBs) subject to the terms and conditions of the offering circular dated 31.3.2006 (iOffering Circular). The Bank of New York Mellon was appointed as the iTrustee with the respect to the aforesaid FCCBs in pursuance of the Trust Deed dated 7.4.2006 entered into by the Company with Bank of New York Mellon (iTrustees). In terms of the Offering Circular, unless previously redeemed, converted or cancelled, the FCCBs were convertible at the option of the FCCB holders, any time on or after 7.5.2006 upto 8.3.2011 by the holders of the FCCBs into cash or fully paid equity shares of the Company with full voting rights and a par value of Rs.2.50 each. However, the Company could not redeem the FCCBs by the maturity date due to paucity of funds. The Trustees upon indemnification by a particular fraction of the FCCB holders comprising of 36% (thirty six per cent) filed a winding up petition against the Company before the Honible High Court of Punjab & Haryana at Chandigarh on 29.09.2012, being Company Petition Number 106 of 2012. The case is presently pending for disposal before the Honible High Court.
- c) Musk, a FCCB holder holding 493 FCCBs have agreed to convert the FCCBs into ordinary equity shares of the Company in terms of the letter agreements executed between the Company and Musk. According to the settlement with MUSK, the outstanding 493 FCCBs shall be converted into 44,195,092 equity shares of the face value of Rs.2.50 each of the Company in full and final settlement.

Members are further requested to please take note of following disclosures as per the applicable provisions of the Companies Act, 2013 and Chapter VII of SEBI (ICDR) Regulations, 2009.

- a) Object of the Preferential Issue  
The purpose of the preferential allotment of the Issue Shares pursuant to conversion of the FCCBs is to settle with Musk in full and final settlement, and to reduce the outstanding indebtedness of the Company.



- b) Intention of the Promoters/ Directors/ Key Managerial Persons to subscribe the offer  
The current promoters, Directors, and/or key management personnel of the Company do not propose to subscribe to the proposed preferential issue.
- c) Securities to be Issued:  
The Resolution set out in the Notice authorize the Board to issue to Musk , 44,195,092 Equity Shares at the face value of Rs. 2.50 each, in such manner and on such price, terms and conditions as may be determined by the Board in accordance with the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009.
- d) Relevant Date  
The Relevant Date for the preferential issue of the Musk Issue Shares, for the determination of applicable price for the issue of the Musk Issue Shares shall be 26<sup>th</sup> August, 2014, which is a date that is 30 (thirty) days prior to the date on which this meeting of the shareholders is being held.
- e) Pricing of Shares  
Since the equity shares of the Company are listed on the Bombay Stock Exchange for a period of more than 26 weeks prior to the Relevant Date i.e 26th August, 2014, the Allotment of Shares will be at the price computed under Regulation 76(1) of the SEBI ICDR Regulation 2009.  
The Company undertakes to re-compute the price of the Issue Shares, if required, in terms of SEBI ICDR Regulations. The Company further undertakes to comply with the lock-in as applicable to it in terms of the SEBI ICDR Regulations till such time any amount payable on account of the aforesaid re-computation of price of the Issue Shares is paid by Musk.
- f) Proposed time within which allotment will be completed  
In terms of regulation 74(1) of the SEBI ICDR Regulations, preferential allotment of Issue Shares pursuant to a special resolution shall be completed within a period of fifteen days from the date of passing of such resolution in the Annual general meeting of the shareholders of the Company being convened in pursuance hereof, provided that where exemption and/or permission by Securities and Exchange Board or/any regulatory authority or the Central Government, as the case may be, for allotment is pending, the period of fifteen days shall be counted from the date of order on application made in this behalf and/or approval or permission, as the case may be.
- g) Identity of the proposed allottees, the percentage of post preferential issue capital that maybe held by them, and change in control, if any, in the Company consequent to the preferential issue

Identity of Proposed allottees	If allottee is not a natural person, identity of the natural person who are the ultimate beneficial owner of the shares, proposed to be issued, if applicable	Category	Number of FCCBs to be converted (Face Value of USD 10,000 each)	No of equity shares to be allotted	%age of post preferential issue
Musk Holdings Limited	Katarzyna Maria Kopec Marynarska 54/12 Post Code 91-803 Lodz Poland	FCCB Holder (Non-Promoter Group)	493	44,195,092	7.94

There will be no change in control of the Company consequent to the preferential issue of Issue Shares to Musk post conversion of the 493 FCCBs.

- h) Pre Issue and Post Issue shareholding pattern of the Company

Shareholding Pattern Pre And Post Preferential Issue					
Sr. No.	Category	Pre issue/Allotment		Post issue/Allotment	
		No. of Shares	%	No. of Shares	%
A	Promoters Holding				
1	Indian				
	Individual	636429	0.12	636429	0.11
	Bodies Corporate	222639445	43.43	222639445	39.99
	Sub Total	223275874	43.55	223275874	40.10
2.	Foreign Promoters	0	0	0	0
	Sub Total (A)	223275874	43.55	223275874	40.10
B	Non Promoters Holding:				
1	Institutional Investors	134319532	26.20	134319535	24.12
2.	Non Institutions:				
	Private Corporate Bodies	17517629	3.43	61712721	11.08
	Directors and Relatives	0		0	0
	Indian Public	135000146	26.34	135000146	24.25
	Others (Including NRIs)	2484376	0.48	2484376	0.45
	Sub Total (B)	289321683	56.45	333516775	59.90
	Grand Total	512597557	100	556792649	100



- i) Other Requirement and Disclosure
- The Musk Issue Shares allotted on preferential basis shall be locked-in till the trading approval is granted by the Bombay Stock Exchange.
  - Since Musk Issue Shares allotted on preferential basis to Musk who qualify as persons other than promoter and promoter group, the Musk Issue Shares, shall be locked in for a period of 1 (one) year from the date of receipt of the trading approval from the Bombay Stock Exchange Limited.
  - Musk does not have any pre-preferential allotment shareholding in the Company.
  - The preferential allotment of the Musk Issue Shares made in dematerialized form.
  - The Company is in the process of obtaining a certificate from its statutory auditor certifying that the preferential issue of the Issue Shares is in accordance with the requirements of the SEBI ICDR Regulations. A copy of this certificate shall be placed before the shareholders at the Annual General Meeting, and shall also be available for inspection at the registered office of the Company on all working days except Saturdays, Sundays, and public holidays between 11:00 a.m. to 1:00 p.m. prior to the date of the Annual General Meeting.
  - Musk does not hold any equity shares of the Company prior to this preferential issue, accordingly the condition of selling of shares during the 6 (six) months preceding the relevant date, i.e. 26<sup>th</sup> August, 2014 does not arise.
  - None of the promoters, and their associates. Directors, manager, other key managerial person and relatives of Director, manager and key managerial persons of the Company is in any way concerned or interested, financial or otherwise, in passing the aforesaid resolution.
  - The preferential issue of the Issue Shares neither relates to nor affects any other Company (including Musk) in which the shareholding interest of the promoter, Director, manager and other key managerial personnel of the Company exceeds 2% (two percent) of the paid up share capital of such Company.
  - During the year there was no allotment made to any person under Preferential Allotment.

The Board of Directors of the Company recommends passing of the resolution as set out in the Notice.

None of the Directors, Key Managerial Person(s) of the Company and their relatives are, in any way, concerned or interested in the said resolution.

Item No. 9

The Articles of Association of the Company as currently in force was originally adopted when the Company was incorporated under the Indian Companies Act 1913 and further amendments were adopted pursuant to the provisions under the Companies Act 1956, from time to time, over the past several years. The references to specific sections of the Companies Act, 1956 in the existing Articles of Association may no longer be in conformity with the Companies Act, 2013.

Substantive sections of the Companies Act which deal with the general working of the companies stand notified, it is proposed to amend the existing Articles of Association to align it with the provisions of Companies Act, 2013 including the Rules framed there under and adoption of specific sections from Table "F" to Schedule I to the Companies Act, 2013 which sets out the model articles of association for a Company limited by shares.

As per Section 14 of the Companies Act, 2013 any alteration in the Articles of Association of the Company requires approval of shareholders by way of special resolution.

The existing Articles of Association of the Company alongwith the revised Articles of Association of the Company incorporating the changes are available for inspection to all the members of the Company at the Registered Office of the Company on all working days, except Saturdays between 10 am to 4 pm upto the date of Annual General Meeting.

The Board of Directors of the Company recommends passing of the resolution as set out in the Notice.

None of the Directors, Key Managerial Person(s) of the Company and their relatives are, in any way, concerned or interested in the said resolution.

Item No. 10

The present Authorised Share Capital of the Company is Rs. 200,00,00,000/- (Rupees Two Hundred Crores Only) divided into 60,00,00,000 equity shares of Rs. 2.50 each and 50,00,000 - Preference Shares of Rs. 100 each.

It is proposed to cancel the unissued 25,00,000 (Twenty Five Lacs) Preference Shares of Rs.100/- (Rupees Hundred only) each aggregating Rs. 25,00,00,000/- (Rupees Twenty Five Crores Only) and re-classify by concurrently creating 10,00,00,000 (Ten Crores) Equity Shares of Rs. 2.50/- (Rupees Two and Fifty Paise only) each aggregating to Rs. 25,00,00,000/- (Rupees Twenty Five Crore Only), with total Authorised Share Capital of the Company remains the same.

The above re-classification in Authorised Share Capital, when approved would require certain consequential amendments in the Memorandum of Association of the Company. For alteration in Clause V of the Memorandum of Association, Special Resolution is recommended.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested, financially or otherwise in the Special Resolution.

By Order of the Board  
For JCT Limited

Place : New Delhi  
Dated : 12<sup>th</sup> August, 2014

Nidhi Goel  
Company Secretary



## JCT LIMITED

[CIN - L17117PB1946PLC004565]

Corporate Identification No. (CIN) : L17117PB1946PLC004565  
Registered Office: Village Chohal, District Hoshiarpur 146 024 (Punjab)  
Tel: 01882 - 258780, FAX: 01882 - 258059  
Email ID: jctsecretarial@jctltd.com; Website: jct.co.in

### ATTENDANCE SLIP

VENUE OF THE MEETING : THAPAR COLONY, VILLAGE CHOHAL, DISTRICT HOSHIARPUR 146 024(PUNJAB)

DATE & TIME : 25<sup>TH</sup> SEPTEMBER 2014 AT 11 AM

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE

NAME (IN BLOCK LETTERS)	
ADDRESS	
DP ID/ CLIENT ID*	
FOLIO NO.	
NO. OF SHARES HELD	

\*Applicable for investors holding shares in Electronic Form.

I certify that I am the registered shareholders / proxy for the registered shareholder of the Company.

I hereby record my presence at the 65<sup>th</sup> Annual General Meeting of the Company held on Thursday, the 25<sup>th</sup> day of September, 2014 at Thapar Colony, Village Chohal, District Hoshiarpur 146 024 (Punjab).

Ö Ö Ö Ö Ö Ö Ö Ö Ö Ö ..

Signature of Member/Proxy

#### Notes :

1. Electronic copy of the Annual Report for 2014 and Notice of the Annual General Meeting alongwith Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company / Depository Participant unless any member has requested for a hard copy of the same. Shareholders receiving electronic copy and attending the Annual General Meeting can print copy of this Attendance Slip.
2. Physical copy of the Annual Report for 2014 and Notice of the Annual General Meeting alongwith Attendance Slip and Proxy Form is sent in the permitted mode(s) to all the members whose email id is not registered or have requested for a hard copy.



# JCT LIMITED

[CIN - L17117PB1946PLC004565]

Corporate Identification No. (CIN) : L17117PB1946PLC004565  
Registered Office: Village Chohal, District Hoshiarpur 146 024 (Punjab)  
Tel: 01882 - 258780, FAX: 01882 - 258059  
Email ID: jctsecretarial@jctltd.com; Website: jct.co.in

## PROXY FORM

VENUE OF THE MEETING : THAPAR COLONY, VILLAGE CHOHAL, DISTRICT HOSHIARPUR 146 024(PUNJAB)  
DATE & TIME : 25TH SEPTEMBER 2014 AT 11 AM

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE

NAME (IN BLOCK LETTERS)	
ADDRESS	
DP ID/ CLIENT ID*	
FOLIO NO.	
NO. OF SHARES HELD	

\*Applicable for investors holding shares in Electronic Form.

I/we .. of .. being the member/ members of JCT Limited hereby appoint the following as my / our Proxy to attend vote (for me/us and on my/our behalf at the 65th Annual General Meeting of the Company to be held on Thursday, the 25th day of September, 2014 at 11AM and at any adjournment thereof.

- Mr / Mrs .. (Name & Signature of the Proxy) or failing him/her
- Mr / Mrs .. (Name & Signature of the Proxy) or failing him/her
- Mr / Mrs .. (Name & Signature of the Proxy)

Resolution No.	Description of Resolution	Optional	
		For	Against
<b>ORDINARY BUSINESS</b>			
1	Adoption of audited financial statements for the period ended 31st March 2014 and reports of the Board of Directors and the Auditors thereon.		
2	Re-appointment of Ms Priya Thapar, who retires by rotation.		
3	Re-appointment of M/s S. P. Chopra & Co., Chartered Accountant, as Auditors		
<b>SPECIAL BUSINESS</b>			
4	Appointment of Dr. Ajit Kumar Doshi as an Independent Director		
5	Appointment of Mr. G B Kathuria as an Independent Director		
6	Appointment of Mr. C M Bhanot as an Independent Director		
7	Further Issue of Capital under Section 42 & 62 of the Companies Act 2013		
8	Borrowing Limits under section 180 (1) (c) of Companies Act 2013		
9	Alteration of Articles of Association as per Section 14 of the Companies Act 2013		
10	Re-classification of the share capital		

Signature of Shareholder .....

Affix Revenue Stamp

Signed this .....day of ..... 2014

### Notes :

- This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the Meeting.
- It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any of the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details including details of member(s) in the above box before submission.