



JCT LIMITED

Corporate Office: 1001, 10th Floor, Vikram Towers, 16 Rajendra Place, New Delhi-110008

Phone: 46290000; Fax: 25812222

Website: www.jct.co.in

E-mail: jctdelhi@jctltd.com / jctsecretarial@jctltd.com

July 18, 2019

BSE Limited
25th Floor P J Towers
Dalal Street, Fort
Mumbai 400001

COMPANY CODE: 500223

Dear Sir/Madam,

Sub: Notice of the 70th Annual General Meeting and Annual Report for the FY 2018-19

As per requirement of the Listing Regulations, Please find herewith soft copy of Notice of 70th Annual General Meeting and Annual Report of the Company for the financial Year 2018-19, along with all Annexures as are sent to the shareholders

Hope you will find the above in order.

Thanking You

**Yours Faithfully
For JCT Limited**

**(Sandeep Sachdeva)
Company Secretary**

Encl: As Above

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



JCT LIMITED

[CIN – L17117PB1946PLC004565]

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

Tel: 01882-258780; FAX: 01882-258059

Website: www.jct.co.in; Email ID: jctsecretarial@jctltd.com

NOTICE

NOTICE is hereby given that the 70th Annual General Meeting of the Members of the Company will be held on Wednesday, 14th day of August 2019 at 11.30 AM at the Registered Office of the Company at Village Chohal, District Hoshiarpur 146024 (Punjab), to transact the following business(s).

ORDINARY BUSINESS

1. To receive, consider and adopt the financial statements of the Company including the Audited Balance Sheet as at 31st March, 2019 and the statement of Profit & Loss for the financial year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Priya Thapar (DIN: 06742680), who retires by rotation, and being eligible, offers herself for re-appointment.
3. To ratify the appointment of the Auditors and to fix their remuneration and to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of Sections 139, and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) thereto or re-enactment(s) thereof, for the time being in force), pursuant to the recommendations of the Audit Committee of the Board of Directors, and in pursuance of the resolution passed by the members at 68th Annual General Meeting held on 14th August, 2017, the appointment of M/s Navdeep Singh & Company, Chartered Accountants (Registration No. 008400N) as the Auditors of the Company, to hold office till the conclusion of 73rd Annual General Meeting, be and is hereby ratified/confirmed, at a remuneration of Rs. 16,00,000 p.a. inclusive of certification fees etc., plus GST and out of pocket expenses.

SPECIAL BUSINESS

4. Approval of Cost Auditor’s Remuneration

To consider and, if thought fit, to pass, with or without, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force] and pursuant to the recommendation of the Audit Committee, the Company hereby ratifies the remuneration payable to M/s Goyal, Goyal & Associates, Cost Accountants (Firm Registration No. 000100), appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records of the Company’s Textile and Filament Units for the Financial Year ending 31st March, 2020, amounting to Rs. 1,50,000/- (Rupees One Lac fifty thousand Only) plus taxes as may be applicable and reimbursement of such other out of pocket expenses, as may be incurred by them during the course of Audit.”

5. Re-appointment of Dr. A.K Doshi as an Independent Director for Second Term

To consider and, if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in the respective meetings held on 30th May, 2019 and pursuant to the provisions of Sections 149,150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and Rules thereunder and the applicable provisions of SEBI (LODR), 2015, the approval of the Members of the Company be and is hereby accorded for re-appointment of Dr. A.K Doshi. (DIN: 02298644) whose current period of office is



expiring on 24th September, 2019 and he has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Act read with SEBI (LODR), 2015 and who is eligible for re-appointment for a second term under the provisions of the Act, Rules thereunder and SEBI (LODR), 2015 and in respect of whom the Company has received a notice in writing from one of the Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as an Independent Director of the Company, to hold office for a term of five consecutive years on the Board of the Company effective from 25th September, 2019 and whose term shall not be subject to retirement by rotation”.

“RESOLVED FURTHER THAT pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, approval of the Members of the Company be and is hereby accorded effective from 01st April, 2019 to Dr. A.K Doshi for continuation of the Directorship in the Company who has attained the age of seventy five years, up to the expiry of his present term as an Independent Director i.e. up to 24th September, 2019, on the existing terms and conditions and further for the next five consecutive years effective from 25th September, 2019 as an Independent Director of the Company

6. Re-appointment of Mr. C.M Bhanot as an Independent Director for Second Term

To consider and, if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in the respective meetings held on 30th May, 2019 and pursuant to the provisions of Sections 149,150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and Rules thereunder and the applicable provisions of the SEBI (LODR), 2015, the approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. C.M Bhanot. (DIN: 06462056) whose current period of office is expiring on 24th September, 2019 and he has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Act read with SEBI (LODR), 2015 and who is eligible for re-appointment for a second term under the provisions of the Act, Rules thereunder and SEBI (LODR), 2015 and in respect of whom the Company has received a notice in writing from one of the Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as an Independent Director of the Company, to hold office for a term of five consecutive years on the Board of the Company effective from 25th September, 2019 and whose term shall not be subject to retirement by rotation”.

7. Revision in remuneration of Mr. Samir Thapar, Chairman and Managing Director for the period from 01.04.2019 to 30.09.2021

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee, and approval of Board and subject to the provisions of Sections 196, 197 and 203 of the Companies Act, 2013 and other applicable provisions, if any , of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof) read with schedule V of the Companies act,2013 and applicable clauses of Article of Association of the Company, approval of the members of the Company be and is hereby accorded to revise the remuneration of Mr. Samir Thapar (DIN: 00062287), Chairman and Managing Director of the Company with effect from 01.04.2019 to 30.09.2021, and on the terms and conditions as 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 of Board Of Directors to alter and vary the terms and conditions of the said remuneration and agreement, subject to the same not exceeding the limits specified in Schedule V of the said Act, in such form and manner with such modification as the Board may deem fit and as agreed to by Mr. Samir Thapar.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred any Committee of Director or Director(s) to give effect to the aforesaid resolution.”

8. Revision in remuneration of Ms. Priya Thapar, Whole-time Director for the period from 01.04.2019 to 30.11.2021

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

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee, and approval of Board and subject to the provisions of Sections 196, 197 and 203 of the Companies Act, 2013 and other applicable provisions, if any , of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof) read with schedule V of the Companies act,2013 and applicable clauses of Article of Association of the Company, approval of the members of the Company be and is hereby accorded to revise the remuneration of Ms. Priya Thapar (DIN: 06742680), Whole Time Director of the Company with effect from 01.04.2019



to 30.11.2021, and on the terms and conditions as set out in the Explanatory Statement to this Resolution and also contained in the draft agreement to be entered into between the Company and Ms. Priya Thapar, submitted to this meeting, which agreement be and is hereby specifically approved and sanctioned with liberty of Board Of Directors to alter and vary the terms and conditions of the said remuneration and agreement, subject to the same not exceeding the limits specified in Schedule V of the said Act, in such form and manner with such modification as the Board may deem fit and as agreed to by Ms. Priya Thapar.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred any Committee of Director or Director(s) to give effect to the aforesaid resolution.”

By order of the Board
For JCT Limited
Sandeep Sachdeva
Company Secretary

Place : Delhi

Dated : 30.05.2019

NOTES FOR MEMBERS' ATTENTION:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other member of the Company.

The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the Meeting. A Proxy Form is annexed herewith. Proxies submitted on behalf of companies, societies etc., must be supported by an appropriate resolution/ authority, as applicable.

3. Members / Proxies / Authorised Representatives should bring the duly filled Attendance Slip enclosed herewith to attend the Meeting.
4. Disclosure pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-II), with respect to Directors seeking appointment/ reappointment at the Annual General Meeting, is annexed to this Notice.
5. **The Register of Members and Share Transfer Books of the Company will remain closed from to 8th of August 2019 to 14th of August 2019 (both days inclusive).**
6. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
7. All the Registers, as required as per the provisions of Companies Act, 2013 and applicable rules, will be available for inspection by the Members at the time of Annual General Meeting.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Registrar/Company. Further as per Regulation 40 of SEBI (LODR), 2015 as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, RCMC Share Registry Pvt Ltd for assistance in this regard.
9. Annual Report of the Company for the year 2018-19 and Notice of the 70th Annual General Meeting of the Company



inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in electronic mode to the Members whose e-mail addresses are registered with the Company and/or Depository Participants(s), unless a member has requested for a hard copy of the same. We further request shareholders to update their e-mail addresses with the Share Transfer Agent/ Depository Participants to enable the Company to send the required communication/ correspondence electronically. Physical copies of the aforesaid documents are being sent to those Members who have not registered their email addresses.

10. Members may also note that the Annual Report for the year 2018-19 and Notice of the 70th Annual General Meeting will be available on the Company's website, www.jct.co.in. Physical copies of the aforesaid documents will also be available at the Company's Registered Office at Village Chohal, Dist. Hoshiarpur, Punjab, for inspection during normal business hours on working days.

Voting through electronic means: Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, the Company is pleased to provide its members the facility of remote e-voting (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 70th Annual General Meeting (AGM). The business may be transacted through e-voting services rendered by National Securities Depository Limited (NSDL). The facility for voting, through polling paper shall be available at the venue of the 70th AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The Company has appointed Ms Seema Sharma, Practicing Company Secretary as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

The procedure to login to e-Voting website consists of two steps as detailed hereunder:

Step 1: Log-in to NSDL e-Voting system

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/>.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.
4. Your User ID details will be as per details given below :
 - a) **For Members who hold shares in demat account with NSDL:** 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****).
 - b) **For Members who hold shares in demat account with CDSL:** 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12***** then your user ID is 12*****).
 - c) **For Members holding shares in Physical Form:** EVEN Number followed by Folio Number registered with the company (For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***).
5. Your password details are given below:
 - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
 - c. How to retrieve your 'initial password'?
 - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.



6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a. Click on **“Forgot User Details/Password?”**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b. **“Physical User Reset Password?”** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of the Company.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- A. Corporate and institutional shareholders (companies, trusts, societies etc.) are required to send a scanned copy (in PDF / JPG format) of the relevant Board Resolution / appropriate authorization to the Scrutinizer through e-mail at pcs.seemasharma@gmail.com with a copy marked to NSDL’s e-mail ID evoting@nsdl.co.in.
- B. Those who become Members of the Company after dispatch of the Notice but on or before 7th August 2019 (cut-off date) may write to NSDL at evoting@nsdl.co.in or to the RTA at investor.sevice@rcmcdelhi.com requesting for user ID and password. On receipt of user ID and password, the steps from Sl. Nos. (1) to (3) mentioned in Step 1 above should be followed for casting of vote.**
- C. Remote e-voting will commence at 9.00 a.m. on 11th August 2019 and will end at 5.00 p.m. on 13th August 2019, when remote e-voting will be blocked by NSDL.**
- D. In case of any query / grievance, you may refer to the Frequently Asked Questions for Shareholders and e-voting User Manual for Shareholders available under the Downloads section of NSDL’s e-voting website www.evoting.nsdl.com or call on toll free no : 1800-222-990
- E. There will be one vote for every Client ID No. / Registered Folio No. irrespective of the number of joint holders.
- F. The Results of voting will be declared within 48 hours from the conclusion of the AGM and the Resolutions will be deemed to be passed on the date of the AGM, subject to receipt of requisite number of votes.
- G. The declared Results, alongwith the Scrutinizer’s Report, will be available forthwith on the Company’s corporate website www.jct.co.in under the section ‘Investor Relations’ and on the website of NSDL; such Results will also be forwarded to BSE Limited, Mumbai.



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

Item No. 4

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s Goyal, Goyal & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for both Textile & Nylon Filament Units, for the financial year ending 31st March, 2020 at a remuneration of Rs. 1,50,000/- plus GST and reimbursement of out of pocket expenses incurred.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, (as amended or re-enacted from time to time) the remuneration as mentioned above, payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors for the financial year ending March 31, 2020, as set out in the Ordinary Resolution for the aforesaid services to be rendered by them.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the said resolution.

The Board of Directors recommends the Ordinary Resolution set out in Item No 4 of the Notice for approval by the members.

Item No 5 & 6

The Members of the Company in the 65th Annual General Meeting had appointed Dr. A.K Doshi and Mr. C.M Bhanot as Independent Directors of the Company for a period of five consecutive years effective from 25th September, 2014.

The Company has received notice in writing pursuant to Section 160 of the Act, from members proposing the candidature of Dr. A.K Doshi and Mr. C.M Bhanot for the office of Independent Director, to be re-appointed as such under the provisions of Section 149 of the Act.

The Company has received from Dr. A.K Doshi and Mr. C.M Bhanot, (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that they are not disqualified under Section 164(2) of the Companies Act, 2013, confirming their eligibility for such appointment and a declaration to the effect that they meet the criteria of independence as provided in Section 149(6) of the Act and SEBI (LODR), 2015.

The Board upon recommendation of the Nomination and Remuneration Committee, based on the skills, rich experience, knowledge, continued valuable guidance of above said Directors to the management and based on the outcome of performance evaluation, has in the meetings held on 30th May, 2019 recommended re-appointment of the said Directors as Independent Directors of the Company for second consecutive term of 5 years subject to approval of members, pursuant to Section 149 of the Companies Act, 2013. Further, Dr. A K Doshi is having Expertise in Finance, Corporate and other laws. He also retired as Member (Technical) of CLB. His rich experience guides the company to move forward with good corporate governance and helps in better decision making. Approval of members through Special resolution is sought for their reappointment as Independent Directors, pursuant to Section 149 and other applicable provisions of the Act and Rules there under and that the said Directors shall not be liable to retire by rotation. Copies of the draft letters for their appointment as Independent Directors setting out the terms and conditions would be available for inspection without any fee by the members at the registered office of the Company during normal business hours on all the working days.

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, which are effective from April, 2019, a person who has attained the age of seventy five years can continue as a Non- executive Director in a listed Company, provided that approval of its members by way of a special resolution is obtained. Dr. A.K Doshi is above the age of seventy five years. Special resolution as set out in business no. 5 seeks approval of shareholders for continuation of Directorship of Dr. A.K Doshi as Independent Director of the Company effective from 01st April, 2019 up to end of the existing term i.e. 24th September, 2019 and for second consecutive term effective from 25th September, 2019.

The profiles of the above said Directors are provided in the annexure to this Notice.

The Directors recommend the resolutions as set out in businesses 5 & 6 for approval.

None of the Directors and Key Managerial Personnel including their respective relatives other than those mentioned in the respective resolutions and their relatives is in any way concerned or interested, financially or otherwise, in the said resolution.



Item No. 7 & 8

- I. Mr. Samir Thapar has been the Managing Director of the Company since 2.06.1994. The Present proposal is to seek the Member's approval for revision of remuneration payable to Mr. Samir Thapar as the Chairman & Managing Director of the Company in terms of the applicable provisions of the Companies Act, 2013 read with Schedule V thereto.

Pursuant to the recommendation of the Nomination and Remuneration Committee at its meeting held on 30.05.2019 as approved by the Board at its meeting held on 30.05.2019, the Board recommends the revision/increase in remuneration of Mr. Samir Thapar with effect from 01.04.2019 on the following terms & conditions:

- a) Salary : Rs 8,00,000/- per month
- b) Perquisite & Allowances:- Rs. 22,00,000/ per month
- c) Perquisites: The perquisites shall include use of Company's car with Driver and such other perquisites. The said perquisites shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules there under or any statutory modification(s) or re-enactment thereof. In the absence of any Rules perquisites and allowances shall be evaluated at actual cost.

However, the Company's contribution to provident Fund and Superannuation or Annuity Fund 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.

- d) Reimbursement of Expenses: Expenses incurred for travelling, boarding / lodging for self, entertainment or business promotion expenses etc. and telephone expenses at residence shall be paid/reimbursed and not considered as perquisites.
 - e) He shall not be liable to retirement by rotation.
- II. Ms Priya Thapar has been whole time Director of the Company since 1.12.2013. The Present proposal is to seek the Member's approval for the revision in remuneration payable to Ms. Priya Thapar as the Whole Time Director of the Company in terms of the applicable provisions of the Companies Act, 2013 read with Schedule V thereto.

Pursuant to the recommendation of the Nomination and Remuneration Committee at its meeting held on 30.05.2019 as approved by the Board at its meeting held on 30.05.2019, the Board recommends the Revision/increase in remuneration of Ms. Priya Thapar with effect from 01.04.2019 on the following terms & conditions:

- (a) Salary : Rs. 2,50,000/- per month
- (b) Allowances : Rs. 4,50,000/- per month
- (c) Perquisites : The perquisites shall include use of Company's car with Driver and such other perquisites. The said perquisites shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules there under or any statutory modification(s) or re-enactment thereof. In the absence of any Rules perquisites and allowances shall be evaluated at actual cost.

However, the Company's contribution to provident Fund and Superannuation or Annuity Fund 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.

- (d) Reimbursement of Expenses: Expenses incurred for travelling, boarding / lodging for self, entertainment or business promotion expenses etc. and telephone expenses at residence shall be paid/reimbursed and not considered as perquisites.
- (e) She shall be liable to retire by rotation.

General:

- (a) The terms and conditions set out for remuneration herein may be altered and varied by the Nomination & Remuneration Committee and/or Board as it may, from time to time, deem fit.
- (b) None of the Directors and/or Key Managerial Personnel of the Company, other than Mr. Samir Thapar & Ms. Priya Thapar to whom these resolutions relate, including their relatives, in any way, concerned or interested, financially or otherwise.



III. The information as required to be disclosed as per Clause (iv) of the Second Proviso to Section II of part II of Schedule V to the Companies Act, 2013 is given hereunder:

I. General Information

1.	Nature of industry	Manufacturing of Cotton Textiles, Synthetic Fabrics and Nylon Filament Yarn		
2.	Date of commencement of commercial production	19.12.1946		
3.	Financial performance based on given indicators	(Rs. in lacs)		
		2018-19	2017-18	2016-17
	Gross Income from Operations	80032.50	76488.41	83939.90
	Other Income	689.17	1045.21	1678.90
	Interest & Financing Cost (Net)	8099.44	3550.01	3732.94
	Comprehensive Income/ (Loss) before Depreciation	(4009.94)	(335.15)	1085.56
	Depreciation	2256.08	3049.36	3108.99
	Net Comprehensive Income /(Loss) Before Tax	(6266.02)	(3384.51)	(2023.43)
4.	Foreign Investment or Collaborations	Nil		

II. Information about the Whole Time Directors

Name Of the Director	Mr. Samir Thapar	Ms Priya Thapar
Back ground details	Graduate in Business Administration from California State University Bakersfield, USA with a total experience of 31 years in field of Industry, Business and Corporate Management having 31 years of experience in field of industry , Business and corporate Management	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 and having experience in HR, Marketing, Administration and corporate management.
Past Remuneration	Salary:- Rs. 82.20 lacs Per annum Perquisite, Allowances & reimbursements :- Rs. 13.80 Lacs per annum Contribution to superannuation and provident fund :-Rs. 10.61 lacs per annum	Salary:- Rs. 23.35 lacs per annum Perquisite, Allowances & reimbursements :- Rs. 0.65 Lacs per annum Contribution to superannuation and provident fund :-Rs. 3.41 lacs per annum
Recognition of Rewards:-	None	None



Name Of the Director	Mr. Samir Thapar	Ms Priya Thapar
Job profile and suitability:-	As an Chairman and Managing Director of the company he is entrusted with the substantial powers of the management and responsible for all business decisions and also answerable to Board of Directors	She is Director (Strategic Business Development) and has also been looking after the overall affairs and operations of the Company and involved in the policy planning, HR and Marketing policy of the Company.
Remuneration proposed (With effect from 01.04.2019)	Salary:- Rs. 96.00 lacs Per annum Perquisite & Allowances:- Rs. 264.00 Lacs per annum Contribution to superannuation and provident fund :-Rs. 13.02 lacs per annum	Salary:- Rs 30.00 lacs per annum Perquisite & Allowances:- Rs. 54.00 Lacs per annum Contribution to superannuation and provident fund :-Rs. 5.10 lacs per annum
Comparative remuneration profile with respect to industry ,size of the Company, profile of the position and person	The corresponding cost of the Company of persons handling similar portfolio in Textile Industry are in the salary band of Rs. 240 to 720 lacs per annum.	The corresponding cost of the Company of persons handling similar portfolio in Textile Industry are in the salary band of Rs. 120 to 360 Lacs per annum.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company.	Brother of Ms Priya Thapar – Whole Time Director	Sister of Mr Samir Thapar – Chairman & Managing Director
Pecuniary relationship directly or indirectly with the Company	Chairman & Managing Director. He holds 2,71,356 equity shares of the Company	Whole Time Director. She holds 2,60,000 equity shares of the Company

III. Other Information

1	Reasons of Inadequate profits	Due to tight liquidity, the operations were at sub-optimum levels resulted into lower profitability.
2	Steps taken or proposed to be taken for Improvement	As the issue of FCCB has been settled, the company has approached the banks for enhancement of its working capital, which will help in revamping the production to the optimum level. The increase in capacity utilization will directly help in improving the profitability substantially.
3	Expected increase in productivity and profits in measurable terms	In view of above steps, the Company expects to have substantial increase in efficiency, turnover and profitability.

IV. Disclosures:

- Remuneration package fully described in the explanatory statement as stated above.
- Disclosures in the Board of Directors' Report under the heading 'Corporate Governance' included in Annual Report 2018-19.
- The Board recommends the resolutions as set out herein above for approval of the members as a Special Resolutions.
- The draft of the Agreement between the Company and Ms Priya Thapar are 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 190 of the Companies Act, 2013



Profile of Directors seeking appointment/re-appointment/ at the 70th Annual General Meeting pursuant to Secretarial Standards on General Meeting (SS - II) and Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Particulars	Dr. A.K Doshi		Mr.C.M Bhanot		Ms. Priya Thapar	
DIN	02298644		06462056		06742680	
Date of Birth	05.12.1939		22.08.1952		10.05.1968	
Date of First Appointment	26.10.2012		24.01.2013		01.12.2013	
Expertise in specific General Functional area	Having Expertise in Finance, Corporate and other laws. He was also Visiting professor of Calcutta Business School and Indian Institute of Corporate Affairs of the Ministry of Corporate Affairs. He retired as Member (Technical) of CLB.		He is having 41 years of experience of Banking operations, Legal, Forex, Credit Monitoring and HR. He is retired as General Manager from Bank of India.		Managerial and Administrative Experience	
Qualification	PHD In law (Amalgamation and Merger) and Chartered Accountant.		Law Graduate		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	
Shareholding in the Company	Nil		Nil		2,60,000	
Relationship with other KMPs	Not Applicable		Not Applicable		Sister of Mr Samir Thapar – Chairman & Managing Director	
No. of Board Meetings attended by the Director during the FR 2018-19	5		5		3	
Board Membership of other listed Companies as on March 31, 2019	NA		NA		NA	
Chairman/Member of the Committee of the Board of Directors of the Company	Chairman	Stakeholders Relationship Committee	Member	Stakeholder Relationship Committee	Member	Stakeholder Relationship Committee
	Member	Corporate Social responsibility		Corporate Social Responsibility		Corporate Social Responsibility
		Board of Directors		Board of Directors		Board of Directors
Chairman/Member of the Committee of Directors of other Public Limited Company in which he is a Director	NA		NA		NA	



JCT LIMITED

[CIN – L17117PB1946PLC004565]

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

Tel: 01882-258780; FAX: 01882-258059

Website: www.jct.co.in; Email ID: jctsecretarial@jctltd.com

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Form with fields: Name of the member (s), Registered address, E-mail Id, Folio No/ Client Id, DP ID

I/We, being the member (s) of shares of JCT Limited, hereby appoint the following as my/our Proxy to attend vote(for me/us and on my/our behalf at the 70th Annual General Meeting of the Company to be held on Wednesday, the 14th day of August, 2019 at 11:30 a.m. and at any adjournment thereof.

- 1. Mr./Mrs. (Name & signature of the Proxy) or failing him/her
2. Mr./Mrs. (Name & signature of the Proxy) or failing him/her
3. Mr./Mrs. (Name & signature of the Proxy)

Table with columns: Resolution No., Description of Resolution, Optional (For, Against). Rows include Ordinary Business (Adoption of audited financial statements, Re-appointment of Ms. Priya Thapar) and Special Business (Approval of Cost Auditor's remuneration, Re-appointment of Dr. A.K Doshi, Re-appointment of Mr. C.M Bhanot, Revision in remuneration of Mr. Samir Thapar, Revision in remuneration of Ms. Priya Thapar).

Signed this.....day of.....20....

Signature of shareholder

Signature of Proxy holder(s)



Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



JCT LIMITED

[CIN – L17117PB1946PLC004565]

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

Tel: 01882-258780; FAX: 01882-258059

Website: www.jct.co.in; Email ID: jctsecretarial@jctltd.com

ATTENDANCE SLIP

70th Annual General Meeting, Wednesday, the 14th day of August, 2019 at 11:30 a.m. at Registered Office of the Company at Village Chohal , District Hoshiarpur-146024, Punjab

Name	
Address	
DP ID/Client ID*	
Folio No.	
No. of shares held	

* Applicable for investor holding shares in Electronic Form

I certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the 70th Annual General Meeting of the Company on Wednesday, the 14th day of August, 2019 at 11:30 a.m. at Village Chohal, District Hoshiarpur-146024, Punjab.

.....
Signature of Member/Proxy

Note: Please fill this attendance slip and hand it over at the entrance of the hall.



JCT LIMITED

ANNUAL REPORT

2018-19



Board of Directors

Mr. Samir Thapar

Ms. Priya Thapar

Dr. Ajit Kumar Doshi

Mr. Chander Mohan Bhanot

Mr. Avaya Kumar Mohapatra

Mr. Ram Swaroop Samria

Chairman and Managing Director

Director (Strategic Business Development)

Allahabad Bank Nominee

Business Head

Mr Kamal Bhasin

Chief Financial Officer

Mr. V K Singhal

Company Secretary

Mr. Sandeep Sachdeva

Auditors:

Navdeep Singh & Co.

Chartered Accountants

Deep Complex (First Floor)

89, Manshaia Colony

Patiala-147001

Registered Office:

Village Chohal

Distt. Hoshiarpur

Punjab: 146024

Ph. No.: 01882-258780; Fax: 01882-258059

Email: jctsecretarial@jctltd.com

Website: www.jct.co.in

CIN: L17117PB1946PLC004565

Units:

Textiles : Phagwara (Punjab)

Nylon Filament Yarn : Hoshiarpur (Punjab)

Corporate Office:

1001, 10th Floor, Vikram Tower,

16, Rajendra Place, New Delhi-110008

Registrar & Share Transfer Agents

RCMC Share Registry Private Limited

B-25/1, 1st Floor, Okhla Industrial Area

Phase II, New Delhi-110020

Tel: 011-26387320-321-323

Fax: 011-26387322

Email: investor.services@rcmcdelhi.com

Bankers:

Allahabad Bank

State Bank of India

Punjab National Bank

Bank of Baroda

Punjab & Sind Bank

CONTENTS

Directors Report, Management	2
Discussion & Analysis and Annexures	
Corporate Governance Report	13
Auditor's Report	25
Balance Sheet	31
Profit & Loss Account	32
Cash Flow Statement	33
Statement of Changes in Equity	35
Notes to Financial Statement	37

**DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS****Dear Members**

Your Directors present the 70th Annual Report on the affairs of the Company together with Audited Financial Statements for the financial year ended 31st March, 2019. The Management Discussion and Analysis is also included in this Report.

1. Financial Highlights**(Rs. in Lakhs)**

	2018-19	2017-18
Revenue from operations	80032.50	76,488.41
Other Income	689.17	1,045.21
Profit before Finance Cost, Depreciation and Amortization Expense and Tax ,	3931.21	3,011.04
Finance Cost	8099.44	3,550.01
Depreciation and amortization Expense	2256.08	3,049.36
Profit / (Loss) for the year before tax	(6423.91)	(3,588.33)
Profit / (Loss) for the year after tax	(6423.67)	(3,604.33)
Other Comprehensive Income / (Loss)	157.89	203.82
Total Comprehensive Profit / (Loss)	(6265.78)	(3400.51)

2. Dividend

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

3. Industry Structure & Development

The Indian Textile Industry is one of the largest in the World. The Industry holds an important position in country's economic structure because of its huge contribution towards employment generation, Industrial Output and Export earnings. It is the labour intensive industry and contributes 7% of Industry output in value term 4% to India's GDP, 14% to Index of Industrial Production (IIP). (Source ibef.org). Further, industry is also targeting the job scenario and manufacturing landscape. The Government is fully conscious of its role in achieving this ambitious target and therefore has taken several Initiatives for the development of Industry and added the textile in Inverted duty structure under GST regime during 2018-19.

4. OUTLOOK OF ECONOMY**GLOBAL ECONOMY**

In 2018, the global economy began its journey on a firm footing with estimated global economic growth of 3.6% (Source: World Economic Outlook by International

Monetary Fund (IMF)). During the second half of 2018, this rate of development gradually declined, owing to impending US-China trade dispute and some slowdown across developed markets. Emerging and developing markets of Asia maintained their steady progress at 6.4% during 2018. However, it's important to note that India's economy expanded at 7.1% in 2018 vis-à-vis 6.7% in 2017, whereas China's growth deteriorated from 6.9% in 2017 to 6.6% in 2018 (Source: IMF). Sub-Saharan Africa's economy also sustained a steady rise of 3% during the year.

Global Textile and Apparel Industry

The global textile and apparel industry is continuously evolving. Over the years, it has witnessed multiple shifts in consumption and production patterns, including shifts in geographical manufacturing hubs, as the industry is driven by the availability of cheap labour. The textile and apparel trade is predicted to grow at a CAGR of 3.7% during the period 2018-28. During this period, the increase in apparel trade is expected to be at a CAGR of 4.5% and textiles at a CAGR of 2.5%. Even though apparel industry is dominated by developed markets of EU and the US, the emerging markets led by countries such as India, China, Russia and Brazil are becoming consumption markets. Simultaneously, India and China have strong textile manufacturing base, and thus are emerging as both sourcing and consuming nations.

Currently, China holds the largest share in textile and apparel global trade. It has vertically integrated supply chain from production of fibre to weaving of fabric and garmenting. The sector also has the capability to manufacture all categories of products and a conducive ecosystem to provide complete service offering to brands and retailers. However, the increasing labour and energy costs have mitigated the international competitive advantage of China to some extent. The global apparel manufacturers are finding Bangladesh, Vietnam and India as competitive markets over China.

INDIAN ECONOMY

India continues to be one of the fastest growing major economies in the world and is expected to be among the world's top three economic powers in the next 10-15 years. The Indian economy is expected to improve and close the year 2019 with a GDP growth of 7.3% (Source: IMF). Sustained real GDP growth of over 6% since FY91 has led to a fundamental transformation of India's economy. Today, India is the world's seventh largest economy in real terms, backed by strong demand, positive consumption pattern and rising disposable income. In PPP terms, the economy is expected to be among the top five global economies by 2020.



Indian Textile Industry

The domestic textile and apparel market is estimated to be US\$ 100 billion in 2018-19 and has grown at a CAGR of 10% since 2005-06. Apparel demand at US\$ 74 billion has dominated the domestic market with approximately three-fourth share of the total textile and apparel market. The growth in the disposable income of the middle and lower middle class sections of the society has led to continuous growth of demand of textile and apparel in India. This growth in demand is expected to continue at 12% CAGR to reach US\$ 220 billion by 2025.

India's textile and apparel exports are estimated at US\$ 39 billion in the financial year 2018-19. The exports have grown at a 6% CAGR since the year 2005-06. India's textile and apparel exports are expected to expand to US\$ 80 billion by the year 2025, growing at a CAGR of 10%. Apparel is the largest exported category with a share of 46% in the textile and apparel exports.

The cotton output for this year is expected to be lowest in eight years due to delayed and deficient monsoon in some of the key cotton-growing states and lower acreage in some of the southern states. The cotton prices have started moving upward on reports of improved demand from China and at the same time rupee is appreciating. It will impact of competitiveness of Indian products in the international markets.

Indian textile Sector is one of the oldest industries in Indian Economy as well as one of the largest contributors to Indian Exports. Profitability remained undermined on account of volatile Raw Material prices, rising wages, tough competition and rapid changing consumer behavior. On a medium to long term, India offers huge scope for filament manufacturing because of low base per capita consumption of Nylon textile fabric in India as compared to global standards and changing consumer behavior. With better disposable income in the hands of middle class and ever-changing fashion requirement of young Indians, NFY is witnessing steady growth by virtue of its feel and luster quality. While NFY continues to enjoy preference in saree, dupatta and dress material, its substitution in silk and VFY may provide an opportunity to increase consumption. Profitability of NFY continues to remain under pressure owing to raw material price volatility, competition from fragmented small and medium producers and imports from FTA countries, which caters about 20% of total consumption of NFY in India.

4. Business Strategy

Textile Unit:

The strategy of the unit is in addition to the existing business that the focus is on increasing the production

of Technical and Performance Textiles, provide turnkey solutions to Institutional buyers, getting nominated by major global brands and produce more coated synthetic fabrics. The company is also planning to increase weaving capacity of synthetic fabrics to cater increasing demand of Stretch / Structured Fabrics with wider width Add 30 % dyeing capacity to balance weaving and processing capacities of synthetic plant.

Filament Unit

The focus is on to develop new products for catering different end-users, more production of conventional and dope dyed yarn for domestic and export markets. The Unit is also focusing on increasing the production of MONO Yarn, which has in good demand with limited capacities in the segment.

5. OPERATIONS

Textiles:

The textile unit at Phagwara, despite challenging business environment, the unit produced and sold 376.70 lakhs and 371.57 lakhs meters of fabrics respectively. The technical textiles have been well accepted by the market. The capacities are underutilized due to tight liquidity.

Nylon Filament Yarn:

Nylon Filament Unit has been one of the top Textile Grade Nylon Yarn manufacturers in India with installed capacity of 16000 TPA and 1000 TPA for Nylon Chips. The unit has produced and sold 11847 MT of Filament Yarn and 31 MT of Nylon Chips and sold 12657 MT and 403 MT respectively. Capacity utilization is lower on account of stiff competition and cheap imports in India through ASEAN countries.

6. OPPORTUNITIES AND THREATS

Global economy has started recovering and provides a good opportunity to the Indian textile Industry to increase its share in the Global Textile and Clothing. The tariff war between two largest economies of the world- The USA and China is expected to have positive impact on India's textile exports.

The Industry is dependent on the availability of Raw Cotton at reasonable prices, which is dependent on various factors – monsoon, imports etc. The Indian Textile exports continue to face stiff challenges from the small countries like Bangladesh, Sri Lanka, Taiwan and Pakistan etc.

NFY substitution for silk and VFY may provide an opportunity to increase consumption. Moreover, increase in drawback rates during 2018-19 in NFY may promote exports. Profitability of NFY continues to remain under pressure owing to raw material price volatility, competition from fragmented small and medium producers and imports from FTA countries.

**7. RISK AND CONCERN THE MANAGEMENT PRECIEVES**

No industry is free from normal business risk and concerns. Textile Industry continues to face stiff competition from China, other Asian/emerging economies. Competitiveness of Industry is dependent upon factors like the cotton prices, monsoon, exchange rates, availability of domestic raw materials (particularly in case of NFY) and prevalent interest rates in the regime. The industry being more capital intensive requires huge funds, long term as well as short term in the form of working capital for its running.

The Government through its Industrial Policies should support the industry so that Industry be able to enhance its competitive advantage to achieve sustained growth in Exports as well as domestic markets.

8. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL EFFECIENCY

The Company incurred a net loss of Rs. 62.66 Crores inclusive of interest provided on FCCB of Rs 40.86 Crores for earlier years during the Current Financial Year. The Net Loss excluding interest on FCCBs which is accounted for during the year would be Rs. 21.80 Crores against Rs. 34.00 Crores.

The Company earned higher EBIDTA of Rs. 40.89 Crores against Rs. 31.99 Crores and incurred higher operational interest due to fresh term loan availed from Phoenix ARC for settlement of FCCBs and the term loan of the banks.

9. DETAILS OF ANY CHANGE IN RETURN ON NETWORTH

The company has booked interest on Foreign Currency Convertible Bonds (FCCBs) for earlier years that has impacted the return on net worth.

10. PERFORMANCE OF SUBSIDIARIES /ASSOCIATES

There is no subsidiary of the company however associates are investment companies with no fresh investment during the current year.

11. Material developments in Human Resources / Industrial Relations

The Company is of firm belief that the Human Resources are the driving force that propels a Company towards progress and success. The Company continued its policy of recruiting the best available talent so that it can face business challenges ahead. The total employee's strength of the Company was 4972 as on 31st March, 2019. The industrial relation continued to remain cordial during the year.

12. FINANCE AND ACCOUNTS

The Company arranged term loans of Rs. 99.45 Crores from a private financier to pay off the term loans of banks amounting to Rs. 59.45 Crores and settled Foreign Currency Convertible Bonds (FCCBs) by way of part- payment of Rs 40.00 Crores and issue of fresh Equity Shares of Rs. 2.50 each at a premium of Re.0.15 to FCCB of Rs 63.78 Crores for the balance of their dues. The company has not been accepting fresh/renewals of deposits and finally paid off all the fixed deposits, received from the public, during the year.

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended 31st March 2019 has been prepared in accordance with the Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014. The estimates and judgments relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonable present the Company's state of affairs, profit/loss and cash flows for the year ended 31st March 2019.

14. EXTRACT OF ANNUAL RETURN

The Extract of Annual Return in Form MGT-9, as required under section 92 of the Act is placed on the website of the Company at <http://www.jct.co.in>.

15. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section134 (3)(c) of the Companies Act, 2013 that;

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates 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 and loss of the company for that period;
- iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) the directors have prepared the annual accounts on a going concern basis;



- v) the directors, have laid down internal financial controls which were followed by the company, such internal financial controls are adequate and operating effectively; and
- vi) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

16. Declaration by Independent Directors and re-appointment, if any

Independent Directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (LODR) Regulations, 2015.

17. Remuneration Policy

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The details of this policy have been posted on the website of the Company viz. www.jct.co.in.

18. AUDITORS

Statutory Auditors

M/S Navdeep Singh & Company, Chartered Accountants (Firm Registration No.008400N) are the Statutory Auditors of the Company for the year ended March 31, 2019. Their appointment as the Statutory Auditors will be ratified at the ensuing Annual General Meeting pursuant to the provisions of Section 139 of the Companies Act, 2013, and Rules made there under.

The Report given by the Auditors on the financial statements of the company is self explanatory and is a part of Annual Report.

Cost Auditors

As per the requirement of Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company has been carrying out audit of cost records relating to Textile & Filament Units every year. The Board of Directors, on the recommendation of the Audit Committee, has appointed M/s Goyal, Goyal & Associates, Cost Accountants, (Firm Registration No. FRN-000100) as Cost Auditor to audit the cost records of the Company for the Financial Year 2019-20. As required under the Companies Act, 2013, a resolution seeking members' approval for their remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting for their ratification.

Cost records are made and maintained as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

The Cost Audit Report for the financial year 2018-19 is under finalization and would be filed within the stipulated time with the Ministry of Corporate Affairs.

Secretarial Audit

In compliance with the provisions of Section 204 of the Companies Act, 2013 and rules made there under, the Board has appointed M/S. Seema K & Associates, Company Secretaries (C.P No.4397 and FCS No. 8054) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed and forms an integral part of this Report. There is no secretarial audit qualification for the year under review.

19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

20. RELATED PARTY TRANSACTIONS

All transactions entered with Related Parties were on arm's length basis and in the ordinary course of business. There were no materially significant transactions with the related parties during the financial year, which were in conflict with the interest of the Company. Thus a disclosure in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required. All Related Party Transactions are placed before the Audit Committee as also before the Board for approval.

The Board of Directors of the Company, at its Meeting held on 30th May, 2019, on the recommendation of the Audit Committee, re-framed a policy on materiality to regulate transactions between the Company and its related parties, in compliance with the applicable provisions of the Act, and Regulation 23 of the Listing Regulations, as amended. The Policy as approved by the Board is uploaded and can be viewed on the Company's website www.jct.co.in.

None of the Directors has any pecuniary relationship or transactions vis-à-vis the company except remuneration / sitting fee or stated in the annual report.

21. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There are no significant and material orders passed by the Regulators / Courts that would impact the going concern status of the Company and its future operations.



22. STATUTORY INFORMATION

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies (Accounts) Rules, 2014 is annexed and forms integral part of this Report.

The statement containing particulars of top 10 employees and the employees drawing remuneration in excess of limits prescribed under Section 197 (12) of the Act read with Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a separate Annexure forming part of the Report. In terms of proviso to Section 136(1) of the Act, the Report along with Accounts are being sent to the shareholders excluding the aforesaid Annexure. The said Annexure is open for inspection at the Registered Office of the Company. Any member interested in obtaining a copy of the same may write to the Company Secretary at the Registered Office of the company, 21 days before and upto the date of the ensuing Annual General Meeting during the business hours on working days.

None of the employees mentioned in the said statement is a relative of any Director of the Company and none of the employees hold (by himself or along with his spouse and dependent children) more than two percent of the equity shares of the Company.

23. DIRECTORS

Changes in Directors and Key Managerial Personnel

Dr. A.K. Doshi and Mr. C.M Bhanot will be completing their present term as Independent Directors of the Company on 24th September, 2019. On the recommendation of Nomination and Remuneration Committee, the Board in its meeting held on 30th May, 2019, subject to the approval of shareholders by special resolution, has recommended the re-appointment of Dr. A.K Doshi and Mr. C.M Bhanot as Independent Directors of the Company for a further term of five years effective from 25th September, 2019.

Pursuant to Listing Regulations, 2015, a person who has attained the age of seventy five years can continue as Independent Director if approval of its Members is obtained by way of a special resolution. Dr. A.K Doshi is above seventy five years of age. Special resolutions seeking approval for continuation of their Directorships from 1st April, 2019 on the existing terms of appointment form part of the Notice convening the 70th Annual General Meeting of the Company.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Ms. Priya Thapar retires by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for the re-appointment.

The Board recommends her re-appointment. Brief profile of Ms Priya Thapar has been given in the Notice convening the Annual General Meeting.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors on the recommendations of the Nomination and Remuneration Committee have revised the remuneration payable to Mr Samir Thapar, Chairman & Managing Director and Ms Priya Thapar, –Director (Strategic Business Development) of the Company with effect from 01.04.2019,. However, other terms and conditions remain the same subject to approval of shareholders.

24. Formal Annual Evaluation

Pursuant to the provisions of the Companies Act, and Listing Regulations, annual evaluation of the Board, the directors individually, as well as working of its Constituted committees has been carried out from time to time.

25. Number of Meetings of Board and its Committees

The details of the number of meetings of the Board held during the financial year 2018-19 forms part of the Corporate Governance Report. .

26. INTERNAL CONTROL SYSTEMS

The Company has a well established framework of internal controls in all areas of its operations, including suitable monitoring procedures and competent personnel. In addition to statutory audit, the financial controls of the Company at various locations are reviewed by the Internal Auditors, who report their findings to the Audit Committee of the Board. The Audit Committee is headed by an Independent Director which ensures independence of functions, and transparency of the process of supervision. The Committee meets on regular basis to review the progress of the internal audit initiatives, significant audit observations, planning and implementation of the follow-up action required. The Company conducts its business with integrity and high standards of ethical behavior and in compliance with the laws and regulations that govern its business.

The Company has in place adequate internal financial control systems, commensurate with the size, scale and complexity of its operations. The Company has appropriate policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence of the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial



information. Based on the report of the internal auditor, respective departments undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

28. SHARE CAPITAL

The paid up Equity Share Capital as at March 31, 2019 stood at Rs. 209.61 Crores and during the year under review, the Company has not issued shares with differential voting rights.

29. CORPORATE GOVERNANCE

In compliance with the Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate report on Corporate Governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report.

30. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy to report genuine concerns or grievances for redressal. The Whistle Blower Policy has been posted on the website of the Company viz. www.jct.co.in. During the year under review no complaint was received by your company.

31. RISK MANAGEMENT

The Company has a Risk Management Policy for identifying, prioritizing and mitigating risks which may impact attainment of short and long term business goals of the Company. The risk management framework is reviewed periodically by the risk management teams at all the units of the Company constituted by the Board which monitors and evaluates the effectiveness of risk management framework of the Company and strengthens it.

32. CORPORATE SOCIAL RESPONSIBILITY

The Company has drafted the Corporate Social Responsibility Policy which may be accessed on the website of the Company www.jct.co.in. As there is net average loss incurred by the Company during the three preceding financial years, the company need not to spend any amount towards Corporate Social Responsibility activities during the year ended 31.03.2019. The CSR Committee comprises of three members. One member of the Committee is an Independent Director.

33. CONSERVATION OF RESOURCES

The Company firmly believes that without safe, clean environment and healthy working conditions, the overall economic growth cannot be achieved and maintained.

The company also takes all possible measures to prevent accidents and occupational hazards. The manufacturing operations are conducted to ensure sensitivity towards the environment, minimize waste by encouraging "Green Initiative" practices and use of renewable resources. All employees are required to ensure that they fully understand all policies and comply with the requirements.

34. PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORK PLACE

During the year under review, the Company has not received any complaint under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has also formed an Internal Committee for addressing the complaints received under the said Act.

The company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

35. STATEMENT OF CAUTION

Statements in this Directors' Report and Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include raw material availability and its prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, Tax regimes, economic developments within India and the countries in which the Company conducts business and other ancillary factors.

36. APPRECIATION & ACKNOWLEDGEMENTS

The Board of Directors would like to express their sincere appreciation for the assistance and co-operation received from the banks, Government authorities, customers and vendors during the year under review. The Board of Directors also wish to place on record its deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For & on behalf of the Board

(SAMIR THAPAR)
Chairman and Managing Director
DIN: 00062287

Place: New Delhi
Date: 30.05.2019



CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING & OUTGO

The Information under section 134 (3)(m) of the Companies Act, 2013 read with the Rule 8 (3) of the Companies (Account) Rules, 2014 for the year ended 31st March 2019 is given below and forms part of the Director's Report.

I. CONSERVATION OF ENERGY

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

Textile Division

(1) Replacement of LED tube lights 2100 in place of conventional tube lights. (2) Replacement of Electronic chokes in place of conventional chokes of tube fittings in process house (3) Replacement of 50 watt LED lamps IPO of 85 watt CFL & 250 watt Lights. (4) Installation of VFD in place of star delta at FD Fan of 50 TPH Boiler. (5) VFD on cooling tower at 8MW TG. (6) Now Softing plant for Taffeta is running direct on Bore well Supply instead of pumping from underground Water Storage tank. (7) To be reduced CD from 10.8 MVA to 6 MVA. (8) In taffeta Sizing machine, creel lighting to be switched off when machine is in running mode and automatic switches ON when there is a breakage in yarn. (9) In taffeta Dry Lab, Emersion air conditioning temperature changed from 20 to 22 deg C. (10) In taffeta plant sizing and coating machines exhaust fans (8 nos) to be interlocked with machine working and taffeta toilets ex-fan to be interlocked with lighting. (11) Installed 2 Kw heaters IPO of 1000 watt water emersion heater in Ruchi colour lab. (12) Installed new Kaiser Compressor 250 KW and start IPO ZR 250. (13) Raw water pump (cotton+taffeta) stopped raw water supplied directly to softener through main raw water network line. (14) Modification in pulley arrangement in all erfangji main motor in 1:1 ratio. (15) Reduction of pulley size at suction fan in Autoconer -238 (2 nos). (16) Lighting voltage optimization in taffeta plant from 210 to 200 volt. (17) Installed P20 (2 nos) in erfangi machine lighting. (18) In taffeta weaving lighting shifted from power DB to lighting DB. (19) One No. Dust collector fan start through cyclic timer in spinning department. (20) In dry lab separate switching of overhead tube lights in taffeta plant. (21) Panel AC of sizing machine & beaming machine setting from 28 to 30 degree. (22) Reused of drain water in yarn dyeing machines and toilets.

Filament Division

(1) Conventional tube lights replaced with LED tube lights. Total power saved per year 75.384 MW. (2) Minimised Compressed Air Pressure to nominal requirement of Plant from 7.8 Bar to 7.2 Bar. Total power saved on compressors per year 336.096 MW. (3) Minimised compressed air

pressure for Intermingling from 6.2 Bar to 5.7Bar. Total power saved on compressors per year 203.904 MW. (4) Optimized Pump Capacity from 510 m3 to 345 m3 in New Plant Room Condenser water Pumps No. 7&8. Replaced the Motors from 75 kW to 45 kW. Total Power saved per year 141.696 MW. (5) Optimised speed of blower based on Oxygen Level in ETP with installation of VFD. Total power saved per year 21.6 MW. (6) Nitrogen Plant: Bigger Capacity compressor replaced with adequate required capacity compressor. Total power saved per year 51.58 MW. (7) DG House Air Compressor for DG Sets, Replaced Old Inefficient compressor in DG house with energy efficient compressor. Total power saved during the year was 36.288 MW.

(b) **Impact of Measures:**

Textile Unit: Impact of Energy Conservation Projects by implementing them in Various Steps is a downward trend in Power Cost and it is 5 to 6 %.

Filament Unit: Due to various steps taken by the Unit, the total energy saving was 866.55 MW/Year.

(c) **Total energy consumption and energy consumption per unit of production:**

As per Form 'A' Attached.

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

(a) **Specific areas in which R&D carried out by the company.**

Textile Unit: Installation of New Jet Dyeing Machine (Make – M/s. Heatex Industries Ltd.) in Taffeta Plant.

Filament Unit: Successful commissioning of new crimping machine with OLT system, And successfully launched several new products: - 30/10 BRT, 320/144 SD DW, 70/68 SD CR/DOPE DYED/Convention dyed, 40/10 BRT HOY.

(b) **Benefits Derived.**

Textile Division:

The newly installed New Jet Dyeing Machine has helped to enhance the daily dyeing production by 4000 meters approx. The monthly production increase will be approx. 1 - 1. 2 lac meters.

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.



(c) 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 capacity of covered yarn, HOY/FDY & Crimp/dyed yarn production to increase market share in domestic & international market.
- Develop new product to expand customer base in new application or different quality.
- Focus on increasing productivity by maximum utilization of resources & modification in existing hardware.

III. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

To meet the challenges of the world, the new latest technology state of the art machines have been installed in the Mills to produce as well as to reduce and optimize the cost of the fabric and of desired quality.

(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 Units. Training at various levels to technical staff and workmen is an ongoing process.

(b) Benefits derived :

Availability of energy efficient, environment friendly systems and equipments results into wide range of products with improved quality, designs and reduction in cost.

(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.

IV. 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:

(Rs. In lacs)

	Current Year	Previous Year
Used	2601.30	2950.92
Earned	6919.26	6747.45

TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION

FORM 'A'

A. POWER AND FUEL CONSUMPTION

		Current Year	Previous Year
1	Electricity		
(a)	Purchased:		
	Units	46340655.00	28631800
	Total Cost (Rs./ LACS)	3005	2003
	Rate/Unit(Rs.)	6.48	7.00
	Merchant Power		
	Units (Kwh)	3120.17	945280
	Total Cost (Rs./ LACS)	0.14	67.06
	Rate/Unit(Rs.)	4.44	7.09
(b)	Own Generation:		
(i)	Through Diesel Generators		
	Units	30518	55674
	Total Cost (Rs./ LACS)	6.03	10.01
	Unit per Ltr of Diesel Oil	2.58	2.90
	Cost/unit (Rs.)	19.77	17.98
(ii)	Through Steam Turbine Generators		
	Units	89591160	108851700
	Total cost of Coal / Rice Husk (Rs. In Lacs)	3778.14	3935.19
	Cost/unit(Rs)	4.22	3.62
2	Coal / Husk (Boilers)		
	Quantity(tonnes)	185328.12	185697.22
	Total Cost (Rs./Lacs)	8967.54	7490.73
	Average Rate (Rs)	4839	4033.84
3	Furnace Oil (Boilers)		
	Quantity (K.Ltrs)	41677	36630
	Total Cost (Rs. In Lacs)	12.78	9.51
	Average Rate./Ltr (Rs)	30.67	25.96
4	LDO/HSD (Furnaces / DG sets)		
	Quantity (Ltrs)	11839	19185
	Total Cost (Rs./ Lacs)	6.03	10.01
	Average Rate/ltr (Rs)	50.97	52.18
5	Pet Coke		
	Quantity (Kgs)	1855815	2255100
	Total Cost (Rs./Lacs)	196.73	209.66
	Average Rate./Ltr (Rs)	10.60	9.30
6	Other/Internal Generation		
	Steam		
	Quantity(tonnes)	661306.72	668505.21
	Total Cost (Rs. Lacs)	8980.32	7500.24
	Average Rate (Rs)	1357.97	1121.94

B. CONSUMPTION COST PER UNIT OF PRODUCTION (in Rs.)

Product	Current Year		Previous Year	
	Elect.& DG/TG Power	Steam	Elect.& DG/TG Power	Steam
Filament Yarn / Chips	29.67	10.01	21.57	6.67
Cloth	8.302	13.046	7.913	10.479



Disclosure as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Ratio of the remuneration of each Director and Key Managerial Personnel (KMP) to the median remuneration of the employees of the Company and percentage increase in remuneration of the Directors and KMPs in the Financial Year.

Requirements of Rule 5(1)		Details		
1.	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	:	Name of the Director	Ratio
			Samir Thapar	72X
			Priya Thapar	18X
			The median Remuneration of employee of the Company was Rs. 1,33,006/-	
2.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	:	Mr. Samir Thapar	-
			Ms. Priya Thapar	-
			Mr. V K Singhal (CFO)	12%
			Ms. Sandeep Sachdeva (CS)	35%
3.	The percentage increase in the median remuneration of employees in the financial year;	:	3.00%	
4.	The number of permanent employees on the rolls of company	:	4972	
5.	Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	:	Average %age : Non-Managerial – 7% Average %age : Managerial - Nil	
6.	Affirmation that the remuneration is as per the remuneration policy of the Company	:	Remuneration paid to Non-Managerial Personnel during the year ended March 31, 2019 is as per the Remuneration Policy of the Company.	



SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
JCT LIMITED
Village Chohal, District Hoshiarpur,
Punjab-146001

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by JCT Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and Management Representation Letter and information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended 31st March, 2019 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment in India and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

I further report that, there were no actions/events in pursuance of;

- (a) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; requiring compliance thereof by the Company during the audit period.

I have also examined compliance with the applicable Clauses of The Listing Agreement entered into by the Company with Bombay Stock Exchange and applicable clauses of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Secretarial Standards issued by The Institute of Company Secretaries of India were complied with during the audit period.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.



I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. One Independent director has been appointed during the year and accordingly, there was a change in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

There were no dissenting views by any Board member as per the minutes of the Board meetings duly recorded and signed.

None of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Board/Ministry of Corporate Affairs or any such authority as per the declaration provided by respective directors.

I further report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of compliance reports by respective department heads/Company Secretary/CEO taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exists in the Company to monitor and ensure compliance with applicable general laws.

I further report, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

I further report that during the audit period, there might be major bearing on the company's affairs regarding following events:

- I. No communication has been received from Asset Reconstruction Company (India) Limited (ARCIL), which issued notice to the Company on 07.11.2015 for winding up under the then existing Sections 433 (e) and 434 of the Companies Act, 1956. The Company has disputed the notice with ARCIL, thereafter no response has been received from ARCIL and further the Company has been legally advised that the demand raised by them is not sustainable.
- II. 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.
- III. The Official Liquidator (OL) of CNLT Malaysia, (Company under liquidation) has filed a recovery case in the High Court of Malaysia at Kuala Lumpur for US\$ 1,250,000 towards alleged fraudulent payment by CNLT to the Company in 2006-07 which is being contested by the Company in the Hon'ble High Court of Malaysia. The next date of hearing is fixed for 20th and 21st June, 2019. In view of the legal experts, no liability is likely to arise.
- IV. 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 fixed assets 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.

SEEMA KHANNA
Proprietor – SEEMA K & ASSOCIATES
FCS No. 8054/C P No.: 4397

New Delhi
30.05.2019

**CORPORATE GOVERNANCE REPORT**

The Directors present the Company's Report on Corporate Governance for the year ended 31st March 2019, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Corporate Governance is modus operandi of governing a corporate entity which includes a set of systems, procedures and practices which ensure that the Company is managed in the best interest of all corporate stakeholders i.e. shareholders, employees, suppliers, customers and society in general. Fundamentals of Corporate Governance include transparency, accountability, reporting and independence. For accomplishment of the objects of ensuring fair Corporate Governance, the Government of India has put in place a framework based on the stipulations contained under The Companies Act, SEBI Regulations, Accounting Standards and Secretarial Standards etc.

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 organization 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. A Report on compliance with the principles of Corporate Governance as prescribed by The Securities and Exchange Board of India (SEBI) in Chapter VI read with Schedule V of the Listing Regulations is given below.

1. BOARD OF DIRECTORS

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

a) Composition and Category of the Board of Directors

As on 31.03.2019, Board of Directors of Company had six directors consists of 2 Executive Directors including one Women Director, 3 as Independent Directors and 1 Nominee Director. The Chairman of the Board is an Executive Director. None of the Directors on the board is a member of more than 10 committees and Chairman of more than 5 Committees. Necessary disclosures regarding directorship held in other companies and committee positions as on 31.03.2019 have been made by Directors.

b) 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 year.

Name of Director	Category	Attendance in Board Meeting		Attendance in last AGM held on 14.09.2018	Other Board		
		Held	Attended		No of other Directorships	No of committees in which a member	No of committees in which a chairperson
Mr. Samir Thapar <i>Chairman & Managing Director</i>	Executive	5	3	No	2	-	-
Ms. Priya Thapar	Executive	5	3	No	-	-	-
Dr Ajit Kumar Doshi	Non-Executive - Independent	5	5	Yes	1	-	-
Mr. Chander Mohan Bhanot	Non-Executive - Independent	5	5	Yes	-	-	-
Mr. Avaya Kumar Mohapatra	Non-Executive – Nominee (Allahabad Bank)	5	2	No	-	-	-
Mr. Ram Swaroop Samria	Non-Executive - Independent	5	4	Yes	1	-	-

c) Ms. Priya Thapar- Director (Strategic Business Development) is sister of Mr. Samir Thapar - Chairman and Managing Director.**d) Dr Ajit Kumar Doshi, Mr. Chander Mohan Bhanot, Mr. Ramswaroop Samria and Mr. Avaya Kumar Mohapatra does not have any shareholdings in the Company.**



e) Familiarization Programme for Independent Directors

At the time of appointing a Director, a formal letter of appointment is given to him, which *inter-alia* explains the role, function, duties and responsibilities expected of him as a Director of the Company. Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the Directors. Site visits to plant locations are organized for the Directors to enable them to understand the operations of the Company. The details of such familiarization programme for Independent Directors are posted on the website of the Company i.e. www.jct.co.in.

f) The Board of Directors of the Company confirms that the Independent Directors of the Company fulfils the conditions as specified in the SEBI (LODR) Regulations 2015 and are independent of the management.

g) No Independent Director of the Company has resigned during the Financial Year 2018-19.

h) Board Meetings

During the financial year 2018-19, the Board of the Company met 5 times on 30.05.2018, 14.08.2018, 14.11.2018, 31.12.2018 and 14.02.2019. The interval between two meetings is well within the maximum period under Section 173 of the Companies Act, 2013 and the provisions of Regulation 17 of SEBI (LODR) Regulations, 2015.

The notice of each Board Meeting is given in writing to each Director. The Agenda along with relevant notes and other material information are sent in advance separately to each Director.

In case of business exigencies or urgency of matters, resolutions are passed by circulation and same is placed before the Board in the next meeting. Besides performance of Company's operations before taking on record the quarterly / annual financial results of the Company, information supplied to the Board. All relevant information as required under Schedule II of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 was placed before the Board from time to time.

Sr. No	Name of the Director	Qualification	Area of skill/Expertise/Competencies
1.	Mr. Samir Thapar	Graduate in Business Administration from California State University Bakersfield, USA with a total experience of 30 years	He is having vast experience in the field of industry, Business and corporate Management.
2	Ms. Priya Thapar	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 Sotheby's London with consistent good academic record	She in having vast Experience in HR, Marketing Administration and Apparel Industry.
3	Dr. Ajit Kumar Doshi	PHD In law (Amalgamation and Merger) and Chartered Accountant.	Having Expertise in Finance, Corporate and other laws. He was also Visiting professor of Calcutta Business School and Indian Institute of Corporate Affairs of the Ministry of Corporate Affairs. He retired as Member (Technical) of CLB.
4	Mr. Chander Mohan Bhanot	Law Graduate	He is having 41 years of experience of Banking operations, Legal, Forex, Credit Monitoring and HR. He is retired as General Manager from Bank of India.
5	Mr. Ramswaroop Samria	Chartered Accountant in Practice	He is Senior partner of practicing firm of Chartered Accountants having 37 years of experience. He is also having 12 years of experience of Textile Industry.
6	Mr. Avaya Kumar Mohapatra	Bachelor of Science- Agriculture	He is Field General Manager of Allahabad Bank and Nominee Director.



2. COMMITTEES OF THE BOARD

AUDIT COMMITTEE

a) Terms of Reference

The terms of reference of Audit Committee cover the areas mentioned under Part C of Schedule II of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 as well as Section 177 of the Companies Act, 2013. The Audit Committee *inter alia* performs the functions of approving review of financial reporting system, internal controls system, discussion on financial results, interaction with Statutory and Internal Auditors, recommendation for the appointment of Statutory and Cost Auditors and their remuneration, recommendation for the appointment and remuneration of Internal Auditors.

b) Composition

As on 31.03.2019 the Audit Committee consists of three Non-Executive Directors out of which two are Independent namely Dr Ajit Kumar Doshi and Mr Chander Mohan Bhanot whereas the other one Mr. Avaya Kumar Mohapatra is a Nominee Director from Allahabad Bank. Dr. Ajit Kumar Doshi is the Chairman of the Committee. All members of the Audit Committee are financially literate and bring in expertise in the fields of Accounting, Finance and Taxation.

Besides above Chairman & Managing Director, Whole-time Director, Chief Financial Officer, the representatives of the Auditors are permanent invitees to the Audit Committee Meetings. The Company Secretary acts as a Secretary to the Committee.

The quorum, power, role and scope are in accordance with the Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the SEBI (LODR) Regulations, 2015.

c) Meetings and Attendance

The Committee met four times during the Financial Year ended 2018-19 on 30.05.2018, 14.08.2018, 14.11.2018 and 14.02.2019. The maximum gap between any two meetings was less than four months which is in compliance with the provisions of Regulation 18 of SEBI (LODR) 2015. Adequate quorum was present for all Meetings. The Chairman of the Audit Committee was present at the Annual General Meeting of the Company. The Table below provides the attendance of the Audit Committee members.

Name of the Members	Position	Category	No. of Meetings held	No. of Meetings attended
Dr. Ajit Kumar Doshi	Chairman	Non-Executive Independent	4	4
Mr. Chander Mohan Bhanot	Member	Non-Executive Independent	4	4
Mr. Avaya Kumar Mohapatra	Member	Nominee-Allahabad Bank	4	2

NOMINATION AND REMUNERATION COMMITTEE

I. In compliance with Section 178 of Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015, the Nomination and Remuneration Committee comprises of atleast 3 Directors all of whom are non-executive and atleast fifty percent of the directors shall be independent directors.

a) Term of Reference

The Nomination and Remuneration Committee assist the Board in overseeing the method, criteria and quantum of compensation for directors and senior management based on their performance and defined assessment criteria. The terms of the reference of Nomination and Remuneration Committee covers the areas mentioned under Part D of Schedule II of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 as well as section 178 of the Companies Act, 2013.

b) Composition, Meeting and Attendance:

The Committee at present comprises of three non-executive Directors which includes Dr Ajit Kumar Doshi, Mr Chander Mohan Bhanot – Independent Directors and Mr. Avaya Kumar Mohapatra – Nominee Director from Allahabad Bank. During the financial year ended 2018-19 only one meeting of the Committee was held on 30.05.2018 and attended by Mr. Avaya Kumar Mohapatra, Mr. Chander Mohan Bhanot and by Dr. Ajit Kumar Doshi.

c) Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) 2015, a separate exercise was



carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as stakeholder relationship committee. The Directors expressed their satisfaction with the evaluation process.

II. Remuneration of Directors

a) Remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in accordance with the existing industry practice. There is no such pecuniary relationship between the Company and Non Executive Directors.

b) Disclosure of Remuneration to Non-Executive / Independent Directors:

The Non-Executive Directors were paid remuneration by way of Sitting Fees for each meeting of the Board and Committee of Directors attended by them. The total amount of Sitting Fees paid during the Financial Year ended 31st March, 2019 was Rs. 21.657 Lacs.

Rs. in Lacs

Sr. No.	Particulars of Remuneration	Name of the Directors				Total Amount
		Dr Ajit Kumar Doshi	Mr Chander Mohan Bhanot	Mr. Avaya Kumar Mohapatra*	Mr. Ramswaroop Samria	
1.	Fee for attending board & committee meetings	7.50	7.50	2.50	3.00	20.50
2.	Commission	-	-	-	-	-
3.	Others, Travelling	0.16	0.33	.007	0.66	1.157
	Total	7.66	7.83	2.507	3.66	21.657

*Paid to Allahabad Bank

c) Remuneration to Executive Directors

Payment of remuneration to Executive Directors is governed by the respective Agreements executed between them and the Company. The remuneration package of Chairman & Managing Director and Whole-time Director comprises of salary, perquisites, allowances and contribution to Provident and other Retirement Benefit Funds as approved by the shareholders at the General Meeting.

The details of the remuneration paid during the year ended 31st March 2019 under review is given below.

(Rs. in lacs)

	Mr Samir Thapar		Ms Priya Thapar	
	Current Year	Previous Year	Current Year	Previous Year
Salary including Allowances	82.20	78.00	23.35	23.40
Contribution to Provident & Superannuation Funds	10.61	10.36	3.41	3.16
Perquisites & Reimbursements	13.80	18.00	0.65	0.60
Total*	106.61	106.36	27.41	27.16

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

a) Composition and Attendance

The Stakeholders Relationship Committee comprises of four Directors. Dr Ajit Kumar Doshi, Independent Director is the Chairman of this Committee. The table below highlights the composition and attendance of the Members of the Committee. The requisite quorum was present at all the Meetings.



Sr. No.	Name of Director	Positions	Category	No. of Meetings Attended
1	Dr. Ajit Kumar Doshi	Chairman	Independent Director	4
2	Mr. Chander Mohan Bhanot	Member	Independent Director	4
3	Mr. Samir Thapar	Member	Executive Director	3
4	Ms. Priya Thapar	Member	Executive Director	3

The Committee meets normally once in three months to oversee proper redressal of grievances of stakeholders/ investors and compliance of stipulation in the matter of listing of shares with stock exchange/ depositories etc. The matter of transfer / transmission of shares, sub-division/ consolidation and issue of new / duplicate shares etc. including demat/ remat of shares in the normal course are looked after by the Committee of Senior Executives consisting of Mr. Vinod Kumar Singhal – Chief Financial Officer, Mr. Jitender Khanna – Vice President (Secretarial and Legal) and Mr. Sandeep Sachdeva - Company Secretary, who have been authorized by the Committee for the same.

The Committee met 4 times during the year on 30.05.2018, 14.08.2018, 14.11.2018 and 14.02.2019.

b) Name and Designation of the Compliance Officer

Mr. Sandeep Sachdeva, Company Secretary & Compliance Officer.

c) Number of complaints received, not solved & pending

The total number of complaints received and resolved during the year ended 31st March 2019 was 5. There were no complaints outstanding as on 31st March 2019. The number of pending share transfers and pending requests were Nil. Shareholders'/ Investors' complaints and other correspondence are normally attended to within seven working days except where constrained by disputes or legal impediments. No investor grievances remained unattended / pending for more than thirty days as on 31st March, 2019.

d) Terms of Reference

The Committee shall consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

a) Composition:

Company has a Corporate Social Responsibility Committee consisting of Mr. Samir Thapar, Ms. Priya Thapar and Dr. Ajit Kumar Doshi. Mr. Samir Thapar is the Chairman of the Committee.

b) Term of Reference

- Decide the CSR activities to be taken up by the Company in accordance of this policy
- Decide the amount to be allocated for each project or activity
- Oversee and monitor the progress of the initiatives rolled out under this policy and
- Submit a report to the Board of Directors on all CSR activities undertaken during the financial year which shall duly be displayed on the Company's website www.jct.co.in.

c) Meeting

No meeting was held during the financial year ended 31st March, 2019.

3. GENERAL BODY MEETINGS

Details of last 3 Annual General Meetings (AGM)/Extra Ordinary General Meeting (EGM) Held

Sr. No.	Financial Year/ Period	Type of Meeting	Date and Time	Location	Whether any Special Resolution passed
1	2018-19	EGM	14.02.2019 at 11:30 am	Village Chohal Dist. Hoshiarpur Punjab	Yes
2	2017-18	AGM	14.09.2018 at 11:30 am	Village Chohal Dist. Hoshiarpur Punjab	Yes
3	2016-17	AGM	14.08.2017 at 11:30 am	Village Chohal Dist. Hoshiarpur Punjab	NO
4	2015-16	AGM	12.08.2016 at 11:30 am	Village Chohal Dist. Hoshiarpur Punjab	NO



4. MEANS OF COMMUNICATIONS

- a) Quarterly Results : Through Publications
- b) Newspaper wherein results normally published : Financial Express / Business Standard (all editions) & Jagbani
- c) Website at which result is published : www.jct.co.in and www.bseindia.com
- d) Whether it also displays official news releases : Yes, as and when necessary/required
- e) The presentations made to Institutional Investors or analysts : No

5. GENERAL SHAREHOLDER DETAILS

- a) Annual General Meeting Time, Day, Date & Venue : 11:30 A.M, Wednesday, 14th August, 2019
Village Chohal, District Hoshiarpur (Punjab) 146024
- b) Financial Calendar(Provisional)
 - Unaudited results for QE 30.06.2018 : }
 - Unaudited results for QE 30.09.2018 : } Within 45 days of the close of the respective quarter
 - Unaudited results for QE 31.12.2018 : }
 - Audited results YE 31.03.2019 : Within 60 days of the close of the year.
- c) Dividend Payment Date : No Dividend is proposed
- d) Name and address of stock exchange : BSE Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai- 400001
- e) Annual Listing Fee : Annual Listing fee for the year 2018-19 has been paid.
- f) Stock Code : 500223
- g) Market Price Data

(In Rs)

Month/Year	High	Low
Apr-18	3.39	2.35
May-18	3.12	2.32
Jun-18	2.55	1.95
Jul-18	2.26	1.80
Aug-18	2.24	1.92
Sep-18	3.04	1.81
Oct-18	2.23	1.90
Nov-18	2.13	1.91
Dec-18	2.04	1.80
Jan-19	1.99	1.69
Feb-19	1.88	1.20
Mar-19	1.84	1.43

- h) Performance in comparison to broad base indices such :
The shares of the Company are not considered as BSE Sensex, Crisil Index, by stock exchange in their index fluctuations.
- i) The Securities were not suspended from trading during the financial year 2018-19.
- j) Registrar & Transfer Agents :
RCMC Share Registry Private Ltd,
B--25/1, 1st Floor, Okhla Industrial Area Ph II, New Delhi 110020
Tel: 011-26387320-321-323 Fax: 011-26387322
Email: investor.services @rcmcdelhi.com



k) Share Transfer System :

The system for transfer of shares in physical form has been delegated to Sr. Executives of the Company by the Committee of Stakeholders Relationship Committee of Directors which meets once in a fortnight and the average time taken for transfer of shares is approximately 30 days. Company obtains Certificate of compliance as required under Regulation 40(9) of SEBI (LODR) Regulations, 2015 from a Company Secretary in practice.

l) Distribution of shareholding as on 31.03.2019

No of Equity Shares held		No of shareholders	%age of shareholders	No of shares held	Amount	%age of Shareholding
From	To					
Upto	5000	80303	87.29	32795947	81989868	3.91
5001	10000	4156	4.52	12553337	31383342	1.50
10001	20000	3496	3.80	19522934	48807335	2.33
20001	30000	1539	1.67	15449156	38622890	1.84
30001	40000	575	0.63	8191174	20477935	0.98
40001	50000	443	0.48	8428285	21070713	1.01
50001	100000	752	0.82	21324804	53312010	2.54
100001 and Above		729	0.79	720160951	1800402377	85.89
Grand Total		91993	100	838426588	2096066470	100

m) Dematerialization of shares and liquidity

As on 31.03.2019, 99.04% of equity shares have been dematerialized.

- National Securities Depositories Limited (NSDL) : 749172976
- Central Depositories Services Limited (CDSL) : 81220071

n) Commodity price or foreign exchange risk and hedging activities

Company is exposed to Foreign Exchange Risk on account of outstanding of Foreign Currency Convertible Bonds (FCCBs), Import and Export transactions. The company does not enter into any hedging transaction with banks since US\$/INR has not been moved much and are at the levels of June 2015. More so, company is also having natural hedge in the form of sizable exports to cover imports.

Company is also a sizable user of various commodities including Cotton, PSF, VSF and other Yarns which expose it to the price risk on account of procurement of commodities. The company does not enter into any hedging transactions Commodity Exchanges since these are readily available in the open market.

- o) Plant Locations** : Textile Unit at Phagwara (Punjab)
Filament Yarn Unit at Hoshiarpur (Punjab)
- p) Address for correspondence** : Village Chohal, District Hoshiarpur 146024 (Punjab)
OR
1001, 10th Floor, Vikram Tower, 18 Rajendra Place
New Delhi 110008
- q) Credit Rating Obtained** : Care A4

6. OTHER DISCLOSURES

a) Related Party Transactions

All transactions entered into with the Related Parties as defined under the Companies Act,2013 and SEBI(LODR)2015 during the financial year were in the ordinary course of business and on arm's length basis and do not attract the provision of Section 188 of the Companies Act, 2013. 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 IND-AS-24 "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 year ended 31.03.2019. There were no material significant Related Party Transactions that may have potential conflict with the interest of the Company at large.

b) Details of non-compliance, penalties etc. imposed by Stock Exchanges, Securities Exchange Board of India (SEBI) etc. on any matter related to capital markets, during the last three years.

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

c) Vigil Mechanism/ Whistle Blower Policy

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and SEBI (LODR) 2015, the Company has formulated a Whistle Blower Policy for vigil mechanism for Directors and Employees to report to the management about the unethical behavior, fraud or violation of Company’s Code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and make provisions for direct access to the Chairperson of the Audit Committee in exceptional cases.

The practice of the Whistleblower Policy is overseen by the Audit Committee of the Board and Mr Jitender Khanna – Vice President (Secretarial & Legal) is the Vigilance Officer. None of the personnel of the Company has been denied access to the Audit Committee. The confidentiality of those reporting violations is maintained and they are not subject to any discriminatory practice. The Policy is available on the website of the Company www.jct.co.in.

d) Mandatory & Non mandatory requirements

The Company has fully complied with mandatory requirements as stipulated under SEBI (LODR) 2015 with the Bombay Stock Exchange and non mandatory requirement as and when required or necessary to do so.

e) Subsidiary Companies:

Company does not have any Subsidiary Company.

f) Related party transaction policy:

As required under the SEBI (LODR) 2015, the Company has formulated a policy dealing with the related party transactions. The Policy is available on the website of the Company www.jct.co.in.

g) Details of Utilization of Funds raised through preferential allotment/Qualified Institution placement as specified under Regulation 32 (7A)

24,03,00,606 Equity Shares were issued/ allotted, for consideration other than cash, during the year as part of the full & final settlement with the Foreign Currency Convertible Bondholders (Non-Promoters).

h) Total Fees paid to Statutory Auditor of the Company during the FY 2018-19

The total fee paid to Statutory Auditor during the year 2018-19 is given below:-

Particulars	Amount (Rs. In lakhs)
For Audit Fees	16.00
For Certification work	-
For Reimbursement of Expenses	0.24
Total	16.24

i) Sexual Harassment Complaints

The Company has in place Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, Redressal) Act, 2013 and the Rules made thereunder. The Company has zero tolerance on Sexual Harassment at workplace. In compliance with the provisions of Companies Accounts Rules, 2014, as amended, the Internal Complaints Committee is set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees and other stakeholders) are covered under this policy. The following is the summary of sexual harassment complaints received and disposed off during the 2018-19.

Number of complaints filed during the year	Nil
Number of Complaints disposed	Nil
Number of Complaints pending as on end of the Financial Year	Nil



7. NON COMPLIANCE

Company has complied with all the requirement/ disclosures as mentioned in sub paras (2) to (10) of Corporate Governance Report as given in part C of Schedule V of SEBI (LODR) Regulations, 2015.

8. The status of compliance of Discretionary non Mandatory requirements as prescribed in Part E of the SEBI (LODR) 2015 are as under:

- The Board : The Chairman of the Company is Executive Chairman and hence this provisions is not applicable
- Shareholders' Right: The quarterly, half yearly and annual financial results of the Company are published in newspapers on all India basis and are also posted on the Company's Website. Significant events are also posted on Company's Website.
- Modified Opinion: The observation of the Auditors have been fully explained in the Independent Auditors Report.
- Mr. Samir Thapar is the Chairman and Managing Director of the Company.
- Reporting of Internal Auditors: The Internal Auditors are directly reporting to the Audit Committee.

9. STATUS OF COMPLIANCE

a) Code of Conduct

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

b) Risk Assessment {17(9)}

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 year. There is elaborate system for the assessment and control on continuous basis.

c) Risk Management Committee

For the Year 2018-19, our Company does not qualify to be in Top 100 Listed Company therefore the provisions of Regulations 21 of SEBI (LODR) Regulations, 2015 are not applicable.

d) Independent Directors

The Non-Executive Independent Directors fulfill the conditions of Independence specified in section 149(6) of the Companies Act, 2013 and Rules made there under and meet the requirements of Regulation 25 of SEBI (LODR) Regulations, 2015.

A formal letter of appointment to Independent Director has been issued and disclosed on the website of the Company viz. www.jct.co.in.

During the year under review, the Independent Directors met on 14.09.2018 inter alia, to

- a) Review the performance of non-independent directors and the board of directors as a whole;
- b) Review the performance of the chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- c) Assess the quality, quantity and timelines of flow of information between the management of the Company and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

e) Insider Trading Code

As per SEBI (Prohibition of Insider Trading) Regulations 2018, the Company has adopted Code of Conduct for Fair Disclosures of Un-published Price Sensitive Information and Regulating, Monitoring and Reporting of Trading by Designated Persons to deter the insider trading in the securities of the Company based on the Un-published Price Sensitive Information. The Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations and has laid down an effective monitory system for the said purposes.



CEO/CFO CERTIFICATION

- A. We have reviewed financial statements and the cash flow statement for the year 2018-19 and that to the best of our knowledge and belief:
- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) 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. We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year 2018-19 which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware.
- D. We have indicated to the auditors and the Audit committee
- (1) Significant changes in internal control over financial reporting during the year, 2018-19;
 - (2) Significant changes in accounting policies during the year, 2018-19 and that the same have been disclosed in the notes to the financial statements; and
 - (3) Instances of significant fraud of which we have become 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
Dated : 30.05.2019

(V.K Singhal)
Chief Financial Officer

(SAMIR THAPAR)
Chairman & Managing Director

DECLARATION

DECLARATION BY THE MANAGING DIRECTOR REGARDING ADHERANCE TO THE CODE OF CONDUCT

As provided under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31.03.2019

Place : New Delhi
Dated : 30.05.2019

(SAMIR THAPAR)
Chairman & Managing Director



AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

Independent Auditor's Report on compliance with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulations 46(2) and para C & D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members of **JCT Limited**,

1. The Corporate Governance Report prepared by JCT Limited (hereinafter the "Company"), contains details as required by the provisions stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C & D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2019. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
 - i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained and read the Directors Register as on March 31, 2019 and verified that atleast one women director was on the Board during the year;
 - iv. Obtained and read the minutes of the following committee meetings held April 01, 2018 to March 31, 2019:
 - (a) Board of Directors Meeting;
 - (b) Audit Committee;
 - (c) Annual General Meeting;



- (d) Nomination and Remuneration Committee; and
 - (e) Stakeholders Relationship Committee.
- v. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, that, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

Other matters and Restriction on Use

9. This report 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.
10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report

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

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

Place : New Delhi
Date : 30-05-2019



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 31st 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 31st 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 & Equipment</u> (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 & 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"> - 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. - 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. - 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. - 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. <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>Inventory of Finished and Stock – in – Process (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-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>Audit Procedure included, but not limited to the followings:</p> <ul style="list-style-type: none">- 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:- Tested the software with respect to access and applications controls pertaining to the allocation of the raw-materials / inputs to various stages of productions.- 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.- 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.- 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. <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>
--	--

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 Registration No.008400N
Navdeep Singh Choudhary
Partner
Membership No. 034979

Place : New Delhi
Date : 30thMay, 2019

ANNEXURE-'A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the independent auditors' report of even date on the financial statements of JCT Limited for the year ended 31st March, 2019)

- (i) In respect of its property, plant and equipments;
- a. The Company has maintained proper records showing full particulars including quantitative details and situation of the property, plant and equipments.
- b. As explained to us, the property, plant and equipments are physically verified by the management once in a period of three years, which in our opinion is reasonable, having regard to the size of the Company and nature of its property, plant and equipments. No material discrepancies were noticed on such physical verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, as disclosed in Note 4 on property, plant and equipments to the financial statements, are held in the name of the Company.
- (ii) As explained to us, inventories except those lying with third parties, have been physically verified by the management at regular intervals during the year. The discrepancies noticed on such physical verification as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- (iii) The Company had not granted unsecured loans to companies covered in the Register maintained under Section 189 of the Companies Act, 2013, hence this clause is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company in respect of loans, investments, guarantees, and security has complied with the provisions of section 185 and 186 of the Act.
- (v) The Company has not accepted any deposits from the public within the meanings of Sections 73 to 76 of the Act and the rules framed thereunder to the extent notified.
- (vi) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under sub-section (1) of Section 148 of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.



(vii) In respect of statutory dues:

- a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Duty of Customs, Cess and other statutory dues as applicable with the appropriate authorities though there has been a delay in few cases. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2019 for a period of more than six months from the date they became payable.
- b. The disputed statutory dues aggregating to Rs. 4,734.18 lakhs, that have not been deposited on account of matters pending in appeals before appropriate authorities are as under:

Name of the Statute	Nature of the dues	Forum where dispute is pending	Amount (Rs. in lakhs)
Central Excise Act, 1944	Excise Duty	Upto Commissioner Level	210.59
		CESTAT	97.79
		Tribunal	874.25
Central Sales Tax, VAT Act of various states	VAT/Entry Tax	Asst. Commissioner Level	0.73
		Dy. Commisisoner Level	1,485.79
		Tribunal	1,878.98
Custom Duty Act,1962	Custom Duty	Commissioner of Customs	186.05
TOTAL			4,734.18

- (viii) Based on the audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to banks.
- (ix) The Company, during the year has raised money by way of term loans from certain parties, which has been applied for the purposes for which these were raised.
- (x) In our opinion and according to the information and explanations given to us, no fraud by the Company or material fraud on the Company by its officers / employees has been noticed or reported during the course of our audit.
- (xi) The managerial remuneration paid/provided is within the limit and in compliance of the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company hence the requirement of this clause is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the

Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable. The details of such transctacions have been disclosed in the financial statements, as required by the Ind AS 24 – Related Party Disclosures.

- (xiv) The Company during the year, has made preferential allotment of equity shares to the Foreign Currency Convertible Bonds (FCCBs) Holders, by conversion of their dues as per the terms of the settlement entered with them. According to the information and explanations given to us and based on our examination of the records of the Company, the said allotment has been made after compliance of the requirements of Section 42 of the Companies Act, 2013. Further, as no money has been raised through the said preferential allotment, and it has been made by conversion of the dues of the FCCBs Holders, the comments regarding its utilisaiton are not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with Directors or persons connected with them.
- (xvi) As explained to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For NAVDEEP SINGH & CO.
Chartered Accountants
Firm Registration No.008400N
Navdeep Singh Choudhary
Partner
Membership No. 034979

Place : New Delhi
Date : 30thMay, 2019

ANNEXURE-‘B’ TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 2(f) under `Report on Other Legal and Regulatory Requirements’ section of the independent auditors’ report of even date on the financial statements of JCT Limited for the year ended 31st March, 2019)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **JCT Limited** (“the Company”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls



based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting" (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance

regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For NAVDEEP SINGH & CO.
Chartered Accountants
Firm Registration No.008400N

Navdeep Singh Choudhary
Partner
Membership No. 034979

Place : New Delhi
Date : 30thMay, 2019



BALANCE SHEET AS AT 31ST MARCH, 2019

(Rs. In Lakhs)

Particulars	Note No.	As at	
		31st March, 2019	As at 31st March, 2018
ASSETS			
1 Non-Current Assets			
Property, Plant and Equipment	4	30,249.56	31,999.77
Capital work in progress	4	289.83	288.33
Intangible Assets	4	148.69	184.71
Financial Assets			
- Investments	5	158.84	155.63
- Loans	6	347.73	397.76
- Other non-current financial assets	7	88.57	44.79
Non-current tax assets (net)	8	27.27	101.25
Other non-current assets	9	81.76	103.46
		31,392.25	33,275.70
2 Current assets			
Inventories	10	17,603.61	16,458.38
Financial Assets			
- Investments	11	10.64	10.64
- Trade receivables	12	4,499.56	5,312.16
- Cash and cash equivalents	13	119.94	261.05
- Bank balances other than cash and cash equivalents	14	748.11	726.20
- Loans	15	54.49	17.10
- Other current financial assets	16	561.84	866.63
Other current assets	17	3,127.91	3,031.36
		26,726.10	26,683.52
3 Assets classified as held for sale	18	108.27	108.27
TOTAL ASSETS		58,226.62	60,067.49
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	19A	20,960.66	14,953.15
Other Equity	20	(14,947.99)	(8,987.83)
		6,012.67	5,965.32
Liabilities			
1 Non-current liabilities			
Financial Liabilities			
- Borrowings	21	9,550.35	4,158.87
- Other non-current financial liabilities	22	5,328.57	5,387.05
Provisions	23	4,110.67	4,284.61
Other non-current liabilities	24	-	19.04
		18,989.59	13,849.57
2 Current liabilities			
Financial Liabilities			
- Borrowings	25	9,621.82	9,757.14
- Trade Payables	26		
a. total outstanding dues of micro enterprises and small enterprises		309.92	189.52
b. total outstanding dues of creditors other than micro enterprises and small enterprises		13,554.41	12,885.74
- Other current financial liabilities	27	7,546.36	15,639.72
Provisions	28	882.43	780.98
Other current liabilities	29	1,309.42	999.50
		33,224.36	40,252.60
TOTAL EQUITY AND LIABILITIES		58,226.62	60,067.49
Significant Accounting Policies	1 to 3		
Other Notes	39		

For and on behalf of the Board of Directors

V K Singhal
Chief Financial Officer

Sandeep Sachdeva
Company Secretary
(Membership No.54261)

Samir Thapar
Chairman & Managing Director
(DIN 00062287)

This is the Balance Sheet referred to our report of even date

Navdeep Singh & Co.
Chartered Accountants
Firm Registration No. 008400N

Navdeep Singh Choudhary
Partner
Membership No.034979

Directors

C M Bhanot	(DIN 06462056)
R S Samria	(DIN 00375315)
A K Doshi	(DIN 02298644)
Priya Thapar	(DIN 06742680)

Place : New Delhi
Dated : 30th May, 2019

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019**

(Rs. In Lakhs)

Particulars	Note No.	Year ended 31st March, 2019	Year ended 31st March, 2018
INCOME:			
Revenue From Operations	30	80,032.50	76,488.41
Other Income	31	689.17	1,045.21
Total Income		80,721.67	77,533.62
EXPENSES:			
Cost of materials consumed	32	47,450.99	45,533.42
Excise Duty		-	726.65
Other manufacturing expenses	33	15,258.83	12,874.73
Changes in inventories of finished goods and stock-in-process	34	(1,078.74)	(620.21)
Employee benefits expense	35	11,322.04	11,978.25
Finance costs	36	8,099.44	3,550.01
Depreciation and amortization expense	37	2,256.08	3,049.36
Other expenses	38	3,836.94	4,029.74
Total Expenses		87,145.58	81,121.95
Loss for the year before tax		(6,423.91)	(3,588.33)
Tax expense:			
Income tax - adjustments relating to previous years		0.24	(16.00)
Loss for the year after tax		(6,423.67)	(3,604.33)
Other Comprehensive Income :			
Items that will not be reclassified to profit or loss			
- Re-measurements gains on defined benefit plans		154.68	203.82
Items that will be reclassified subsequently to profit or loss			
- Fair value of Investments through OCI		3.21	-
Other Comprehensive Income for the year		157.89	203.82
Total Comprehensive (Loss) for the year		(6,265.78)	(3,400.51)
Earnings per share- in Rs.	39.16		
- Basic		(1.05)	(0.60)
- Diluted		(0.99)	(0.60)
Significant Accounting Policies	1 to 3		
Other Notes	39		

For and on behalf of the Board of Directors

V K Singhal
Chief Financial Officer

Sandeep Sachdeva
Company Secretary
(Membership No.54261)

Samir Thapar
Chairman & Managing Director
(DIN 00062287)

This is the Statement of Profit and Loss referred to our report of even date

Navdeep Singh & Co.

Chartered Accountants

Firm Registration No. 008400N

Navdeep Singh Choudhary
Partner

Membership No.034979

Directors

C M Bhanot (DIN 06462056)
R S Samria (DIN 00375315)
A K Doshi (DIN 02298644)
Priya Thapar (DIN 06742680)

Place : New Delhi
Dated : 30th May, 2019



CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2019

(Rs. In Lakhs)

Particulars	31st March, 2019 Year Ended		31st March, 2018 Year Ended	
	Amount	Total	Amount	Total
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Loss before tax as per statement of profit and loss		(6,423.91)		(3,588.33)
Adjustments for:				
Depreciation and amortisation expense	2,256.08		3,049.36	
Finance costs (net)	8,099.44		3,550.01	
Bad debts written off (net of impairment allowance)	7.69		0.09	
Impairment loss for advances etc.	42.55		36.49	
Dividend from current investments	(0.03)		(0.04)	
Liabilities/provisions no longer required written back	(83.02)		(51.56)	
Interest income	(206.43)		(192.23)	
Property, plant and equipment written off	3.68		1.23	
Share issue expenses	(37.50)		-	
Profit on sale of property, plant and equipment (net)	(39.39)		(562.95)	
		<u>10,043.07</u>		<u>5,830.40</u>
Operating profit before working capital changes		3,619.16		2,242.07
Adjustment for working capital changes:				
(Increase) in Inventories	(1,145.23)		(137.19)	
Decrease in loans and trade receivables	817.55		1,340.49	
Decrease/(Increase) in other financial and non-financial assets	155.53		(1,750.12)	
Increase in trade payables	789.07		4,137.07	
Increase/(Decrease) in other financial liabilities, non-financial liabilities and provisions	2,040.42		(1,162.82)	
Cash Generated from Working Capital Changes		<u>2,657.34</u>		<u>2,427.43</u>
Cash generated from operations		6,276.50		4,669.50
Income Tax paid/(refund) (net)		74.22		(35.23)
Net Cash inflow from Operating Activities - A		<u>6,350.72</u>		<u>4,634.27</u>
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment including capital work in progress	(516.80)		(608.91)	
Sale/disposal of property, plant and equipment	81.16		773.18	
Deposits matured/made during the year	(21.91)		60.58	
Dividend income	0.03		0.04	
Interest income	194.51		203.56	
Net Cash (outflow)/infow from Investing Activities - B		<u>(263.01)</u>		<u>428.45</u>



(Rs. In Lakhs)

Particulars	31st March, 2019 Year Ended		31st March, 2018 Year Ended	
	Amount	Total	Amount	Total
C. CASH FLOW FROM FINANCING ACTIVITIES				
Increase in Share Capital	6,007.51		-	
Proceeds/(Repayment) of Secured Borrowings	3,195.35		(2,316.96)	
(Repayment)/Proceeds of Unsecured Borrowings	(7,311.20)		562.97	
Finance costs	<u>(8,120.48)</u>		<u>(3,532.22)</u>	
Net Cash outflow from Financing Activities - C		<u>(6,228.82)</u>		<u>(5,286.21)</u>
Net decrease in cash and cash equivalents (A+B+C)		<u>(141.11)</u>		<u>(223.49)</u>
Cash and cash equivalents (Opening Balance)		261.05		484.54
Cash and cash equivalents (Closing Balance)		119.94		261.05

Note to Statement of cash flows :**- Components of Cash and cash equivalents as under :**

- Balance with Banks - Current Accounts	73.13	154.10
- Cheques, draft on hand/ remittance in transit	30.71	81.63
- Cash in Hand	16.10	24.32
- Deposits with Banks with original maturity of less than 3 months	-	1.00
	<u>119.94</u>	<u>261.05</u>

- Figures in brackets indicate cash outflow.

- The above Statement of cash flows has been prepared under the indirect method set out in Ind AS 7 - Statement of Cash Flows

Significant Accounting Policies 1 to 3**Other Notes** 39

V K Singhal
Chief Financial Officer

Sandeep Sachdeva
Company Secretary
(Membership No.54261)

For and on behalf of the Board of Directors
Samir Thapar
Chairman & Managing Director
(DIN 00062287)

As per our report of even date attached

Navdeep Singh & Co.
Chartered Accountants
Firm Registration No. 008400N

Navdeep Singh Choudhary Directors
Partner

Membership No.034979

C M Bhanot	(DIN 06462056)
R S Samria	(DIN 00375315)
A K Doshi	(DIN 02298644)
Priya Thapar	(DIN 06742680)

Place : New Delhi
Dated : 30th May, 2019



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2019

(A) EQUITY SHARE CAPITAL

For the year ended 31st March, 2019

(Rs. In Lakhs)

Balance as at 01st April, 2019	Changes in equity share capital during the year	Balance as at 31st March, 2019
14,953.15	6,007.51	20,960.66

For the year ended 31st March, 2018

(Rs. In Lakhs)

Balance as at 01st April, 2017	Changes in equity share capital during the year	Balance as at 31st March, 2018
14,953.15	-	14,953.15

(B) OTHER EQUITY

For the year ended 31st March, 2019

(Rs. In Lakhs)

Particulars	Retained Earnings	Capital Redemption Reserve	Share Premium Account	Capital Reserve	Fair Value of Investments through OCI	Other Items - Re-measurements losses on defined benefit plans	Total
Balance as at 1st April, 2018	(22,605.72)	165.44	8,683.95	4,861.52	9.42	(102.44)	(8,987.83)
Add: Loss for the year	(6,423.67)	-	-	-	-	-	(6,423.67)
Add: Share issue expenses	(37.50)	-	-	-	-	-	(37.50)
Add: Premium on Equity Shares issue to FCCB Holder	-	-	360.45	-	-	-	360.45
Less: Transfer from/to Capital reserve	4,861.52	-	-	(4,861.52)	-	-	-
Less: Exchange fluctuation on premium on outstanding FCCBs (Refer note 19.2)	-	-	(17.33)	-	-	-	(17.33)
Other Comprehensive Loss for the year							
- Fair Value of Investments through OCI	-	-	-	-	3.21	-	3.21
- Re-measurements gains on defined benefit plans	-	-	-	-	-	154.68	154.68
Balance as at 31st March, 2019	(24,205.37)	165.44	9,027.07	-	12.63	52.24	(14,947.99)

**For the year ended 31st March, 2018****(Rs. In Lakhs)**

Particulars	Retained Earnings	Capital Redemption Reserve	Share Premium Account	Capital Reserve	Fair Value of Investments through OCI	Other Items - Re-measurements losses on defined benefit plans	Total
Balance as at 1st April, 2017	(19,001.39)	165.44	8,684.76	4,861.52	9.42	(306.26)	(5,586.51)
Add: Loss for the year	(3,604.33)	-	-	-	-	-	(3,604.33)
Less: Exchange fluctuation on premium on outstanding FCCBs (Refer note 19.2)	-	-	(0.81)	-	-	-	(0.81)
Other Comprehensive Loss for the year							
- Fair Value of Investments through OCI	-	-	-	-	-	-	-
- Re-measurements gains on defined benefit plans	-	-	-	-	-	203.82	203.82
Balance as at 31st March, 2018	(22,605.72)	165.44	8,683.95	4,861.52	9.42	(102.44)	(8,987.83)

Significant Accounting Policies'

Note 1 to 3

Other Notes

39

For and on behalf of the Board of Directors**V K Singhal**
Chief Financial Officer**Sandeep Sachdeva**
Company Secretary
(Membership No.54261)**Samir Thapar**
Chairman & Managing Director
(DIN 00062287)

This is the Statement of Changes in Equity referred to our report of even date

Navdeep Singh & Co.
Chartered Accountants
Firm Registration No. 008400N**Navdeep Singh Choudhary** **Directors**
Partner
Membership No.034979

C M Bhanot	(DIN 06462056)
R S Samria	(DIN 00375315)
A K Doshi	(DIN 02298644)
Priya Thapar	(DIN 06742680)

Place : New Delhi
Dated : 30th May, 2019



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

1. COMPANY INFORMATION

JCT Limited ('the Company') is a public limited Company incorporated in India, with its registered office in Hoshiarpur (Punjab) and Corporate Office in New Delhi. The Company is listed on the Bombay Stock Exchange (BSE).

The Company is primarily a manufacturer of cloth and nylon filament yarn, with its manufacturing facilities at Phagwara and Hoshiarpur in Punjab.

The financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorized for issue on 30th May, 2019.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

a. Compliance with Indian Accounting Standards :

The financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 (the 'Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and the other relevant provisions of the Companies Act, 2013.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All the assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria as set out in Division II of Schedule III to the Companies Act, 2013.

b. Historical Cost Convention

The financial statements have been prepared on historical cost basis, except for the followings:

- Certain financial assets and liabilities that are measured at fair value,
- Assets held for sale – measured at fair value less cost to sell,

c. Functional and presentation currency

The financial statements are prepared in Indian Rupees ('Rs. '), which is the Company's functional and presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest lakhs with two decimal places, unless stated otherwise.

d. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it is: -

- expected to be realized, or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within 12 months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it is:

- expected to be settled in the normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within 12 months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

All other liabilities are classified as non-current.

Operating Cycle:

The operating cycle is the time between acquisition of assets for processing and their realization in cash and cash equivalent. The Company has identified twelve months as its operating cycle.

e. Use of estimates and judgments

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosure and the disclosure of contingent liabilities. Uncertainty about these estimates and assumptions could result in outcomes that requires material adjustments to the carrying amount of the assets and liabilities in future period/s.



These estimates and assumptions are based on the facts and events, that existed as at the date of Statement of Financial Position, or that occurred after that date but provide additional evidence about conditions existing as at the Statement of Financial Position date.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

i. Useful lives of Property Plant and Equipment

The Property, Plant and Equipment are depreciated, on a straight-line basis in the case of Plant & Machinery, Buildings and Data Processing Equipment and on written down value basis in the case of other assets, over their respective useful lives. Management estimates the useful lives of these assets as detailed in Note 3.1. Changes in the expected level of usage, technological developments, level of wear and tear could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised and could have an impact on the profit/loss in future years.

ii. Retirement benefit obligation

The cost of retirement benefits and present value of the retirement benefit obligations in respect of Gratuity and Leave Encashment is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, these retirement benefit obligations are sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the these obligations. The mortality rate is based on publicly available mortality table for the specific countries. Future salary increases and pension increases are based on expected future inflation rates for the respective countries. Further details about the assumptions used, including a sensitivity analysis are given in Note 39.11.

iii. Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

iv. Impairment of Financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

v. Impairment of non-Financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An assets recoverable amount is the higher of an assets' fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, Plant & Equipment

Property, Plant & Equipment except those revalued are accounted for on historical cost basis (inclusive of the cost of installation and other incidental costs till commencement of commercial production) net of recoverable taxes, less accumulated depreciation and impairment loss, if any. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.



Subsequent costs are added to the existing asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

Depreciation on property, plant & equipment is provided on pro-rata basis, on straight line basis in the case of Plant & Machinery, Buildings and Data Processing Equipment and on written down value basis in the case of other assets, over the useful life of the assets estimated by the management, in the manner prescribed in Schedule II of the Companies Act, 2013. The asset's residual values, useful lives and method of depreciation are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The useful lives in the following cases are different from those prescribed in Schedule II of the Companies Act, 2013.

Asset	Useful life as per Schedule II of the Companies Act 2013 (No. of Years)	Useful life as assessed/estimated by the Company (No. of Years)
Buildings :		
- Factory	30	28
- Other than Factory (RCC Frame Structure)	60	58
Plant & Machinery :		
- Textile Unit	15	22
- Filament Unit (continuous process)	25	18
Data Processing Equipments :		
- Computer Equipments	3	6
Electric Installation including gadgets	10	20
Tools & Implements		
- Textile Unit	7.5	9
- Filament Unit (continuous process)	15	22
Furniture & Fixtures	10	15
Office Equipments	5	20
Vehicles –Cars	8	10

Based on usage pattern and internal assessment, the management believes that the useful lives as given above best represent the period over which the management expects to use these assets. Hence the useful lives of these assets is different from the lives as prescribed in Schedule II of the Companies Act, 2013.

Depreciation on additions to assets or on sale/disposal of assets, is calculated pro rata from the month of such addition or upto the month prior to date of sale/disposal, as the case may.

Leasehold improvements are amortised over the primary period of lease.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

3.2 Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument.

(a) Initial recognition and measurement

At initial recognition, all financial assets are recognized at its fair value plus, in the case of a financial asset not carried at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.



(b) Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- a. Financial assets measured at amortized cost;
- b. Financial assets measured at fair value through other comprehensive income (FVTOCI); and
- c. Financial assets measured at fair value through profit and loss (FVTPL)

Where financial assets are measured at fair value, gains and losses are either recognized entirely in the Statement of Profit and Loss (i.e. fair value through profit and loss), or recognized in other comprehensive income (i.e. fair value through Other Comprehensive Income).

The classification of financial assets depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.

(1) Financial assets measured at amortized cost:

A financial asset is measured at amortized cost if both the following conditions are met:

- Business Model Test: The objective of the business model is to hold financial asset in order to collect contractual cash flows (rather than to sell the asset prior to its financial maturity to realize its fair value changes); and
- Cash Flow Characteristics Test: Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most relevant to the Company. After initial measurement, such financial asset are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in interest income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit or loss. This category generally applies to trade receivables, deposits with banks, security deposits, investment in debt instruments, cash and cash equivalents and employee loans, etc.

(2) Financial instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI):

A financial instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- Business Model Test: The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and
- Cash Flow Characteristics Test: The Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

Financial instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value. Fair value movements are recognized in Other Comprehensive Income (OCI) except for the recognition of interest income, impairment gains and losses and foreign exchange gain and losses which are recognized in the Statement of Profit and Loss. This category generally applies to non-current investments in un-quoted equity instruments.

(3) Financial instruments measured at Fair Value Through Profit and Loss (FVTPL)

Fair Value Through Profit and Loss is a residual category. Any financial instrument, which does not meet the criteria for categorization as at amortized cost or fair value through other comprehensive income is classified as FVTPL. Financial instruments included in FVTPL category are measured initially as well as at each reporting period at fair value. Fair value movements i.e. gain or loss and interest income are recorded in Statement of Comprehensive Income.

(c) Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial Assets measured at amortized cost;
- Financial Assets measured at FVTOCI.



Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible defaults events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Financial assets that are debt instruments, and are measured at amortized cost i.e. trade receivables, deposits with banks, security deposits and employee loans etc.
- Financial assets that are debt instruments, and are measured at FVTOCI. The Company as at the Balance Sheet date is not having any such instruments.

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The trade receivables are initially recognized at the sale/recoverable value and are assessed at each Balance Sheet date for collectability. Trade receivables are classified as current assets, if collection is expected within twelve months as at Balance Sheet date, if not, they are classified under non-current assets.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months (Expected Credit Loss) ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on timely basis.

(d) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's Balance Sheet date) when:

- a. The rights to receive cash flows from the asset have been expired/transferred, or
- b. The Company retains the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has substantially transferred all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. When the Company has not transferred substantially all the risks and rewards of ownership of a financial asset, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. When the entity retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

(ii) Financial Liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

(a) Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include loans, borrowings, trade payables, security deposits and other payables etc..

(b) Subsequent measurement

All the financial liabilities after initial recognition at fair value, are subsequently measured at amortized cost using EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and costs or fee that is an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.



(c) Financial Guarantee Contract

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

(d) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

(iii) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.3 Inventories

The Inventories are carried in the Balance Sheet as follows:

- a. Raw materials and stores & spares : At lower of cost, on weighted average basis and net realisable Value
 - b. Finished goods and stock-in-process : At lower of cost, and net realizable value. Cost include cost of inputs, conversion costs and other costs incurred in bringing finished goods and stock-in-process, to their present location and condition.
 - c. Obsolete, defective and unserviceable : Such stocks are duly provided for, and are valued at net realisable value.
- The net-realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make sale.

3.4 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with banks which are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

3.5 Impairment of Non-Financial Assets

The Company assesses, at each reporting date, using external and internal sources, whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous period/s. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying value of an asset exceeds its recoverable amount.

The recoverable amount is determined:

- in the case of an individual asset, at the higher of the asset's fair value less cost of sell and value in use; and
- in the case of cash generating unit (a group of assets that generates identified, independent cash flows) at the higher of the cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that effects current market assessments of the time value of money and the risks specific to that asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An impairment loss for an asset is reversed, if and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized, the carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss being recognized for the asset in prior year/s.



3.6 Provisions and Contingent Liabilities

a) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation, at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

b) Contingent Liabilities

A disclosure for a contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation arising as a result of past event that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

3.7 Revenue Recognition

- a) Revenue from sale of goods is recognised when the control of the goods is transferred to the customer, the associated costs and the amount of revenue can be measured reliably and it is probable that the economic benefit associated with the transaction will flow to the Company.

It is measured at fair value of the consideration received or receivable, after deduction of sales returns, trade discount, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and service tax etc.

- b) Revenue from rendering of services is recognized when the performance of agreed contractual task has been completed.
- c) Interest income is recognized on time proportion basis taking into account the amount outstanding and applicable interest rates.
- d) Other income is recognized to the extent that it is probable that the economic benefit will flow to the Company and it can be reliably measured.
- e) Export benefit entitlements under the duty entitlement pass book (DEPB) scheme are recognised in the Statement of Profit and 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.

3.8 Government Grants / Subsidy

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 grant received for a specific asset is recognised as income in equal amounts over the expected useful life of the related asset.

3.9 Employee Benefits

a. Short Term Employee Benefits

All Employee benefits payable within twelve months of rendering the services are classified as short term benefits. Such benefits include salaries, wages, bonus, awards, ex-gratia etc. and the same are recognized in the period in which the employee renders the related services.

b. Defined contribution plan:

The Company's approved provident fund scheme, pension fund, employees' state insurance fund scheme, employees' pension scheme and employees' superannuation scheme are defined contribution plans. The Company has no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.

c. Defined Benefit Plan

The employees' Gratuity fund scheme is the Company's defined benefit plan and is managed by a Trust. The liability with respect to gratuity is determined based on the actuarial valuation on projected unit credit method as at the balance sheet date. The difference, if any, between the actuarial valuation and the balance of the funds maintained by the Trust, is provided for as liability / assets in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.



d. **Other Long Term Benefit**

The liability towards encashment of the employees' long term compensated absences, which are partly en-cashable during the service period and balance at the time of retirement / separation of the employees is determined based on the actuarial valuation on projected unit credit method as at the balance sheet date. Re-measurement, comprising of actuarial gains and losses, are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

3.10 Operating leases

Operating leases where the lessor effectively retains substantially all the risks and benefits of ownership over the leased term are classified as operating leases. Operating lease rentals are recognized as an expense in the statement of profit and loss on straight line basis over the lease term, unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor in expected inflationary cost increase.

3.11 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 year end exchange rates. Exchange rate differences arising on settlement of transaction and translation of monetary items are recognized as income or expenses in the year in which they arise.

Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Premium or discount on forward exchange contract is amortised as income or expense over the life of the contract. Exchange difference on such contract is recognized in the Statement of Profit and Loss in the reporting period in which the exchange rate changes. Any profit or loss arising on cancellation or renewal of forward contract is recognized as income or expenditure during the period.

3.12 Taxation

Tax expense for the year comprises of Current Tax and Deferred Tax.

a. Current Tax

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.

b. Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

3.13 Intangible Assets:

Intangible assets which consist of computer software, are initially measured at cost and subsequently carried at cost less any accumulated amortization and accumulated impairment losses, if any. It is amortized over a period of 5 years or license period on straight line basis, whichever is lower.

3.14 Non-Current assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. This condition



is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. In case said criteria is no longer met, the non-current assets and disposal groups classified as held for sale ceases to be held for sale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the Statement of Profit and Loss.

Assets and liabilities classified as held for distribution are presented separately from other assets and liabilities in the Balance Sheet.

A disposal group qualifies as discontinued operation if it is a component of the Company that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, Or
- is a subsidiary acquired exclusively with a view to resale.

No depreciation / amortization is charged once the non-current asset is classified as held for sale or while it is part of a disposal group classified as held for sale.

In case above criteria is no longer met, the non-current assets and disposal groups classified as held for sale ceases to be held for sale.

3.15 Earnings per Share:

Basic earnings per share is calculated by dividing net profit or loss of the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

3.16 Segment Accounting:

The Operational Head monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated on profit or loss and is measured consistently with profit or loss in the financial statements.

The Operating Segments have been identified on the basis of the nature of products.

1. Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.
2. Expenses that are directly identifiable with / allocable to segments are considered for determining the segments result. Expenses which relate to the Company as a whole and not allocable to segments are included under un-allocable expenditure.
3. Income which relates to the Company as a whole and not allocable to segments is included in un-allocable income.
4. Segment result includes margins on inter – segment sales, which are adjusted while arriving at the results of the Company as a whole.
5. Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

Inter-Segment transfer pricing

Inter Segment transfers of goods, as marketable products produced by separate segments, for captive consumption are made as if sales were made to third parties at current market prices and are included in Turnover of the respective Segment.

3.17 Indian Accounting Standards Not effective (Ind AS)

Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified the following new Ind AS which the Company has not applied as they are effective for annual periods beginning on or after April 01, 2019:

Ind AS 116: Leases and relevant amendments - effective from April 01, 2019

The Company is under evaluation for the impact of above standard on its financial statements.



(Rs. in Lakhs)

NOTE-4 - PROPERTY, PLANT AND EQUIPMENT (As at 31st March, 2019)

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.04.2018	Additions during the year	Sales/ disposal/ transfers during the year	As at 31.03.2019	As at 01.04.2018	For the year	Sales/ disposal/ transfers during the year	As at 31.03.2019	As at 31.03.2018
(I) Tangible Assets									
Land freehold	14,759.86	-	6.09	14,753.77	-	-	-	14,753.77	14,759.86
Buildings	6,512.20	7.88	2.86	6,517.22	604.10	302.68	0.22	906.56	5,908.10
Plant and Machinery	16,067.23	492.27	1.33	16,558.17	5,254.68	1,823.32	0.32	7,077.68	10,812.55
Data processing equipment	114.67	0.12	13.79	101.00	42.73	16.95	7.22	52.46	71.94
Electric installation	177.67	2.91	2.95	177.63	27.60	13.01	0.53	40.08	150.07
Tools & implements	7.54	-	-	7.54	1.33	0.54	-	1.87	6.21
Furniture & fixtures	111.82	3.09	3.23	111.68	32.91	12.39	1.06	44.24	78.91
Office Equipments	10.04	-	-	10.04	2.61	1.03	-	3.64	7.43
Vehicles	334.17	6.03	52.12	288.08	129.47	47.14	27.57	149.04	204.70
Leasehold Improvements	6.12	-	-	6.12	6.12	-	-	6.12	-
Sub Total	38,101.32	512.30	82.38	38,531.25	6,101.55	2,217.06	36.93	8,281.69	31,999.77
Capital Work-in-progress (Refer note 4.2)	288.33	388.40	386.90	289.83	-	-	-	289.83	288.33
Total	38,389.65	900.70	469.28	38,821.08	6,101.55	2,217.06	36.93	8,281.69	32,288.10
(II) Intangible Assets (other than internally generated)									
Computer Software	212.99	3.00	-	215.99	28.28	39.02	-	67.30	184.71
Total	212.99	903.71	469.28	215.99	28.28	2,256.08	36.93	67.30	184.71



NOTE-4 - PROPERTY, PLANT AND EQUIPMENT (As at 31st March, 2018)

(Rs. in Lakhs)

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01.04.2017	Additions during the year	Sales/ disposal/ transfers during the year	As at 31.03.2018	For the year	Sales/ disposal/ transfers during the year	As at 31.03.2018	As at 31.03.2017
(I) Tangible Assets								
Land freehold	14,832.24	-	72.38	14,759.86	-	-	14,759.86	14,832.24
Buildings	6,491.31	20.89	-	6,512.20	301.81	-	604.10	6,189.02
Plant and Machinery	15,837.29	372.53	142.59	16,067.23	2,622.05	18.66	5,254.68	13,186.00
Data processing equipment	110.21	8.01	3.55	114.67	20.93	1.18	42.73	71.94
Electric installation	184.14	1.30	7.77	177.67	13.49	0.55	27.60	169.48
Tools & implements	6.82	0.73	0.01	7.54	0.63	-	1.33	6.12
Furniture & fixtures	105.71	6.35	0.24	111.82	14.40	0.42	32.91	86.78
Office Equipments	9.88	0.16	-	10.04	1.42	-	2.61	7.43
Vehicles	295.99	46.28	8.10	334.17	60.68	2.42	129.47	224.78
Leasehold Improvements	6.12	-	-	6.12	2.72	-	6.12	2.72
Sub Total	37,879.71	456.25	234.64	38,101.32	3,037.90	23.23	6,101.55	34,792.83
Capital Work-in-progress (Refer note 4.2)	315.42	517.27	544.36	288.33	-	-	288.33	315.42
Total	38,195.13	973.52	779.00	38,389.65	3,037.90	23.23	6,101.55	35,108.25
(II) Intangible Assets (other than internally generated)								
Computer Software	30.28	182.71	-	212.99	11.46	-	28.28	13.46
Total	30.28	182.71	-	212.99	11.46	-	28.28	13.46

4.1 Refer 'Para-3.1' of Significant Accounting Policies' for depreciation on property, plant and equipment.

4.2 Capital Work-in-progress represents assets under construction / installation and includes under noted pre-operative expenditure pending allocation on commencement of commercial production:

Particulars	As at 01.04.2018 (Rs. in lakhs)	Additions (Rs. in lakhs)	Less: Capitalised/ Adjusted (Rs. in lakhs)	As at 31.03.2019 (Rs. in lakhs)	As at 01.04.2017 (Rs. in lakhs)	Additions (Rs. in lakhs)	Less: Capitalised/ Adjusted (Rs. in lakhs)	As at 31.03.2018 (Rs. in lakhs)
Legal & Professional fees	74.83	1.40	-	76.23	69.67	18.42	13.26	74.83
Miscellaneous	-	-	-	-	0.05	-	0.05	-
Travelling and conveyance	0.52	-	0.52	-	0.99	14.09	14.56	0.52
Total	75.35	1.40	0.52	76.23	70.71	32.51	27.87	75.35



5. NON CURRENT INVESTMENTS (Rs. in lakhs)

	As at 31st March, 2019		As at 31st March, 2018	
	Nos.	Amount	Nos.	Amount
In Equity Shares - Unquoted, fully paid up				
<u>Carried at fair value through other comprehensive income</u>				
- Preeti Vanijya (P) Ltd. of Rs. 10/- each	52,312	120.30	52,312	117.68
- Nimbua Greenfield (Punjab) Ltd. of Rs. 10/- each	28,125	38.21	28,125	37.62
- The New India Cooperative Bank Ltd. of Rs. 10/- each	3,260	0.33	3,260	0.33
TOTAL		<u>158.84</u>		<u>155.63</u>
Aggregate amount of Unquoted investments		158.84		155.63
Aggregate amount of impairment in value of investments		297.61		300.82

5.1 The above does not include the investment of 10,631,900 equity shares of face value of Re. 1 each of JCT Electronics Limited (an erstwhile Associate Company). The said investment though held by the Company has been fully impaired and written off in the financial statements of the earlier year/s. The Company has given an undertaking to a financial Institution and a bank of JCT Electronics Limited that the Company would not dispose off, pledge, charge, or create any lien, assign, 39,33,000 equity shares and also has pledged 42,87,000 equity share with a financial institution for financial facility availed by JCT Electronics Limited.

6 LOANS (Rs. in lakhs)

	As at 31st March, 2019	As at 31st March, 2018
(Unsecured, considered good)		
Loan to employees	3.92	9.35
Security Deposits	343.81	388.41
TOTAL	<u>347.73</u>	<u>397.76</u>

7 OTHER NON-CURRENT FINANCIAL ASSETS (Rs. in lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Margin money deposits with Banks (refer note 7.1)	88.57	44.79
TOTAL	<u>88.57</u>	<u>44.79</u>

7.1 Under lien with banks for guarantee and letter of credit facilities.

8 NON-CURRENT TAX ASSETS (NET) (Rs. in lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Advance income tax (Net of provisions)	27.27	101.25
TOTAL	<u>27.27</u>	<u>101.25</u>

9 OTHER NON CURRENT ASSETS (Rs. in lakhs)

	As at 31st March, 2019	As at 31st March, 2018
(Unsecured, considered good)		
Capital Advances	58.56	68.95
Prepaid Expenses	23.20	34.51
TOTAL	<u>81.76</u>	<u>103.46</u>



10 INVENTORIES (Rs. in lakhs)

	As at 31st March, 2019		As at 31st March, 2018	
(Valued at lower of Cost and Net Realisable Value, Refer Note 3.3 for the Accounting Policy)				
Raw Materials	1,938.01		1,823.88	
- in Transit	<u>545.72</u>	2,483.73	<u>440.19</u>	2,264.07
Stock-in-process		9,030.89		7,917.68
Finished Goods	4,313.18		4,406.38	
- in Transit	<u>110.01</u>	4,423.19	<u>51.28</u>	4,457.66
Stores and Spares	1,599.66		1,766.96	
- in Transit	<u>66.14</u>	1,665.80	<u>52.01</u>	1,818.97
TOTAL		<u>17,603.61</u>		<u>16,458.38</u>

10.1 Includes Rs. 909.33 lakhs (Rs. 741.53 lakhs as at 31st March, 2018) lying with outside parties/creditors.

11 CURRENT INVESTMENTS (Rs. in lakhs)

	As at 31st March, 2019		As at 31st March, 2018	
	Nos.	Amount	Nos.	
In Debentures of Associate Company - Unquoted, fully paid up				
<u>Carried at amortised cost</u>				
- Optionally Convertible Zero Rate Debentures of KCT Textiles Ltd. of Rs.70/- each	15,200	10.64	15,200	10.64
TOTAL		<u>10.64</u>		<u>10.64</u>
Aggregate amount of Unquoted investments		10.64		10.64
Aggregate amount of impairment in value of investments		Nil		Nil

12 TRADE RECEIVABLES (Rs. in lakhs)

	As at 31st March, 2019		As at 31st March, 2018	
Unsecured, considered good	4,499.56		5,312.16	
Unsecured, considered doubtful	<u>212.52</u>		<u>208.94</u>	
Gross	4,712.08		5,521.10	
Less: Impairment allowance for trade receivables considered doubtful	<u>(212.52)</u>	4,499.56	<u>(208.94)</u>	5,312.16
TOTAL		<u>4,499.56</u>		<u>5,312.16</u>

12.1 Refer note 39.14 for information about credit and market risk of trade receivables.

12.2 Trade receivables are usually non-interest bearing and on the trade terms of 60 days.



13 CASH AND CASH EQUIVALENTS (Rs. in lakhs)

	As at 31st March, 2019	As at 31st March, 2018	
Balance with Banks - Current Accounts	73.13	154.10	
Cheques, draft on hand/ remittance in transit	30.71	81.63	
Cash in Hand	16.10	24.32	
Deposits with Banks with original maturity of less than 3 months	-	119.94	1.00
TOTAL	119.94	261.05	

13.1 There are no restriction with regard to cash and cash equivalents as at the end of reporting period and prior periods.

14 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS (Rs. in lakhs)

	Note No.	As at 31st March, 2019	As at 31st March, 2018	
Balance with Banks	14.1	0.08	0.35	
Fixed Deposits held as Margin Money	14.2	747.84	725.66	
Post Office Savings Accounts (lodged as security)	14.3	0.19	748.11	0.19
TOTAL		748.11	726.20	

14.1 Balance with banks against employees' security deposits.

14.2 Under lien with banks for guarantee and letter of credit facilities.

14.3 Pledged as security against postal franking machine facility.

15 LOANS (Rs. in lakhs)

	As at 31st March, 2019	As at 31st March, 2018	
(Unsecured, considered good)			
Loans to employees	5.84	6.87	
Security Deposits	48.65	10.23	
TOTAL	54.49	17.10	

16 OTHER CURRENT FINANCIAL ASSETS (Rs. in lakhs)

	Note No.	As at 31st March, 2019	As at 31st March, 2018	
(Unsecured, considered good, unless stated otherwise)				
Interest Subsidy under Technology Upgradation Fund Scheme				
- Unsecured, considered good		279.18	377.42	
- Unsecured, considered doubtful		812.80	783.25	
Less : Impairment allowance for considered doubtful		(812.80)	279.18	(783.25)
Interest accrued on deposits / loans		79.70	67.78	
Others	16.1			
- Unsecured, considered good		202.96	421.43	
- Unsecured, considered doubtful		2.30	2.30	
Less: Impairment allowance for considered doubtful		(2.30)	202.96	(2.30)
TOTAL		561.84	866.63	

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



17 OTHER CURRENT ASSETS (Rs. in lakhs)

	Note No.	As at 31st March, 2019	As at 31st March, 2018	
Prepaid Expenses		95.95	39.43	
Others				
- Unsecured, considered good	17.1	3,031.96	2,991.93	
- Unsecured, considered doubtful		346.47	342.99	
(Less): Provision for doubtful debts		<u>(346.47)</u>	<u>3,031.96</u>	<u>2,991.93</u>
TOTAL		<u>3,127.91</u>	<u>3,031.36</u>	

17.1 Others comprise of advance against raw materials, stores and spares, excise duty recoverable, GST ITC Recoverable etc.

18 ASSETS CLASSIFIED AS HELD FOR SALE (Rs. in lakhs)

	Note No.	As at 31st March, 2019	As at 31st March, 2018	
Assets				
Land	18.1	108.27	108.27	
Total Assets		<u>108.27</u>	<u>108.27</u>	

18.1 In the earlier years, the operations of Textile Unit at Sriganganagar were discontinued, and the assets thereof have been disposed off/transferred, except the portion of land, which has been classified as held for sale and is being measured at the carrying amount, as expected net realisable value thereof is higher.

19 SHARE CAPITAL (Rs. in lakhs)

SHARE CAPITAL	Note No.	As at 31st March, 2019		As at 31st March, 2018	
		No.	Amount	No.	Amount
19A EQUITY SHARE CAPITAL					
Authorised:					
Equity Shares of Rs. 2.50 each		90,00,00,000	22,500.00	70,00,00,000	17,500.00
			<u>22,500.00</u>		<u>17,500.00</u>
Issued, Subscribed and Fully Paid up:					
Equity Shares of Rs. 2.50 each	19.1 to 19.3	83,84,26,588	20,960.66	59,81,25,982	14,953.15
			<u>20,960.66</u>		<u>14,953.15</u>
19B PREFERENCE SHARE CAPITAL					
Authorised:					
Redeemable Preference Shares of Rs. 100 each		25,00,000	2,500.00	25,00,000	2,500.00
			<u>2,500.00</u>		<u>2,500.00</u>

19.1 Aggregate number of Equity Shares issued as fully paid without payment being received in cash during the period of five years immediately preceding the Balance Sheet date.

- 11,59,54,059 Equity Shares of Rs. 2.50 per share fully paid up at par aggregating Rs. 2,898.86 lakhs to Foreign Currency Convertible Bond (FCCBs) holders in settlement of their dues for FCCBs of US\$ 12.93 million on preferential basis.
- 4,08,80,000 Equity Shares of Rs. 2.50 per share fully paid up at par aggregating to Rs. 1,022 lakhs each to secured lenders and a promoter company on preferential basis in terms of the Corporate Debt Restructuring (CDR) Scheme approved on 21.09.2012.



- (c) 2,80,00,000 Equity Shares of Rs. 2.50 per share fully paid up aggregating Rs. 700 lakhs at a premium of Rs. 2.50 per share aggregating to another Rs. 700 lakhs. These shares related to 14,00,000 Optionally Convertible Preference Shares (OCPS) of Rs. 100 each.
- (d) 1,33,33,333 Equity Shares of Rs. 2.50 per share fully paid up aggregating Rs. 333.33 lakhs at a premium of Rs. 5.00 per share aggregating to another Rs. 666.67 lakhs. These shares have a lock in period upto 30.05.2019. These shares related to 10,00,000 Optionally Convertible Preference Shares (OCPS) of Rs. 100 each.
- 19.2 During the year, the Company has issued 24,03,00,606 equity shares of Rs. 2.50 each fully paid up at a premium of Rs. 0.15 per share aggregating to Rs. 6,367.97 lakhs including premium of Rs. 360.45 lakhs to Foreign Currency Convertible Bond holders in terms of settlement of Foreign Currency Convertible Bonds (FCCBs) on preferential basis with a lock in upto 14.03.2020.
- 19.3 The rights, powers and preferences relating to equity share and the qualifications, limitations and restrictions thereof are contained in the Memorandum and Articles of Association of the Company. The Company has only one class of equity shares having a par value of Rs. 2.50 per share. The principle rights are as follows:
- (a) Each holder of equity share is entitled to one vote per share.
- (b) The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.
- (c) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.
- 19.4 Reconciliation of Shares Outstanding:

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Nos.	Rs. in Lakhs	Nos.	Rs. in Lakhs
Equity Shares				
At the beginning of the year	598,125,982	14,953.15	598,125,982	14,953.15
Add: Issued, Subscribed and Fully paid up (Refer note no. 19.2)	240,300,606	6,007.51	-	-
At the end of the year	838,426,588	20,960.66	598,125,982	14,953.15

19.5 Details of Shareholders holding more than 5% shares:

Name of the Shareholder	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	% held	No. of Shares	% held
Equity Shares				
QVT Mauritius WEST FUND	167,960,312	20.03	-	-
Provestment Securities Private Limited	145,427,667	17.35	145,427,667	24.31
KCT Textiles Limited	90,545,111	10.80	90,545,111	15.14
Deutsche Bank AG london	67,338,040	8.03	-	-
ELM Park Fund Limited, Mauritius	53,819,225	6.42	53,819,225	9.00
Musk Holdings Limited, Mauritius	44,195,092	5.27	44,195,092	7.39



20 OTHER EQUITY

(Rs. in lakhs)

	Note No.	As at 31st March, 2019		As at 31st March, 2018	
Capital Redemption Reserve	20.1(a)				
As per last account			165.44		165.44
Share Premium Account	20.1(b)				
As per last account			8,683.95		8,684.76
Add: Premium on issue of Equity Share on conversion of Foreign Currency Convertible Bond (FCCBs)	19.2		360.45		-
(Less): Exchange fluctuation on premium on outstanding FCCBs	20.2	<u>(17.33)</u>	9,027.07	<u>(0.81)</u>	8,683.95
Capital Reserve	20.1(c)				
As per last account			4,861.52		4,861.52
Less: Transfer to retained earnings		<u>(4,861.52)</u>	-	<u>-</u>	4,861.52
Retained Earnings	20.1(d)				
Debit balance in Statement of Profit and Loss					
As per last account			(22,605.72)		(19,001.39)
Less: Transfer from capital reserve			4,861.52		-
(Add): Loss for the year			(6,423.67)		(3,604.33)
(Add): Share issue expenses			<u>(37.50)</u>		<u>-</u>
			(24,205.37)		(22,605.72)
Items of Other Comprehensive Income					
- Fair Value of Investments through OCI					
As per last account			9.42		9.42
Add: Profit for the year			<u>3.21</u>		<u>-</u>
- Re-measurements gain / (losses) on defined benefit plans					
As per last account			(102.44)		(306.26)
Add: Remeasurement gain during the year			<u>154.68</u>		<u>203.82</u>
TOTAL			<u>(14,947.99)</u>		<u>(8,987.83)</u>

20.1 Nature and purpose of reserves

- Capital Redemption Reserve: The Capital Redemption Reserve has been created, by appropriation of profit on Redemption of Cumulative Preference Shares.
- Share Premium Account: The amount received in excess of the face value of equity shares is recognized in Share Premium Account. This is net of amount appropriated against issue of Bonus Shares.
- Capital Reserve: The Reserve was created from Capital Profit arising on settlement of FCCBs by issue of Equity Shares. During the year the same has been transferred to retained earnings on settlement of all dues of FCCBs.
- Retained Earnings: Retained Earnings is net of the profits earned and losses suffered by the Company till date, less transfers to any Reserve, dividends or other distributions to shareholders.

20.2 Loss on exchange fluctuation of Rs 17.33 lakhs (Previous Year : Rs. 0.81 (lakhs) on US\$ 2.01 million payable towards redemption premium on matured 2.5% FCCBs of US\$ 8.32 million has been adjusted against share premium account as the said premium had already been provided for and adjusted against share premium account in earlier years / periods.

21 BORROWINGS

(Rs. in lakhs)

	Note No.	As at 31st March, 2019		As at 31st March, 2018	
		Non Current	Current	Non Current	Current
(a) Secured					
Term loans from:					
- Banks	21.1.1	-	0.59	3,651.27	2,923.62
- Other parties	21.1.2 & 21.4.a	9,526.02	398.71	27.60	33.69
TOTAL (a)		<u>9,526.02</u>	<u>399.30</u>	<u>3,678.87</u>	<u>2,957.31</u>



	Note No.	As at 31st March, 2019		As at 31st March, 2018	
		Non Current	Current	Non Current	Current
(b) Unsecured					
Foreign Currency Convertible Bonds (FCCBs)	21.2	-	-	-	6,785.32
Fixed Deposits from Public	21.3	-	-	-	365.84
Loan from related parties	21.4.b	24.34	8.91	480.00	14.87
TOTAL (b)		24.34	8.91	480.00	7,166.03
TOTAL (a+b)		9,550.35	408.21	4,158.87	10,123.34
Less: Amount disclosed under the head "Other current financial liabilities"	27	-	(408.21)	-	(10,123.34)
Net amount		9,550.35	-	4,158.87	-

21.1	Terms and Nature of Security:	
21.1.1	Term Loans from Banks (Car Loan):	
	Rs. 0.59 lakhs (Rs. 41.58 lakhs as at 31st March, 2018)	Secured against hypothecation of specific vehicles.
21.1.2	Term Loans from Other parties:	
a.	Rs. 9,899.65 lakhs and interest accrued & not due of Rs. 133.47 lakhs	<p>(a) Exclusive First charge ranking pari passu by way of equitable mortgage of all the immovable properties of the Filament Unit at Hoshiarpur, SriGanganagar and two blocks of housing colony at Phagwara measuring 3,854 including all plant and Machinery and other fixed assets situated at Filament Unit Hoshiarpur</p> <p>(b) Second Charge ranking pari passu by way of hypothecation of Current Assets of the Company pertaining to Textile Unit at Phagwara and Filament Unit at Hoshiarpur, both in the state of Punjab and of moveable & Immoveable fixed assets of the Phagwara unit except two blocks of housing colony measuring 3854 marlas.</p> <p>(c) Personal guarantee of Mr.Samir Thapar .</p> <p>(d) Additional Security of agriculture Land/ Farm House measuring 4 Acres of Mr. Samir Thapar</p>
	Term Loans from Others (Car Loan):	
b.	Rs. 25.06 lakhs (Rs. 61.29 lakhs as at 31st March, 2018)	Secured against hypothecation of specific vehicles etc.

21.2 Foreign Currency Convertible Bonds (FCCBs).

- (a) 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 & 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.
- (b) 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.



21.3 Fixed Deposits from Public:

The Company has repaid all its fixed deposits from public during the year on their maturity which were discontinued w.e.f. 29.09.2015. However, unclaimed deposits of Rs. 1.83 lakhs (previous year: Rs. 142.57 lakhs) has been shown under note 27 - "Other current financial liabilities" and shall be paid as and when claimed.

21.4 Maturity profile of the long term borrowings

(a)	Term Loans from Other parties		2020-21	2021-22	2022-23	2023-24	Total
	Kotak Mahindra Prime Limited.-Car loans	Fixed EMI	4.73	3.60	0.27	-	8.60
	Phoenix Trust FY 19.5 Scheme G	16%	1,141.68	1,588.91	2,630.59	2,191.24	7,552.42
	Phoenix ARC Pvt. Ltd.	16%	235.00	400.00	505.00	825.00	1,965.00
			1,381.41	1,992.51	3,135.86	3,016.24	9,526.02
(b)	Loans from related parties						
	i. From a Director of Rs. 18.27 lakhs:	Fixed EMI	10.04	8.23	-	-	18.27
	ii. From an Associate Company of Rs. 6.07 lakhs :	Terms of repayment have not been stipulated.					

22 OTHER NON-CURRENT FINANCIAL LIABILITIES

(Rs. in lakhs)

	Note No.	As at 31st March, 2019	As at 31st March, 2018
Security Deposits	22.1	2,281.62	2,307.05
Payables to suppliers	26.1	3,045.41	3,070.06
Unearned Interest Income		1.05	9.40
Unearned Rental Income		0.49	0.54
TOTAL		5,328.57	5,387.05

22.1 Security deposits include Rs. 1,948 lakhs (Rs. 1,948 lakhs as at 31st March, 2018) 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.

23 PROVISIONS

(Rs. in lakhs)

	Note No.	As at 31st March, 2019	As at 31st March, 2018
Provision for employee benefits towards gratuity and leave-encashment	39.11	3,885.67	4,059.61
Provision against termination of agreements for sale of Land		225.00	225.00
		4,110.67	4,284.61

24 OTHER NON-CURRENT LIABILITIES

(Rs. in lakhs)

	Note No.	As at 31st March, 2019	As at 31st March, 2018
Government grant:	24.1		
Balance as at 1st April		44.91	70.78
- Less: Amortised during the year	31	25.87	25.87
Balance as at 31st March		19.04	44.91
- Less: Current portion	29	19.04	25.87
		-	19.04
		-	19.04

24.1 Government grant had been received for the purchase of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to this grant as at the reporting date.



25 BORROWINGS		(Rs. in lakhs)	
	Note No.	As at 31st March, 2019	As at 31st March, 2018
(a) Secured			
- Working Capital Loans from Banks	25.1	8,878.19	8,971.97
(b) Unsecured			
- Book overdraft		228.63	420.17
- Inter-corporate deposit	25.2	515.00	365.00
TOTAL		<u>9,621.82</u>	<u>9,757.14</u>

25.1 Secured Working Capital Loans availed from consortium of scheduled banks are secured by:

25.1.1 Exclusive First Charge ranking pari passu by way of hypothecation of Current Assets of the Company pertaining to Textile Unit at Phagwara and Filament Unit at Hoshiarpur, and plant and machinery and other fixed assets of Phagwara along with Immoveable fixed assets of the Phagwara unit except two blocks of housing colony measuring 3854 marlas.

25.1.2 Second charge ranking pari passu by way of equitable mortgage of all the immovable properties of the Filament Unit at Hoshiarpur, SriGanganagar and two blocks of housing colony at Phagwara measuring 3854 marlas including all plant and Machinery and other fixed assets situated at Filament Unit Hoshiarpur.

25.1.3 Personal guarantees of Mr. Samir Thapar and Shri M M Thapar.

25.1.4 Pledge of 23,62,44,134 Equity Shares of Rs.2.50 each of JCT Limited held by promoter and promoter companies.

25.2 Interest bearing and terms of repayment have not been stipulated.

26 TRADE PAYABLES		(Rs. in lakhs)	
TRADE PAYABLES		As at 31st March, 2019	As at 31st March, 2018
Total outstanding dues of micro enterprises and small enterprises		309.92	189.52
Total outstanding dues of creditors other than micro enterprises and small enterprises		13,554.41	12,885.74
		<u>13,864.33</u>	<u>13,075.26</u>

26.1 The trade payables are unsecured and usually non-interest bearing and are repayable within 60-90 days of its recognition.

27 OTHER CURRENT FINANCIAL LIABILITIES		(Rs. in lakhs)	
	Note No.	As at 31st March, 2019	As at 31st March, 2018
Current maturities of Borrowings	21	408.21	10,123.34
Interest accrued but not due on Public fixed deposits		-	74.00
Interest accrued but not due on other borrowings		133.47	0.50
Interest accrued and due on secured borrowings		-	80.01
Payable to whole time directors		11.09	18.88
Security deposits		420.00	-
Unclaimed public fixed deposits and interest thereon	21.3	1.83	142.57
Unearned Interest Income		9.32	9.32
Unearned Rental Income		0.17	0.17
Accrued expenses		5,513.51	4,908.42
Other payables	27.2	1,048.76	282.51
TOTAL		<u>7,546.36</u>	<u>15,639.72</u>

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

27.2 Includes for machinery and civil works Rs.14.28 lakhs (Rs. 22.24 lakhs as at 31st March, 2018).



28 PROVISIONS				(Rs. in lakhs)
	Note No.	As at 31st March, 2019	As at 31st March, 2018	
Provision for employee benefits towards gratuity, leave-encashment and superannuation	39.11	882.43	780.98	
TOTAL		<u>882.43</u>	<u>780.98</u>	
29 OTHER CURRENT LIABILITIES				(Rs. in lakhs)
	Note No.	As at 31st March, 2019	As at 31st March, 2018	
Statutory liabilities		622.72	253.81	
Advance from Customers		667.66	719.82	
Government grant (current portion)	24.1	19.04	25.87	
TOTAL		<u>1,309.42</u>	<u>999.50</u>	
30 REVENUE FROM OPERATIONS				(Rs. in lakhs)
	Note No.	Year ended 31st March, 2019	Year ended 31st March, 2018	
Sale of Finished Goods (including excise duty)	30.1	76,912.71	74,858.82	
Other operating revenues:				
- Export incentives / duty draw back		269.97	288.76	
- Sale of process waste / scrap		2,849.82	1,126.78	
- Sale of certified renewable energy certificates		-	214.05	
TOTAL		<u>80,032.50</u>	<u>1,629.59</u> <u>76,488.41</u>	
30.1 Particulars of Sale of Finished Goods:				(Rs. in lakhs)
	Note No.	Year ended 31st March, 2019	Year ended 31st March, 2018	
Manufactured				
- Cloth		39,229.28	43,148.20	
- Cotton/ blended Yarns		5,072.85	-	
- Nylon filament Yarn		31,239.27	29,565.69	
- Polyester/nylon chips		57.02	548.95	
- Others		1,314.29	1,595.98	
TOTAL		<u>76,912.71</u>	<u>74,858.82</u>	
31 OTHER INCOME				(Rs. in lakhs)
	Note No.	Year ended 31st March, 2019	Year ended 31st March, 2018	
Interest Income from:				
- Bank deposits		55.46	57.06	
- Income tax refund		8.35	-	
- Customers and others		142.62	135.17	
Dividend from current investments		0.03	0.04	
Profit on sale of property, plant and equipment (net)	31.1	39.39	562.95	
Liabilities/provisions no longer required written back		83.02	51.56	
Profit on sale of raw materials / Stores (net)		0.97	0.62	
Amortisation of Government grant	24	25.87	25.87	
Exchange fluctuation gain (net)		113.39	49.87	
Rent		89.84	84.21	
Other Miscellaneous Income		130.23	77.86	
TOTAL		<u>689.17</u>	<u>1,045.21</u>	

31.1 Includes Rs. 3.24 lakhs (Previous Year: Rs. 550.20 lakhs) on sale of Surplus land.



32 COST OF MATERIALS CONSUMED		(Rs. in lakhs)		
	Note No.	Year ended 31st March, 2019	Year ended 31st March, 2018	
Raw material				
Opening Stock		1,082.35	1,546.03	
Add: Purchases		<u>39,388.86</u>	<u>37,233.75</u>	
		40,471.21	38,779.78	
(Less)/Add : Adjustments		(321.95)	300.59	
(Less) : Closing Stock	10.1	<u>(1,028.67)</u>	<u>39,120.59</u>	<u>(1,082.35)</u>
Other materials (dyes, chemicals, sizing and packing materials)				
Opening Stock		766.75	882.48	
Purchases		<u>8,213.63</u>	<u>7,345.71</u>	
		8,980.38	8,228.19	
Add: Adjustments		71.77	73.96	
(Less): Closing Stock		<u>(721.75)</u>	<u>8,330.40</u>	<u>(766.75)</u>
TOTAL		<u><u>47,450.99</u></u>	<u><u>45,533.42</u></u>	
33 OTHER MANUFACTURING EXPENSES		(Rs. in lakhs)		
	Note No.	Year ended 31st March, 2019	Year ended 31st March, 2018	
Stores & Spares Consumed		525.29	585.65	
Power & fuel		12,483.57	10,066.61	
Repairs to and maintenance of buildings		115.82	104.10	
Repairs to and maintenance of plant & machinery		1,138.93	1,177.91	
Processing charges		503.29	463.23	
Material handling charges		491.93	477.23	
TOTAL		<u><u>15,258.83</u></u>	<u><u>12,874.73</u></u>	
34 CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-PROCESS		(Rs. in lakhs)		
	Note No.	Year ended 31st March, 2019	Year ended 31st March, 2018	
Inventories at the end of the year				
Finished Goods		4,313.18	4,406.38	
Finished Goods-in transit		110.01	51.28	
Stock-in-process		<u>9,030.89</u>	<u>13,454.08</u>	<u>7,917.68</u>
Inventories at the beginning of the year				
Finished Goods		4,406.38	4,840.17	
Finished Goods-in transit		51.28	43.19	
Stock-in-process		<u>7,917.68</u>	<u>12,375.34</u>	<u>6,871.77</u>
TOTAL		<u><u>(1,078.74)</u></u>	<u><u>(620.21)</u></u>	
35 EMPLOYEE BENEFITS EXPENSE		(Rs. in lakhs)		
	Note No.	Year ended 31st March, 2019	Year ended 31st March, 2018	
Salaries, wages, bonus, gratuity, leave encashment, allowances etc.		10,037.24	10,517.59	
Contribution to Provident, superannuation and other funds		1,088.85	1,226.85	
Workmen & staff welfare expenses		195.95	233.81	
TOTAL		<u><u>11,322.04</u></u>	<u><u>11,978.25</u></u>	



36 FINANCE COSTS			(Rs. in lakhs)
	Note No.	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest Expense on:			
- Foreign Currency Convertible Bonds (FCCBs)	21.2.(b)	4,085.89	-
- Term Loans		1,250.77	1,076.51
- Public fixed deposits		11.07	67.53
- Borrowing from banks for working capital		1,010.66	983.06
- Advances/deposits from vendors etc.		1,125.06	971.84
Other borrowing costs		615.98	451.07
TOTAL		<u>8,099.44</u>	<u>3,550.01</u>
37 DEPRECIATION AND AMORTISATION EXPENSE			(Rs. in lakhs)
	Note No.	Year ended 31st March, 2019	Year ended 31st March, 2018
Depreciation for the year	4	2,217.06	3,037.90
Amortisation for the year	4	39.02	11.46
TOTAL		<u>2,256.08</u>	<u>3,049.36</u>
38 OTHER EXPENSES			(Rs. in lakhs)
	Note No.	Year ended 31st March, 2019	Year ended 31st March, 2018
Rent	39.4	253.10	277.68
Insurance		9.69	54.39
Rates & taxes		51.65	37.95
Directors' fee		20.50	23.00
Directors' remuneration		105.55	101.40
Legal and professional fees		438.76	581.16
Travelling and conveyance		266.16	198.61
Payment to Statutory Auditors			
- For Audit fee		16.00	16.00
- For Certification work		-	1.00
- For Reimbursement of expenses		<u>0.24</u>	<u>1.52</u>
Bad debts written off (net of impairment allowance)		7.69	0.09
Impairment loss for advances etc.		42.55	36.49
Property, plant and equipment written off		3.68	1.23
Selling & publicity expenses		197.00	210.14
Commission to dealers/ canvassing agents		377.48	395.40
Freight & cartage (net of recovery)		939.04	896.94
Goods & Service Tax / Sales tax / Octroi		-	286.32
Miscellaneous expenses		1,107.85	910.42
TOTAL		<u>3,836.94</u>	<u>4,029.74</u>

**39 OTHER NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019****39.1 Contingencies and commitments:**

(Rs. in lakhs)

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018
(I)	Contingencies		
(a)	Claims against the Company not acknowledged as debts	130.96	81.60
(b)	Guarantees given by the bankers on behalf of the Company	381.70	321.82
(c)	Unutilised letter of credit	54.65	26.14
(d)	Disputed liabilities not adjusted as expenses in the Accounts for various years being in appeals towards (Refer Note 39.1.a)		
	- Sales tax	1,879.71	1,738.53
	- Excise Duty	1,182.61	1,144.96
	- Stamp Duty	187.72	187.72
	- Custom Duty	186.05	186.05
	- Entry Tax	1,485.79	1,867.62
	- Others	279.85	424.44
	Total	5,201.73	5,549.32
(e)	Others – for which the Company is contingently liable	105.00	105.00
(II)	Commitments		
(a)	Estimated amount of contracts remaining to be executed on Capital Account and not provided for in the accounts (net of advances)	226.18	213.31
(b)	Export obligation against import of machinery under EPCG Scheme	662.52	432.16

39.1.a The Company is contesting these demands and the management including its advisors are of the view that these demands may not be sustainable at the appellate level. The management believes that the ultimate outcome of these proceedings will not have any material adverse effect on the Company's financial position and results of its operations. The Company does not expect any reimbursement in respect of these contingent liabilities, and it is not practicable to estimate the timing of cash outflows, if any, in respect of these matters, pending resolution of the arbitration/appellant proceedings.

39.2 The Company had executed a Corporate guarantee of Rs. 400 lakhs towards Equipment Credit Scheme on 01.09.1993 and another towards foreign currency loan of DM 166,566,406 equivalent to Rs.3,580 lakhs as on 27.03.1998 for the term loan availed by JCT Electronics Ltd. (an erstwhile Associate Company) from IFCI Ltd. Subsequently, IFCI Ltd. assigned their debt to Asset Reconstruction Company (India) Limited (ARCIL) who had issued notice to the Company on 07.11.2015 for winding up under the then existing sections of the Companies Act, 1956. The Company has disputed the notice with ARCIL, thereafter no response has been received from ARCIL. Further, the Company has been legally advised that the demand raised by them is not sustainable.

39.3 The Company has not recorded cumulative deferred tax assets on account of timing differences as stipulated in Indian Accounting Standard 12 on "Income Taxes" issued by the Institute of Chartered Accountants of India in view of uncertainty of future taxable income.

39.4 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 year amounts to Rs. 250.05 lakhs (Previous year : Rs. 219.52 lakhs) and have been included in the Rent under Note 38 – Other Expenses. There is no future lease payments due in respect of the non-cancellable operating leases.

39.5 Disclosure of Derivative Instruments :

- There are no outstanding forward exchange contracts used for hedge against currency exposures as at 31st March, 2019.
- Foreign currency exposures that have not been specifically hedged by a derivative instrument or otherwise as at 31st March, 2019 are given below:



Particulars	Currency Symbol	As at 31.03.2019		As at 31.03.2018	
		Foreign Currency in millions	(Rs. in lakhs)	Foreign Currency in millions	(Rs. in lakhs)
Trade Receivables	US\$	0.841	583.38	1.17	749.51
	EURO	-	-	0.04	29.60
Loans and Advances	US\$	0.167	116.98	0.08	47.37
	EURO	0.012	9.43	0.02	15.59
	YEN	0.003	1.78	0.01	4.07
	GBP	-	0.39	-	-
	CHF	0.011	7.82	-	-
Foreign Currency Convertible Bonds	US \$	--	--	(10.33)	(6,785.32)
Trade and other Payables	US \$	(0.23)	(146.79)	(0.16)	(102.57)
	EURO	-	-	(0.01)	(9.64)
	GBP	-	-	-	-
Net Liability (in INR)			572.99		(6,051.39)

39.6 Going Concern:

Accumulated losses have resulted in erosion of substantial net worth of the Company. However, the financial statements have been prepared on a going concern basis on the strength of continued support 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.

39.7 The letters have been sent to most of the parties for confirmation of the balances under trade receivables, advances, trade payables and other parties. However, due to non receipt of the response from few of the parties, the balances from them are subject to confirmations / reconciliation. However, based on subsequent realization of the dues, the balances stands confirmed at the year end in most of the cases.

39.8 The Official Liquidator (OL) of CNLT Malaysia, (Company under liquidation) has filed a recovery case in the High Court of Malaysia at Kuala Lumpur for US\$ 1,250,000 towards alleged fraudulent payment by CNLT to the Company in 2006-07 which is being contested by the Company in the Hon'ble High Court of Malaysia. The next date of hearing is fixed for 20th and 21st June, 2019. In view of the legal experts, no liability is likely to arise.

39.9 Related Party Disclosures (IND AS-24) :

A List of Related Parties and relationships

(a) Key Management Personnel:

Mr. Samir Thapar : Chairman & Managing Director
 Ms. Priya Thapar : Director – Strategic Business & Development

(b) Associates:

Provestment Securities Pvt. Ltd.
 KCT Textiles Ltd.

(c) Relatives of Key management Personnel:

Mr. M. M. Thapar : Father of Mr. Samir Thapar & Ms. Priya Thapar

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

B. Transactions with related parties:

(Rs. in Lakhs)

	Transactions	Key Management Personnel	Associates	Relative of Key Management Personnel
(i)	Transactions during the year / (previous year) :			
a.	Unsecured Loan from Mr. Samir Thapar	14.88 /(37.00)	--/(--)	--/(--)
b.	Repayment of Unsecured Loan to Provestment Securities Pvt. Ltd.	-- (--)	94.86 (--)	-- (--)



	Transactions	Key Management Personnel	Associates	Relative of Key Management Personnel
c.	Managerial Remuneration paid			
	- Mr. Samir Thapar			
	- Short-term employee benefits	96.00/ (96.00)	-- (--)	-- (--)
	- post-employment benefits	10.61/ (10.36)	-- (--)	-- (--)
	- Ms. Priya Thapar			
	- Short-term employee benefits	24.00/ (24.00)	-- (--)	-- (--)
	- post-employment benefits	3.41/ (3.16)	-- (--)	-- (--)
d.	Interest paid on loan			
	- Mr.Samir Thapar	3.92/ (2.93)	--/ (--)	--/ (--)
e.	Professional Fees paid			
	- Mr. M. M. Thapar	--/ (--)	--/ (--)	28.32 /(28.14)
		Key Management Personnel	Associates	Relative of Key Management Personnel
(ii)	Payables as at 31st March, 2019 / (31st March, 2018) :			
a.	Provestment Securities Pvt. Ltd.	--/(--)	483.16/(447.39)	--/(--)
b.	KCT Textiles Ltd.	--/(--)	6.07/(5.42)	--/(--)
c.	Mr. M. M. Thapar	--/(--)	--/(--)	32.75/(24.20)
d.	Unsecured Loan from Mr. Samir Thapar	27.18/(42.06)	--/(--)	--/(--)
e.	Payables:			
	- Mr. Samir Thapar	8.00/(18.25)	--/(--)	--/(--)
	- Ms. Priya Thapar	3.09/(0.63)	--/(--)	--/(--)

39.10 Segment Reporting:

(a) Identification of segments

i) Primary Segment

Business segment: The Company's operating business is 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 Segment transfers of goods, as marketable products produced by separate Segments 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 of the respective Segment.

(c) Unallocable Items:

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



Segment information:

(Rs. in lakhs)

Particulars	Textiles		Filament		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year
External Sales/ Income	46,618.40	45,723.23	33,414.10	30,765.18	80,032.50	76,488.41
Segment Revenue	46,932.68	46,003.72	33,656.32	30,856.01	80,589.00	76,859.73
Segment Results	934.70	(479.69)	847.24	(36.99)	1,781.94	(516.68)
Segment Assets	38,820.49	39,655.19	17,364.02	18,118.37	56,184.51	57,773.56
Segment Liabilities	33078.51	21,621.91	14,832.64	10,612.61	47911.15	32,234.52

Reconciliation of reportable segment with the financial statements:

(Rs in lakhs)

Particulars	Revenues		Net Profit/ (Loss)		Assets		Liabilities	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
Total of reportable segments	80,589.00	76,859.73	1,781.94	(516.68)	56,184.51	57,773.56	47,911.15	32,234.52
Add:Corporate Unallocated	132.67	673.89	(106.42)	478.36	2,014.84	2,192.68	4,302.80	21,867.65
Finance costs	-	--	8,099.44	(3,550.01)	--	--	--	--
Profit/(Loss) before taxes	-	--	(6,423.92)	(3,588.53)	--	--	--	--
Taxes	-	--	0.24	(16.00)	27.27	101.25	--	--
As per financial statements	-	77,533.62	(6,423.68)	(3,604.33)	58,226.62	60,067.49	52,213.95	54,102.17

(d) Secondary segment reporting (By geographical segments)

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

(Rs. in lakhs)

Particulars	Current year	Previous year
Sales to domestic market	72,716.71	69,314.55
Sales to overseas market	7,315.79	7,173.86
Total	80,032.50	76,488.41

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

39.11 Employee Benefits

(a) **Defined Benefit plans:**

Gratuity : Payable on separation as per the Payment of Gratuity Act, 1972 as amended, @ 15 days pay, for each completed year of service to eligible employees who render continuous service of 5 years or more, subject to maximum limit of Rs. 20 lakhs.

(b) **Other Long Term Benefit:**

Leave Encashment : Employees of the Company are entitled to accumulate their earned / privilege leave, which is payable / encashable as per the Company's policy, while on service or on their separation.

(c) **Defined Contribution plan:**

Company's employees are covered by Provident Fund, Pension Fund, Employees State Insurance Scheme/Fund and Employees' Superannuation Scheme, to which the Company makes a defined contribution measured as a fixed percentage of salary. During the year, amount of Rs. 623.30 lakhs (Previous Year: Rs. 654.74 lakhs) has been charged to the Statement of Profit and Loss towards employer's contribution to these schemes/funds as under:



The Company's approved provident fund scheme, employees' state insurance fund scheme, employees' pension scheme and employees' superannuation scheme are defined contribution plans. The Company has no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.

	Year ended 31st March, 2019 (Rs. In lakhs)	Year ended 31 st March, 2018 (Rs. In lakhs)
Employer's contribution towards Provident Fund	294.13	306.53
Employer's contribution towards Employees State Insurance	231.29	247.84
Employer's contribution towards Superannuation Fund	97.88	100.37
Total	623.30	654.74

(d) Other disclosures of Defined Benefit plan is as under:-

i) Reconciliation of the opening and closing balances of Defined Benefit Obligation: (Rs. in Lakhs)

Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Present Value of Defined Benefit Obligation at the beginning of year	2,867.19	2,951.19	1,186.89	1,158.37
Interest cost	218.91	212.37	90.34	87.64
Current Service Cost	182.85	182.95	61.39	73.33
Past Service Cost	--	209.47	--	128.09
Benefits Paid	(356.13)	(591.07)	(118.35)	(154.43)
Actuarial (Gain) / Loss arising from Change in Financial Assumptions	23.10	(100.45)	7.49	(53.22)
Actuarial (Gain) / Loss arising from Changes in Experience Adjustments	(80.12)	2.73	(105.17)	(52.88)
Actuarial (Gain) / Loss Acquisition/Business Combination/Divestiture	67.79	--	(67.79)	--
Present value of the Defined Benefit Obligation at the end of year	2,923.59	2,867.19	1,054.80	1,186.90

ii) Net Defined Benefit recognized in the Statement of Profit and Loss. (Rs. in Lakhs)

Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Service Cost	182.85	182.95	61.39	73.33
Past Service Cost	--	209.47	--	128.09
Interest cost (net)	218.91	212.37	90.34	87.64
Net Defined Benefit Cost recognized in Statement of Profit and Loss	401.76	604.79	151.73	289.06



iii) **Recognized in Other Comprehensive Income.** (Rs. in Lakhs)

Particulars	Gratuity	
	Year ended 31st March, 2019	Year ended 31st March, 2018
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	30.59	(153.67)
Actuarial (Gain)/Loss on arising from Changes in Demographic Assumptions	(20.43)	(29.89)
Actuarial (Gain)/Loss on arising from effect of Experience Adjustments	(164.86)	(20.26)
Return on plan assets (excluding interest)	0.02	-
Total remeasurements recognized in OCI	(154.68)	(203.82)

iv) **Change in fair value of plan assets**

Particulars	Gratuity	
	Year ended 31st March, 2019	Year ended 31st March, 2018
At the beginning of the year	2.70	2.50
Interest Income on Plan Assets	0.19	0.20
Benefits paid	--	--
At the end of the period	2.89	2.70

v) **Sensitivity Analysis***

a) **Impact of the change in the discount rate** (Rs. in Lakhs)

Particulars	Gratuity	
	Year ended 31st March, 2019	Year ended 31st March, 2018
Present value of the Defined Benefit Obligation at the end of year	3,978.39	4,054.09
a) Impact due to increase of 100 basis points	(197.84)	(357.51)
b) Impact due to decrease of 100 basis points	212.30	374.40

b) **Impact of the change in the salary increase** (Rs. in Lakhs)

Particulars	Gratuity	
	Year ended 31st March, 2019	Year ended 31st March, 2018
Present value of the Defined Benefit Obligation at the end of year	3,978.39	4,054.09
a) Impact due to increase of 100 basis points	195.75	318.77
b) Impact due to decrease of 100 basis points	(183.69)	(293.58)

* Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

* Sensitivities as to rate of inflation, rate of increase of pension in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.



vi. Maturity Profile. (Rs. in Lakhs)

Year	Gratuity	
	Year ended 31st March, 2019	Year ended 31st March, 2018
0 to 1 year	495.41	471.36
1 to 2 Year	594.27	602.05
2 to 3 Year	504.39	595.24
3 to 4 Year	524.45	485.67
4 to 5 Year	483.70	488.03
5 year onward	1897.19	1927.62

vii. Expected contribution for the next Annual reporting period Rs. in Lakhs)

Particulars	Gratuity	
	Year ended 31st March, 2019	Year ended 31st March, 2018
Service Cost	222.63	244.23
Net Interest Cost	295.81	309.04
Expected Expense for the next annual reporting period	518.44	553.27

viii. Actuarial Assumption

Principal assumptions used for actuarial valuation are:

Particulars	Gratuity & Leave Encashment	
	Year ended 31st March, 2019	Year ended 31st March, 2018
Method used	Projected unit credit method	
Discount rate (per annum)	7.69	7.84
Salary Escalation (per annum)	6.00	6.00
Mortality Rate	IALM (2012-14)Ult	IALM (2006-08)Ult
Withdrawal rate up to 30/44 and above 44 years – Phagwara (per annum)	11%/6%/8%	10%/5%/9%
Withdrawal rate up to 30/44 and above 44 years – Hoshiarpur (per annum)	5%/4%/5%	6%/5.3%/8.3%
Withdrawal rate up to 30/44 and above 44 years – Delhi – Corporate Office (per annum)	2%/2%/4%	2%/2%/7%
Expected Rate of return on plan assets (per annum)	7.69%	7.84%
Retirement age (in years)	58	58



39.12 Fair Value Measurements

The carrying amounts and fair values of the financial instruments by class are as follows:

(in Rs. Lakhs)

Particulars	Carrying amount/Fair value	
	As at 31 st March, 2019	As at 31 st March, 2018
Financial assets		
Carrying amounts/fair value:		
a) Measured at fair value through profit and loss	--	--
b) Measured at fair value through other comprehensive income		
Non-current assets		
- Investments	158.84	155.63
c) Measured at amortised cost		
Non-current assets		
- Loans	347.73	397.76
- Other non-current financial assets	88.57	44.79
Current assets		
- Investments	10.64	10.64
- Trade receivables	4,499.56	5,312.16
- Cash and cash equivalents	119.94	261.05
- Bank balances other than cash and cash equivalents	748.11	726.20
- Loans	54.49	17.10
- Other current financial assets	561.84	866.63
Total	6,589.72	7,791.96
Financial liabilities		
Carrying amounts/fair value:		
a) Measured at fair value through profit and loss	--	--
b) Measured at fair value through other comprehensive income		
c) Measured at amortised cost	--	--
Non-current liabilities		
- Borrowings	9,550.35	4,158.87
- Other non-current financial liabilities	5,328.57	5,387.05
Current liabilities		
- Borrowings	9,621.82	9,757.14
- Trade payables	13,864.33	13,075.26
- Other current financial liabilities	7,546.36	15,639.72
Total	45,911.43	48,018.04

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. The Company has disclosed financial instruments such as trade receivables, current investments, cash and cash equivalents, other bank balances, trade payables, other financial assets and liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to the account for the expected losses of these receivables.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data



Disclosures of fair value measurement hierarchy for financial instruments are given below:

Particulars	Carrying amount/Fair value					
	As at 31 st March, 2019			As at 31 st March, 2018		
	L-1	L-2	L-3	L-1	L-2	L-3
Financial assets						
Carrying amounts/fair value:						
a) Measured at fair value through profit and loss	--	--		--	--	--
b) Measured at fair value through other comprehensive income						
Non-current assets						
- Investments	--	--	158.84	--	--	155.63
c) Measured at amortised cost						
Non-current assets	--	--	347.73	--	--	397.76
- Loans						
- Other non-current financial assets	--	--	88.57	--	--	44.79
Current assets						
- Investments	--	--	10.64	--	--	10.64
- Trade receivables	--	--	4,499.56	--	--	5,312.16
- Cash and cash equivalents	--	--	119.94	--	--	261.05
- Bank balances other than cash and cash equivalents	--	--	748.11	--	--	726.20
- Loans	--	--	54.49	--	--	17.10
- Other current financial assets	--	--	561.84	--	--	866.63
Total	--	--	6,589.72	--	--	7,791.96
Financial liabilities						
Carrying amounts/fair value:						
a) Measured at fair value through profit and loss	--	--	--	--	--	--
b) Measured at fair value through other comprehensive income	--	--	--	--	--	--
c) Measured at amortised cost						
Non-current liabilities	--	--				
- Borrowings				--	--	4,158.87
- Other non-current financial liabilities	--	--	9,550.35	--	--	5,387.05
C Current liabilities			5,328.57			
- Borrowings	--	--	9,621.82	--	--	9,757.14
- Trade payables	--	--	13,864.33	--	--	13,075.26
- Other current financial liabilities	--	--	7,546.36	--	--	15,639.72
Total	--	--	45,911.43	--	--	48,018.04

39.13 Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long term and short term bank borrowings and issue of securities.

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances (including non-current earmarked balances) and current investments.



The table below summarises the capital, net debt and net debt to equity ratio of the Company:

Particulars	As at 31.03.2019	As at 31.03.2018
Equity share capital	20,960.66	14,953.15
Preference share capital	--	--
Other Equity	(14,947.99)	(8,987.83)
Total Equity (A)	6,012.67	5,965.32
Non-current borrowings	9,550.35	4,158.87
Short term borrowings	9,621.82	9,757.14
Current maturities of long term borrowings	408.21	10,123.34
Gross Debt	19,580.38	24,039.35
Less: Cash & Cash Equivalents	119.94	261.05
Less: Bank balances other than cash and cash equivalents)	748.11	726.20
Less: Current investments	10.64	10.64
Net Debt (B)	18,701.69	23,041.46
Total Capital and Net Debt	24,714.36	29,006.78
Gearing Ratio (Net Debt/ Total Capital & Net Debt)	75.67%	79.43%

39.14 Financial risk management objectives and policies

The Company's principal financial liabilities, comprise of borrowings, security deposits and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents and other bank balances that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

The management reviews and agrees policies for managing each of these risks which are summarized as below:

(a) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include borrowings, security deposits and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at March 31, 2019. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2019.

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency) and outstanding FCCBs.

Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EURO and others currency exchange rates, with all other variables held constant. The impact on the Company profit before tax is due to changes in the fair value of monetary assets and liabilities. Foreign currency exposures recognized by the Company that have not been hedged by a derivative instrument or otherwise are as under:



Particulars	Currency Symbol	As at 31.03.2019		As at 31.03.2018	
		Foreign Currency in millions	(Rs. in lakhs)	Foreign Currency in millions	(Rs. in lakhs)
Trade Receivables	US\$	0.841	583.38	1.17	749.51
	EURO	-	-	0.04	29.60
Loans and Advances	US\$	0.167	116.98	0.08	47.37
	EURO	0.012	9.43	0.02	15.59
	YEN	0.003	1.78	0.01	4.07
	GBP	-	0.39	-	-
	CHF	0.011	7.82	-	-
Foreign Currency Convertible Bonds	US \$	--	--	(10.33)	(6,785.32)
Trade and other Payables	US \$	(0.23)	(146.79)	(0.16)	(102.57)
	EURO	-	-	(0.01)	(9.64)
	GBP	-	-	-	-
Net Liability (in INR)			572.99		(6,051.39)

Note: Figures in bracket represents payables

(i) Interest Rate Risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company's financial liabilities comprises of interest bearing vehicle loans, loan and advance from related party and security deposits; however these are not exposed to risk of fluctuation in market interest rate as the rates are fixed at the time of contract/agreement and do not change for any market fluctuation.

(ii) Commodity Price Risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of yarn, fabric and garments therefore require a continuous supply of raw materials i.e. Caprolactum, Cotton and Dyes & Chemicals being the major input used in the manufacturing. Due to the significantly increased volatility of the price of the Caprolactum, Cotton and Dyes & Chemicals, the Company has entered into various purchase contracts for these material for which there is an active market. The Company's management has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Company partly mitigated the risk of price volatility by entering into the contract for the purchase of some of these materials and further the Company increases prices of its products as and when appropriate to minimize the impact of increase in raw material prices.

(b) Credit Risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

i) Trade Receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating review and individual credit limits are defined in accordance with this assessment. The Company regularly monitors its outstanding customer receivables.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

ii) Financial instruments and cash & bank deposits

Credit risk from balances with banks and financial institutions is managed by the Company's management in accordance with the Company's policy.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2019 is the carrying amounts which are given below. Trade Receivables and other financial assets are written off when there is no chance of recovery, such as debtor failing to engage in the repayment plan with the Company.



Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Non-current assets		
- Investments	158.84	155.63
Non-current assets		
- Loans	347.73	397.76
- Other non-current financial assets	88.57	44.79
Current assets		
- Investments	10.64	10.64
- Trade receivables	4499.56	5,312.16
- Cash and cash equivalents	119.94	261.05
- Bank balances other than cash and cash equivalents	748.11	726.20
- Loans	54.49	17.10
- Other current financial assets	561.84	866.63
Total	6,589.72	7,791.96

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

The ageing analysis and loss allowance of trade receivables given below has been considered from the date the invoice falls due:

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Due from 0 to 180 days	4,083.89	4,624.33
Due from more than 180 days	628.19	896.77
Less: Loss Allowance	(212.52)	(208.94)
Total	4,499.56	5,312.16

(c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits, short term investments and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date:

Particulars	Carrying Value	Less than 1 year	1 to 5 years
As at 31st March, 2019			
Borrowings	19,580.38	10,030.03	9,550.35
Trade payables	13,864.33	13,864.33	--
Other non-current financial liabilities	5,328.57	--	5,328.57
Other current financial liabilities	7,546.36	7,546.36	--
Total	46,319.64	31,440.72	14,878.62

Particulars	Carrying Value	Less than 1 year	1 to 5 years
As at 31st March, 2018			
Borrowings	24,039.35	19,880.48	4,158.87
Trade payables	13,075.26	13,075.26	--
Other non-current financial liabilities	5,387.05	--	5,387.05
Other current financial liabilities	5,516.38	5,516.38	--
Total	48,018.04	38,472.12	9,545.92

**39.15 Disclosure required under Section 186 (4) of the Companies Act, 2013.**Particulars of transaction made during the year and outstanding balance as at the end of the year: **(Rs. In Lakhs)**

Sr. No.	Name of the Investee	Nature of Transaction	2018-19		2017-18	
			During the year	Outstanding Balance	During the Year	Outstanding Balance
1.	KCT Textiles Ltd.	Investment	--	10.64	--	10.64

39.16 Earning per share:

Particulars	Current Year	Previous Year
Net Loss as per Statement of Profit and Loss (Rs. in lakhs)	6,423.67	3,604.33
Weighted average number of equity shares	61,39,26,570	59,81,25,982
Add: Adjustment for pending issuance of 3,64,72,067 equity shares of Rs. 2.50/- each	3,64,72,067	-
Weighted average number of equity shares post dilution	65,03,98,637	59,81,25,982
Nominal value of Equity Share (Rs.)	2.50	2.50
Basic Earning per share (Rs.)	(1.05)	(0.60)
Diluted Earning per share (Rs.)	(0.99)	(0.60)

39.17 Disclosure required under Section 22 of Micro, Small and Medium Enterprise Development Act, 2006:**(Rs. in Lakhs)**

	As at March 31, 2019	As at March 31, 2018
i. Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act.		
- Principal	309.92	189.52
- Interest	-	-
ii. Amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-
iv. The amount of interest accrued and remaining unpaid	-	-
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act, 2006	-	-
Total	309.92	189.52

The above information regarding dues to Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information collected with the Company. Further, the Company has not accounted for the interest on the payment made beyond the appointed day, as the Company intends to account for the same as and when the same is paid, considering the immateriality of these amounts and in the absence of the reliable estimate of the same.

39.18 Figures of the previous year/s have been rearranged and regrouped, wherever necessary, to conform to current year classification.

Signatures to 'Notes 1 to 39'

V K Singhal
Chief Financial Officer

Sandeep Sachdeva
Company Secretary
(Membership No.54261)

For and on behalf of the Board of Directors
Samir Thapar
Chairman & Managing Director
(DIN 00062287)

As per our report of even date attached

Navdeep Singh & Co.
Chartered Accountants
Firm Registration No. 008400N

Navdeep Singh Choudhary Directors
Partner

Membership No.034979

C M Bhanot	(DIN 06462056)
R S Samria	(DIN 00375315)
A K Doshi	(DIN 02298644)
Priya Thapar	(DIN 06742680)

Place : New Delhi
Dated : 30th May, 2019

Hoshiarpur Railway Station to JCT Limited

