



# JCT LIMITED

Corporate Office: 1001, 10<sup>th</sup> Floor, Vikram Towers, 16 Rajendra Place, New Delhi-110008  
Phone: 46290000; Fax: 25812222  
Website: [www.jct.co.in](http://www.jct.co.in)  
E-mail: [jctdelhi@jctltd.com](mailto:jctdelhi@jctltd.com) / [jctsecretarial@jctltd.com](mailto:jctsecretarial@jctltd.com)

30.05.2019

Department of Corporate Services,  
Bombay Stock Exchange Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400001

## Sub: Outcome of the Board Meeting held on 30.05.2019

Scrip Code: 500223

Dear Sir,

In continuation of our letter dated 22.05.2019, we wish to inform you that the Board of Directors of the Company at its meeting held today, 30.05.2019, has, inter-alia, transacted the following business(s):-

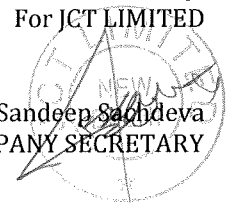
- Approved the Audited Financial Results for the quarter and for the year ended on 31st March, 2019 and recommend to the Members for adoption, Copy of same is enclosed for your reference.
- 70<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, the 14<sup>th</sup> day of August, 2019 at the Registered Office at Hoshiarpur (Punjab).
- Register of Members and Share Transfer Books would remain close from 08.08.2019 upto the date of Annual General Meeting i.e. 14.08.2019 (both days inclusive)
- Approved Re-appointment of Mr. C.M Bhanot and Dr. A.K Doshi as Independent Directors for second term of 5 years subject to Shareholders' approval in the forthcoming AGM.
- Revision/Increase in remuneration to Mr. Samir Thapar, Chairman & Managing Director and Ms. Priya Thapar, Whole Time Director subject to Shareholders' approval in the forthcoming AGM.
- Approval of Policy on Code of Conduct for Designated Persons and Related Party Transaction.

This is for your information and record please.

Thanking you

Yours Sincerely,  
For JCT LIMITED

Sandeep Sachdeva  
COMPANY SECRETARY



Encl: AA

Regd. Office: Village Chohal, Dist. Hoshiarpur (Punjab)  
CIN No. L17117PB1946PLC004565

**JCT LIMITED**

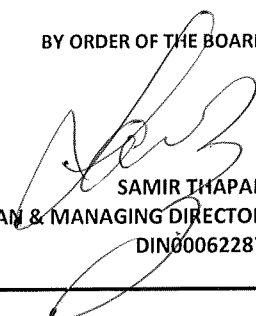
REGD. OFFICE : VILLAGE CHOHAL, DISTT. HOSHIARPUR (PUNJAB) 146024  
Phone: 91-11-46290000: Fax:25812222 Website: www.jct.co.in, email:jctsecretarial@jctltd.com  
(CIN NO. L17117PB1946PLC004565)

**STATEMENT OF FINANCIAL RESULTS  
FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019**

(Rs. in Lakhs)

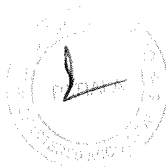
Sr. No.	Particulars	Quarter ended			Year Ended	Year Ended
		March 31, 2019 (Audited)	Dec. 31, 2018 (Unaudited)	March 31, 2018 (Audited)	March 31, 2019 (Audited)	March 31, 2018 (Audited)
<b>1</b>	<b>Income</b>					
	a) Revenue from operations	21,836	18,861	18,507	80,033	76,488
	b) Other Income	213	199	86	689	1,045
	<b>Total Income (a) + (b)</b>	<b>22,049</b>	<b>19,060</b>	<b>18,593</b>	<b>80,722</b>	<b>77,533</b>
<b>2</b>	<b>Expenses</b>					
	a) Cost of materials consumed	11,994	11,836	12,118	47,451	45,533
	b) Excise duty	-	-	-	-	727
	c) Change in inventories of finished goods and stock-in-process	815	(1,208)	1,252	(1,079)	(620)
	d) Employee benefits expense	2,715	2,954	3,000	11,322	11,978
	e) Finance costs	5,381	915	798	8,099	3,550
	f) Depreciation and amortisation expense	369	449	764	2,256	3,049
	g) Other expenses	5,129	4,647	1,657	19,098	16,905
	<b>Total Expenses (a+b+c+d+e+f+g)</b>	<b>26,403</b>	<b>19,593</b>	<b>19,589</b>	<b>87,147</b>	<b>81,122</b>
<b>3</b>	<b>(Loss) before tax (1-2)</b>	<b>(4,354)</b>	<b>(533)</b>	<b>(996)</b>	<b>(6,425)</b>	<b>(3,589)</b>
<b>4</b>	<b>Tax expense</b>					
	- Income tax related to earlier years	-	-	16	(1)	16
<b>5</b>	<b>(Loss) after tax (3-4)</b>	<b>(4,354)</b>	<b>(533)</b>	<b>(1,012)</b>	<b>(6,424)</b>	<b>(3,605)</b>
<b>6</b>	<b>Other Comprehensive Income/(Loss)</b>					
a.	Items that will not be reclassified as profit or loss					
	- Re-measurements of the net defined benefit plans	(199)	118	438	155	204
b.	Items that will be reclassified subsequently to profit or loss					
	- Fair value of investments through OCI	3	-	-	3	-
	<b>Other Comprehensive Income/(Loss) for the period (a+b)</b>	<b>(196)</b>	<b>118</b>	<b>438</b>	<b>158</b>	<b>204</b>
<b>7</b>	<b>Total Comprehensive Income/(Loss) for the period (5+6)</b>	<b>(4,550)</b>	<b>(415)</b>	<b>(574)</b>	<b>(6,266)</b>	<b>(3,401)</b>
<b>8</b>	<b>Paid up Equity Share Capital Rs. 2.50/- each</b>	<b>20,961</b>	<b>14,953</b>	<b>14,953</b>	<b>20,961</b>	<b>14,953</b>
<b>9</b>	<b>Earning per share of Rs. 2.50/- each (Not annualised)</b>					
	(1) Basic (in Rs.)	(0.76)	(0.07)	(0.17)	(1.05)	(0.60)
	(2) Diluted (in Rs.)	(0.70)	(0.07)	(0.17)	(0.99)	(0.60)


BY ORDER OF THE BOARD

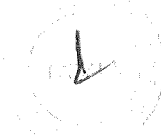
  
**SAMIR THAPAR**  
 CHAIRMAN & MANAGING DIRECTOR  
 DIN00062287


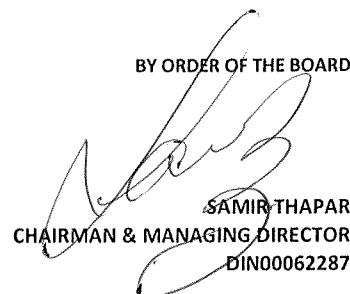
Place: New Delhi

Date : 30th May, 2019



<b>JCT LIMITED</b>			
<b>AUDITED STATEMENT OF ASSETS &amp; LIABILITIES</b>			
(Rs. In Lakhs)			
Particulars	As at 31st March, 2019	As at 31st March, 2018	
<b>ASSETS</b>			
<b>1 Non-Current Assets</b>			
Property, Plant and Equipment	30,249	32,000	
Capital work in progress	290	288	
Intangible Assets	149	185	
Financial Assets			
- Investments	159	156	
- Loans	348	398	
- Other non-current financial assets	89	45	
Non-current tax assets (net)	27	101	
Other non-current assets	82	103	
<b>2 Current assets</b>			
Inventories	17,604	16,458	
Financial Assets			
- Investments	11	11	
- Trade receivables	4,499	5,312	
- Cash and cash equivalents	120	261	
- Bank balances other than cash and cash equivalents	748	726	
- Loans	54	17	
- Other current financial assets	562	867	
Other current assets	3,128	3,031	
<b>3 Assets classified as held for sale</b>	<b>108</b>	<b>108</b>	
<b>TOTAL ASSETS</b>	<b>58,227</b>	<b>60,067</b>	
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	20,961	14,953	
Other Equity	(14,948)	(8,988)	
<b>Liabilities</b>			
<b>1 Non-current liabilities</b>			
Financial Liabilities			
- Borrowings	9,550	4,159	
- Other non-current financial liabilities	5,329	5,387	
Provisions	4,111	4,285	
Other non-current liabilities	-	19	
<b>2 Current liabilities</b>			
Financial Liabilities			
- Borrowings	9,622	9,757	
- Trade Payables			
a. Total outstanding dues of micro enterprises and small enterprises	310	189	
b. Total outstanding dues of creditors other than micro enterprises and small enterprises	13,554	12,886	
- Other current financial liabilities	7,546	15,640	
Provisions	882	781	
Other current liabilities	1,310	999	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>58,227</b>	<b>60,067</b>	
BY ORDER OF THE BOARD			
 <b>SAMIR THAPAR</b> <b>CHAIRMAN &amp; MANAGING DIRECTOR</b> DIN:00062287			
Place: New Delhi			
Date : 30th May, 2019			



(Amount Rs. in lakhs)						
UNAUDITED SEGMENT-WISE REVENUE, RESULTS, ASSETS & LIABILITIES						
Sl.No.	PARTICULARS	Quarter ended			Year Ended	Year Ended
		March 31, 2019	Dec. 31, 2018	March 31, 2018	March 31, 2019	March 31, 2018
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
<b>1</b>	<b>Segment Revenue</b>					
(a)	Textiles	12,426	10,867	11,964	46,619	45,723
(b)	Nylon Filament Yarn	9,410	7,994	6,543	33,414	30,765
	<b>Total</b>	<b>21,836</b>	<b>18,861</b>	<b>18,507</b>	<b>80,033</b>	<b>76,488</b>
	Less : Inter Segment Revenue	-	-	-	-	-
	<b>Total Income from Operations</b>	<b>21,836</b>	<b>18,861</b>	<b>18,507</b>	<b>80,033</b>	<b>76,488</b>
<b>2</b>	<b>Segment Results (Profit(+)/Loss(-) before tax and Finance Costs</b>					
(a)	Textiles	310	307	111	935	(578)
(b)	Nylon Filament Yarn	804	99	(186)	847	(137)
	<b>Total</b>	<b>1,114</b>	<b>406</b>	<b>(75)</b>	<b>1,782</b>	<b>(715)</b>
	Less: (i) Finance costs	5,381	915	798	8,099	3,550
	(ii) Other Un-allocable (Income)/Expenditure net off	87	24	123	108	(676)
	<b>(Loss) before Tax</b>	<b>(4,354)</b>	<b>(533)</b>	<b>(996)</b>	<b>(6,425)</b>	<b>(3,589)</b>
<b>3</b>	<b>Segment Informations</b>					
	<b>Segment Assets</b>					
(a)	Textiles	38,820	38,603	39,655	38,820	39,655
(b)	Nylon Filament Yarn	17,364	17,458	18,118	17,364	18,118
(c)	Unallocated	2,043	2,207	2,294	2,043	2,294
	<b>Total segment assets</b>	<b>58,227</b>	<b>58,268</b>	<b>60,067</b>	<b>58,227</b>	<b>60,067</b>
	<b>Segment liabilities</b>					
(a)	Textiles	33,079	31,705	21,622	33,079	21,622
(b)	Nylon Filament Yarn	14,833	14,934	10,613	14,833	10,613
(c)	Unallocated	4,302	7,397	21,867	4,302	21,867
	<b>Total segment liabilities</b>	<b>52,214</b>	<b>54,036</b>	<b>54,102</b>	<b>52,214</b>	<b>54,102</b>
<b>Notes:</b>						
A.1	The above results for the quarter and year ended 31.03.2019 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at its meeting held on 30.05.2019.					
A.2	<p>The Company had raised US\$ 30 millions through issue of unsecured Foreign Currency Convertible Bonds (FCCBs) on 08.04.2006, out of which FCCBs of US\$ 17.51 million were settled / converted into Equity, however, as the balance of US\$ 12.49 millions could not be paid on due date, the trustees of FCCBs Holders, the Bank of New York Mellon, filed a winding up petition in the Hon'ble Punjab &amp; Haryana High Court on 29.09.2012, which was disposed of by the Hon'ble High Court on 27.01.2015, against which appeal was filed by the trustees and the Company with Sr. Bench of Hon'ble High Court, wherein consent term was allowed by the Hon'ble High Court on 05.06.2015, pursuant to which the appeal is adjourned sine a die.</p> <p>During the current year, dues of the FCCBs Holders have been settled, by payment of Rs. 4,000 lakhs and issue of 24,03,00,606 equity share of Rs. 2.50 each at premium of Re. 0.15 each of Rs. 6,368 lakhs, aggregating to Rs. 10,368 lakhs. The settlement amount includes the interest of Rs. 3,494 lakhs excluding withholding tax of Rs. 592 lakhs, net of withholding tax pertaining to the period 08.04.2011 to 03.05.2018, has been charged to the Statement of Profit and Loss during the current year as the same was not provided in the respective years due to ongoing settlement and to charge to Statement of profit and loss at the time of its payment as per the practice. In view of settlement of all the dues of the FCCBs Holders, the case pending in the Hon'ble High Court, will be taken up for withdrawal / disposal.</p>					
A.3	Accumulated losses have resulted in erosion of substantial net worth of the Company. However, the financial statements have been prepared on a going concern basis on the strength of continued support from promoters, bankers / other lenders. Further, the Company is in the process of disposing off some of its non-core property to reduce its debt and improve its liquidity. The management, considering the future plans for operations and support of the promoters, lenders, business associates and workmen, is hopeful of improvement in its financial position.					
A.4	The figures of the last quarter are the balancing figures between audited figures in respect of full financial year upto 31st March, 2019 and the unaudited published results during the year to date figures upto 31.12.2018, being the date of the third quarter of the financial figure which were subject to limited review.					
A.5	The Figures of the previous quarter/year have been rearranged and regrouped, wherever necessary, to conform to current quarter/year classification.					
				<b>BY ORDER OF THE BOARD</b>   <b>SAMIR THAPAR</b> <b>CHAIRMAN &amp; MANAGING DIRECTOR</b> <b>DIN00062287</b>		
Place: New Delhi						
Date : 30th May, 2019						

# Navdeep Singh & Co.

Chartered Accountants

Deep Complex (First Floor)

89, Manshaia Colony

Patiala - 147001

Tel:+91-175-2302348

E-mail: canavdeep@gmail.com

## **INDEPENDENT AUDITOR'S REPORT ON QUARTERLY FINANCIAL RESULTS AND YEAR TO DATE RESULTS OF JCT LIMITED PURSUANT TO THE REGULATION 33 OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To  
The Board of Directors of JCT Limited,

1. We have audited the financial results of **JCT Limited** ('the Company') for the year ended 31<sup>st</sup> March, 2019, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to Note A.4 to the financial results which states that the figures for the quarter ended 31<sup>st</sup> March, 2019 as reported in these financial results, are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit. These financial results are based on the financial statements for the year ended 31<sup>st</sup> March, 2019 prepared in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ('the Act') and published year to date figures up to the end of the third quarter of the financial year prepared in accordance with the recognitions and measurement principles laid down in Ind AS 34, Interim Financial Reporting specified under Section 133 of the Act, and SEBI Circulars CIR/CFD/FAC/62/2016 dated 5 July 2016 and CIR/IMD/DF1/69/2016 dated 10 August 2016, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of the financial statements for the year ended 31<sup>st</sup> March, 2019 and our review of financial results for the nine months period ended 31<sup>st</sup> December, 2018.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:
  - i are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
  - ii give a true and fair view of the net loss including other comprehensive income and other financial information for the quarter ended 31<sup>st</sup> March, 2019 and for the year ended 31<sup>st</sup> March, 2019.



#### 4. Emphasis of Matter

We draw attention to the following matters in the Notes to the quarterly financial results:

Note No. A.2: Interest of Rs. 3,494 lakhs excluding withholding tax of Rs. 592 lakhs pertaining to the overdue Foreign Currency Convertible Bond holders (FCCBs) from the period 08.04.2011 to 03.05.2018 has been charged to the Statement of Profit and Loss on its payment/settlement which was not provided in the respective years due to reasons as stated in the said note.

Note No. A.3: Accumulated losses have resulted in erosion of substantial net worth of the Company. However, the financial statements have been prepared on going concern basis on the grounds as disclosed in the said note.

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

**For Navdeep Singh & Co.**  
Chartered Accountants  
Firm Regn. No. 008400N



**(Navdeep Singh Choudhary)**  
Partner  
M. No. 034979



**Place: New Delhi**  
**Dated: 30<sup>th</sup> May, 2019**

# Navdeep Singh & Co.

Chartered Accountants

Deep Complex (First Floor)

89, Manshaia Colony

Patiala - 147001

Tel: +91-175-2302348

E-mail: canavdeep@gmail.com

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 'JCT LIMITED'**

### **Opinion**

We have audited the accompanying financial statements of **JCT Limited** (the "Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2019 and its loss (net of Other Comprehensive Income), its changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of Matter**

We draw attention to the following matters in the Notes to the financial statements:

Note No. 21.2.b: Interest of Rs. 3,494 lakhs excluding withholding tax of Rs. 592 lakhs pertaining to the overdue Foreign Currency Convertible Bond holders (FCCBs) from the period 08.04.2011 to 03.05.2018 has been charged to the Statement of Profit and Loss on its payment which was not provided in the respective years due to reasons as stated in the said note.

Note No. 39.6: Accumulated losses have resulted in erosion of substantial net worth of the Company. However, the financial statements have been prepared on going concern basis on the grounds as disclosed in the said note.

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



## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<p><u>Property, Plant &amp; Equipment</u></p> <p>(Refer to Note No. 4, read with the Accounting Policy No. 3.1)</p> <p>The property, plant and equipment are depreciated on straight line / written down value basis, over their useful life, as estimated by the management. The asset's residual values and useful lives are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The useful life of the assets are estimated by the management, based on usage pattern / trend, technological developments and level of wear and tear etc., which involve high degree of the estimation and judgement, and could affect their reported amounts in the financial statements, in case of any improper estimation. Considering that the property, plant &amp; equipment, comprise the substantial part of the total assets of the Company (51.95% of total assets), and any change in their reported amounts, due to any improper estimations could result in substantial impact on the financial position of Company, the same has been considered as Key Audit Matter by us during our audit.</p>	<p><u>Audit Procedure included, but not limited to the followings:</u></p> <ul style="list-style-type: none"> <li>- Obtained an understanding of the management's process and evaluated and tested operating effectiveness of the control around identification of the useful lives of the assets.</li> <li>- Review of the basic key assumptions, and use / comparison of the same to the historic performance of the respective group of assets and approved estimates.</li> <li>- Review and application of the key assumptions, its usage with the impairment models and past history of the wear and tear levels and replacement life of the assets etc.</li> <li>- Review of the actual level of performance of the assets and comparison thereof with the earlier estimates and actual results, considering the technological changes / improvements etc.</li> </ul> <p>Based on our above audit procedures, we have not come across any circumstances that may require any material adjustments to the reported amounts of the property, plant and equipment and in their estimated useful lives.</p>
<p><u>Inventory of Finished and Stock – in – Process</u></p> <p>(Refer to Note No. 10, read with the Accounting Policy No. 3.3.b)</p> <p>The inventory of finished goods and stock in process is valued at the lower of cost, and net realizable value, and cost include cost of inputs, conversion costs and other costs incurred in bringing finished goods and stock-in-</p>	<p><u>Audit Procedure included, but not limited to the followings:</u></p> <ul style="list-style-type: none"> <li>- Obtained an understanding of the Company's process of valuation of the stock, which is done through the computer software and adopted the following audit process:</li> <li>- Tested the software with respect to access and applications controls pertaining to the allocation of the raw-materials / inputs to</li> </ul>





<p>process, to their present location and condition.</p> <p>This inventory comprises of diversified range and quality of yarn and cloth / fabrics, and its costing / valuation depends on the cost of each of such quality of the item as per the specification received from the customers, and its stage of manufacturing, quality and date of purchase of the raw material and other inputs, and efficiency of the manufacturing facility, and due to highly complex process specially considering that the Company is running a composite textile mill; to fairly estimate the valuation of such stock, it involves significant level of subjectivity, judgment and estimation. Considering that the Company is having substantial inventory of Finished Goods and Stock in Process (23.11% of total assets of the Company), and the valuation thereof involves significant level of subjectivity, judgment and estimation, as detailed above, the same has been considered as Key Audit Matter by us during our audit.</p>	<p>various stages of productions.</p> <ul style="list-style-type: none"> <li>- Performed substantive procedures to test the reasonableness of the cost allocation methods and basis for allocation of various conversion costs including the direct and indirect cost.</li> <li>- Evaluated the process of ascertaining the realizable value of the inventory by comparing the actual sales of the same type of the material and its relaisaiton etc.</li> <li>- Review of the inventory valuation process of the Company with the industry practices, based on the details obtained in respect of the selected other textile companies functioning within the same technology and business norms / circumstances.</li> </ul> <p>Based on our above audit procedures, we have not come across any circumstances that may require any material adjustments to the reported amounts of the Inventory of Finished and Stock – in – Process.</p>
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**Information Other than the Financial Statements and Auditor’s Report thereon**

The Company’s Board of Directors is responsible for the other information. The other information comprises the Corporate Governance Report and Directors’ Report, including annexures thereon, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by 'the Companies (Auditor's Report) Order, 2016' ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure-'A'**, a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. the Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

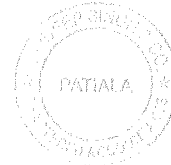


- d. in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure-'B'**;
- g. In our opinion, the remuneration paid by the Company to its Directors is in accordance with the provisions of Section 197 of the Companies Act, 2013; and
- h. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 39.1 to the financial statements;
  - ii. The Company has not entered into any long-term contracts including derivative contracts.
  - iii. There has been no amount, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Navdeep Singh & Co.**  
Chartered Accountants  
Firm Regn. No. 008400N



**(Navdeep Singh Choudhary)**  
Partner  
M. No. 034979



**Place: New Delhi**  
**Dated: 30<sup>th</sup> May, 2019**