



JCT LIMITED

Corporate Office : 305, 3rd Floor Rattan Jyoti, 18 Rajendra Place, New Delhi-110008
Phone : 46290000 ; Fax :25812222
Website : www.jct.co.in ; www.jctfootball.com
E-mail :jctdelhi@jctltd.com/ jctsecretarial@jctltd.com

FORM A

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

S. No	Name of the company	JCT Limited
1.	Annual financial statements for the period ended	01-04-2012-30.09.2013 (18 Months)
2.	Type of Audit observation	<p>Matter of Emphasis in Auditor Report for the period ended on 30.09.2013</p> <p>a. Note No. 5.2 (b) ; Non provision of yield protection of Rs. 2872.90 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\$ 30.50 million equivalent to Rs.19302.79 lakhs since 08.04.2011.</p> <p>b. Note No. 5.3 (b); Non clearance/payment of cheques to depositors of Rs. 382.38 lakhs in respect of repayment of deposits under Section 58A of the Companies Act, 1956 and certain delays in repayments of deposits during the period for which details are not readily ascertainable due to large volume of deposits.</p> <p>c. Note No. 31.7 and 31.10; Continuing and accumulated losses have resulted in entire erosion of net worth of the Company. However, the financial statements have been prepared on going concern basis on the grounds as disclosed in the Note 31.7. Further, as referred to in Note 31.10, steps are being taken by the management as envisaged under the Sick Industrial Companies (Special Provisions) Act, 1985.</p> <p>d. Note No. 31.11; Non-confirmation/reconciliation of certain balances in trade receivables, advances and trade payables of the Company.</p>



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3.	Frequency of observation	a. Note No. 5.2 (b) reported twice. Same was mentioned in Auditor Report of year 2012 too. b. Note No. 5.3 (b) reported first time. c. Note No. 31.7 and 31.10: Note no 31.7 reported four times. Same was mentioned in Auditor Report of year 2010, 2011 and 2012 too. Note No. 31.10 reported once. d. Note No. 31.11 reported first time.
4.	1. Samir Thapar Chairman & Managing Director 2. Shri M P S Narang Chief Financial Officer 3. Shri Pawan Gupta Partner S P Chopra & Company, Chartered Accountants (Statutory Auditors) 4. Shri G B Kathuria Chairman – Audit Committee	<p style="text-align: right;">Sd/-</p> <p style="text-align: right;">Sd/-</p> <p style="text-align: right;">Sd/-</p> <p style="text-align: right;">Sd/-</p>

Certified True Copy

for JCT LIMITED.

Secretary.

Nidhi Goel



BOARD OF DIRECTORS Mr. Samir Thapar Ms Priya Thapar Mr. Gordhan Bhojraj Kathuria Dr. Ajit Kumar Doshi Mr. Chander Mohan Bhanot Mr. Parthadeb Datta		Chairman & Managing Director Director (HR) Allahabad Bank Nominee
Executive Director Mr Rohit Seru		
Chief Financial Officer Mr. M.P.S Narang Company Secretary Ms. Nidhi Goel Auditors S.P.Chopra &Co. <i>Chartered Accountants</i> F-31, Connaught Place New Delhi - 110 001 <i>Registered Office</i> Viillage Chohal Distt. Hoshiarpur (Punjab)-146 024 Units Textiles : Phagwara (Punjab) Filament : Hoshiarpur (Punjab) Corporate Office 305-309, 3rd Floor, Rattan Jyoti Building 18, Rajendra Place ,New Delhi-110 008 Website : www.jct.co.in E-mail : jctsecretarial@jctltd.com Registrar & Share Transfer Agents RCMC Share Registry Pvt. Ltd. B-106, Sector-2 NOIDA-201 301 Tel : 95120-4015880 Fax : 95120-2444346 e-mail : shares@rcmcdelhi.com	BANKERS Allahabad Bank Bank of Baroda Punjab National Bank Punjab & Sind Bank State Bank of India State Bank of Patiala State Bank of Travancore CONTENTS Notice 2 Directors' Report 10 Management Discussion & Analysis 15 Corporate Governance 17 Auditors' Report 25 Balance Sheet 28 Profit & Loss Account 29 Cash Flow Statement 30 Notes to Financial Statements 32	



NOTICE

THE 64th ANNUAL GENERAL MEETING OF JCT LIMITED will be held at the Registered Office at Village Chohal, Dist. Hoshiarpur (Punjab) 146 001 on Monday, the 30th day of December, 2013 at 10.30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the audited Accounts of the Company for the 18th months period ended on 30th September, 2013 and the Reports of the Directors and Auditors thereon.
2. To re-elect Mr Gordhan Bhojraj Kathuria as Director retiring by rotation and pass the following resolution.
"RESOLVED that Mr Gordhan Bhojraj Kathuria be and is hereby re-elected as Director of the Company."
3. To appoint Auditors and to fix their remuneration and to consider and, if thought fit, to pass the following resolution:-
"RESOLVED that M/s S P Chopra & Company, Chartered Accountants, be and are hereby appointed as the Auditors of the Company to hold such office until the conclusion of the next Annual General Meeting at a remuneration of to be decided by the Board / Audit Committee of Directors of the Company, payable in one or more tranche plus service tax as applicable in addition to reimbursement of all out of pocket expenses in connection with the audit of the Company."

SPECIAL BUSINESS

4. To consider and if thought fit, to pass the following resolution with or without modification(s) as an **Ordinary Resolution**:
"RESOLVED that Mr. Chander Mohan Bhanot be and is hereby appointed a Director of the Company."
5. To consider and if thought fit, to pass the following resolution with or without modification(s) as an **Ordinary Resolution**:
"RESOLVED that Ms Priya Thapar be and is hereby appointed a Director of the Company."
6. To consider and if thought fit, to pass the following resolution with or without modification(s) as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and 311 of the Companies Act, 1956 read with applicable provisions of Companies Act, 2013 for the time being in force and Schedule XIII of the said Act (including any statutory modification(s) or re-enactment thereof), and subject to such approvals as may be necessary, consent of the Members of the Company be and are hereby accorded, to the appointment of Ms. Priya Thapar as Whole Time Director of the Company designated as Director (HR), for a period of 5 years commencing from 1.12.2013 to 30.11.2018 and the remuneration payable to Ms. Priya Thapar for the said period, in pursuance of this resolution, on the terms and conditions as are set out in the Explanatory Statement to this resolution, which be and is hereby specifically approved and sanctioned with liberty to the Board of Directors (hereinafter referred to as "Board" which terms shall be deemed to include the remuneration committee constituted by the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration, subject to the same not exceeding the limits specified in Schedule XIII of the said Act, in such form and manner or with such modifications as the Board may deem fit and agreed to by Ms. Priya Thapar."
"RESOLVED FURTHER THAT Board of Directors and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things and furnish such information/ clarification/ declaration, certificate and other papers as may be required to make the resolution effective."
7. To consider and if thought fit, to pass the following resolution with or without modification(s) as **Special Resolution**:
"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and 311 of the Companies Act, 1956 read with applicable provisions of Companies Act, 2013 for the time being in force and Schedule XIII of the said Act (including any statutory modification(s) or re-enactment thereof), and subject to such approvals as may be necessary, consent of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Samir Thapar as Chairman & Managing Director of the Company, for a further period of 3 years commencing from 1.10.2013 to 30.09.2016 and the remuneration payable to Mr. Samir Thapar for the said period, in pursuance of this resolution, on the terms and conditions as are set out in the Explanatory Statement to this resolution and also contained in the draft agreement to be entered into between the Company and Mr. Samir Thapar, submitted to this meeting, which agreement be and is hereby specifically approved and sanctioned with liberty to the Board of Directors (hereinafter referred to as "Board" which terms shall be deemed to include the remuneration committee constituted by the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration and / or agreement, subject to the same not exceeding the limits specified in Schedule XIII of the said Act, in such form and manner or with such modifications as the Board may deem fit and agreed to by Mr. Samir Thapar."
"RESOLVED FURTHER THAT Board of Directors and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things and furnish such information/ clarification/ declaration, certificate and other papers as may be required to make the resolution effective."
8. To consider and if thought fit to pass, with or without modification, the following resolution as a **Special Resolution**:
"RESOLVED THAT pursuant to section 81(1A) of the Companies Act, 1956 and all other applicable provisions of the Companies Act, 1956 and/or Companies Act, 2013, as the case may be, for the time being in force (the "Companies Act"), 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 maybe prevailing at the time of allotment of the Issue 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 FCCBs of face value of USD 10,000 each, to 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) the Shares shall be 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 Issue Shares shall be 30th November, 2013, 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 81 (1A) of the Act for the preferential issue of the Issue Shares;
- c) the Musk Issue Shares so offered and allotted to Musk respectively 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."

By Order of the Board
For JCT Limited

Place : New Delhi
Dated : 29.11.2013

Nidhi Goel
Company Secretary



NOTES FOR MEMBERS' ATTENTION:

- (a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING MAY APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS/ HER BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE AT VILLAGE CHOHAL, DIST. HOSHIARPUR (PUNJAB), NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME OF THE MEETING.
- (b) Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 read with Companies Act, 1956, in respect of special business to be transacted at the Annual General Meeting is annexed herewith.
- (c) Additional information, pursuant to Clause 49 of the Listing Agreement in relation to Directors recommended by the Board for appointment / re-appointment at the Annual General Meeting forms part of the Annual Report.
- (d) The Share Transfer Books and Register of Members of the Company shall remain closed from 23.12.2013 to 30.12.2013 (both days inclusive).
- (e) The Members holding equity shares in physical form are requested to inform the Registrar and Transfer Agents, M/s RCMC Registry Private Limited, B-106, Sector 2, Noida 201301, District Gautam Budh Nagar (UP) change of address, if any, at the earliest, quoting their registered folio number. Change of address in respect of shares held in dematerialized form is required to be informed to the concerned Depository Participant.
- (f) The Ministry of Corporate Affairs vide Circular Nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering / updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository Participants. In respect of shares held in physical form, the members are requested to send their e-mail details, duly signed by all the joint holders to the company's office at 305, Rattan Jyoti Building, 18, Rajendra Place, New Delhi 110008.
- (g) All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays between 10.00 A.M. to 12 Noon upto the date of the Annual General Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES ACT, 1956.

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 4

Mr. Chander Mohan Bhanot was co-opted as an Additional Director of the Company with effect from 24.01.2013 by Board of Directors pursuant to the provisions of Article 130 of Articles of Association of the Company and Section 161 of the Companies Act, 2013. According to the said Article and provisions of the said Act. Mr. C M Bhanot will hold office only upto the date of the forthcoming Annual General Meeting of the Company and is eligible for appointment of as Director.

Mr. C M Bhanot is a Law Graduate. He retired as General Manager from Bank of India. He has vast experience of 41 years in Banking Operations, Legal, Forex, Credit Monitoring and HR etc. He is a Member of Audit, Remuneration and Shareholders Committees constituted by the Board of Directors of the Company. He is not a Director in any other Company. He is not holding any shares in the JCT Limited.

The Company has received notices under Section 257 of the Companies Act, 1956 from certain members of the Company alongwith the requisite amount, proposing appointment of Mr C M Bhanot as Director of the Company liable to retire by rotation.

Your Directors recommend the appointment of Mr Bhanot as Director of the Company. Except Mr Bhanot no other Director is concerned or interested in the Resolution.

Item No.5

Ms Priya Thapar was co-opted as an Additional Director of the Company with effect from 26.11.2013 by Board of Directors pursuant to the provisions of Article 130 of Articles of Association of the Company and Section 161 of the Companies Act, 2013. According to the said Article and provisions of the said Act. Ms. Thapar will hold office only upto the date of the forthcoming Annual General Meeting of the Company and is eligible for appointment as Director.

The Board of Directors of the Company co-opted Ms. Priya Thapar as an Additional Director w.e.f. 26.11.2013 and in terms of Section 161 of the Companies Act, 2013 she holds office as Director upto the date of this Annual General Meeting, but is eligible for re-appointment.

Ms Priya Thapar has done Bachelor of Business Administration with major in Marketing and B.A in Fashion Merchandising from American College in London (ACL). She has also done Bachelor of Business Administration from London School of Economics and Bachelors in Interior Design from Parsons School of Design besides degree in History of Art from Sothebys London with consistent good academic record. She has vast experience in Human Resources, Marketing, Administration and Finance. She was associated with Organic World India in introducing the first ever concept of Organic Lifestyle Brand in India, a one stop shop for a complete eco-friendly holistic way of living which includes garments, food products, home furnishings, health products in India and overseas. She is not a Director in any other Company. She is holding 2,60,000 shares in JCT Limited.



The Company has received notices under Section 257 of the Companies Act, 1956 from certain members of the Company alongwith the requisite amount, proposing appointment of Ms Priya Thapar as Director of the Company.

Your Directors recommend the appointment of Ms Priya Thapar as Director of the Company. Except Ms Thapar & Mr Samir Thapar, no other Director is concerned or interested in the Resolution.

Item No. 6

The Remuneration Committee at their meeting held on 29.11.2013 appointed Ms Priya Thapar as Whole-time Director and designated as Director (HR) w.e.f 1.12.2013 for period of five years on the following terms and conditions with regard to salary and perquisites.

- (a) Salary : Rs.1,50,000/- per month
Special Allowance : Rs.45,000/- per month
Perquisites : Rs.5000/- per month
- (b) Reimbursement of Expenses:
Expenses incurred for traveling, boarding / lodging for self, entertainment or business promotion expenses etc. and telephone expenses at residence shall be paid/reimbursed and not considered as perquisites.
- (c) General:
 - (i) The terms and conditions set out for appointment and payment of remuneration herein may be altered and varied by the Remuneration Committee and/or Board as it may, from time to time deem fit subject to the applicable approvals and provisions under the Companies Act, 2013.
 - (ii) She shall not be liable to retirement by rotation.

The draft of the Agreement between the Company and Ms Priya Thapar is open for inspection at the Registered Office of the Company during office hours on all working day except Saturday, between 10 A.M to 12 Noon.

The above may also be treated as an Abstract under Section 302 of the Companies Act, 1956.

Ms Thapar may be deemed to be concerned or interested in the resolution as recipient of the remuneration. Except Mr Samir Thapar being relative, none of the other directors are concerned or interested in this Resolution.

Item No. 7

Mr. Samir Thapar has been Managing Director of the Company since 2.6.1994. His existing term of office as Managing Director of the Company had expired on 30th September, 2013.

The present proposal is to seek the members approval for the reappointment and remuneration payable to Mr. Samir Thapar as Chairman and Managing Director in terms of the applicable provisions of the Companies Act, 1956 read with applicable provisions of Companies Act, 2013 for the time being in force and Schedule XIII of the said Act (including any statutory modification(s) or re-enactment thereof). On the approval and recommendations of the Remuneration Committee of the Board of Directors held on 14.08.2013 and further taken on record by Board of Directors in their Board Meeting held on the same day have approved the re-appointment on following terms and conditions with regard to salary and perquisites payable to Mr. Samir Thapar:

- (a) Salary : Rs.3,25,000/- per month
- (b) Perquisites : The perquisites shall include accommodation (furnished or otherwise), house maintenance allowance together with reimbursement of expenses and / or allowances for utilization of gas, electricity, water, furnishing and repairs, medical reimbursement, leave travel concession for self and family perquisites in cash equivalent to Rs.9,00,000/- per annum including dependents, club fees, medical insurance, use of Company's car with Driver and such other perquisites and/ or allowances. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of the Income tax Act, 1961 or any rules there under or any statutory modification(s) or re-enactment thereof .In the absence of any such Rules perquisites and allowances shall be evaluated at actual cost. The incumbents shall have the option to be paid the entire perquisites in cash equivalent to 75% of his basic salary.
However, the Company's contribution to Provident Fund and, Superannuation or Annuity Fund (to the extent of Rs. 1,00,000/- per annum), are not taxable under the Income-tax law, and gratuity payable and encashment of leave at the end of the tenure, as per the rules of the Company and to the extent not taxable under the Income-tax law, shall not be included for the purpose of computation of the overall ceiling of remuneration.
- (c) Reimbursement of Expenses:
Expenses incurred for traveling, boarding / lodging for self, entertainment or business promotion expenses etc. and telephone expenses at residence shall be paid/reimbursed and not considered as perquisites.
- (d) General:
 - (i) The terms and conditions set out for re-appointment and payment of remuneration herein may be altered and varied by the Remuneration Committee and/or Board as it may, from time to time deem fit.
 - (ii) He shall not be liable to retirement by rotation.

Mr. Samir Thapar satisfy all conditions as set out in Part I of Schedule XIII of the Companies Act, 1956 and applicable provisions of Companies Act, 2013 for being eligible for reappointment.



The above may be treated as an abstract of the terms or reappointment of Mr Samir Thapar under section 302 of Companies Act, 1956.

A brief resume of Mr. Samir Thapar, nature of their expertise in specific functional areas, name of companies in which they hold directorship and membership/chairmanship of Board Committees and relationships between directors inter se, as stipulated under clause 49 of Listing agreement with the Stock Exchange are provided in the Report on Corporate Governance forming part of Annual Report.

The information as per proviso of Clause(iv) of 1(B) of Section II of Part II of Schedule XIII of the Companies Act, 1956 is given hereunder:

I. General Information

1.	Nature of Industry	Manufacturing of Cotton Textiles, Synthetics Fabrics and Nylon Filament Yarn		
2.	Date or Expected date of Commencement of Commercial Production	19.12.1946		
3.	In case of New Companies, expected date of commencement of activities as per produced approved by financial institutions appearing in the prospectus	N.A.		
4.	Financial performance based on given indicators	(Rs. in lacs)		
		2011-12	2010-11	2009-10
	Gross Income from operations	82940	76845	59249
	Other Income	728	501	1285
	Interest & Financing Charges (Net)	4116	4702	4689
	Profit/(Loss) before Depreciation	(1893)	(1696)	(1802)
	Depreciation	4695	4056	3927
	Net Profit/(Loss) before Tax	(6805)	5604	(6090)
5.	Export Performance and net foreign exchange collaborations			
	Earning in Foreign Currency	8975	7503	5482
	Expenditure in Foreign Currency	2838	2838	2600
6.	Foreign Investment or Collaborators, if any	Company had raised FCCBs of US\$ 30 Million on 07.04.2006 for certain capital investment to modernize and expanding the manufacturing facilities mainly at Textile Unit at Phagwara. These FCCBs were due for redemption in year 2011 but due to paucity of funds there were not redeemed.		

II. Information about the Appointee

1	Background details	Graduated Business Administration-California State University-Bakersfield, USA with a total experience of 24 Years
2	Past Remuneration (Per Annum)	Salary- Rs. 45,00,000/- Perquisites & Reimbursements: Rs.12,60,000/- Contribution to Provident Fund: Rs.11,25,000/-
3	Recognition or Awards	None
4	Job Profile and his Suitability	He is Chairman & Managing Director of the Company and entrusted with substantial powers of management and responsible for all business decisions and answerable to the Board of Directors.
5	Remuneration proposed (per annum)	Rs. 48,00,000/- (Rupees Forty-eight lakhs)
6	Comparative remuneration profile with respect of industry, size of the company, profile of the positions and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The corresponding cost to the Company (CTC) of persons handling similar portfolio in the Textile Industry are in the salary band from Rs.20 to Rs.25 lacs per month.
7	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Promoter Director



III. Other Information

(1)	Reasons of loss or inadequate profits:	<p>JCT undertook a major capital expenditure plan during 2006-08 aggregating to Rs 300 crores. It involved replacement of old set up of machines in the spinning and weaving sections with new set up of spinning lines and Airjet looms at textile unit at Phagwara, The processing and dyeing, captive power capacities were also enhanced. A new facility with capacities to produce high quality synthetic fabrics was also set up at Phagwara. A new Effluent Treatment Plant (ETP) was also been set up.</p> <p>Due to recessionary market conditions more particularly in US and European markets, demand for export quality fabrics reduced drastically. This resulted in under utilization of capacities in the textile mills. Increase in capacities worsened the plight of textile mills as simultaneously the interest and depreciation burden had increased substantially.</p> <p>On slight recovery in demand of fabrics all the Indian textile mills were trying desperately to fill their expanded capacities. This led to cut throat competition and the margins remained under pressure with no relief from input costs. The company continued to incur cash losses due to servicing of interest, resulting into erosion of available working capital. Though the demand of fabrics is very good but due to shortage of working capital the capacities were under utilized.</p>
(2)	Steps taken or proposed to be taken for improvement:	<p>During the 18 months period ended on 30th September 2013, to improve the capacities utilization, the funds have been infused in the system by way of promoters' contribution of Rs 16 Crores for working capital. With infusion of funds, the capacity utilisation at both the plants at Phagwara is increased substantially. The processing capacities at cotton plant are still under utilized and expect to attain the full capacity utilization in the coming months.</p> <p>The restructuring of the debt of the company has been completed and the relief in repayment terms and reduced interest cost will give boost to increase the capacities. The company is also expecting additional working capital funds from the banks under the scheme approved by CDR Cell.</p> <p>The company has set up a small garmenting unit having 160 machines within the existing set up as a step towards value addition and integration.</p> <p>The company has been re-working on its various segments looking into the market dynamics and the results have started pouring in terms of substantial increase in turnover and profitability in the textile plant at Phagwara during the last quarter i.e. July to Sept 2013.</p> <p>At filament Unit to improve upon the profitability, the company has started selling surplus steams to other companies in the region and getting good profits out of it. The unit is also doing small investments having good returns in shorter period like installation Central Heating System. It will reduce the power consumption substantially.</p>
(3)	Expected increase in productivity and profits in measurable terms:	<p>The infusion of funds by promoters as part of promoters' contribution has started showing results and the capacities have started improving. With availability of right mix of working capital funds the capacity utilization will increase substantially and plants will start operating at optimum levels. We expect with the improvement in capacity utilisation, the margins will improve and company will be in a position to improve its EBIDTA levels by around Rs 3.00 to Rs 3.50 crores a month with minor or no increase in financing cost.</p>
(4)	DISCLOSURES:	<p>Adequate disclosures in respect of the remuneration package have been made under the Explanatory Statement here in above. Remuneration proposed exceeds the limits as stipulated in Schedule XIII of the Companies Act, 1956 in case of inadequate profits.</p>

Item No.8

- I. 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.
- II. FCCB holder, viz. Musk holding 493 FCCBs, has agreed to convert the FCCBs held by them into ordinary equity shares of the Company in terms of the letter agreements executed between the Company and Musk. According to the aforesaid settlement with Musk the outstanding 493 FCCBs held by them shall be converted into 44,195,092 equity shares of the Company.



- In pursuance of the foregoing, the Board of Directors of the Company (hereinafter called the "**Board**" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this Resolution), with a view to convert the FCCBs into ordinary equity shares of the Company, at its meeting held on 29th November, 2013 passed a resolution in pursuance of Section 81(1A) of the Companies Act, 1956 to 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 Companies Act, 1956 and/or Companies Act, 2013, as may be applicable, 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 (Transfer or Issue of any Foreign Security) Regulations, 2004, the Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations, 2000 (collectively, "**FEMA**"), other applicable laws, 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, Foreign Investment Promotion Board, 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, which may be agreed to by the Board, upon conversion of the 493 FCCBs, upto an aggregate of 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 FCCBs of face value of USD 10,000 each, to Musk.

Resolution under Section 81(1A) of the Companies Act, 1956 and Disclosures under Regulation 73 of the SEBI ICDR Regulations

1. Pursuant to the provisions of Section 81(1A) of the Companies Act, 1956, any preferential allotment of shares is required to be approved by the shareholders of the company by way of a special resolution. Further, in terms of Chapter VII of the SEBI ICDR Regulations, it is necessary to make certain disclosures in the Explanatory Statement to the Notice provided for convening a general meeting at which the aforesaid special resolution shall be passed. Hence, the requisite approval of the shareholders is being sought in terms of the provisions of the Companies Act, 1956 and Companies Act, 2013, as may be applicable, and the SEBI ICDR Regulations, the relevant disclosures/details of which are given below:

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, being the FCCB holders in the Company and to reduce the outstanding indebtedness of the Company.

b) Proposal of the promoters/directors/key management personnel of the Company to subscribe to 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) Shareholding pattern of the Company before and after the proposed preferential issue

Shareholding Pattern Pre And Post Preferential Issue				
Category	Pre preferential issue		Post preferential issue	
	No. of Shares	%	No. of Shares	%
Promoters and Promoter Group (A)	223375874	43.58	223375874	40.12
Public (B)	289221683*	56.42	333416775*	59.88
Total (A) + (B)	512597557	100	556792649	100
Custodian (C)	-	-	-	-
Grand Total (A) + (B) + (C)	512597557	100	556792649	100

*inclusive of 71758967 pending issue/allotment to holders of 800 FCCBs held by Elm Park Fund Limited (600 Nos.) and Hypnos Fund Limited (200 Nos.) subject to approval from BSE, approved by the members of the Company at their Extra Ordinary General Meeting held on 15.11.2013.

d) 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 ordinary 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. In terms of regulation 74 (2) of the SEBI ICDR Regulations, if the allotment of Issue Shares is not completed within fifteen days from the date of the



aforesaid special resolution, a fresh special resolution shall be passed, and the relevant date for determining the price of the Issue Shares will be taken with reference to the date of latter special resolution.

Accordingly, the allotment of the Musk Issue Shares shall take place within the applicable period mentioned above.

- e) 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	Francatina Development Inc.	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.

- f) **Requirement as to lock-in and re-computation of price of specified securities in terms of the SEBI ICDR Regulations :**

- The Musk Issue Shares allotted on preferential basis shall be locked-in till the trading approval is granted by the Bombay Stock Exchange.
- Since the Musk Issue Shares are being 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.

Since the equity shares of the Company have been listed on the Bombay Stock Exchange for a period more than 26 (twenty six) weeks prior to the relevant date which is 30th November, 2013, the Company is not required to re-compute the price under Regulation 73 of the SEBI ICDR Regulations.

The Company undertakes to re-compute the price of the Musk 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 Musk Issue Shares is paid by.

- g) **Other information:**

- The preferential allotment of the Musk Issue Shares shall be 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 Musk 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 ordinary 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 10.00 a.m. to 12 Noon 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. 30th November 2013 does not arise.
- The Issue Shares are not being issued on a preferential basis in terms of the SEBI ICDR Regulations to promoters, their relatives, associates and related entities.
- None of the 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 Musk 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.

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



DIRECTORS' REPORT

To the Members of JCT Limited

The Directors of your Company present the 64th Annual Report on the affairs of the Company together with audited statement of account of the Company for the 18 months period ended on 30th September, 2013.

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

(₹ in lacs)

	2012-13 (18 Months)	2011-12 (12 Months)
Gross Income from operations	1,32,643	82,797
Other Income	1,823	728
Profit before Interest, Depreciation, tax and Exceptional Items	6,284	2,223
Interest and financing charges	5,295	4,116
Depreciation and amortization Expense	7,392	4,695
Exceptional Items		
- Profit/(Loss) from Discontinuing Operations	(674)	(143)
- Secured Lenders' Sacrifice	(1,622)	-
Provision for Tax		
- Current Period	-	-
- Earlier Year	82	14
Net Profit/(Loss)	(8,780)	(6,805)

Dividend

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

Operations

The global economy has been passing through a prolonged phase of uncertainty and the low growth along with the atmosphere of hesitancy is also reflected in India. The recovery from the global crisis of 2008-09 in the advanced economies has been uneven and fragile and this as well as a number of its own problems has had a notable dampening effect on growth and business confidence in India over the last two to three years. Continuing high inflation, unacceptable level of fiscal and current account deficits, lackluster performance on the export front as a fall in the rate of growth in industrial production, high prices of crude in international markets- all these have added to the reasons for low economic growth. Further, a consequential tight monetary policy during the major part of the period coupled with stalled reforms, electricity shortages and lack of rain in some parts of the country have all contributed to lower business confidence. These factors have adversely impacted government spending and investment by private sector for various project related to infrastructure development, housing and industry. As the government has over the last few months taken some action to revive industrial growth, encourage fresh investment and seems committed to reforms in terms of keenly awaited measures being promised for implementation, our economy in the coming years should regain a trajectory of high growth, nearer to that witnessed in the recent past.

The Indian Textile Industry is one of the leading Textile Industries of the world. Though the Industry was predominantly, unorganized industry even a few years back, but the scenario started changing after the economic liberalization of Indian economy in 1991. The opening of the economy gave the much needed thrust to the Industry and now it has successfully become one of the largest industries in the world.

The textile Industry plays a pivotal role in the economic life in the country. Apart from providing one of the basic necessities of life, the industry also plays a vital role through its contribution of about 14% to Industrial Production, 4% to Gross Domestic Product (GDP), and 11% to the country's export earnings as per Government of India, Ministry of Textiles, Note on Textile and Clothing Export of India. It provides direct employment to over 45 million people and thus the Textile Industry is the second largest provider of employment after agriculture. Accordingly, the growth and development of the industry has a direct bearing on the economy of the nation and its people.

Textile Unit

The textile division operated at an average of around 75% and produced 5.53 crores meters of fabrics during the 18 months period ended on 30th September 2013. The utilisation of capacities at Textile Units at Phagwara suffered very adversely due to shortage of working capital funds. The performance also affected besides lower capacity utilisation adverse fluctuation in foreign currency, cost of power & fuel increased substantially since power rates increased by PSEB and also rice husk. The increase in inputs the selling prices increased marginally during the period, thus leading to strain on the overall margins. However, the performance during the quarter ended 30th September 2013 improved substantially in terms of turnover and the margins.

- The company is having 19.5 MW in house rice-husk based power plants. The rates of rice husk have been on the rise this year.
- The company incurred operational cash losses during the financial year 2008-09 to 2012-13 and continued to service interest and repayment of debts to the lenders in terms of various loan agreements entered into with lenders despite losses which resulted in further erosion of working capital and lower capacity utilization.

In Sriganganagar unit, the operations were discontinued in earlier years. The agreement to sell entered into with the buyers of land at Sriganganagar was terminated during the year due to non-fulfillment of conditions of the agreement by the buyer for quite a long time.

Industry Scenario

The Indian textile industry is on a comeback trail due to an improved US economy, a recovering demand from the European Union and favourable raw material prices. China, a major textile producer for about two decades is now focusing on other sectors, which should open up opportunities for other textile producing countries such as India and Bangladesh. As a result, India, Bangladesh and Vietnam are receiving more orders due to reduction in the global spinning capacity and cut down in cotton imports by China. The global buyers, therefore, are looking at India as one of the major sourcing destinations. The Indian textile industry is competitively placed vis-à-vis competitors. India offers higher skills, lower cost, modern technology, global acceptance and a highly creative pool of design talent. A supportive policy regime and the absolute commitment of private enterprise add strength to Indian prospects. India is among the few textile manufacturing countries, which is fully integrated from fibre to finished products.

Financial problems:

In light of the scenario, as explained above, owing to marketing difficulties, lower capacity utilisation the profitability of the Textile operations remained in the negative zone. Consequently in this situation the earnings which had gone negative on account



of low capacity utilization, the company ended up paying interest to the Banks out of working capital. This situation led to further erosion in already strained working capital.

Now that the fabric demand has picked up, most Textile Companies of the country are running their Plants at full capacity. In spite of the order-book being comfortable, full capacity utilization your Company continues to be elusive on account of working capital constraints.

Steps initiated by the company:

- The company has since expanded its customer base and has gone deeper with the existing customers to fully secure its production capacities. The company in these years, focused, especially on work-wear and sportswear segments.
- The marketing strategy of your company has been changing with the time and there has been a shift in product mix accordingly.
- The company has been very guarded in covering cotton in the current season. The management is ensuring to run the plants at maximum possible levels.
- The company has taken several power saving initiatives, which will cover a part of husk price hike.

Filament Unit

JCT continues to maintain its position as one of the largest Textile Grade Nylon yarn manufacturer in India with installed capacity of 14,000 TPA. During the period the unit produced 18170 MT of filament yarn with average denier of 35.2.

The continuous upward trend in prices of Caprolactum has been a major concern for the company. The Caprolactum prices increased from average of Rs 139.67 per kg in 2011-12 to Rs 146.16 per kg during the period with an increase 4.65%. The capacity of the market to absorb prices is limited as weavers start moving to other type of yarns.

The company has made a major shift in the product mix where the dependability on yarn sold in Surat market has been shifted to yarn being sold in Amritsar and Mau markets. The change is very significant as LOY base 20 Mono Yarn is less prone to market fluctuation and has a much higher margin.

The unit to keep the profitability in place has started selling Steam to other parties on profit sharing basis, which has resulted good profits to the unit.

Industry Scenario

In last 18 months, Overall Nylon Textile filament market size has increased from 5200 MT to 6300 MT mainly in FDY Multi-Filament segment with major share of growth in Surat region. In total product mix, share of Mono-Filament has come down from 2000 MT to 900 MT while FDY Multi-Filament has increased from 3100 MT to 4500 MT. Partly this increase in FDY segment has been met by Imports and balance approx 40% increase by New Spinners. As on date, further 500 MT /Month of capacity is in pipe line and will be commissioned in next six months.

The company expects that market will keep on expanding in Nylon Filament Yarn in immediate future @ 10% PA and mainly in FDY Multi-Filament Yarn. As far as competition is concerned, major threat remains from imports mainly from Vietnam & Taiwan having cost advantages.

Finance

During the period, the company has successfully implemented restructuring scheme with the lending banks under Corporate Debt Restructuring (CDR) mechanism. The company is regular in repayment of interest and installments to the banks in line with the scheme approved by the CDR Cell on 21st September

2012. The additional working capital which was part of the scheme could not be availed due to the order of the Hon'ble High Court of Punjab at Chandigarh restraining company to create charge over its assets.

The company has issued and allotted 40880000 Equity Shares of Rs 2.50 each to M/s Provostment Securities Pvt Ltd., a promoter company and also 40880000 Equity Shares of Rs 2.50 each to lending banks towards part settlement of their sacrifice on NPV basis as per stipulations of the CDR Scheme.

M/s Provostment Securities Pvt. Ltd., a promoter company, also infused Rs 5.78 crores as Subordinate Debt as per the condition of CDR Scheme.

Foreign Currency Convertible Bonds (FCCBs)

The Company could not redeem the Foreign Currency Convertible Bonds (FCCBs) on due date 08.04.2011 for paucity of cash funds. In the meantime, the Bank of New York, trustees of the FCCBs filed a winding up petition in the Punjab & Haryana High Court on 29th September 2012, which is pending for disposal. The majority of bondholders around 51% of the value of bonds have objected to the winding up in the Court and also agreed to convert their bonds of US\$ 12.93 million into 11,59,54,059 equity shares of Rs 2.50 each in settlement of their dues.

The trustees are now representing the minority of the bondholders who are not in agreement with the proposal submitted by the company.

During the last hearing on 14th November, 2013, the Hon'ble High Court fixed next date of hearing on 9th and 10th January 2014 on the issue of maintainability of the winding up petition. The company has been advised that the merit of the case do not warrant winding up.

Net Worth Erosion

The accumulated losses of the company at the end of 18 months period ended on 30th September 2013 have resulted in erosion of its net worth. The company will take necessary steps to comply with the requirements of the Sick Industrial Companies (Special Provision) Act, 1985. Shareholders are requested to take note of this erosion and consider the same at the Annual General Meeting of the members being convened on 30th December 2013. It must also be noted that consequent to the settlement with Foreign Currency Convertible Bond Holders having around 51% value of the bonds i.e. US\$ 12.93 millions, upon receipt of regulatory approvals which are under process, the net worth of the company will improve by around Rs. 93 crores and no further compliance with the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 will be required. The Board of Directors of the company therefore perceive that the negative net worth position is purely temporary till the conversion of a portion of the Foreign Currency Convertible Bonds into equity shares and reserves created out of such conversion.

That in case the bonds are not converted into equity for whatever reason then management is conscious that applicable reference will be filed within the statutory period.

Fixed Deposits (FDs)

Deposits remaining unclaimed at maturity amounted to Rs. 102.32 lakhs as on 30th September 2013. Of the above, deposits of Rs. 20.42 lakhs have been repaid subsequently. The company is regular in repayments and servicing of interest on fixed deposits.

In view of substantial erosion in net worth in earlier year the company had stopped accepting fresh and 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 are given in a separate Annexure to this Report. The Annexure is not being sent alongwith this Report to the Members of the Company in line with the provisions of Section 219(1)(b)(iv) of the said Act. These documents will be made available on request by any member of the Company.

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

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

Directors' Responsibility Statement

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

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanations relating to material departures, if any;
- ii) such accounting policies have been selected and applied consistently and judgments/estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) proper and sufficient care have been taken with best of knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis.

Auditors

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

Auditors' Report

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 cheques issued to fixed deposit holders, the same have been issued to them timely and are under clearance in the banks; (b) delay in deposit of statutory dues were for very short period due to non-availability of funds timely; (c) the redemption of FCCBs was due on 8th April 2011, for US\$ 25.42 million alongwith redemption premium of US\$ 5.08 million, the company could not make payment due to paucity of funds and approached bondholders for restructuring. Bondholders for value of US\$ 12.93 million (51% of outstanding) have agreed for converting their bonds into equity. The company is in the process of obtaining statutory approvals for conversion of

bonds into equity shares. In the meantime winding up petition filed by the trustees before Hon'ble High Court of Punjab & Haryana at Chandigarh, which is pending hearing / disposal. In the light of merit of the petition, the company does not anticipate any adverse outcome of the said litigation.

Cost Auditors

Pursuant to provisions of Section 233-B of the Companies Act, 1956, your Directors have appointed Mr. P.K. Verma AICWA, ACMM, as the Cost Auditors to conduct the Cost Audit of Textile Units at Phagwara and Sriganganagar and Filament Unit at Hoshiarpur, for the year ending on 30th September, 2013 and the requisite approval of Central Government have been received.

They were also appointed to submit the Cost Compliance report for the Financial Year ended 31st March, 2012 which has been filed with the Ministry of Company Affairs.

Directors

In accordance with the provisions of the Companies act, 1956 and Articles of Association of the Company, Mr Gordhan Bhojraj Kathuria, retire by rotation and being eligible offer himself for re-election.

Mr. Chander Mohan Bhanot has joined the Board as Additional Director w.e.f 24th January, 2013, and holds office as Additional Director upto the date of the forthcoming Annual General Meeting of the Company. The Company has received notices from the members of the Company under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director.

During the period under review Allahabad Bank, the Monitoring Institution under Corporate Debt Restructuring Scheme, vide its letter dated 14.08.2013 had nominated Mr. Parthdeb Datta as Nominee Director in place of Mr. Vipul Singla.

Ms. Priya Thapar has joined the Board as Additional Director w.e.f 26th November, 2013 and holds office as Additional Director upto the date of the forthcoming Annual General Meeting of the Company. The Company has received notices from the members of the Company under Section 257 of the Companies Act, 1956 proposing her candidature for the office of Director. Board of Directors in their Meeting held on 29.11.2013 has approved her appointment, subject to approval of Shareholders in Annual General Meeting, as Whole Time Director-Human Resource (HR).

Mr Apar Singh Dugal expired on 19.05.2013 and ceased to be the Director of the Company. Directors have placed their condolence on this sad demise and appreciate for his contribution, assistance and guidance during his tenure as Director of the Company.

Acknowledgement

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

Your Directors acknowledges the valuable support of banks, customers, suppliers, business associates, shareholders for their continued co-operation and look forward to their continued support.

For and on behalf of the Board

New Delhi
Date: 29th November, 2013

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 18 months period ended on 30.09.2013.

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. Replacement of CT/PT at 33kv substation with up gradation of accuracy class 0.2s I.P.O. 0.5s to reduce wattage loss as well as PSPCL Obligation. Modification in tube fittings circuits with MCB in place of rewirable fuses / bimetal type breakers in spinning. Installation of Two nos Variable Frequency drives at Thermopac. I.D.Fans for maintaining appropriate furnace pressure and to control excess air which results in energy conservation. Replacement of Electronic chokes (400 nos) I.P.O. conventional chokes to save 0.25 kwh per choke per day. Adjustment of speed of TFO (Starfocus), Auto coro machine w.r.t. UKG saving of 10 to 25%. Adjusting balloon lift to reduce power consumption of 3.25 % in TFO machines. Reduction of Angles and Pullies of Various H.Plants as per Department conditions requirements for Reduction electrical units consumption by 200 kwh. 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. Stopping of Two Nos 1000 KVA Distribution Transformer 11 KV w.r.t.load conditions for Energy Conservation i.e. 36 units per day per transformer. Controlling of Harmonics level by adjustment of capacitors after monitoring at Non-Linear Loads. Installation of LED lights at various places in plant (aviation light, starjet, decoration lights at I.P.O. conventional tungston lamp. Use of CFL 5/9/11/15/20 Watts (89 nos) in mills and replacement of M.V.lamps 250 watt with I CFL 85 watt at street lights (104 nos) w.r.t required Lux leve. Procurement of Star leveled equipments i.e. Air Conditioners, Geysers and Ceiling fans. Replacement of Desert cooler tullu pump with energy efficient submersible type pumps 91nos. Optimisation of Electric power distribution from Open Access power purchase w.r.t. T.G.Power cost. Removal of unwanted dust fans and tube fittings from spinning area.

Filament Division

Less efficient motors of SAF-DT-1B, monomer pump of ext 14 & 15, lactum feed pump, ext 10 main drive replaced with energy efficient motors. Purchase of electricity at cheaper cost through open access system. Cross flow induced draft cooling tower of power plant replaced with counter flow pultruded FRP. Lighting load of plant reduced by using LED lights. Val Sinha qch DC drive system replaced with AC drive system.

(b) Impact of Measures:

The above measures have resulted / will result in reduction in energy consumption, increase in productivity and reduction in energy cost.

(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

Development of Dual (Water Repellent & Water Absorption) Finished Fabric. Reduction of Blackish Contamination in the yarn dyed fabric by better Carding Process. Control of Contamination in the Cotton Yarns/ Fabrics by Installation of Vision Shield (FPU) device in Blow Room (Spinning Section). Optimization of Post Spinning Autoconer Siro Setting to reduce the Contamination in the yarn/ fabric. Introduction of Blow Room Blending Fabric in Cotton-Polyester Yarn (30's CP) (instead of draw frame blending) for Better Splicing of Better Yarn & Appearance of Peach Finished Fabric.

Filament Division

Poly capacity enhanced by modification in existing hardware/ process parameter optimization. Productivity of mono filament yarn increased by modification in hardware. Successfully launched several new products for cycle tyres, narrow tapes, fabric to increase market share. Efficiency of waste recovery significantly improved to recycle maximum waste & reduce production cost. Modified work practices adopted in production as well as utility for energy saving.

2. Benefits Derived :

Textile Division

Increased Capability in Technical (Innovative) Textiles for Exploration of New Markets. Increased the fresh recovery of yarn dyed fabrics & also helped in better customer satisfaction. Increased the White Fabrics fresh recovery & also helped in better customer satisfaction. Better Splicing of Yarn & Better Appearance of Peach Finished Fabric achieved as per customer's satisfaction.



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. Plan to further increase LOY, POY, FDY / DT & DW m/c to increase market share in domestic & 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 (18 Months) (Rs. in lacs)	Previous Year (12 Months) (Rs. in lacs)
Used	4278.62	2837.98
Earned	16018.81	8974.73

TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION

FORM 'A'

A. POWER AND FUEL CONSUMPTION:					
		Current Period (18 months)	Previous Year (12 months)		
1	Electricity				
	(a) Purchased:				
	Units	80769885	28859581		
	Total Cost (Rs. in lacs)	5706.82	1844.74		
	Rate/Unit (Rs.)	7.07	6.39		
	Merchant Power				
	Units (Kwh)	25981886	32302318		
	Total cost (Rs. in lacs)	1563.40	1502.44		
	Rate/Unit (Rs.)	6.02	4.65		
	(b) Own Generation:				
	(i) Through Diesel Generators				
	Units	712942	151408		
	Total Cost (Rs. in lacs)	101.17	19.59		
	Unit per Ltr of Diesel Oil	2.60	2.68		
	Cost/unit (Rs.)	7.01	6.41		
	(ii) Through Steam Turbine Generators				
	Units	125087493	98917020		
	Total cost of Coal / Rice Husk (Rs. In lacs)	5365	3671		
	Cost/unit(Rs)	4.85	3.93		
2	Coal / Husk (Boilers)				
	Quantity(tonnes)	329259.17	200663.371		
	Total Cost(Rs.in lacs)	13234.87	6097.76		
	Average Rate(Rs)	4019.59	3038.80		
3	Furnace Oil (Boilers)				
	Quantity(K.Ltrs)	2068990	1097383		
	Total Cost(Rs.in lacs)	896.41	433.19		
	Average Rate./Ltr (Rs)	43.33	39.48		
4	LDO/HSD (Furnaces / DG sets)				
	Quantity(Ltrs)	231294	54680		
	Total Cost(Rs.in lacs)	101.17	19.60		
	Average Rate/ltr(Rs)	43.74	35.84		
5	Other/Internal Generation				
	Steam				
	Quantity(tonnes)	971291.66	634149		
	Total Cost(Rs. in lacs)	13299.16	6134.64		
	Average Rate(Rs)	1,360.02	947.41		
B. CONSUMPTION COST PER UNIT OF PRODUCTION (RS)					
		Current Period (18 months)		Previous Year (12 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



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

I. OVERALL VIEW

The year 2012-13 saw underperforming economies, sluggish growth and emergency rescue efforts by most governments across the world. The financial crisis of Euro zone nations is weakening the strength of the economic block and adversely impacting global economic growth. Cyprus plunged deep into economic hardships and social chaos, as it sought major bailout from other Euro nations. However, the US economy demonstrated early signs of recovery, spearheaded by manufacturing growth and prudent policy initiatives. The International Monetary Fund estimates the global economic growth for 2012-13 at 3.2%, as against 3.8% in 2011-12. The emerging economies were also impacted by global headwinds, with China registering economic slowdown, along with other BRICS nations. In 2012-13, China grew by only 7.8%, while India finished the race a close second at 5%.

India's Textile Industry has occupied a place of prominence in the Global arena. India ranks second (after China) in the Global Textile Trade. The potential size of the Indian Textile Industry is expected to reach US Dollars 220 Billion by 2021, according to Techno Park's Textile and Apparel Compendium 2012. To give further boost to the Industry, the Central Government through its foreign Trade Policy has taken a series of measures including extension of Interest rates subvention scheme till 31st March, 2014 and expansion of the scheme covering more products under Focused Market Scheme. It is expected that these measures will help the Industry to perform well in the coming periods.

The Chinese textile industry has been and continues to be world largest industry but lately the Chinese exports are slowing down on account of various factors i.e. increase in its domestic demand, rising labour cost and steadily appreciating currency which is proving to be the blessing in disguise for the Indian Textile Industry. The Global buyers have already started moving their orders to the Indian Markets and India has become a preferred vendor in the mind of the global buyers (Retailers as well as International known brands).

The Textile Industry though appears to be bright, but it is not free from the normal business threats. Further, the small countries like Bangladesh, Pakistan, Sri Lanka, Egypt, Turkey, Vietnam and others are posing serious challenges to the Indian Textile industry. The Industry needs to take major steps and strategies for future sustainability and growth considering the advantages and challenges. It is apparent that the opportunities are heavier than the challenges and the industry must make most of it.

Company continues to lay emphasis on process improvements, diversification of products, rationalization of costs, improving efficiencies and building a strong customer base. Your Directors are confident that with the support of employees, investors and bankers the company will be in a position to tide over the unprecedented crisis in spite of the current stressful situation and our continued efforts to maintain quality and scouting for new and better markets should promote growth and we hope to achieve a better performance in the coming years.

II. TEXTILE OPERATIONS

The textile division operated at an average of around 75% and produced 5.53 crores meters of fabrics during the 18 months period ended on 30th September 2013. The utilisation of capacities at Textile Units at Phagwara suffered very adversely due to shortage of working capital funds. The performance also affected besides lower capacity utilisation adverse fluctuation in foreign currency, cost of power & fuel increased substantially since power rates increased in Punjab and also rice husk. The increase in inputs vis-à-vis selling prices increased marginally during the period, thus leading to strain on the overall margins. However, the performance during the quarter ended 30th September 2013 improved substantially in terms of turnover and the margins.

Market segment-wise and area-wise revenue from textile operations during the period 01.04.2012 to 30.09.2013 (18 Months) is as under:

MARKET SEGMENT	Fabrics-RMG	Fabrics-Export	Fabrics-Domestic	Institutions	Yarn & Others
To 2012-13 - Rs. in Lakhs	37889	15178	12636	4002	1784
%age	53.00	21.23	17.67	5.60	2.50
Region	Northern	Western	Southern	Eastern	Exports
2012-13 - Rs. in Lakhs	21369	5148	23342	6452	15178
%age	29.89	7.20	32.65	9.03	21.23

III. FILAMENT OPERATIONS

JCT continues to maintain its position as one of the largest Textile Grade Nylon yarn manufacturer in India with installed capacity of 14,000 TPA. As other Yarn Manufacturers have succumbed to market slackness, Filament Unit is able to keep



its head high in spite of unfavorable market conditions. During the period ended Sep'13 (18 months), company sold 18447 MT of filament yarn and 701 MT of Nylon Chips as compared to 11211 MT of filament yarn and 696 MT of Nylon Chips during the previous year (12 months).

Caprolactum, our major raw material remains at elevated levels & showing no sign of cooling off resulting in putting pressure on domestic demand as increase in prices are not getting absorbed in selling prices of Filament Yarn. This results in putting strains on bottom-line. The prices of Caprolactum have fluctuated in the range of Rs. 145-170/kg during the period under study as compared to Rs.139.67/kg during FY2012, whereas realization of yarn remained in range to Rs. 260-285/kg. Limited capacity of Weavers to absorb higher prices and cheaper imports remained major hurdles.

Mono yarn, being higher margin product, the company is able to maintain their share in 20 Mono Deniers segment. Further, company has increased its Mono Yarn capacity from 350 Tons/Month to 500 Tons/month. With this increase, the company is capable to cater the demand for Mono Yarn.

IV. INTERNAL CONTROL SYSTEMS

The company, commensurate with the size and nature of its business has proper and adequate system of internal control to safeguard assets against loss from unauthorized use or disposition. This also ensures that all transactions are authorised, recorded and reported correctly. Regular internal audit and checks are carried out to check the existence of adequate system.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control system and suggests improvements for strengthening them. Statutory Auditors and the Management Team are periodically apprised of the internal audit findings and corrective actions taken. Internal Audit reports play a key role by providing assurance to the Board of Directors and value addition to the business operations.

V. HUMAN RESOURCES

The Company takes pride in the commitment, competence and dedication shown by its employees and workmen at all areas of business. HR initiatives are taken to align HR policies to the growing requirements of the business. The focus of all aspects of Human Resource Development is on developing superior and motivated workforce so that the organization and individual employees can accomplish their work goals of service to customers. The progress made by the Company was possible due to the sustained efforts of the entire team. Industrial relations were harmonious at all our units. Welfare and training at all levels of our employees and workmen continue to be areas of major focus for the Company.

VI. CORPORATE SOCIAL RESPONSIBILITY AND CONSERVATION OF RESOURCES

JCT has always been proud of its social commitments and endeavors to conserve the natural resources and we firmly believe that safe and healthy working conditions at factories and other premises are as necessary and as important as production, productivity and quality. Your Company complies with all applicable statutory provisions pertaining to health and safety and takes all possible measures to prevent accidents and occupational hazards. The Company provides the necessary information, promotes awareness and provides training to all employees to carry out their tasks in a safe and responsive manner. Periodic audits and risk analysis for hazardous operations are done and corrective actions taken. All employees are obliged to ensure that they fully understand all policies and they fully comply with the requirements. The company has been patronizing the game of Football in the state of Punjab and also few other sports where budding sportspersons and potential talents have been groomed.

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

VII. STATEMENT OF CAUTION

Statements in this report on 'Management Discussion and Analysis' 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 the countries with which the Company has business contacts.

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: 2012-2013

Company's philosophy on Code of Governance

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

I. Board of Directors

Composition of Board

During the 18 months period from 01.04.2012 to 30.09.2013 the strength of the board remained five directors of one Executive and four Non- Executive Directors including one nominee, which constitutes more than 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 30.09.2013 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 18 months period commencing from 1.4.2012 to 30.09.2013.

Sl. No.	Name of Director	Category	Appointed/ Ceased during the period	Attendance in Board Meeting		Attendance in last AGM held on 30.12.2012	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 <i>Chairman & Managing Director</i>	Executive		9	6	No	4	-	-
2	Mr. Gordhan Bhojraj Kathuria	Independent Non Executive		9	8	Yes	1	-	-
3	Dr. Satyapal Narang	Independent Non Executive	Ceased w.e.f 13.10.2012	3	3	-	1	-	-
4	Mr. Apar Singh Dugal	Independent Non Executive	Ceased w.e.f 19.05.2013	7	6	No	-	-	-
5	Mr. Vipul Singla <i>Nominee - Allahabad Bank</i>	Independent Non Executive	Ceased w.e.f 14.08.2013	9	4	Yes	-	-	-
6	Dr Ajit Kumar Doshi	Independent Non Executive	Appointed w.e.f 26.10.2012	6	5	Yes	1	-	-
7	Mr. Chander Mohan Bhanot	Independent Non Executive	Appointed w.e.f 24.01.2013	4	4	-	-	-	-
8	Mr. Parthadeb Datta <i>Nominee - Allahabad Bank</i>	Independent Non Executive	Appointed w.e.f 14.08.2013	1	-	-	-	-	-

Brief Profile of Directors being appointed/ reappointed

- i. **Mr. Samir Thapar:** Mr. Samir Thapar has been Managing Director of the Company since 2.6.1994. He is a Graduate in Business Administration from California State University-Bakersfield, USA. He is having a total experience of 24 Years. He is Chairman & Managing Director of the Company and entrusted with substantial powers of management and responsible for all business decisions and answerable to the Board of Directors. He is a Chairman of Board Committee of JCT Limited and holding 129012 Equity Shares in the Company.



He is not holding any membership in any committee of Board of other Companies and he is Director in Provestment Securities Private Limited, JCT Sports Private Limited, Nita Tradelinks Private Limited and KCT Textiles Limited.

- ii. **Mr. Gordhan Bhojraj Kathuria:** Mr. Gordhan Bhojraj Kathuria has been a Director of the Company since April, 1999. He retired as Chairman & Managing Director of Bank of India in the year 1995. He is having vast knowledge and experience in Finance & Banking. He is also the Chairman of Remuneration and Audit Committee of Company. He is holding membership in Shareholders committee of Company. He is also the Director on the Board of Rajiv Amrit Marketing Private Limited. He is not holding any shares in the Company.
- iii. **Dr. Ajit Kumar Doshi:** Dr Doshi has done Ph.D in Law (Amalgamation & Merger), Chartered Accountant and LL.B & LL.M with consistent good academic record. He retired as Member (Technical) of Company Law Board and actively involved in education as Profess of Law with Hidayatullah National Law University, Jodhpur, Army Institute of Management & Technology, Examiner on the subject "Corporate Laws & Practice" with ICAI and also as Examiner on the subject "Corporate Restructuring Law & Practice" with ICSI. He is also a visiting professor of Calcutta Business School, managed by top industrialist of the Country and Indian Institute of Corporate Affairs of the Ministry of Corporate Affairs. He is on the Board of Innovative Consulting Services Private Limited.
- iv. **Mr. Chander Mohan Bhanot:** Mr C M Bhanot is a Law Graduate. He retired as General Manager from Bank of India. He has vast experience of 41 years in Banking Operations, Legal, Forex, Credit Monitoring and HR etc. He is a Member of Audit, Remuneration and Shareholders Committees constituted by the Board of Directors of the Company.

He is not holding any membership in any committee of Board of other Companies and he is also not a Director in any other company.

- v. **Mr. Parthadeb Datta:** Mr. Datta is M.Com and CA IIB. Mr Datta is the General Manager of Allahabad Bank Zonal Office, Parliament Street, New Delhi. He was nominated by the Allahabad Bank, the lead Bank in the Consortium Member Banks in place of Mr Vipul Singla.

Date & number of Board Meeting held

Nine Board Meetings were held during the 18 months period on 15.05.2012, 06.07.2012, 13.08.2012, 31.10.2012, 30.11.2012, 14.02.2013, 30.03.2013, 30.05.2013 and 14.08.2013

Code of Conduct

The Board of Directors plays an important role in ensuring good governance and have laid down the code of conduct applicable to all the Board Members and Senior Management of the Company. The Code of Conduct is also posted on the website of the company.

Declaration

As provided under Clause 49 of the Listing Agreement with the Stock Exchange, Mumbai all the Board Members and Senior Management of the company have confirmed Compliance with the code of conduct for the 18 months period ended on 30th September, 2013.

For **JCT Limited**

SAMIR THAPAR
Chairman & Managing Director



II. Audit Committee

Constitution

The Audit Committee consists of three qualified Independent Directors i.e. Mr. Gordhan Bhojraj Kathuria, Dr. A.K Doshi, and Mr. C.M Bhanot. Mr. Gordhan Bhojraj Kathuria is the Chairman of the Committee. Mr. Samir Thapar -Chairman & Managing Director is the permanent invitee.

Statutory Auditors, Internal Auditors, Cost Auditor, Chief Financial Officer and other functional heads are also invited as special invitees. The Company Secretary acts as a Secretary of the Committee.

Date and number of Committee Meetings held

Seven Meetings of the Audit Committee were held during the 18 months period ended on 30th September, 2013 i.e on 15.05.2012, 13.08.2012, 31.10.2012, 14.02.2013, 30.03.2013, 30.05.2013 and 14.08.2013.

The Board of Directors has constituted an Audit Committee of Directors to exercise powers and discharge functions as stipulated in section 292-A of the Companies Act, 1956, Clause 49 of the Listing Agreements with Stock Exchanges and other relevant statutory / regulatory provisions. The Committee, in addition to other business reviews the quarterly (unaudited) financial results, annual accounts and cost audit reports before submitting to the Board of Directors.

Attendance of Directors

Name of the Committee Member	Category	Appointed/ Ceased	No. of Meetings Held	No. of Meetings Attended
Mr. Gordhan Bhojraj Kathuria	Independent Non Executive		7	6
Dr. S.P Narang	Independent Non Executive	Ceased w.e.f 13.10.2012	2	2
Mr. Apar Singh Dugal	Independent Non Executive	Ceased w.e.f 19.05.2013	5	5
Mr. Vipul Singla	Independent Non Executive (Nominee-Allahabad Bank)	Ceased w.e.f 14.08.2013	7	2
Dr. A.K Doshi	Independent Non Executive	Appointed w.e.f 31.10.2012	5	4
Mr. C.M Bhanot	Independent Non Executive	Appointed w.e.f 30.05.2013	2	2

Power, Role and Review of information by Audit Committee

The role and terms of reference of the Audit Committee covers the areas mentioned under Clause 49 of the Listing Agreement and Section 292-A of the Companies Act, 1956 besides other matters as may be referred 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 and quarterly financial statement with management before submission to the Board, reviewing the adequacy of internal control system with management, external and internal auditors and reviewing the Company's financial risk and management policies.

III. Subsidiary Companies

Company does not have any Subsidiary Company.

IV. Shareholders' Committee

The said committee presently consists of Dr A K Doshi, Mr Gordhan Bhojraj Kathuria and Mr. C M Bhanot, all Non Executive Independent Directors. Dr A K 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 V K 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.

**Attendance of Directors during the 18 months period ended on 30th September, 2013**

Name of the Committee Member	Category	Appointed/ Ceased	No. of Meetings Held	No. of Meetings Attended
Mr. Gordhan Bhojraj Kathuria	Independent Non Executive		6	5
Dr. S.P Narang	Independent Non Executive	Ceased w.e.f 13.10.2012	2	2
Mr. Apar Singh Dugal	Independent Non Executive	Ceased w.e.f 19.05.2013	4	4
Dr. A.K Doshi	Independent Non Executive	Appointed w.e.f 31.10.2012	4	4
Mr. C.M Bhanot	Independent Non Executive	Appointed w.e.f 30.05.2013	2	2

Name & Designation of Compliance Officer

Ms. Nidhi Goel, Company Secretary

Number of complaints received, not solved & shares pending transfer

31 complaints were received and replied to the satisfaction of the shareholders during the 18 months period. There were no pending complaints as on 30th September, 2013. 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 for investors to contact the Company in case of any information and grievance.

V. General Body Meetings

During Last 3 years the Annual General Meetings (AGM) of your company were held at 12.30 p.m each on 29.09.2010, 26.09.2011 and 30.11.2012 at the Registered Office of the Company at Village Chohal, District Hoshiarpur (Punjab) 146001 and an Extra Ordinary General Meeting (EGM) was held at 12 Noon on 31.07.2013 at the Registered Office of the Company.

All the resolutions, including the special resolution(s), set out in the respective Notices of the Previous three AGM/EGM were passed by the shareholders.

Resolution passed through Postal Ballot

No resolution has been passed during the 18 months period ended 30th September, 2013 through postal ballot.

VI. Disclosures**i. 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 18 months period ended on 30.09.2013. There is no significant Related Party Transaction that may have potential conflict with the interest of the Company at large.

ii. Disclosure of Accounting Treatment

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

iii. 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 18 months period. There is elaborate system for the assessment and control on continuous basis.

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

During the 18 months period Company issued 8,17,60,000 equity shares of Rs.2.50 each on preferential basis at par to a promoter group company Provestment Securities Pvt Ltd and secured lenders under the CDR package approved by the CDR Cell. Wherein 4,08,80,000 equity shares of Rs.2.50 each were issued to a promoter group company "Provestment Securities Pvt Ltd" by receiving of money in the amount of Rs.1022 lacs. Further 4,08,80,000 equity shares of Rs.2.50 each were issued to Secured lenders under



CDR package without receipt of any money. No money other than above has been raised from public issue and rights issue during the 18 months period ended on 30th September, 2013.

v. Remuneration of Directors

Terms of reference for Remuneration Committee constituted by the Board are to recommend/review the remuneration package of the Managing/ Whole time Director based on performance and keeping in view the applicable provisions of the Companies Act, 1956.

The committee at present comprises of Mr. Gordhan Bhojraj Kathuria, Dr A K Doshi and Mr C M 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 18 months period on 14th August, 2013 and was attended by Mr. Gordhan Bhojraj Kathuria, Chairman, Dr. A K Doshi and Mr. C M Bhanot, 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.

Details of remuneration of Directors

The detail of the remuneration paid during the 18 months period is given below.

Mr. Samir Thapar (Chairman and Managing Director)		(Rs. in lacs)
	Current Period (18 months)	Previous Year (12 Months)
Salary including Allowances	67.50	45.00
Contribution to Provident & Superannuation Funds	16.88	11.25
Perquisites & Reimbursements	18.90	12.60
Total	103.28	68.85

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

Chairman & Managing Director is 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. 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 18 months period was Rs.14,00,000/-. Further, no shares and/or convertible instruments are held by the Non-executive Directors of the Company.

vi. Management Discussion and Analysis Report / Disclosure of Accounting Treatment

- a) Management Discussion and Analysis Report forms part of the Annual Report and are in accordance with the requirements laid in the Listing Agreement.
- b) Your Company follows all relevant Accounting Standards while preparing the Financial Statement.

vii. Other Disclosures

i. Details of non compliance, penalties etc. imposed by Stock Exchange, SEBI etc. on any matter related to Capital Markets during the last three years.

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

- ii. 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
 - × The Company has set up a Remuneration Committee, details of which have been given in the Report.
 - × Whistle Blower Policy



The company promotes ethical behavior and has put in place a mechanism of reporting illegal or unethical behavior. The Company has a whistle blower policy wherein the employees are free to report violation of laws, rules or unethical conduct to their immediate supervisors or such other person as may be notified by the management to the workgroups including the members of the Audit committee. The confidentiality of these reporting violations is maintained and they are not subject to any discriminatory practice.

iii. Means of Communications

- (a) Quarterly Results : Through Publications
- (b) Newspaper wherein results normally published : Punjabi Tribune, Business Standard(English) or Financial Express (English) All Editions
- (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

iv. General Shareholder Details

- 1. Annual General Meeting
 - Day and Date : Monday, 30th December, 2013
 - Venue : Village Chohal, District Hoshiarpur (Punjab) 146024
- 2. Financial Calendar for reporting : Quarter ending 31.12.2013 - on or before 14th February, 2014
Period ending 31.03.2014 - on or before 30th May, 2014
- 3. Book Closure : 23rd December 2013 to 30th December 2013 (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
- 7. Registrar & Transfer Agents : RCMC Share Registry Private Ltd, B-106, Sector 2, Noida 201301 (UP)
Tel: 0120-4015880 Fax: 0120-2444346 Email: - shares@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	Month/Year	High	Low
April 2012	1.72	1.35	January 2013	1.59	1.34
May	1.52	1.29	February	1.45	1.15
June	1.82	1.31	March	1.24	0.72
July	1.90	1.36	April	1.00	0.79
August	1.70	1.31	May	1.02	0.79
September	1.59	1.26	June	0.96	0.70
October	1.63	1.29	July	0.95	0.70
November	1.55	1.25	August	2.42	0.72
December	1.65	1.31	September	2.67	1.58

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 30.09.2013**

No. of Equity Shares held		No. of shareholders	%age of shareholders	No. of shares held	%age of Shareholding
From	To				
1	5000	87385	90.08	35437689	8.04
5001	10000	3959	4.08	11879107	2.69
10001	20000	2944	3.03	16406898	3.72
20001	30000	1165	1.20	11642254	2.64
30001	40000	408	0.42	5823232	1.32
40001	50000	273	0.28	5143131	1.17
50001	100000	448	0.46	12655562	2.87
100001 & Above		424	0.44	341850717	77.55
Total		97006	100	440838590	100

15. Shareholding Pattern as on 30.09.2013

Category	No. of shares	% Shareholding
Promoters/Promoters Group	223375874	50.67
Non Promoters (Bank/Mutual Funds/ State Govt/FIs/FIIs)	64539573	14.64
Others (Individual/Bodies Corporate/NRIs)	152923143	34.69
TOTAL	440838590	100.00

16. Dematerialization of shares and liquidity

98.02% of equity shares have been dematerialized as on 30.09.2013.

- National Securities Depositories Limited (NSDL) : 88.73
- Central Depositories Services Limited (CDSL) : 9.29

17. Outstanding GDRs/ Warrants or any Convertible Instruments

Name of the Instrument	Date of Conversion	Maximum Amount likely to be converted into Equity Shares
Optionally Partially Convertible Preference (OPCPS) Shares of Rs.100/- each	Any time before the last installment of redemption due on 31.12.2016	20% of 10 lakhs OPCPS and 100% of 14 lakhs OPCPS i.e Rs.1600 lakhs.
Foreign Currency Convertible Bonds (FCCBs) issued on 8.4.2006 and due on 8.4.2011	–	Outstanding FCCBs of US\$ 30.5 Million (including premium) could not redeem on due date. Further winding-up petition has been filed by, the Bondholders Trustee, The Bank of New York Mellon on 29.09.2012 which is pending disposal and the next date has been fixed for 9th January, 2014.

18. Plant Locations : Textile units at Phagwara (Punjab)
Filament Yarn Unit at Hoshiarpur (Punjab)

19. Address for correspondence : Village Chohal, District Hoshiarpur (Punjab) 146 001
305, Rattan Jyoti Building, 18 Rajendra Place New Delhi 110008

CEO/CFO CERTIFICATION

Mr. Samir Thapar, Chairman & Managing Director and Mr. M.P.S Narang, Chief Financial Officer of the Company have certified to the Board that;

- (a) They have reviewed financial statements and the cash flow statement for the 18 months period ended on 30th September, 2013 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 18 months period ended on 30th September,2013 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 18 months period;
 - (ii) significant changes in accounting policies during the 18 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 : 29.11.2013

SAMIR THAPAR
Chairman & Managing Director

M.P.S NARANG
Chief Financial Officer

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 18 month period ended on 30th September, 2013, 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

PAWAN K GUPTA
Partner

Place : New Delhi
Date : 29.11.2013

Membership No.092529
Firm Registration No.000346N



INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF JCT LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of JCT Limited (the "Company"), which comprise the Balance Sheet as at 30th September, 2013, the Statement of Profit and Loss and Cash Flow Statement for the 18 months period then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. 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"). 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

3. 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.
4. 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 consider 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. 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. 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 30th September, 2013;
- (b) in the case of the Statement of Profit & Loss, of the loss 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

7. We draw attention to the following notes in the financial statements:
 - i. Note No. 5.2 (b) ; Non provision of yield protection of Rs. 2872.90 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\$ 30.50 million equivalent to Rs.19302.79 lakhs since 08.04.2011.
 - ii. Note No. 5.3 (b); Non clearance/payment of cheques to depositors of Rs. 382.38 lakhs in respect of repayment of deposits under Section 58A of the Companies Act, 1956 and certain delays in repayments of deposits during the period for which details are not readily ascertainable due to large volume of deposits.
 - iii. Note No. 31.7 and 31.10; Continuing and accumulated losses have resulted in entire erosion of net worth of the Company. However, the financial statements have been prepared on going concern basis on the grounds as disclosed in the Note 31.7. Further, as referred to in Note 31.10, steps are being taken by the management as envisaged under the Sick Industrial Companies (Special Provisions) Act, 1985.
 - iv. Note No. 31.11; 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**

8. 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.
9. 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 referred to in Sub-section (3C) of Section 211 of the Act.
- e. On the basis of the written representations received from the directors as on 30th September, 2013, and taken on record by the Board of Directors, none of the director is disqualified as on 30th September, 2013, 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

PAWAN K GUPTA
Partner
Membership No.092529

Place: New Delhi
Date : 29.11.2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**(REFERRED TO IN PARAGRAPH 8 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 non clearance/ payment of cheques of Rs. 382.38 lakhs at 30th September, 2013 issued to depositors in respect of repayment of deposits and certain delays in repayments of deposits during the period for which details are not readily ascertainable due to large volume 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 30th September, 2013 for a period of more than six months from the date they became payable.
- b. The disputed statutory dues aggregating to Rs. 6551.51 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 CESTAT Tribunal	504.98 1777.90 1882.50
2.	Central Sales Tax and Sales Tax Act of various states	Sales Tax	Upto AETC Tribunal Supreme Court	520.90 1628.08 51.10
3.	Customs Duty Act, 1962	Customs Duty	Commissioner of Customs	186.05
			TOTAL:	6551.51

- x) In our opinion, the accumulated losses of the Company as at 30th September, 2013 are more than fifty percent of its net worth. Further, the Company has incurred cash loss during the current financial period and also in the immediately preceding financial year.
- xi) Based on our audit procedures and according to the information and explanations given to us, the Company
- has defaulted in repayment of US\$ 30.50 million equivalent to Rs.19,302.79 lakhs to foreign currency bond holders since 08.04.2011.
- 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 to a company covered in the Register maintained under Section 301 of the Companies Act, 1956. During the period, the Company allotted 4,08,80,000 equity shares at par @ Rs. 2.50 per share aggregating to Rs. 1,022 lakhs, to its promoter company, Provestment Securities Private Limited and Rs. 4,08,80,000 equity shares at par @ Rs. 2.50 per share aggregating to Rs. 1,022 lakhs to the secured lenders under the Corporate Debt Restructuring Scheme. 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) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no significant fraud on the Company has been noticed or reported during the period.

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

PAWAN K GUPTA
Partner

Place: New Delhi
Date : 29.11.2013

Membership No.092529



JCT LIMITED

BALANCE SHEET
AS AT 30th SEPTEMBER, 2013

(Rs. in Lakhs)

	Note No.	As at 30.09.2013		As at 31.03.2012	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	3	13,420.96		11,376.96	
Reserves & Surplus	4	(13,234.09)	186.87	(3,797.93)	7,579.03
Non-current liabilities					
Long-term Borrowings	5	18,562.53		12,550.66	
Other Long-term liabilities	6	2,422.30		2,116.45	
Long-term Provisions	7	3,890.54	24,875.37	2,519.63	17,186.74
Current liabilities					
Short-term Borrowings	8	5,108.57		8,434.07	
Trade Payables	9	10,150.76		12,788.03	
Other Current Liabilities	10	28,948.51		26,857.56	
Short-term Provisions	11	581.16	44,789.00	526.91	48,606.57
Total			69,851.24		73,372.34
ASSETS					
Non-current assets					
Fixed Assets					
Tangible Assets	12	41,298.03		45,632.04	
Intangible Assets		71.16		48.21	
Capital Work-in-Progress		246.68		200.98	
		41,615.87		45,881.23	
Non-Current Investments	13	2,790.52		4,017.49	
Long-term Loans and Advances	14	704.94	45,111.33	591.26	50,489.98
Current assets					
Current Investments	15	1,036.66		166.81	
Inventories	16	11,801.42		12,843.41	
Trade Receivables	17	5,652.10		4,791.76	
Cash and Bank Balances	18	1,318.60		772.23	
Short-term Loans and Advances	19	3,465.70		2,758.79	
Other Current Assets	20	1,465.43	24,739.91	1,549.36	22,882.36
Total			69,851.24		73,372.34

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

G B Kathuria
CM Bhanot
AK Doshi
Parthadeb Datta
Priya Thapar
Directors

Place : New Delhi
Dated : 29th November, 2013

PAWAN K. GUPTA
Partner
Membership No. 092529



STATEMENT OF PROFIT & LOSS
FOR THE PERIOD ENDED 30th SEPTEMBER, 2013

(Rs. in Lakhs)

	Note No.	Current period	Previous year
I. Revenue from operations (Gross)	21	132,643.55	82,797.25
Less: Excise Duty		(5,846.14)	(3,516.61)
II. Other Income	22	2,244.83	728.12
III. Total Revenue (I + II)		129,042.24	80,008.76
IV. EXPENSES:			
Cost of materials consumed	23	71,089.79	50,559.90
Other manufacturing expenses	24	26,198.07	13,518.23
Changes in inventories of finished goods and stock-in-process	25	1,002.39	(421.84)
Employee benefits expense	26	14,438.74	8,259.02
Finance costs	27	5,294.73	4,115.52
Depreciation and amortisation expense	28	7,391.60	4,695.07
Other expenses	29	10,026.19	5,870.50
Total Expenses		135,441.51	86,596.40
V. Loss before exceptional items and tax (III-IV)		6,399.27	6,587.64
VI. Exceptional items :			
Loss on sale of shares of a subsidiary Company		-	60.70
Loss on Settlement of Secured lenders' sacrifice under Corporate Debt Restructuring Scheme	3.3	1,622.00	-
VII. Loss for the period from continuing operations before tax (V+VI)		8,021.27	6,648.34
VIII. Tax expense			
Current taxes-adjustments relating to previous years		82.00	14.17
IX. Loss for the period from continuing operations (VII+VIII)		8,103.27	6,662.51
X. Loss for the period from discontinuing operations	31.9.2	673.59	142.89
XI. Loss for the period after tax transferred to Reserves & Surplus (IX+X)		8,776.86	6,805.40
XII. Loss per share before exceptional items-in Rs.	31.16		
- Basic		1.72	1.85
- Diluted		1.47	1.57
Loss per share after exceptional items - in Rs.	31.16		
- Basic		2.32	1.90
- Diluted		1.99	1.61
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

G B Kathuria
CM Bhanot
AK Doshi
Parthadeb Datta
Priya Thapar
Directors

PAWAN K. GUPTA

Partner
 Membership No. 092529

Place : New Delhi
 Dated : 29th November, 2013



JCT LIMITED

**CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30TH SEPTEMBER, 2013**

(Rs. in Lakhs)

	Period ended 30.09.2013	Year ended 31.3.2012
A CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before tax and exceptional items	(6,399.27)	(6,587.64)
Adjustments for:		
Depreciation and Amortisation expense	7,391.60	4,695.07
Provision for other than temporary diminution in value of investments	342.12	–
Fixed Assets written off	16.38	10.07
Provision for advances etc.	421.50	60.66
Bad debts written off	61.82	1.12
Liabilities/provisions no longer required, written back	(1,025.64)	(140.54)
Depreciation excess provided in earlier years written back (net)	–	(0.15)
Finance costs	5,294.73	4,115.52
Interest Income	(231.49)	(162.39)
Dividend from current Investments	(9.39)	(4.36)
Profit on sale of current investments	(425.25)	(0.47)
Profit on sale of fixed assets (net)	(179.10)	(131.39)
Exchange fluctuation loss (net)	183.69	207.93
	11,840.97	8,651.07
Operating profit before exceptional items and working capital changes	5,441.70	2,063.43
Adjustments for working capital changes:		
Inventories	1,041.99	3,518.49
Trade and Other receivables	(2,115.22)	261.35
Trade payables, Other liabilities and provisions	1,602.94	(275.67)
	529.71	3,504.17
Cash generated from operations	5,971.41	5,567.60
Cash flow from operating activities	5,971.41	5,567.60
Income tax paid	(47.10)	(68.86)
Net cash flow from operating activities	5,924.31	5,498.74
B CASH FLOW FROM EXCEPTIONAL ITEMS:		
Sale of shares of a subsidiary company (Refer Note 31.9)	–	5.01
Sale proceeds of Building	–	–
Loss on settlement of Secured lenders' sacrifice under Corporate Debt Restructuring Scheme	(600.00)	–
"Profit/(Loss) from discontinuing operations"(Refer Note 31.9.3)"	(652.75)	(142.89)
Loss arising on amalgamation	–	–
Net Cash flow from Exceptional Items	(1,252.75)	(137.88)



	Period ended 30.09.2013	Year ended 31.3.2012
(Rs. in Lakhs)		
C CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets including capital work in progress	(3,735.81)	(2,941.81)
Sale of fixed assets	699.54	247.79
Sale/ proceeds from investments (net of provision for diminution)	440.25	62.11
Interest Income	231.49	162.39
Dividend on current investments	9.39	4.36
Net cash used in investing activities	(2,355.14)	(2,465.16)
D CASH FLOW FROM FINANCING ACTIVITIES:		
Redemption of Preference Shares	–	(22.49)
Proceeds from Equity Shares	1,022.00	
Repayment of Secured long term borrowings	5,688.16	(2,471.23)
Proceeds from Unsecured long term borrowings	323.71	1,757.91
Proceeds from Secured short term borrowings	(2,911.56)	314.34
Proceeds from Unsecured short term borrowings	(413.94)	366.74
Exchange fluctuations (loss)/ profit (net)	(183.69)	(207.93)
Finance costs	(5,294.73)	(4,115.52)
Net cash used in financing activities	(1,770.05)	(4,378.18)
INCREASE IN CASH AND BANK BALANCES	546.37	(1,482.48)
CASH AND BANK BALANCES (OPENING)	772.23	2,254.71
CASH AND BANK BALANCES (CLOSING)	1,318.60	772.23
Note to cash flow statement:		
Cash and bank balances consists of cash and cash equivalents, cash in hand and bank balances as under:		
(i) Cash and Cash Equivalents		
- Balance with Banks	373.85	46.59
- Fixed Deposit	350.00	
- Cheques, draft on hand/ remittance in transit	142.66	228.65
- Cash on Hand	14.31	10.32
(ii) Other bank balances		
- Balance with Banks	7.88	9.89
- Fixed Deposits held as Margin Money	429.71	400.94
- Fixed Deposits	–	75.65
- Post Office Savings Accounts (Lodged as security)	0.19	0.19
	1,318.60	772.23

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

G B Kathuria
CM Bhanot
AK Doshi
Parthadeb Datta
Priya Thapar
Directors

Place : New Delhi
Dated : 29th November, 2013

PAWAN K. GUPTA
Partner
Membership No. 092529



NOTES TO THE FINANCIAL STATEMENTS FOR THE 18 MONTHS PERIOD ENDED 30TH SEPTEMBER, 2013

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.

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 year, 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.



		(Rs.in lakhs)		
		Note No.	30.09.2013	31.03.2012
3. SHARE CAPITAL				
Authorised:				
60,00,00,000 (60,00,00,000) Equity Shares of Rs. 2.50 each			15,000.00	15,000.00
50,00,000 (50,00,000) Redeemable Preference Shares of Rs. 100 each			5,000.00	5,000.00
			20,000.00	20,000.00
Issued, Subscribed and Fully paid up:				
44,08,38,590 (35,90,78,590) Equity Shares of Rs. 2.50 each.	3.3		11,020.96	8,976.96
24,00,000 (24,00,000) Optionally partially convertible Preference Shares (OPCPS) of Rs.100 each (net of redemption)	3.1 & 3.2		2,400.00	2,400.00
			13,420.96	11,376.96

3.1 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.

3.2 1,400,000 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.

3.3 In terms of the Corporate Debt Restructuring (CDR) Scheme, the Company allotted 8,17,60,000 equity shares at par @ Rs.2.50 per share aggregating to Rs.2044 lakhs (Rs.1022 lakhs each to a related Company and to secured lending bankers) on 30.05.2013 on preferential basis with a lock in period of 1 year. Further, the Company has settled lenders' sacrifice under the CDR Scheme of Rs.1622 lakhs by way of issuance of equity shares at par of Rs.1022 lakhs and the balance amount of Rs.600 lakhs through funding to make the scheme NPV Protected. This sacrifice of Rs.1622 lakhs has been accounted for and shown under 'exceptional items' in the Statement of Profit & Loss.

3.4 Reconciliation of Shares Outstanding

Particulars	As at 30.09.2013		As at 31.03.2012	
	No. of shares	Rs. in Lakhs	No. of shares	Rs. in Lakhs
Equity Shares				
At the beginning of the period	359,078,590	8,976.96	359,078,590	8,976.96
Issued, Subscribed and Fully paid up: (Refer note no.3.3)	81,760,000	2,044.00	-	-
At the end of the period	440,838,590	11,020.96	359,078,590	8,976.96
OPCPS				
At the beginning of the period	2,400,000	2,400.00	2,422,488	2,422.49
Less: redeemed during the period	-	-	22,488	22.49
At the end of the period	2,400,000	2,400.00	2,400,000	2,400.00

3.5 Details of Shareholders holding more than 5% shares:

Name of the Shareholder	As at 30.09.2013		As at 31.03.2012	
	No. of Shares	% held	No. of Shares	% held
Equity Shares				
Provestment Securities Private Limited	132,094,334	29.96	91,214,334	25.40
KCT Textiles Limited	90,545,111	20.54	90,545,111	25.22
OPCPS				
Provestment Securities Private Limited	1,000,000	41.67	1,000,000	41.67
Alport Limited	1,400,000	58.33	1,400,000	58.33



4. RESERVES & SURPLUS		(Rs.in lakhs)			
	Note No.	As at 30.09.2013		As at 31.03.2012	
Capital Redemption Reserve					
As per last account		165.44		165.44	
Share Premium Account					
As per last account		6,165.64		6,490.51	
Less: Exchange fluctuation on Foreign Currency Convertible Bonds (FCCB)	4.1	<u>(607.39)</u>	5,558.25	<u>(324.87)</u>	6,165.64
Debenture Redemption Reserve					
As per last account		2,045.76		2,045.76	
Revaluation Reserve					
As per last account		4,844.06	4,901.45		
Less: Adjusted on sale of assets	12.1.(c)	<u>(31.96)</u>		(44.09)	
Less: Transferred to depreciation	28	<u>(19.95)</u>	4,792.15	<u>(13.30)</u>	4,844.06
Surplus					
Debit balance in Statement of Profit & Loss					
As per last account		(17,018.83)			(10,213.43)
Add: Loss for the period		<u>(8,776.86)</u>	<u>(25,795.69)</u>	<u>(6,805.40)</u>	<u>(17,018.83)</u>
TOTAL			<u>(13,234.09)</u>		<u>(3,797.93)</u>

4.1 Redemption premium of US\$ 5.08 million equivalent to Rs.2,294.92 lakhs (Previous year:Rs.2,294.92 lakhs) was fully provided in share premium account on matured 2.5% FCCB of US\$ 25.42 millions has been reinstated at Rs.3,227.18 lakhs as at 30.09.2013 (Previous year:Rs.2619.79 lakhs) and the resultant exchange fluctuation has been adjusted in the share premium account.

5. LONG TERM BORROWINGS		(Rs.in lakhs)			
	Note No.	As at 30.09.2013		As at 31.03.2012	
		Current	Non-current	Current	Non-current
(a) Secured					
Term Loans from:					
- Banks	5.1.1	2,240.57	17,370.30	4,286.49	11,670.68
- Others	5.1.2	2.23	-	39.47	11.46
		<u>2,242.80</u>	<u>17,370.30</u>	<u>4,325.96</u>	<u>11,682.14</u>
(b) Unsecured					
Fixed Deposits from Public		317.58	614.23	990.78	868.52
Foreign Currency Convertible Bonds (FCCB) (including premium payable on redemption of Rs.3,227.18 lakhs, Previous year: Rs. 2,619.79 lakhs)	5.2(b)	<u>19,302.79</u>	-	<u>15,718.72</u>	-
Interest free loan from a related Company	31.8		578.00		
		<u>19,620.37</u>	1,192.23	<u>16,709.50</u>	868.52
Total (a + b)		<u>21,863.17</u>	<u>18,562.53</u>	<u>21,035.46</u>	<u>12,550.66</u>
Less: Amount disclosed under "Other Current Liabilities"	10	<u>(21,863.17)</u>	-	<u>(21,035.46)</u>	-
NET AMOUNT		<u>-</u>	<u>18,562.53</u>	<u>-</u>	<u>12,550.66</u>



5.1 Nature of Security:

5.1.1 Term Loans from Banks :

- a. Rs.15,149.61 lakhs (Previous year: Rs.14,784.48 lakhs) and interest accrued & due of Rs.112.76 lakhs (Previous year: Rs.250.51 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.918.82 lakhs (Previous year: Rs.1,104.07 lakhs)and interest accrued & due of Rs.5.78 lakhs (Previous year:Rs.18.62 lakhs) Secured by hypothecation of specific plant & machinery and the personal guarantees of Chairman and Manganing Director and Sh. M.M.Thapar.
- c. Working capital term loans- Rs.3520.78 lakhs (Previous year : Rs.nil) and interest accrued & due of Rs.24.51 lakhs (previous year : Rs.-nil) 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.21.66 lakhs (Previous year Rs.68.62 lakhs) Secured against hypothecation of specific vehicles.

5.1.2 Term Loans from Others :

Rs.2.23 lakhs (Previous year: Rs.50.93 lakhs) Secured against hypothecation of specific vehicles etc.

5.1.3 During the period, restructuring of the Company's debt with its lending bankers was approved under the Corporate Debt Restructuring (CDR) Scheme. Securities specified above in respect of term loans, working capital term loans and funded interest on term loans have been modified in terms of the Master Restructuring Agreement and other agreements executed on 18.1.2013. However, charge could not be filed due to restraintment order of the Hon'ble High Court of Punjab & Haryana at Chandigarh. (refer note 31.8)

5.2 Default in repayment of Term Loans from the Banks and FCCBs (included under current maturities as on 30.09.2013 in note no.10)

(a) <u>Term Loan</u> Name of Bank	As at 30.09.2013		As at 31.03.2012		(Rs.in lakhs) Period since when in default
	Principal Due	Interest due	Principal Due	Interest due	
Allahabad Bank	–	–	357.47	82.61	0 to 3 months
Punjab National Bank	–	–	187.51	89.84	0 to 3 months
State Bank of India	–	–	208.34	51.34	0 to 3.5 months
State Bank of Patiala	–	–	104.17	45.34	0 to 3.5 months
			857.49	269.13	
(b) FCCB(including premium payable on redemption)	19,302.79		15,718.72		



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. During the tenure, FCCBs of US\$ 4.58 million were converted into equity shares. The balance of US\$ 25.42 million (equivalent to Rs.16075.61 lakhs) became due for redemption on 08.04.2011 alongwith premium of 20.075% (US\$ 5.08 million equivalent to Rs.3,227.18 lakhs). The Company has not been able to redeem such matured FCCBs due to paucity of cash funds. Further, provision of Rs.2,872.90 lakhs towards yield protection on the unpaid amount is not considered necessary as this will not be payable once the restructuring of FCCBs is completed. In the meantime, the Bank of New York, trustees of the FCCBs, filed a winding up petition in the Punjab & Haryana High Court on 29th September, 2012, which is pending for disposal. During the period, the majority of bondholders, around 51% of the value of bonds, have agreed to convert their bonds of US\$ 12.93 million into 115,954,059 equity shares of Rs.2.50 each at par in settlement of their dues. The Company is taking requisite steps to convert the bonds into equity shares. Other minority bondholders of FCCBs are not in agreement with the settlement terms and are pursuing the matter in the court for winding up of the Company. During the last hearing on 14th November, 2013, the Hon'ble High Court fixed next date of hearing on 9th and 10th January, 2014 on the issue of maintainability of the winding up petition. 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 Loans from Banks				Year of maturity		Total
Name of Bank	Interest Rate %	01.10.2014 to 31.03.2015	2015-16	2016-17	2017-18 onwards	
Allahabad Bank	BR+1.25	594.95	2,031.65	1,121.48	3,683.42	7,431.50
Punjab National Bank	BR+1.25	307.56	1,038.07	590.61	1,769.24	3,705.48
State Bank of India	BR+1.25	336.56	937.78	736.75	1,987.00	3,998.09
State Bank of Patiala	BR+1.25	137.58	469.78	278.88	1,085.19	1,971.43
State Bank of Travencore	BR+1.25	19.44	111.68			131.12
Bank of Baroda	BR+1.25	45.84	47.79			93.63
Punjab & Sind Bank	BR+1.25	10.56	25.96			36.52
HDFC Bank Ltd.-Car loans	Fixed EMI	2.21	0.32	-	-	2.53
		1,454.70	4,663.03	2,727.72	8,524.85	17,370.30
(b) Fixed Deposits From Public	12.00	242.57	371.66	-	-	614.23

Status of Fixed deposits as at 30th September, 2013

Due to erosion in net worth of the Company, the Company stopped renewal and acceptance of deposits from Public since 01.10.2012 in compliance with the regulation of Section 58A of the Companies Act, 1956. The Company is since then repaying the deposits as and when they are due and claimed, by issue of cheques. Certain cheques aggregating to Rs.382.38 outstanding on 30th September, 2013 are pending clearance. Further, during the period there were delays in repayments, for which details are not readily ascertainable due to large volume of deposits.

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

	Note No.	As at 30.09.2013	As at 31.03.2012
Interest accrued but not due on Public fixed deposits		63.97	51.55
Security Deposits	6.1	2,358.33	2,064.90
TOTAL		2,422.30	2,116.45

6.1 Security deposits includes Rs.1948 lakhs (Previous year: Rs.1,630 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

Provision for employee benefits towards gratuity and leave encashment	3,244.04	2,294.63
Provision against termination of agreements for sale of land	646.50	225.00
TOTAL	3,890.54	2,519.63



8. SHORT-TERM BORROWINGS		(Rs.in lakhs)	
	Note No.	As at 30.09.2013	As at 31.03.2012
(a) Secured			
- Working Capital Loans from Banks	8.1	4,607.75	7,279.31
- Other		-	240.00
		<u>4,607.75</u>	<u>7,519.31</u>
(b) Unsecured			
- Book overdraft		500.82	512.48
- Others		-	402.28
		<u>500.82</u>	<u>914.76</u>
TOTAL (a+b)		<u>5,108.57</u>	<u>8,434.07</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.			
9. TRADE PAYABLES		(Rs.in lakhs)	
	Note No.	As at 30.09.2013	As at 31.03.2012
Acceptances under letter of credit		4,216.36	5,651.78
Others		5,934.40	7,136.25
TOTAL		<u>10,150.76</u>	<u>12,788.03</u>
9.1 The Company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid at the year end together with interest paid/payable as required under the said Act have not been given.			
10. OTHER CURRENT LIABILITIES		(Rs.in lakhs)	
	Note No.	As at 30.09.2013	As at 31.03.2012
Current maturities of Long-term borrowings	5	21,863.17	21,035.46
Interest accrued but not due on Public fixed deposits		62.01	108.99
Interest accrued but not due on other borrowings		3.85	4.05
Interest accrued and due on secured borrowings	5.1.1	143.05	269.13
Remuneration payable to a director		1.47	2.40
Unclaimed fixed deposits and Interest thereon		102.32	12.29
Unclaimed Preference shares		3.83	3.83
Security and other deposits		15.73	16.69
Statutory liabilities		879.57	521.36
Advance from customers		1,503.66	1,037.91
Accrued expenses		3,826.31	2,787.35
Other payables	10.2	543.54	1,058.10
TOTAL		<u>28,948.51</u>	<u>26,857.56</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.31.61 lakhs (Previous Year : Rs. 4.53 lakhs)			
11. SHORT TERM PROVISIONS		(Rs.in lakhs)	
	Note No.	As at 30.09.2013	As at 31.03.2012
Provision for employee benefits towards gratuity, leave encashment and superannuation		581.16	526.91
TOTAL		<u>581.16</u>	<u>526.91</u>



12 FIXED ASSETS

(Rs.in lakhs)

	Gross Block				Depreciation & Amortisation				Net Block	
	As at 01.04.2012	Additions during the period	Sales/ disposal/ adjustment during the period	As at 30.09.2013	As at 01.04.2012	For the period	On sales/ disposal/ adjustment during the period	As at 30.09.2013	As at 30.09.2013	As at 31.03.2012
(i) Tangible Assets										
Land freehold (Refer Note 12.1(a), (b) & (c))	15,119.04	21.64	88.00	15,052.68	-	-	-	-	15,052.68	15,119.04
Buildings (Refer Note 12.1 (d))	11,730.75	373.37	848.91	11,255.21	4,004.33	526.50	447.73	4,083.10	7,172.11	7,726.42
Plant & Machinery (Refer Note 12.2(a) & (b))	71,232.13	3,108.15	160.70	74,179.58	49,102.75	6,652.02	147.86	55,606.91	18,572.67	22,129.38
Data processing equipment	478.35	34.37	22.70	490.02	371.25	42.26	16.67	396.84	93.18	107.10
Electric installation including gadgets	602.83	27.35	15.30	614.88	443.36	22.38	9.84	455.90	158.98	159.47
Tools & implements	53.00	0.08	0.65	52.43	44.85	2.14	0.41	46.58	5.85	8.15
Furniture & fixtures	405.22	14.93	12.61	407.54	302.27	27.72	6.87	323.12	84.42	102.95
Office Equipments	18.38	1.08	1.40	18.06	10.37	1.69	1.01	11.05	7.01	8.01
Vehicles	774.69	5.39	84.99	695.09	508.40	97.83	62.09	544.14	150.95	266.29
Leasehold Improvements	23.51	-	-	23.51	18.28	5.23	-	23.51	-	5.23
Scrap (value of discarded assets)	-	26.18	26.00	0.18	-	-	-	-	0.18	-
Sub Total	100,437.90	3,612.54	1,261.26	102,789.18	54,805.86	7,377.77	692.48	61,491.15	41,298.03	45,632.04
Current period's total	100,638.88	4,109.70	1,712.72	103,035.86	54,805.86	7,377.77	692.48	61,491.15	41,544.71	45,833.02
Previous year's total	101,629.88	4,043.33	5,034.33	100,638.88	53,687.06	4,664.31	3,545.51	54,805.86	45,833.02	
(ii) Intangible Assets (other than internally generated)										
Current period's total	197.90	77.57	-	275.47	149.69	54.62	-	204.31	71.16	48.21
Previous year's total	197.90	-	-	197.90	102.38	47.31	-	149.69	48.21	-

- 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 30.09.13 is Rs. 10417.70 lakhs. (Previous year: Rs 10417.70 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 30.09.13 is Rs. 4326.35 lakhs (Previous year: 4359.66 lakhs)
- (c) During the period ended 30.09.2013, the company had adjusted Rs. 31.96 lakhs (Previous year: Rs. 44.09 lakhs) relating to Filament unit, Hoshiarpur from revaluation reserve against sale of land.
- (d) The company had revalued its building at Tehsil phagwara on 30.4.85 and the resultant revalued amount of Rs. 738.41 lakhs was added to the historical cost in the gross block of building of Rs. 1077.32 lakhs.
The aforesaid revaluations were done based on reports of external valuers at replacement / market value which resulted in net increase of Rs. 15694.60 lakhs (previous year 15694.60 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 increase in fixed assets by Rs. 2976.68 lakhs (Previous year: increase of Rs. 1624.33 lakhs), with corresponding increase in FCCBs borrowing during the period.
- 12.3 Capital work in progress includes under noted pre-operative expenditure pending allocation on commencement of commercial production:

	As at 31.03.2012	Additions during the period	Less: Capitalised/ adjusted	As at 30.09.2013
Legal & Professional fees	31.36	4.90	1.26	35.00
Travelling and conveyance	-	2.56	-	2.56
Total	31.36	7.46	1.26	37.56



13. NON CURRENT INVESTMENTS		(Rs.in lakhs)			
	Note No.	No.	As at 30.09.2013	No.	As at 31.03.2012
(Other Investments)					
(a) In Equity Shares of Associate Companies – 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		(514.71)		(281.30)	
			<u>47.84</u>		<u>281.25</u>
(b) In Equity Shares of Associate Companies – 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			<u>(537.00)</u>		<u>(429.60)</u>
			<u>-</u>		<u>107.40</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			<u>(0.40)</u>		<u>-</u>
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		-	<u>(9.20)</u>	-	<u>(8.28)</u>
			<u>421.64</u>		<u>422.96</u>
(d) In Debentures of Associate Companies – Unquoted, fully paid up Optionally Convertible Zero Rate Debentures of Provestment Securities Pvt. Ltd., a related Company of Rs.40 each (Net of redemption)	13.2	2,988,000	1,195.20	2,988,000	1,195.20
Less: Amount disclosed under the head "Current investments"			<u>(597.60)</u>		<u>-</u>
Optionally Convertible Zero Rate Debentures of KCT Textiles Ltd. of Rs. 70 each (Net of redemption)	13.3	2,872,398	2,010.68	2,872,398	2,010.68
Less: Amount disclosed under the head "Current investments"			<u>(287.24)</u>		<u>-</u>
			<u>2,321.04</u>		<u>3,205.88</u>
Total Non Current Investments			<u>2,790.52</u>		<u>4,017.49</u>
Aggregate amount of quoted investments			<u>47.84</u>		<u>281.25</u>
Market Value of quoted investments			<u>47.84</u>		<u>81.87</u>
Aggregate amount of unquoted investments			<u>4,174.12</u>		<u>4,174.12</u>
Less: Aggregate provision for other than temporary diminution in value			<u>(546.60)</u>		<u>(437.88)</u>
Less: Amount disclosed under the head "Current investments"			<u>(884.84)</u>		<u>-</u>
Net amount of unquoted investments			<u>2,742.68</u>		<u>3,736.24</u>
13.1 In respect of the Company's investment in JCT Electronics Ltd.:					
(a) 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.					
(b) 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 Redeemable in two equal annual instalments starting from 31.03.2014.					
13.3 Redeemable in seven equal annual instalments starting from 31.03.2014.					



14. LONG TERM LOANS AND ADVANCES		(Rs.in lakhs)	
	Note No.	As at 30.09.2013	As at 31.03.2012
(Unsecured, considered good)			
Capital Advances		116.17	65.16
Security Deposits		300.25	259.88
Advance Tax/Tax deducted at source (Net of Provision)		163.13	198.03
Advances to employees		121.44	60.69
Prepaid expenses		3.95	7.50
TOTAL		704.94	591.26
15. CURRENT INVESTMENTS		(Rs.in lakhs)	
	Note No.	As at 30.09.2013	As at 31.03.2012
(At Cost)			
(a) In Debentures of Associate Companies – Unquoted, fully paid up			
Optionally Convertible Zero Rate Debentures of Provestment Securities Pvt. Ltd., a related company, of Rs.40 each (Net of redemption)	13.2	597.60	–
Optionally Convertible Zero Rate Debentures of KCT Textiles Ltd. of Rs. 70 each (Net of redemption)	13.3	287.24	–
		884.84	–
(b) Equity Shares of Other Companies – Quoted, fully paid up			
ABB Ltd. of Rs. 2 each	–	–	6,000 0.07
Aditya Birla Nuvo Ltd. of Rs. 10 each	–	–	9,313 11.90
ALSTOM India Ltd. of Rs. 10 each	–	–	1,200 –
Ashok Leyland Ltd. of Rs. 1 each	–	–	10,000 0.18
Asian Paints Ltd. of Rs. 10 each	–	–	600 –
Britannia Industries Ltd. of Rs. 2 each	–	–	2,500 –
Colgate Palmolive (I) Ltd. of Rs. 1 each	–	–	3,000 0.06
EIH Ltd. of Rs. 2 each	–	–	10,909 2.25
Grasim Industries Ltd. of Rs. 10 each	–	–	1,000 –
HDFC Bank Ltd. of Rs. 2 each	–	–	2,500 0.05
Hindustan Unilever Ltd. of Rs. 1 each	–	–	5,000 0.03
Housing Development Finance Corpn. Ltd. of Rs. 2 each	–	–	15,100 0.40
Tata Steel Ltd. of Rs. 10 each	9	0.05	81 0.10
Ultratech Cement Ltd. of Rs.10 each	–	–	571 –
Cheslind Textiles Ltd. of Rs.10 each	15,000	1.50	15,000 1.50
Indian Card Clothing Ltd. of Rs.10 each	75	0.02	75 0.02
The Waterbase Ltd. of Rs.10 each	1,450,000	145.00	1,450,000 145.00
		146.57	161.56
(c) Mutual funds – Quoted, fully paid up			
Units of UTI Balance Fund–Growth Plan of Rs. 10 each	8,516	5.25	8,516 5.25
		5.25	5.25
Total Current Investments		1,036.66	166.81
Aggregate amount of quoted investments		151.82	166.81
Market value of quoted investments		158.86	558.03
Aggregate amount of unquoted investments		884.84	–



16. INVENTORIES		(Rs.in lakhs)	
	Note No.	As at 30.09.2013	As at 31.03.2012
(Valued at lower of cost or net realisable value)			
Raw Materials	16.1	1,496.95	1,948.36
Raw Materials - in transit		458.45	274.74
Stock-in-Process		3,531.01	4,195.27
Loose stock awaiting packing		747.35	651.39
Finished Goods		3,360.64	3,765.42
Finished Goods - in transit		31.90	64.82
Stores and Spares		2,162.25	1,927.24
Stores and Spares - in transit		12.87	16.17
TOTAL		<u>11,801.42</u>	<u>12,843.41</u>
16.1 Includes Rs.102.45 lakhs (Previous Year: Rs.254.43 lakhs) lying with outside parties/creditors.			
17. TRADE RECEIVABLES		(Rs. in Lakhs)	
	Note No.	30.09.2013	31.03.2012
Outstanding for a period exceeding six months			
- Unsecured, considered good		162.03	137.42
- Unsecured, considered doubtful		141.07	443.73
Less: Provision for doubtful debts		<u>(141.07)</u>	<u>(443.73)</u>
Others (unsecured, considered good)		5,490.07	4,654.34
TOTAL		<u>5,652.10</u>	<u>4,791.76</u>
18. CASH AND BANK BALANCES			
(i) Cash and Cash Equivalents			
- Balance with Banks		373.85	46.59
- Fixed Deposits		350.00	-
- Cheques, draft on hand/ remittance in transit		142.66	228.65
- Cash in Hand		<u>14.31</u>	<u>10.32</u>
(ii) Others :			
- Balance with Banks	18.1	7.88	9.89
- Fixed Deposits held as Margin Money		429.71	400.94
- Fixed Deposits		-	75.65
- Post Office Savings Accounts (lodged as security)		<u>0.19</u>	<u>0.19</u>
TOTAL		<u>1,318.60</u>	<u>772.23</u>
18.1 Includes Rs.3.85 lakhs (Previous Year: Rs.3.79 lakhs) earmarked for redemption of preference shares and Rs.4.03 lakhs (Previous Year: Rs 6.10 lakhs) against employees' security deposits.			
19. SHORT TERM LOANS AND ADVANCES		(Rs. in Lakhs)	
	Note No.	30.09.2013	31.03.2012
(Unsecured, considered good)			
Loans and Advances to related parties		-	409.35
Security Deposits	19.1	37.91	1,199.63
Others:			
- Unsecured, considered good	19.2	3,427.79	1,149.81
- Unsecured, considered doubtful		424.28	731.14
- Less: Provision for doubtful		<u>(424.28)</u>	<u>(731.14)</u>
TOTAL		<u>3,465.70</u>	<u>2,758.79</u>
19.1 Includes from a related party – Provestment Securities Pvt.Ltd.			
		-	1,150.00



19.2 Others comprise of advance against raw materials, stores and spares, prepaid expenses, income tax refundable, excise duty recoverable, CENVAT recoverable etc.

20. OTHER CURRENT ASSETS		(Rs. in Lakhs)	
	Note No.	30.09.2013	31.03.2012
(Unsecured, considered good)			
Interest Subsidy under Technology Upgradation Fund Scheme		837.08	512.40
Interest accrued on deposits/advances		39.91	66.85
Tangible fixed assets held for disposal	20.1 & 20.2	134.58	301.24
Others :			
- Unsecured, considered good	20.3	453.86	668.87
- Unsecured, considered doubtful		35.79	35.79
- Less: Provision for doubtful		(35.79)	(35.79)
TOTAL		1,465.43	1,549.36

20.1 Details of tangible fixed assets held for disposal of discontinued operations at Sriganganagar Unit I & II, which are being carried at the lower of book value and net realisable value are as under: (Refer note no.31.9.1)

Description	Gross Block		Accumulated Depreciation		Net Block	
	30.09.13	31.03.12	30.09.13	31.03.12	30.09.13	31.03.12
Tangible Fixed Assets:						
Land	134.58	84.65	-	-	134.58	84.65
Plant & Machinery	-	2,881.61	-	2,718.19	-	163.42
Other Assets	-	238.04	-	184.87	-	53.17
Total tangible fixed assets	134.58	3,204.30	-	2,903.06	134.58	301.24

20.2 The Company had revalued its certain freehold land at Sriganganagar on 30.4.85 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 30.09.13 is Rs.134.58 lakhs (previous year:Rs.84.65 lakhs)

20.3 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	Previous year
Sale of Finished Goods (Gross)	30.1	127,012.78	80,399.17
Other operating revenues:			
- Export incentives/ duty draw back		959.90	521.05
- Sale of process waste/ scrap		1,966.40	1,651.26
- Sale of steam generated		2,704.47	225.77
TOTAL		132,643.55	82,797.25

22. OTHER INCOME					
Interest Income from:					
-Bank deposits		57.01		31.12	
-Customers and others		174.48	231.49	131.27	162.39
Dividend from current investments			9.39		4.36
Profit on sale of fixed assets (net)			179.10		131.39
Profit on sale of current investments			425.25		0.47
Liabilities/provisions no longer required written back			1,025.64		140.54
Depreciation excess provided in earlier years written back (net)			-		0.15
Rent			213.50		171.39
Other Miscellaneous Income			160.46		117.43
TOTAL			2,244.83		728.12



23. COST OF MATERIALS CONSUMED		(Rs. in Lakhs)	
	Note No.	Current period	Previous year
Raw material	30.2		
Opening Stock		1,693.93	2,819.77
Purchases		<u>59,082.71</u>	<u>42,749.05</u>
		60,776.64	45,568.82
Less: Adjustments on account of Vat/Modvat		(46.26)	(199.84)
Less : Closing Stock		<u>(1,394.50)</u>	<u>(1,693.93)</u>
		59,335.88	43,675.05
Other materials (dyes, chemicals, sizing and packing materials)			
Opening Stock		772.07	792.45
Purchases		<u>12,159.10</u>	<u>7,143.04</u>
		12,931.17	7,935.49
Less: Adjustments on account of Vat/Modvat		(126.11)	(278.57)
Less: Closing Stock		<u>(1,051.15)</u>	<u>(772.07)</u>
		11,753.91	6,884.85
TOTAL		<u>71,089.79</u>	<u>50,559.90</u>
24. OTHER MANUFACTURING EXPENSES			
Stores & Spares Consumed		944.74	580.92
Power & fuel		22,010.89	10,351.50
Repairs to and maintenance of buildings		201.22	189.31
Repairs to and maintenance of plant & machinery		2,136.22	1,609.35
Processing charges		560.16	521.44
Material handling charges		371.24	231.64
Excise Duty	24.1	(26.40)	34.07
TOTAL		<u>26,198.07</u>	<u>13,518.23</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			
Inventories at the end of the year			
Finished Goods		3,360.64	3,765.42
Finished Goods-in transit		31.90	64.82
Loose stock awaiting packing		747.35	651.39
Stock-in-process	30.4	<u>3,531.01</u>	<u>4,195.27</u>
		7,670.90	8,676.90
Inventories at the beginning of the year			
Finished Goods	25.1	3,765.35	2,608.41
Finished Goods-in transit		64.82	75.15
Loose stock awaiting packing		651.39	691.30
Stock-in-process	25.1	<u>4,191.73</u>	<u>4,880.20</u>
		8,673.29	8,255.06
TOTAL		<u>1,002.39</u>	<u>(421.84)</u>
25.1 Does not include finished goods of Rs.0.07 lakhs and stock in process of Rs.3.54 lakhs held for disposal in earlier year and sold during the period.Resultant changes in inventories of finished goods and stock in process of Rs.3.61 lakhs is shown in discontinued operations (refer note no.31.9.3.)			
26. EMPLOYEE BENEFITS EXPENSES			
Salaries, wages, bonus, gratuity, allowances etc.		12,597.18	7,252.19
Contribution to Provident, superannuation and other funds		1,485.96	832.34
Workmen & staff welfare expenses		355.60	174.49
TOTAL		<u>14,438.74</u>	<u>8,259.02</u>



27. FINANCE COSTS

Interest Expense on:

- Foreign Currency Convertible Bonds		-		3.54
- Term Loans		1,914.34		1,688.55
- Public fixed deposits and inter-corporate deposits		302.77		236.29
- Borrowing from banks for working capital		991.25		951.67
- Credit from vendors		1,444.70		934.12
Other borrowing costs		641.67		301.35
TOTAL		5,294.73		4,115.52

28. DEPRECIATION AND AMORTISATION EXPENSE

Depreciation for the period	12	7,377.77		4,664.31
Less: Transfer from revaluation reserve	4	(19.95)		(13.30)
Less: Transfer to discontinuing operations	31.9.3	(20.84)	7,336.98	(3.25)
Amortisation for the period	12	54.62		47.31
TOTAL		7,391.60		4,695.07

29. OTHER EXPENSES

Rent		315.77		169.43
Insurance		122.62		84.28
Rates & taxes		88.03		63.48
Directors' fee		14.00		9.53
Directors' remuneration		67.50		50.55
Legal and professional fees		659.26		336.70
Travelling and conveyance		356.37		360.23
Payment to Statutory Auditors'				
- For Audit fee		27.00		15.00
- For Certification work		17.15		5.71
- For Reimbursement of expenses		3.46	47.61	1.65
Bad debts written off		663.43		495.29
Less: Provision for bad and doubtful debts written back		(601.61)	61.82	(494.17)
Provision for advances etc.		421.50		60.66
Loss on sale of raw materials/stores (net)		2.39		11.83
Provision for other than temporary diminution in value of investments		342.12		-
Fixed Assets written off		16.38		10.07
Selling & publicity expenses		305.28		249.27
Commission to dealers/convassing agents		1,137.99		641.14
Freight & cartage (net of recovery)		1,150.05		694.13
Sales tax & octroi		2,789.44		1,539.13
Cash discount on sales		519.77		415.51
Loss/(profit) on sale of carbon emission reduction credits		77.04		(143.21)
Exchange fluctuation loss (net)		183.69		207.93
Miscellaneous expenses		1,347.56		1,086.36
TOTAL		10,026.19		5,870.50



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 30.09.2013	Year ended 31.03.2012
Manufactured		
-Cloth	68,603.27	43,220.84
-Nylon filament Yarn	56,352.27	35,295.44
-Polyester/nylon Chips	1,324.58	1,343.40
-Others	732.66	539.49
TOTAL	127,012.78	80,399.17

30.2 Details of raw materials consumed:

(Rs. in lakhs)

Particulars	Period ended 30.09.2013	Year ended 31.03.2012
Cotton	16,529.89	12,245.99
Grey cloth	5,362.74	3,201.84
Synthetic fibre	2,064.17	996.43
Finished fabrics	372.87	706.77
Blended yarn	6,306.87	4,895.28
Caprolactum	27,273.63	19,383.63
Renol Chips	559.00	279.18
Nylon chips	482.71	218.81
Nylon POY & Others	327.51	1,435.87
Others	56.49	311.25
TOTAL	59,335.88	43,675.05

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 30.09.2013		Year ended 31.03.2012	
	Amount	Percentage	Amount	Percentage
(a) Raw materials - imported	2,715.50	4.58	1,936.18	4.43
Raw materials - indigenous	56,620.38	95.42	41,738.87	95.57
Total	59,335.88	100.00	43,675.05	100.00
(b) Spare parts & Components- imported	499.49	21.81	342.06	20.41
Spare parts & Components- indigenous	1,790.41	78.19	1,334.27	79.59
Total	2,289.90	100.00	1,676.33	100.00

30.4 Details of Stock-in Process:

(Rs. in lakhs)

Particulars	Period ended 30.09.2013	Year ended 31.03.2012
Cotton/synthetic fabrics	2,828.44	3,102.52
Nylon filament yarn	268.65	404.50
Nylon Chips	433.92	688.25
TOTAL	3,531.01	4,195.27



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

Particulars	Period ended 30.09.2013	Year ended 31.03.2012
Raw Materials	2,266.77	1,637.14
Components and spare parts etc.	1,497.63	924.71
Capital Goods	89.26	27.99
Total	3,853.66	2,589.84

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

Particulars	Period ended 30.09.2013	Year ended 31.03.2012
Commission on export Sales	128.84	69.78
Interest on FCCB	–	3.54
Travelling	40.45	73.20
Professional Services	207.41	67.68
Others	48.26	33.94
TOTAL	424.96	248.14

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

Particulars	Period ended 30.09.2013	Year ended 31.03.2012
Export of goods calculated on F.O.B. basis	16,018.81	8,974.93

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

30.9 Prior period expenses aggregating Rs.50.54 lakhs (net debit) have been accounted for in the respective heads of account [Previous Year: Rs. 52.75 lakhs (net debit)]

31. Additional notes to the financial statements for the period ended 30th September, 2013.

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

Particulars	As at 30.09.2013	As at 31.03.2012
(I) Contingent Liabilities		
(a) Claims against the Company not acknowledged as debts	20.78	19.38
(b) Guarantees given by the bankers on behalf of the Company	336.31	205.28
(c) Unutilised letter of credit	28.40	24.80
(d) Disputed liabilities not adjusted as expenses in the Accounts for various years being in appeals towards:		
- Sales tax	1681.30	735.02
- Income tax	–	83.04
- Excise Duty	4265.38	2,422.80
- Stamp Duty	187.72	187.72
- Custom Duty	186.05	186.05
- Entry Tax	1488.08	351.82
- Others	212.24	228.46
Total	8,020.74	4,194.91
(II) Commitments		
(a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for in the accounts (net of advances)	332.06	154.59
(b) Export obligation against import of machinery under EPCG Scheme	1,583.56	13,590.00



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, 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 director.
- (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.242.96 lakhs (Previous Year: Rs.117.64 Lakhs). The future lease payments in respect of non-cancellable operating leases for a period later than one year but not later than 5 years is Rs.89.46 lakhs as at 30th September, 2013 (Previous year: Rs.100.85 lakhs).

31.6 Disclosure of Derivative Instruments :

(a) There are no outstanding forward exchange contracts used for hedge against currency exposures as at 30th September, 2013.

(b) Foreign currency exposures that have not been specifically hedged by a derivative instrument or otherwise as at 30th September, 2013 are given below:

	Rs. in lakhs		Foreign Currency in millions			
	Current Period	Previous Year	Current Period		Previous Year	
			Currency	Amount	Currency	Amount
Sundry Debtors	619.31	292.29	US\$	0.99	US\$	0.64
Sundry Debtors	55.08	-	EURO	0.01	EURO	-
Loans and Advances	68.39	273.86	EURO	0.08	EURO	0.41
Foreign Currency Convertible Bonds	19,302.79	15,718.72	US \$	30.50	US \$	30.50
Sundry Creditors	737.37	29.22	US \$	0.11	US \$	0.06
	82.58	114.48	EURO	0.01	EURO	0.17
	-	25.25	JPY	-	JPY	3.99

31.7 Going Concern:

Continuing and accumulated losses have resulted in entire erosion in 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, during the period the restructuring of Company's debt with its lending bankers has been partially implemented under the Corporate Debt Restructuring (CDR) mechanism. Once the CDR Scheme is fully implemented, liquidity position and the operations of the Company are likely to improve. 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)

During the period, Restructuring of the Company's debts with its lending bankers was approved under the Corporate Debt Restructuring (CDR) Scheme mechanism. The Scheme has been implemented by most of the banks and the impact thereof has been taken in the Accounts to the extent as advised by such banks. Further, in terms of the Scheme;

- one of the Promoter companies, namely Provestment Securities Private Limited, contributed additional Rs.1022 lakhs in the form of equity capital and Rs.578 lakhs as subordinate debt.



- Mr. Samir Thapar - Chairman & Managing Director, Provestment Securities Private Limited and KCT Textiles Limited (Promoter companies) pledged their entire shareholdings in the Company to the lenders.
- Mr. Samir Thapar and Mr. M M Thapar have given their personal guarantees to the lenders.
- Lenders' sacrifice of Rs.1622 lakhs has been settled by way of issuance of equity shares of Rs.1022 lakhs at par and the balance amount of Rs.600 lakhs through funding to make the CDR Scheme Net Present Value protected.

However, additional working capital funds of Rs. 4577 lakhs have not been provided 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 Sriganaganagar Textile Mill were discontinued. The identified asset being land in both the Units, having net book value of Rs.134.58 lakhs (Previous year: Rs.301.24 lakhs) and is being carried at book value as expected net realizable value is higher, and is disclosed in Note 20.1 as "Asset held for disposal".
- 31.9.2 Company has recognised loss of Rs.673.59 lakhs (Previous Year: Rs. 142.89 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 Sriganaganagar Unit I and II are as under:

(Rs. in lakhs)

	Period ended 30.9.2013	Year ended 31.03.2012
Tangible fixed Assets	134.58	301.24
Inventory	-	61.52
Total Liabilities excluding corporate funds	127.16	601.50
Sales	5.12	--
Changes in inventories of finished goods and stock in process	(3.61)	--
Other Income	145.91	1.49
Expenses:		
Employee benefits	37.68	10.49
Compensation to workers for retiral	348.03	124.77
Depreciation	20.84	3.25
Interest	0.08	0.16
Miscellaneous expenses	414.38	5.71
(Loss) before Tax	(673.59)	(142.89)
(Loss) after Tax	(673.59)	(142.89)
Net Cash Flows attributable to:		
Operating Activities (including change in working capital)	--	--
Investing Activities	--	40.36

- 31.10 Pursuant to the losses in the current accounting period, accumulated losses as on 30th September,2013 stood at Rs 25,795.69 lakhs resulting in erosion of entire net worth of the Company thereby attracting provisions of 'Sick Industrial Companies (Special Provisions) Act 1985'. Accordingly, requisite steps are being taken as envisaged under the said Act. However as the Company, has approval to convert 51% of the value of its Foreign Currency Convertible Bonds (FCCBs) into equity capital, made profits during the last quarter ended 30th September, 2013 and there is no default in the repayment of its financial obligations to Banks, the Company is confident that its net worth will exceed its accumulated losses within a reasonable time.
- 31.11 The letters have been sent to almost all the parties for confirmation of the balances under trade receivables, advances and trade payables. However, due to non receipt of the response from the parties, the balances are subject to confirmations/reconciliation in some cases. The impact, if any, subsequent to the confirmation/ reconciliation will be taken in the year of confirmation/reconciliation.
- 31.12 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.



31.13 Related party disclosures:

Relationship

- (a) **Key Management Personnel:** Mr. Samir Thapar
- (b) **Other related parties where control/ significant influence exists:**
 Mr. M.M.Thapar
 JCT Electronics Ltd.
 Provestment Securities Pvt. Ltd.
 JCT Chemicals & Fibres Ltd.(upto 12.09.2013)
 India International Airways Ltd.
 Firemount Textiles (India) Ltd.(upto 20.09.2013)
 KCT Textiles Ltd
 JCT Sports Pvt.Ltd.

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

Transactions with related parties:

(Rs. in lakhs)

	Period ended 30-09-2013	Year ended 31-03-2012
Expenses:		
Professional Fees: Mr M M Thapar	40.45	26.47
Rent Paid : Mr. M M Thapar	0.45	0.30
Sports promotion expenses : JCT Sports Pvt.Ltd.	9.12	5.80

Rs. in lakhs)

	Dr. / (Cr.) Balances as at 01.04.12	Received / adjusted/ given during the period	Refunded / adjusted during the period	Dr./ (Cr.) Balances as at 30.09.2013
Equity Share Capital				
Provestment Securities Pvt. Ltd.	--	1022.00	1022.00	--
Interest free loan				
Provestment Securities Pvt. Ltd.	--	578.00	--	(578.00)
Investments:				
Provestment Securities Pvt. Ltd.	1,195.20	--	--	1195.20
KCT Textiles Ltd.	2,010.68	--	--	2010.68
	3,205.88	--	--	3205.88
Security Deposit				
Provestment Securities Pvt Ltd.	1,150.00	--	1150.00	--
	1,150.00	--	1,150.00	--
Other Receivables:				
Provestment Securities Pvt Ltd.	5.00	--	5.00	--
JCT Chemicals & Fibres Ltd	395.00	--	--	395.00
Firemount Textiles (India) Ltd.	9.35	--	--	9.35
	409.35	--	5.00	404.35
Payables:				
Provestment Securities Pvt Ltd.	(57.02)	(2518.50)	2562.40	(13.12)
JCT Electronics Ltd	(60.17)	--	0.07	(60.10)
JCT Sports Pvt Ltd	--	(9.12)	9.12	--
Mr. M M Thapar	(11.91)	(40.05)	15.78	(36.18)
India International Airways Ltd.	(0.17)	--	--	(0.17)
	(129.27)	(2567.67)	2587.37	(109.57)



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)

	Textiles		Filament		Total	
	Current period	Previous year	Current period	Previous year	Current period	Previous year
External Sales/ Income	71,488.08	45,193.11	55,309.33	34,087.53	126,797.41	79,280.64
Segment Revenue	72,378.05	45,564.07	55,702.32	34,381.25	128,080.37	79,945.32
Segment Results	(1,960.05)	(1,714.03)	1,577.28	660.02	(382.77)	(1,054.01)
Segment Assets	44,631.91	47,314.71	18,747.89	18,650.09	63,379.80	65,964.80
Segment Liabilities	14,696.26	16,493.03	13,407.74	13,931.40	28,104.00	30,424.43

Reconciliation of reportable segment with the financial statements:

(Rs in lakhs)

	Revenues		Net Profit/ (Loss)		Assets		Liabilities	
	Current period	Previous year	Current period	Previous year	Current period	Previous year	Current period	Previous year
Total of reportable segments	128,080.37	79,945.32	(382.77)	(1,054.01)	63,379.80	65,964.80	28,104.00	30,424.43
Add: Corporate Unallocated	961.87	63.44	(721.77)	(1,418.11)	6308.31	7,209.51	46,352.52	35,368.88
Finance costs		-	5,294.73	(4,115.52)		-	-	-
Exceptional Items(net)		-	(2,295.59)	(203.59)		-	-	-
Taxes		-	(82.00)	(14.17)	163.13	198.03	-	-
As per financial statements	129,042.24	80,008.76	(8776.86)	(6,805.40)	69,851.24	73,372.34	74,456.52	65,793.31

(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)

	Period ended 30-09-2013	Year ended 31-03-2012
Sales to domestic market	104,406.86	67,295.26
Sales to overseas market	16,759.78	9,587.30
Total	121,166.64	76,882.56

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.1485.96 lakhs (Previous year: Rs.832.34 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 upto a maximum of 30 days for workers and 300 days for other employees which is payable /encashable as per the policy of on their separation.

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

I) Reconciliation of opening and closing balances of Defined Benefit obligation (Rs. in lakhs)

Particulars	Gratuity (Funded)		Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	30.09.13	2011-12	30.09.13	2011-12	30.09.13	2011-12
Defined Benefit obligation at beginning of the period	1,488.31	1,373.81	750.35	649.35	548.70	490.89
Current Service Cost	159.79	94.77	65.45	48.28	94.23	50.43
Interest Cost	195.50	116.77	97.58	55.29	66.80	41.81
Actuarial (gain)/ loss	570.87	49.94	41.98	89.65	140.58	60.59
Benefits paid	(230.30)	(146.98)	(103.87)	(92.22)	(240.56)	(95.02)
Defined benefit obligation at the period end	2184.17	1,488.31	851.49	750.35	609.75	548.70

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

	Gratuity (Funded)	
	30.09.2013	31.03.2012
Fair value of plan assets at beginning of the period	284.31	399.25
Expected return on plan assets	33.38	36.93
Actuarial gain/(loss)	(3.31)	(4.89)
Employer contribution	-	-
Benefits paid	(64.14)	(146.98)
Fair value of plan assets at the period end	250.24	284.31
Actual return on plan assets	30.07	32.04

III) Reconciliation of fair value of assets and obligations (Rs. in lakhs)

	Gratuity (Funded)				
	2012-13 (18 months)	2011-12	2010-11	2009-10	2008-09
Fair value of plan assets	250.24	284.31	399.25	346.03	475.52
Present value of obligation	(2184.18)	(1488.31)	(1373.81)	(1241.17)	(1225.19)
Amount recognized in the Balance Sheet (Liability)	(1933.94)	(1204.00)	(974.56)	(895.14)	(749.67)
Experience adjustment arising on: the plan Liabilities (Loss)/Profit	(734.68)	(61.19)	(12.17)	(181.87)	(96.60)
Experience adjustment arising on: the plan assets	(3.31)	(4.89)	1.17	(7.76)	(4.91)



	Gratuity (Unfunded)					Leave Encashment (Unfunded)				
	2012-13 (18 months)	2011-12	2010-11	2009-10	2008-09	2012-13 (18 months)	2011-12	2010-11	2009-10	2008-09
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-
Present value of obligation	(851.49)	(750.35)	(649.35)	(573.88)	(804.74)	(609.74)	(548.70)	(490.89)	(408.44)	(434.67)
Amount recognized in Balance Sheet (Liability)	(851.49)	(750.35)	(649.35)	(573.88)	(804.74)	(609.74)	(548.70)	(490.89)	(408.44)	(434.67)
Experience adjustment arising on: the plan Liabilities(Loss)/Profit	(108.33)	(95.54)	(25.75)	(66.94)	(14.01)	(1.87)	(65.36)	(91.82)	(59.66)	(46.22)
Amount recognized in Balance Sheet (Liability)	(851.49)	(750.35)	(649.35)	(573.88)	(804.74)	(609.74)	(548.70)	(490.89)	(408.44)	(434.67)

IV) Expenses recognised in Employee benefits expenses during the period]

(Rs. in lakhs)

	Gratuity (Funded)				
	2012-13 (18 months)	2011-12	2010-11	2009-10	2008-09
Current Service Cost	159.79	94.77	87.77	80.89	77.44
Past Service Cost	-	-	14.81	-	-
Interest Cost	195.50	116.77	93.09	91.89	79.07
Expected return on plan assets	(33.38)	(36.93)	(32.01)	(41.61)	(46.69)
Actuarial (Gain) / loss	570.87	54.82	26.97	15.91	136.38
Net Cost	892.78	229.43	190.63	147.08	246.20

	Gratuity (Unfunded)					Leave Encashment (Unfunded)				
	2012-13 (18 months)	2011-12	2010-11	2009-10	2008-09	2012-13 (18 months)	2011-12	2010-11	2009-10	2008-09
Current Service Cost	65.45	48.28	43.45	37.56	50.49	94.22	50.43	61.24	46.08	45.10
Past Service Cost	-	-	28.05	-	-	-	-	-	-	-
Interest Cost	97.58	55.29	43.04	60.35	55.52	66.80	41.81	30.63	32.6	30.95
Expected return on plan assets	-	-	-	-	-	-	-	-	-	-
Actuarial (Gain) / loss	41.98	89.65	44.22	66.94	40.91	140.58	60.59	61.51	(26.49)	59.57
Net Cost	205.01	193.22	158.76	164.85	146.92	301.60	152.83	153.38	52.19	135.62

V) Investment Details

(% invested)

	As at 30-09-2013	As at 31-03-2012
Life Insurance Corporation of India	100	100

VI) Actuarial assumptions

	As at 30-09-2013	As at 31-03-2012
Method used	Projected unit credit	
Mortality Table (LIC)	1994-96 (duly modified)	
Discount rate (per annum)	9.14%	8.50%
Expected rate of return on plan assets (per annum)	8.25%	9.25%
Withdrawal Rate (per annum) upto 30/44 years and above 44 years	3%/2%/1%	
Rate of escalation in salary (per annum)	6%	6%



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

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

31.16 Loss per share:

	Period ended 30-09-2013	Year ended 31-03-2012
Net Loss as per Statement of Profit & Loss - (Rs. in lakhs)	8776.86	6805.40
Weighted average number of equity shares for Basic Loss	44,08,38,590	35,90,78,590
Add: Adjustment for option for 24,00,000 (Previous year: 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 for Diluted Loss	50,48,38,590	42,30,78,590
Nominal value of Equity Share (Rs.)	2.50	2.50
Basic Loss per Share before exceptional items (Rs.)	1.47	1.85
Diluted Loss per Share before exceptional items (Rs.)	1.28	1.57
Basic Loss per Share after exceptional items (Rs.)	1.99	1.90
Diluted Loss per Share after exceptional items (Rs.)	1.74	1.61

32. Current period figures being 18 months are not comparable with the figures of the previous year. Figures of the previous year have been rearranged and regrouped, wherever necessary, to conform to current period classification.

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
CM Bhanot
AK Doshi
Parthadeb Datta
Priya Thapar

PAWAN K. GUPTA

Partner

Membership No. 092529

Place : New Delhi
Dated : 29th November, 2013



E-Communication Registration Form

To
RCMC Share Registry Private Limited
B-106, Sector 2
NOIDA 201 301

I/We hereby exercise my/our option to receive all communications from the Company such as Notice of General Meeting, Explanatory Statement, Audited Financial Statements, Balance Sheet, Profit & loss Account, Directors' Report, Auditor's Report etc. in electronic mode pursuant to the 'Green Initiative in Corporate Governance' taken by the Ministry of Corporate Affairs vide circular no.17 /2011 dated 21st April, 201. Please register my e-mail ID as given below, in your records, for sending the communications:-

Folio No. / DP ID & Client ID No.	:	
Name of 1st Registered Holder	:	
Name of Joint Holder(s), if any	:	
Registered Address of the		
Sole/1st Registered Holder	:	
No. of shares held	:	
E-mail ID (to be registered)	:	

- 1) On registration, all communications will be sent to the e-mail ID registered.
- 2) The form is also available on the website of the Company under the section 'Investors Relation'.
- 3) Shareholders are requested to keep the Company's Registrar-RCMC Share Registry Private limited informed as and when there is any change in the e-mail address.



JCT LIMITED

Registered Office: Village Chohal, District Hoshiarpur (Punjab) 146 001

ATTENDANCE SLIP

64th Annual General Meeting

I hereby record my presence at the 64th Annual General Meeting of the Company at Village Chohal, District Hoshiarpur (Punjab)

Name of the Shareholder/Proxy (in block letters)

Signature of Shareholder/Proxy

Folio No.

DP ID No.

Client ID No.

No. of Shares



JCT LIMITED

Registered Office: Village Chohal, District Hoshiarpur (Punjab) 146 001

PROXY FORM

64th Annual General Meeting

I/We..... of

Being member/members of JCT LIMITED hereby appoint of

Or failing him / her of

as my/ our proxy to vote for me/us on my/our behalf at the 64th Annual General Meeting of the Company to be held on Monday, 30th December, 2013 at 10.30 A.M. at Village Chohal, District Hoshiarpur (Punjab) 146 001 and at any adjournment(s) thereof, if any.

Signed thisday of December, 2013.

Folio No.

DP ID No.

Client ID No.

No. of Shares



Signature of Shareholder/Proxy

NOTE : The Proxy completed in all respect must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding of the meeting.