

Jagatjit Industries Limited

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The BSE Limited
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14th February, 2020

Security Code No. 507155

1. Regulation 30: Outcome of the Board Meeting and disclosure of material events under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
2. Regulations 33: Unaudited Financial Results of the Company (both standalone and consolidated) for the quarter and period ended on 31st December, 2019.

Dear Sir/Madam,

The Board of Directors at their meeting held today i.e. 14th February, 2020 inter alia, considered and approved the Unaudited, Standalone and Consolidated, Financial Results of the Company for the quarter and period ended on 31st December, 2019. Copy of the same along-with Limited Review Report issued by M/s. Madan & Associates, Chartered Accountants, Statutory Auditors of the Company are attached and the results in prescribed format are being uploaded on the website of the Company at www.jagatjit.com.

You are requested to kindly take the above on record.

Yours faithfully,
For Jagatjit Industries Limited

Roopesh Kumar
Company Secretary



Encl: as above



MADAN & ASSOCIATES
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REVIEW REPORT ON QUARTERLY AND YEAR TO DATE STANDALONE UNAUDITED FINANCIAL RESULTS OF THE COMPANY PURSUANT TO THE REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015, AS AMENDED

The Board of Directors,
Jagatjit Industries Limited,
4th Floor, Bhandari House,
91, Nehru Place,
New Delhi- 110019

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results along with the notes thereon, of **Jagatjit Industries Limited** (“the Company”) for the quarter and nine months ended December 31, 2019 (“the Statement”) being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This statement which is the responsibility of the Company’s Management and approved by the Board of Directors, has been prepared substantially in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”), prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of



material misstatement. A review of interim financial information consists of making inquiries, limited primarily of Company's personnel responsible for financial and accounting matters, and applying analytical and other procedures. A review is substantially less in scope than an audit conducted in accordance with Standard on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Basis for qualified opinion

- (i) *In the opinion of the management, Trade Receivable and Loans and Advances have a value on realization in the ordinary course of business, at least equal to the carrying amount in the books.*

Company has a policy of providing for (a) all debts outstanding beyond 3 years or (b) where recovery is considered doubtful irrespective of the fact that legal action has been initiated or not, instead on the method prescribed under IND AS 109. Company does not have effective system of obtention of confirmations from Trade Receivables/ Payables and other Advances. Quantum of non-moving debts outstanding beyond one year is not ascertained. The financial impact of all this is not ascertainable and to that extent we cannot comment upon the adequacy of provision for Expected Credit loss/doubtful debts.

- (ii) *An advance of Rs. 185 Lacs has been outstanding in the name of L P Investment Ltd (Subsidiary Company) and investment of Rs. 1020 Lacs is made in the same subsidiary making total exposure of Rs. 1205 Lacs.*

The Company's management, based on internal assessments and evaluations, have represented that the balance outstanding advance and investment are recoverable and realisable and that no accrual for diminution of advances/investment is necessary as at December 31, 2019. The company has received confirmation from the aforementioned subsidiaries.

The Company has not created a provision against the advances/investment in its books of accounts. In our opinion, there is significant uncertainty and doubt about the recovery/ realisability of the advance/investment, as considerable period of time has elapsed from grant of advances/investment and therefore, a provision for doubtful advance/investment should have been accounted for in the financial statements for the quarter and nine months ended December 31, 2019.

Consequently, the loss for the nine months ended December 31, 2019 is understated to the extent of Rs. 1,205 Lacs.



The matter was also qualified vide our audit report on Financial Statement for the year ended March 31, 2019 and review report on review of Financial Results for the quarter ended September 30, 2019.

5. Based on our review conducted as stated in paragraph 3 above read with the notes accompanying the Statement and except for the possible effects of qualification as described in the paragraph 4 nothing has come to our attention that causes us to believe that the accompanying Statement prepared substantially in accordance with the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Emphasis of Matter

(i) Going Concern

The accounts have been prepared on Going concern Basis. The Company has been suffering losses for last six years and the net working capital of the company is negative. The turnover of the company is declining continuously. During the nine months ended December 31, 2019 Company suffered net loss of Rs. 4392 Lacs. These conditions indicate the existence of a material uncertainty and cast significant doubt about the company's ability to continue as a going concern. Management has represented to us that the company has sufficient resources to survive and curb the losses and there is no intention of the management to liquidate the entity. Further management has stated that the company has undertaken various steps to curtail losses and make working capital positive i.e.

- (a) Entered in to new business model through third party business operations in different state. *Currently company is doing business with seven parties under this model, impact of which is not significant.*
- (b) The Company had initiated the process of monetizing its surplus immovable property at Sahibabad (UP) and Sikanderabad (UP) to repay debts / reduce Finance Cost and enhance its working capital. During the nine months ended, company has sold Sikandrabad Unit for Rs. 1900 Lacs. Company has also received an amount of Rs 4,627 Lacs as advance for sale of Sahibabad Unit till December 31, 2019, and balance Rs 1,900 Lacs is outstanding to be recovered. In the nine months period ended December 31, 2019, total debts (other than group entity) has been reduced by 5352 Lacs as compared to March 31, 2019. Finance cost for the nine months ended December 31, 2019 has been reduced to Rs. 3415 Lacs as compared to Rs.



5444 Lacs for the previous nine months on annualized basis. The full impact of reduction in finance cost would be further visible by the year end March 31, 2020.

- (c) Promoters / Promoters' Companies have provided its security of personal / its assets to obtain working capital loan.
- (d) The Company has put in place a time bound plan for reduction of overheads and non-essential expenditures resulting in reduction of employee benefit expenses by Rs 584 Lacs, Rent by Rs 23 Lacs, Travelling expenses by Rs 72 Lacs and Legal expenses by Rs 275 Lacs in this nine months from previous nine months on annualized basis.

Company is of the view that in terms of various steps undertaken full effect of the same will be further visible by end of the year and company will be able to curtail losses.

As per the assessment of the management the going concern assumption is not affected and no material uncertainty exists in this regard. We have relied upon the assertion of the management.

- (ii) Contingent Liabilities of Rs. 1126 Lacs are certified by the management. (Refer Note 5 of standalone financial result)
- (iii) Provision for deferred tax (assets/liabilities)/non moving/slow moving inventory is made at the year end.
- (iv) Terms and conditions regarding loan of Rs. 4021 Lacs taken from Associate Company and Rs. 180 Lacs taken from other company has not been stipulated pending ratification by the board. Provision for interest if any will be made at year end.

Our opinion is not modified in respect of this matter.

For Madan & Associates
Chartered Accountants

FRN: 000185N

M. K. Madan

M. K. Madan

Proprietor

Membership number: 082214

Place: New Delhi

Date: February 14, 2020

UDIN: 20082214AAAAAT4038



JAGATJIT INDUSTRIES LIMITED

Regd. Office: Jagatjit Nagar – 144 802, Distt. Kapurthala (Punjab)

Corporate Identity Number : L15520PB1944PLC001970

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UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019

Rs. in lacs

	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2019 (Unaudited)	30.09.2019 (Unaudited)	31.12.2018 (Unaudited)	31.12.2019 (Unaudited)	31.12.2018 (Unaudited)	31.03.2019 (Audited)
		1	2	3	4	5	6
1	Income from operations						
	(a) Revenue from operations	5,842	5,445	5,913	15,943	19,036	24,925
	(b) Other income	1,275	1,024	1,079	3,079	2,718	5,462
	Total income	7,117	6,469	6,992	19,022	21,754	30,387
2	Expenses						
	(a) Cost of materials consumed	2,271	2,143	1,786	5,869	5,687	6,993
	(b) Purchase of stock in trade	171	142	12	490	401	478
	(c) Changes in inventories of finished goods, work- in-progress	19	(40)	(72)	(76)	755	1,411
	(d) Excise duty	1	39	399	40	2,137	2,499
	(e) Employee benefits expense	1,509	1,503	1,682	4,567	5,178	6,860
	(f) Finance cost	1,198	1,069	1,509	3,415	4,079	7,259
	(g) Depreciation and amortisation	230	229	255	690	799	1,044
	(h) Other expenses	3,093	2,704	2,853	8,334	7,837	10,830
	Total expenses	8,492	7,789	8,424	23,329	26,873	37,374
3	Profit/(Loss) before exceptional items and taxes (1-2)	(1,375)	(1,320)	(1,432)	(4,307)	(5,119)	(6,987)
4	Exceptional Items: Income	-	-	-	-	-	373
5	Profit/(Loss) before tax (3-4)	(1,375)	(1,320)	(1,432)	(4,307)	(5,119)	(6,614)
6	Tax expense						
	Deferred tax charged/(credit)	-	-	-	-	-	(234)
	Previous year tax adjustment	-	-	-	-	-	92
7	Net Profit / (Loss) after tax (5+6) from continuing operations	(1,375)	(1,320)	(1,432)	(4,307)	(5,119)	(6,472)
8	Net Profit / (Loss) from discontinuing operations	(6)	(4)	(27)	(40)	(67)	(116)
9	Net Profit / (Loss) after tax	(1,381)	(1,324)	(1,459)	(4,347)	(5,186)	(6,588)
10	Other Comprehensive Income / (Items that will not be reclassified to	(15)	(15)	(10)	(45)	(30)	(60)
	Income tax related to above	-	-	-	-	-	21
		(15)	(15)	(10)	(45)	(30)	(39)
11	Total Comprehensive Income for the period	(1,396)	(1,339)	(1,469)	(4,392)	(5,216)	(6,627)
12	Paid-up Equity Share Capital (Face Value of the Share is Rs.10/- each)	4615	4615	4615	4615	4615	4615
13.i	Earnings per share (for continuing operations) (of Rs. 10/- each) (not annualised for the quarter & nine months):						
	(a) Basic	(3.15)	(3.02)	(3.28)	(9.87)	(11.73)	(14.83)
	(b) Diluted	(3.15)	(3.02)	(3.28)	(9.87)	(11.73)	(14.83)
13.ii	Earnings per share (for discontinuing operations) (of Rs. 10/- each) (not annualised for the quarter & nine months):						
	(a) Basic	(0.01)	(0.01)	(0.06)	(0.09)	(0.15)	(0.26)
	(b) Diluted	(0.01)	(0.01)	(0.06)	(0.09)	(0.15)	(0.26)
13.iii	Earnings per share (of Rs. 10/- each) (not annualised						
	(a) Basic	(3.16)	(3.03)	(3.34)	(9.96)	(11.88)	(15.09)
	(b) Diluted	(3.16)	(3.03)	(3.34)	(9.96)	(11.88)	(15.09)

See accompanying notes to the consolidated financial results



Notes

- 1 The unaudited standalone financial results of the company for the quarter and nine months ended Dec 31,2019 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 14, 2020.
- 2 A limited review of the results for the quarter and nine months ended Dec 31, 2019 have been carried out by our statutory auditors.
- 3 The financial results of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.
- 4 The company has adopted Ind AS 116 "Leases" effective from April 1, 2019. Based on assessment made by the management there is no significant impact on the financial statement of the company.
- 5 Contingent Liabilities - Claims against the company not acknowledged as debts - Rs. 1126 lacs as on Dec 31, 2019. (March 31, 2019 Rs 1148 lacs). During the quarter company has received a demand notice of Rs 2042 lacs (due to non credit of deposited challans) from Commercial taxes department,Rajasthan. Company has submitted all challans and other required documents for removal of this demand. Management is hopeful that this demand will be removed shortly.
- 6 For the nine months ended Dec-19, Other Expenses net off Rs 84 lacs on account of reversal of bottling charges related to previous year on full and final settlement with the party and Rs 14 lacs on account of migration from legacy accounting system to new ERP system implemented in financial year 2016-17 resulting from reconciliations.
- 7 For the nine months ended Dec-19, Other Expenses includes Bad Debt of Rs 393 lacs, Inventory written off Rs 210 lacs, Advance Written off Rs 2 lacs, provision for bad debts/advance Rs 1131 lacs and write off of advance for product development of Rs 30 lacs.
- 8 For the nine months ended Dec-19, Other Income includes profit on sale of PPE Rs 106 lacs, interest on income tax refund Rs 34 lacs and liability/provisions no longer required Rs 686 lacs.
- 9 Consequent upon receipt of approval from Lessor (UPSIDC) company has recorded sales of Sikandrabad unit in books of account. Company has earned profit on sale of Machinery of Rs 64 lacs, on Building Rs 848 lacs aggregating to Rs 912 lacs and suffered loss of Rs 912 lacs on leasehold land. As a result there is no impact on the profit for the nine months ended Dec 31, 2019.
- 10 Provision for Gratuity, Leave Encashment and bonus are made proportionately on the basis of annualised figure of FY 2018-19.
- 11 Terms and conditions regarding loan of Rs. 4021 lacs taken from Associate company and Rs. 180 lacs from other company have not been stipulated, pending ratification by the board. Provision for interest if any will be made in the subsequent quarter. Company has received interest free security of Rs 11 lacs from a party for which terms and conditions have not been stipulated.
- 12 Under the third party supply agreement revenue is recognised net of cost of goods sold. The gross revenue and cost of goods sold reported as under:

(Rs In lacs)

PARTICULARS	Quarter Ended			Nine Months Ended		Year Ended
	31.12.2019 (Unaudited)	30.09.2019 (Unaudited)	31.12.2018 (Unaudited)	31.12.2019 (Unaudited)	31.12.2018 (Unaudited)	31.03.2019 (Audited)
Revenue from operation including sales under supply agreement	9,243	8,684	8,454	25,260	22,448	31,077
Other Income	1,275	1,024	1,079	3,079	2,718	5,462
Gross Revenue	10,518	9,708	9,533	28,339	25,166	36,539
Less: Cost of goods sold from third party supply agreement	3,401	3,239	2,541	9,317	3,412	6,152
Total Income	7,117	6,469	6,992	19,022	21,754	30,387

- 13 During financial year 2017-18 company entered in to an agreement of sale for development and disposal thereafter a part of Leasehold land of Glass division at Sahibabad due to discontinuity of operations. In pursuance of the said agreement company has received a sum of Rs 4627 lacs which is shown under other current liabilities. Recognition of revenue has been deferred, pending approval from the lessor (UPSIDC) and sale thereafter.
- 14 Security deposit includes Rs 35 lacs in respect of Sikandrabad unit which has been sold and Rs 14 lacs in respect of Sahibabad Unit which is held for sale. Management is of the view that the same will be recovered from the authorities.
- 15 During the nine months period company has sold investment in Qube Corporation (P) Ltd's preference shares (11.70 lacs shares) of Rs 117 lacs at par to group entities as certified by the management.
- 16 For the nine months ended Dec-19,Revenue from operation is net of Rs 119 lacs on account of reversal of income related to previous year.
- 17 Bank balances of Rs 6.80 lacs of earlier years at various closed tie up units are unconfirmed. Management will conduct scrutiny and adjustment if any will be made by the year end.
- 18 For quarter and nine months ended Dec-19, Finance cost includes interest of Rs 410 lacs on account of full and final settlement with parties from whom security deposit was taken in earlier years.
- 19 Figures for the previous quarters/periods have been regrouped/reclassified, wherever necessary, to correspond with the current period classification/disclosures.
- 20 The remarks/ qualifications made by the Statutory Auditors on the Financial Results as stated in their Limited Review Report are annexed herewith.

FOR AND ON BEHALF OF JAGATJIT INDUSTRIES LIMITED

DATE : 14.02.2020
PLACE : NEW DELHI



Ravi Manchanda
RAVI MANCHANDA
(MANAGING DIRECTOR)



Segment wise Revenue, Results and Assets and Liabilities

(Rs in lacs)

Particulars	Standalone					
	Quarter Ended 31.12.2019 (Unaudited)	Quarter Ended 30.09.2019 (Unaudited)	Quarter Ended 31.12.2018 (Unaudited)	Nine Months Ended 31.12.2019 (Unaudited)	Nine Months Ended 31.12.2018 (Unaudited)	Year Ended 31.03.2019 (Audited)
(1)	(2)	(3)	(3)	(4)	(4)	(6)
1. Segment Revenue (Sales and other operating income)						
A. Beverages	2,249	1,901	2,302	5,435	9,173	11,210
B. Food	3,421	3,402	3,565	10,014	9,448	13,231
C. Others	172	142	46	494	415	484
Total Segment Revenue	5,842	5,445	5,913	15,943	19,036	24,925
2. Segment Results						
A. Beverages	(693)	(646)	(126)	(2,139)	(852)	(856)
B. Food	491	331	397	1042	581	961
C. Others	(3)	(2)	(3)	(5)	(4)	(7)
Total Segment Results	(205)	(317)	268	(1102)	(275)	98
Add/(Less) : Exceptional Items [net credit/(charged)]	0	-	-	-	-	373
Less : Finance Cost	1,198	1,069	1,509	3,415	4,079	7,259
Less : Other un-allocable expense net of un-allocable income	(28)	(66)	191	(210)	765	(174)
Total Profit/(Loss) Before Tax from continuing operations	(1,375)	(1,320)	(1,432)	(4,307)	(5,119)	(6,614)
Total Profit/(Loss) Before Tax from discontinuing operations	(6)	(4)	(27)	(40)	(67)	(116)
Total Profit/(Loss) Before Tax	(1,381)	(1,324)	(1,459)	(4,347)	(5,186)	(6,730)
3. Segment Assets						
A. Beverages	13,453	14,337	23,326	13,453	23,326	20,628
B. Food	7,638	7,728	8,256	7,638	8,256	8,078
C. Asset classified as held for sale	38	38	1,938	38	1,938	1,938
D. Others Unallocable	33,399	33,986	35,294	33,399	35,294	34,284
Total	54,528	56,089	68,814	54,528	68,814	64,928
4. Segment Liabilities						
A. Beverages	11,989	12,437	15,684	11,989	15,684	14,819
B. Food	3,287	3,703	3,574	3,287	3,574	4,019
C. Liability directly associated with asset classified as held for sale	4,627	4,627	5,900	4,627	5,900	6,427
D. Others Unallocable	29,814	29,116	33,057	29,814	33,057	30,463
Total	49,717	49,883	58,215	49,717	58,215	55,728



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MADAN & ASSOCIATES
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REVIEW REPORT ON QUARTERLY AND YEAR TO DATE CONSOLIDATED UNAUDITED FINANCIAL RESULTS OF THE COMPANY PURSUANT TO THE REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015, AS AMENDED

To
The Board of Directors,
Jagatjit Industries Limited,
4th Floor, Bhandari House,
91, Nehru Place,
New Delhi- 110019

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **Jagatjit Industries Limited** (“the Parent”) and its subsidiaries (the Parent and its subsidiary together refer to as “the Group”), its associate for the quarter and nine months ended December 31, 2019 (“the Statement”) being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This statement which is the responsibility of the Parent’s Management and approved by the Board of Directors, has been prepared substantially in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”), prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.



3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, limited primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other procedures. A review is substantially less in scope than an audit conducted in accordance with Standard on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Basis for qualified opinion

- (i) *In the opinion of the management, Trade Receivable and Loans and Advances have a value on realization in the ordinary course of business, at least equal to the carrying amount in the books.*

Group has a policy of providing for (a) all debts outstanding beyond 3 years or (b) where recovery is considered doubtful irrespective of the fact that legal action has been initiated or not, instead on the method prescribed under IND AS 109. Company does not have effective system of obtention of confirmations from Trade Receivables/ Payables and other Advances. Quantum of non-moving debts outstanding beyond one year is not ascertained. The financial impact of this is not ascertainable and to that extent we cannot comment upon the adequacy of provision for Expected Credit loss/doubtful debts.

- (ii) *An amount of Rs. 2970 Lacs is outstanding in the consolidated books of accounts of the Group, being an advance to third party through (wholly owned subsidiary) M/s S.R.K. Investments Pvt. Ltd. since 2010-11. No recovery of this amount has been made since disbursement of advance, by the subsidiary.*

The Group's management, based on internal assessments and evaluations, have represented that the balance outstanding advance is recoverable and realisable and that no accrual for diminution of advance is necessary as at December 31, 2019.

The Group has not created a provision against this advance in consolidated books of accounts. In our opinion, there is significant uncertainty and doubt about the recovery of the advance, as considerable period of time has elapsed from grant of advances and therefore, a provision for doubtful advance should have been



accounted for in the consolidated financial statements for the quarter and nine months ended December 31, 2019.

Consequently, the loss for the nine months ended December 31, 2019 is understated to the extent of Rs. 2,970 Lacs.

The matter was also qualified vide our audit report on Financial Statement for the year ended March 31, 2019 and review report on review of Financial Results for the quarter ended September 30, 2019.

5. Based on our review conducted as stated in paragraph 3 above read with the notes accompanying the Statement, based on consideration of the review reports of other auditors as described in paragraph 8 and except for the possible effects of qualification as described in the paragraph 4 nothing has come to our attention that causes us to believe that the accompanying Statement prepared substantially in accordance with the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Emphasis of Matter

(i) Going Concern

The accounts have been prepared on Going concern Basis. The Parent has been suffering losses for last six years and the net working capital of the company is negative. The turnover of the Parent is declining continuously. During the nine months ended December 31, 2019 Parent suffered net loss of Rs. 4392 Lacs. These conditions indicate the existence of a material uncertainty and cast significant doubt about the Parent's ability to continue as a going concern. Management has represented to us that the Parent has sufficient resources to survive and curb the losses and there is no intention of the management to liquidate the entity. Further management has stated that the Parent has undertaken various steps to curtail losses and make working capital positive i.e.

- (a) Entered in to new business model through third party business operations in different state. *Currently company is doing business with seven parties under this model, impact of which is not significant.*
- (b) The Parent had initiated the process of monetizing its surplus immovable property at Sahibabad (UP) and Sikanderabad (UP) to repay debts / reduce Finance Cost and enhance its working capital. During the nine months ended, company has sold Sikandrabad Unit for Rs. 1900 Lacs. Company has also received an amount of Rs 4,627 Lacs as advance for sale of Sahibabad Unit till December 31, 2019, and



balance Rs 1,900 Lacs is outstanding to be recovered. In the nine months period ended December 31, 2019, total debts (other than group entity) has been reduced by 5352 Lacs as compared to March 31, 2019. Finance cost for the nine months ended December 31, 2019 has been reduced to Rs. 3415 Lacs as compared to Rs. 5444 Lacs for the previous nine months on annualized basis. The full impact of reduction in finance cost would be further visible by the year end March 31, 2019.

- (c) Promoters / Promoters' Companies have provided its security of personal / its assets to obtain working capital Loan.
- (d) The Parent has put in place a time bound plan for reduction of overheads and non-essential expenditures resulting in reduction of employee benefit expenses by Rs 584 Lacs, Rent by Rs 23 Lacs, Travelling expenses by Rs 72 Lacs and Legal expenses by Rs 275 Lacs in this nine months from previous nine months on annualized basis.

Parent company's management is of the view that in terms of various steps undertaken full effect of the same will be visible by end of the year and company will be able to curtail losses.

As per the assessment of the management the going concern assumption is not affected and no material uncertainty exists in this regard. We have relied upon the assertion of the management.

- (ii) Contingent Liabilities of Rs. 1126 Lacs are certified by the management. (Refer Note 5 of consolidated financial result)
- (iii) Provision for deferred tax (assets/liabilities)/non moving/slow moving inventory is made at the year end.
- (iv) Terms and conditions regarding loan of Rs. 4021 Lacs taken by Parent Company from Associate Company and Rs. 180 Lacs taken from other company has not been stipulated as yet. Provision for interest if any will be made at year end.

Our opinion is not modified in respect of this matter.

7. The statement includes the results of the following entities:

Subsidiary Company

- (a) JIL Trading Pvt. Ltd.
- (b) S.R.K. Investment Pvt. Ltd.
- (c) Sea Bird Securities Pvt. Ltd.
- (d) L.P. Investments Ltd.
- (e) Yoofy Computech Pvt. Ltd.



Associate Company

(a) Hyderabad Distilleries and Wineries Pvt. Ltd.

8. We did not review the financial information / financial results of the subsidiaries (listed in paragraph 7) included in the consolidated financial results, whose interim financial information / financial results reflect total revenues of Rs. 843/- and Rs. 2280/-, total net loss after tax of Rs. 1,37,118/- and 1,57,169/- and total comprehensive loss of Rs. 1,37,118/- and Rs. 1,57,169/- for the quarter ended December 31, 2019 and for the nine months ended December 31, 2019 respectively, as considered in the consolidated financial result. These interim financial results and other financial information have been reviewed by other Auditors, whose reports have been furnished to us by the management. Our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in the respect of these subsidiaries, is based solely on the report of other auditors.

The consolidated financial result also include the Group's share of net loss (including other comprehensive income) of Rs. 3 Lacs for the quarter ended December 31, 2019 and Rs. 2774 Lacs for the nine months ended December 31, 2018 in respect of associate company (listed in paragraph 7) whose financial result has been reviewed by other auditors and reports have been furnished to us by the management. Our conclusion on the Statement, in so far as it relates to the profit/loss included in respect of this associate, is based solely on the report of other auditors.

Our opinion is not modified in respect of this matter.

For Madan & Associates
Chartered Accountants
FRN: 000185N

Madan

M. K. Madan
Proprietor

Membership number: 082214

Place: New Delhi

Date: February 14, 2020

UDIN: 20082214AAAAA08427



JAGATJIT INDUSTRIES LIMITED

Regd. Office: Jagatjit Nagar – 144 802, Distt. Kapurthala (Punjab)

Corporate Identity Number : L115520PB1944PLC001970

Phones: (0181) 2783117 Fax: (0181) 2783118 E-mail: jil @jagatjit.com Website: www.Jagatjit.com

UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019

	Particulars	Quarter Ended			Nine Months Ended		Rs. in lacs
		31.12.2019 (Unaudited)	30.09.2019 (Unaudited)	31.12.2018 (Unaudited)	31.12.2019 (Unaudited)	31.12.2018 (Unaudited)	31.03.2019 (Audited)
		1	2	3	4	5	6
1	Income from operations						
	(a) Revenue from operations	5,842	5,445	5,913	15,943	19,036	24,925
	(b) Other income	1,275	1,024	1,079	3,079	2,718	5,462
	Total income	7,117	6,469	6,992	19,022	21,754	30,387
2	Expenses						
	(a) Cost of materials consumed	2,271	2,143	1,786	5,869	5,687	6,993
	(b) Purchase of stock in trade	171	142	12	490	401	478
	(c) Changes in inventories of finished goods, work- in-progress and stock-in-trade	19	(40)	(72)	(76)	755	1,411
	(d) Excise duty	1	39	399	40	2,137	2,499
	(e) Employee benefits expense	1,509	1,503	1,682	4,567	5,178	6,860
	(f) Finance cost	1,198	1,069	1,509	3,415	4,079	7,259
	(g) Depreciation and amortisation expense	230	229	255	690	799	1,044
	(h) Other expenses	3,095	2,704	2,653	6,336	7,642	10,835
	Total expenses	8,494	7,789	8,424	23,331	26,878	37,379
3	Profit/(Loss) before exceptional items and taxes (1-2)	(1,377)	(1,320)	(1,432)	(4,309)	(5,124)	(6,992)
4	Exceptional Items: Income	-	-	-	-	-	373
5	Profit/(Loss) before tax (3-4)	(1,377)	(1,320)	(1,432)	(4,309)	(5,124)	(6,619)
6	Tax expense						
	Deferred tax charged/(credit)	-	-	-	-	-	(234)
	Previous year tax adjustment	-	-	-	-	-	92
7	Net Profit / (Loss) after tax (5+6) from continuing operations	(1,377)	(1,320)	(1,432)	(4,309)	(5,124)	(6,477)
8	Net Profit / (Loss) from discontinuing operations	(6)	(4)	(27)	(40)	(67)	(116)
9	Net Profit / (Loss) after tax	(1,383)	(1,324)	(1,459)	(4,349)	(5,191)	(6,593)
10	Share of Profit/(Loss) of associates	(3)	2,777	-	2,774	-	-
11	Minority Interest						
12	Net Profit / (Loss) after tax, minority interest and share of Profit/(Loss) of associates	(1,386)	1,453	(1,459)	(1,575)	(5,191)	(6,593)
13	Other Comprehensive Income / (Loss)						
	Items that will not be reclassified to profit or loss	(15)	(15)	(10)	(45)	(30)	(60)
	Income tax related to above	-	-	-	-	-	21
		(15)	(15)	(10)	(45)	(30)	(39)
14	Total Comprehensive Income for the period	(1,401)	1,438	(1,469)	(1,620)	(5,221)	(6,632)
15	Paid-up Equity Share Capital (Face Value of the Share is Rs.10/- each)	4615	4615	4615	4615	4615	4615
16.i	Earnings per share (for continuing operations)						
	(of Rs. 10/- each) (not annualised for the quarter & nine months):						
	(a) Basic	(3.16)	3.34	(3.28)	(3.52)	(11.74)	(14.84)
	(b) Diluted	(3.16)	3.34	(3.28)	(3.52)	(11.74)	(14.84)
16.ii	Earnings per share (for discontinuing operations)						
	(of Rs. 10/- each) (not annualised for the quarter & nine months):						
	(a) Basic	(0.01)	(0.01)	(0.06)	(0.09)	(0.15)	(0.27)
	(b) Diluted	(0.01)	(0.01)	(0.06)	(0.09)	(0.15)	(0.27)
16.iii	Earnings per share						
	(of Rs. 10/- each) (not annualised for the quarter & nine months):						
	(a) Basic	(3.17)	3.33	(3.34)	(3.61)	(11.89)	(15.10)
	(b) Diluted	(3.17)	3.33	(3.34)	(3.61)	(11.89)	(15.10)

See accompanying notes to the consolidated financial results



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Notes

- 1 The unaudited consolidated financial results of the Group for the quarter and nine months ended Dec 31, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 14, 2020
- 2 A limited review of the results for the quarter and nine months ended Dec 31, 2019 have been carried out by our statutory auditors
- 3 The financial results of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016
- 4 The Group has adopted Ind AS 116 "Leases" effective from April 1, 2019. Based on assessment made by the management there is no significant impact on the financial statement of the Group
- 5 Contingent Liabilities - Claims against the Group not acknowledged as debts - Rs 1126 lacs as on Dec 31, 2019. (March 31, 2019 - Rs 1148 lacs). During the quarter Group has received a demand notice of Rs 2042 lacs (due to non credit of deposited challans) from Commercial taxes department, Rajasthan. Group has submitted all challans and other required documents for removal of this demand. Management is hopeful that this demand will be removed shortly.
- 6 For the nine months ended Dec-19, Other Expenses net off Rs 84 lacs on account of reversal of bottling charges related to previous year on full and final settlement with the party and Rs 14 lacs on account of migration from legacy accounting system to new ERP system implemented in financial year 2016-17 resulting from reconciliations
- 7 For the nine months ended Dec-19, Other Expenses includes Bad Debt of Rs 393 lacs, Inventory written off Rs 210 lacs, Advance Written off Rs 2 lacs, provision for bad debts/advance Rs 1131 lacs and write off of advance for product development of Rs 30 lacs.
- 8 For the nine months ended Dec-19, Other Income includes profit on sale of PPE Rs 106 lacs, interest on income tax refund Rs 34 lacs and liability/provisions no longer required Rs 686 lacs
- 9 Consequent upon receipt of approval from Lessor (UPSIDC) Group has recorded sales of Sikandrabad unit in books of account. Group has earned profit on sale of Machinery of Rs 64 lacs, on Building Rs 848 lacs aggregating to Rs 912 lacs and suffered loss of Rs 912 lacs on leasehold land. As a result there is no impact on the profit for the nine months ended Dec 31, 2019.
- 10 Provision for Gratuity, Leave Encashment and bonus are made proportionately on the basis of annualised figure of FY 2018-19.
- 11 Terms and conditions regarding loan of Rs. 4021 lacs taken from Associate Group and Rs. 180 lacs from others have not been stipulated, pending ratification by the board. Provision for interest if any will be made in the subsequent quarter. Group has received interest free security of Rs 11 lacs from a party for which terms and conditions have not been stipulated
- 12 Under the third party supply agreement revenue is recognised net of cost of goods sold. The gross revenue and cost of goods sold reported as under.

PARTICULARS	Quarter Ended			Nine Months Ended		Year Ended
	31.12.2019 (Unaudited)	30.09.2019 (Unaudited)	31.12.2018 (Unaudited)	31.12.2019 (Unaudited)	31.12.2018 (Unaudited)	31.03.2019 (Audited)
Revenue from operation including sales under supply agreement	9,243	8,684	8,454	25,260	22,448	31,077
Other Income	1,275	1,024	1,079	3,079	2,718	5,462
Gross Revenue	10,518	9,708	9,533	28,339	25,166	36,539
Less: Cost of goods sold from third party supply agreement	3,401	3,239	2,541	9,317	3,412	6,152
Total Income	7,117	6,469	6,992	19,022	21,754	30,387

- 13 During financial year 2017-18 Group entered in to an agreement of sale for development and disposal thereafter a part of Leasehold land of Glass division at Sahibabad due to discontinuity of operations. In pursuance of the said agreement Group has received a sum of Rs 4627 lacs which is shown under other current liabilities. Recognition of revenue has been deferred, pending approval from the lessor (UPSIDC) and sale thereafter.
- 14 Security deposit includes Rs 35 lacs in respect of Sikandrabad unit which has been sold and Rs 14 lacs in respect of Sahibabad Unit which is held for sale. Management is of the view that the same will be recovered from the authorities.
- 15 During the nine months period Group has sold investment in Qube Corporation (P) Ltd's preference shares (11.70 lacs shares) of Rs 117 lacs at par to group entities as certified by the management.
- 16 For the nine months ended Dec-19, Revenue from operation is net of Rs 119 lacs on account of reversal of income related to previous year.
- 17 Bank balances of Rs 6.80 lacs of earlier years at various closed tie up units are unconfirmed. Management will conduct scrutiny and adjustment if any will be made by the year end.
- 18 For quarter and nine months ended Dec-19, Finance cost includes interest of Rs 410 lacs on account of full and final settlement with parties from whom security deposit was taken in earlier years.
- 19 Profit of Rs 2774 lacs (net of loss of Rs 88 lacs related to previous year) of associate Group considered in consolidated financial statement.
- 20 Figures for the previous quarters/periods have been regrouped/reclassified, wherever necessary, to correspond with the current period classification/disclosures.
- 21 The remarks/ qualifications made by the Statutory Auditors on the Financial Results as stated in their Limited Review Report are annexed herewith.

FOR AND ON BEHALF OF JAGATJIT INDUSTRIES LIMITED

DATE : 14.02.2020
PLACE : NEW DELHI



Ravi Manchanda
RAVI MANCHANDA
(MANAGING DIRECTOR)



Segment wise Revenue, Results and Assets and Liabilities

(Rs in lacs)

Particulars	Consolidated					
	Quarter Ended 31.12.2019 (Unaudited)	Quarter Ended 30.09.2019 (Unaudited)	Quarter Ended 31.12.2018 (Unaudited)	Nine Months Ended 31.12.2019 (Unaudited)	Nine Months Ended 31.12.2018 (Unaudited)	Year Ended 31.03.2019 (Audited)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. Segment Revenue (Sales and other operating income)						
A. Beverages	2,249	1,901	2,302	5,435	9,173	11,210
B. Food	3,421	3,402	3,565	10,014	9,448	13,231
C. Others	172	142	46	494	415	484
Total Segment Revenue	5,842	5,445	5,913	15,943	19,036	24,925
2. Segment Results						
A. Beverages	(693)	(646)	(126)	(2,139)	(852)	(856)
B. Food	491	331	397	1,042	581	961
C. Others	(3)	(2)	(3)	(5)	(4)	(7)
Total Segment Results	(205)	(317)	268	(1,102)	(275)	98
Add/(Less) : Exceptional Items [net credit/(charged)]	0	-	-	-	-	373
Less : Finance Cost	1,198	1,069	1,509	3,415	4,079	7,259
Less : Other un-allocable expense net of un-allocable income	(26)	(66)	191	(208)	770	(169)
Total Profit/(Loss) Before Tax from continuing operations	(1,377)	(1,320)	(1,432)	(4,309)	(5,124)	(6,619)
Total Profit/(Loss) Before Tax from discontinuing operations	(6)	(4)	(27)	(40)	(67)	(116)
Total Profit/(Loss) Before Tax	(1,383)	(1,324)	(1,459)	(4,349)	(5,191)	(6,735)
3. Segment Assets						
A. Beverages	13,453	14,337	23,326	13,453	23,326	20,628
B. Food	7,638	7,728	8,256	7,638	8,256	8,078
C. Asset classified as held for sale	38	38	1,938	38	1,938	1,938
D. Others Unallocable	40,457	38,611	36,597	40,457	36,597	35,594
Total	61,586	60,714	70,117	61,586	70,117	66,238
4. Segment Liabilities						
A. Beverages	11,989	12,437	15,684	11,989	15,684	14,819
B. Food	3,287	3,703	3,574	3,287	3,574	4,019
C. Liability directly associated with asset classified as held for sale	4,627	4,627	5,900	4,627	5,900	6,427
D. Others Unallocable	34,057	30,923	34,320	34,057	34,320	31,734
Total	53,960	51,690	59,478	53,960	59,478	56,999



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