

S.P. CHOPRA & CO.
Chartered Accountants

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**LIMITED REVIEW REPORT ON UNAUDITED FINANCIAL RESULTS TO THE BOARD OF
DIRECTORS OF JCT LIMITED FOR THE QUARTER ENDED
31st DECEMBER, 2015**

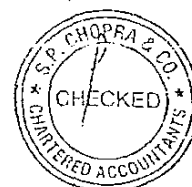
1. Introduction

We have reviewed the accompanying statement of unaudited financial results (hereinafter referred to as 'Unaudited Results') of M/s. JCT Ltd. Village Chohal, Hoshiarpur - 146 024 (Punjab) for the quarter ended 31st December, 2015. These Unaudited Results are the responsibility of the Company's Management and has been approved by the Board of Directors in their meeting held on 13th February, 2016. Our responsibility is to issue a report on these financial statements based on our review.

The Unaudited Results incorporate the results of Textile Units at Phagwara and Sriganganagar, Filament Unit at Hoshiarpur and Head Office at 305, Ratan Jyoti Building, Rajendra Place, New Delhi reviewed by us.

2. Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2400, *Engagements to Review Financial Statements* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



3. Basis for Qualified Conclusion

The Company on completion of the compliance of the consent terms agreed to pay off the Foreign Currency Convertible Bondholders ("FCCB") their dues of US\$ 19.19 million towards principal and redemption premium of US\$ 15.00 million and defaulted interest US\$ 4.19 million in 10 installments starting from October 05, 2015 and final on December 05, 2017. The defaulted interest of Rs. 2,095 lakhs pertaining to the period from 8th April, 2011 to 5th June, 2015, defaulted interest of Rs. 524 lakhs and interest accrued of Rs.213 lakhs on unpaid installment as at 31.12.2015 though crystallized and accrued has not been accounted for on accrual basis by the company for the reasons as detailed in Note A.3 of Annexure-'X' by the management. This treatment is not in compliance with the Accounting Standards and the provisions of the Companies Act, 2013. Had the interest been accounted for on accrual basis as stated above, the losses would be Rs. 2,934 lakhs for the quarter (as against reported loss of Rs.102 lakhs), deficit (net of reserves) would be Rs. 12,192 lakhs (as against the reported deficit of Rs. 9,360 lakhs) and Other Current Liabilities would be Rs. 17,982 lakhs (as against reported Other Current Liabilities of Rs. 15,150 lakhs).

4. Qualified Conclusion

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement

5. Emphasis of Matters

We draw attention to the following matters as contained in Annexure-'X' to the Unaudited Results.

- Note No. A.5, regarding non-confirmation / reconciliation of balances in the accounts of few parties.
- Note No. A.6, which describes the reasons for preparing the financial statements on a going concern basis although the accumulated losses have resulted in erosion of substantial net worth of the Company and its current liabilities exceed its current assets at the year-end.
- Note No. A.7, which describes the uncertainty related to the outcome of the notice of motion filed by ex-employees of CNLT (under liquidation) for leave of appeal to the Federal Court at Malaya of a claim US\$ 1.25 million (equal to 833.75 lakhs) by ex-



employees of CNLT, Malaysia on account of advances and compensation paid to the Company by CNLT, Malaysia.

Our Conclusion is not qualified in respect of these matters

Place: New Delhi
Date : 13th February 2016



For S.P.CHOPRA & CO.
Chartered Accountants
Firm Regn. No. 000346N

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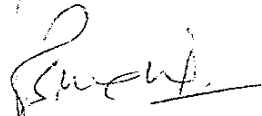
SANJIV GUPTA
Partner
M.No. 083364

JCT LIMITED

REGD.OFFICE : VILLAGE CHOHAL, DIST. HOSHIARPUR, (PUNJAB) 146 024

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31ST DECEMBER 2015

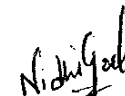
		Quarter ended 31st December, 2015 Rs in lakhs (Unaudited)
1	Income from Operations	
	(a) Net Sales/ income from operations (net of excise duty)	20,563
	(b) Other operating income	351
	Total Income from Operations (net)	20,914
2	Expenses	
	(a) Cost of materials consumed	11,463
	(b) Changes in inventories of finished goods,work-in-progress and stock-in-trade	(1,040)
	(c) Power and Fuel	2,683
	(d) Employee benefits expense	3,680
	(e) Depreciation and amortisation	761
	(f) Other expenses	2,514
	Total expenses	20,061
3	Profit/ (Loss) from operations before other income, finance costs and exceptional items (1-2)	853
4	Other Income	152
5	Profit/ (Loss) from ordinary activities before finance costs and exceptional items (3+4)	1,005
6	Finance costs	1,101
7	Profit/ (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(96)
8	Exceptional items-Discontinued Operations	(6)
9	Profit/ (Loss) from ordinary activities before tax (7-8)	(102)
10	Tax expense	-
11	Net Profit/ (Loss) from ordinary activities after tax (9-10)	(102)
12	Extraordinary items	-
13	Net Profit/ (Loss) for the period (11-12)	(102)
14	Paid-up equity share capital (Rs.2.50 each)	14,620
15	Reserve excluding Revaluation Reserve as per Balance Sheet as at 31.03.2015	(10,073)
16 (i)	Earnings/ (Loss) per share (EPS) (before exceptional items) (Face Value of Rs. 2.50 each) (Not Annualised)	
	(a) Basic	(0.02)
	(b) Diluted	(0.02)
16 (ii)	Earnings/ (Loss) per share (EPS) (after exceptional items) (Face Value of Rs. 2.50 each) (Not Annualised)	
	(a) Basic	(0.02)
	(b) Diluted	(0.02)


(V K Singhal)

Controller of Finance & Accounts

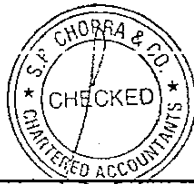

(M P S Narang)


Chief Financial Officer


(Nidhi Goel)

Company Secretary

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




Sanjiv Gupta
Partner
Membership no.83364

Place: N. Delhi

Date: 13th February, 2016


JCT LIMITED

REGD.OFFICE : VILLAGE CHOHAL, DIST. HOSHIARPUR, (PUNJAB) 146 024

**Segment Reporting under Clause 41 of the Listing Agreement with
Stock Exchanges for the Quarter ended 31st December,2015**

**Quarter ended
31st December,
2015
Rs in lakhs
(Unaudited)**


1	Segment Revenue (Net Sales/Income from each segment)	
(a)	Textiles	11,489
(b)	Nylon Filament Yarn	9,074
(c)	Unallocated (if any)	-
	Total	20,563
	Less: Inter Segment Revenue	-
	Net Sales/Income From Operations	20,563
2	Segment Results-Profit/(Loss) before Tax and Interest from each segment)	
(a)	Textiles	261
(b)	Nylon Filament Yarn	868
(c)	Unallocated (if any)	-
	Total	1,129
	Less: (i) Finance Costs	1,101
	(ii) Other Unallocable (Income)/Expenditure (net)	124
	Profit / (Loss) after Interest but before Exceptional Items	(96)
	Exceptional Items -Discontinued Operations	(6)
	Profit/ (Loss) after Exceptional Items	(102)
3	Capital Employed (Segment Assets - Segment Liabilities)	
(a)	Textiles	28,390
(b)	Nylon Filament Yarn	4,953
(c)	Unallocated	(27,084)
	Total	6,259


(V K Singhal)

Controller of Finance & Accounts

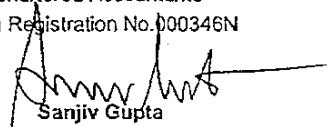

(M P S Narang)

Chief Financial Officer

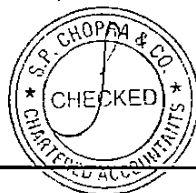

(Nidhi Goel)

Company Secretary

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


Sanjiv Gupta
Partner

Membership no. 83364



Place: N. Delhi

Date: 13th February,2016

JCT LIMITEDNOTES TO THE UNAUDITED FINANCIAL RESULTS FOR THE
QUARTER ENDED 31ST DECEMBER, 2015

- A.1 In earlier years, operations of Textile Unit at Sriganaganagar were discontinued. The Company has recognised Rs.6 lakhs as loss from discontinued operations during the quarter.
- 2 The company had executed Corporate Guarantee for Rs.400 lacs towards Equipment Credit Scheme on 01.09.1993 and one for foreign currency loan of DM 166,566,406 equivalent to Rs.3580 lacs as on 27.03.1998 availed by JCT Electronics Ltd.(a erstwhile group company) from IFCI Ltd. IFCI has assigned their debt to ARCIL who have issued notice to the Company on 07.11.15 u/s 433 (e) & 434 of the Companies Act,1956.The Company has disputed the same with ARCIL and the management is of the view that there shall be no liability falling on the company.
- 3 (i) The winding up petition filed by the Trustee, The Bank of Newyork, Mellon, of Foreign Currency Convertible Bonds holders (FCCBs) in the High Court of Punjab and Haryana was disposed off on 27th January, 2015 against which the appeal was filed by the Trustee and Company with the Senior Bench of the High Court wherein the consent term finalized by the Company with the Trustee and bondholders was allowed by the High court on 5th June, 2015, pursuant to which the appeal stood adjourned sine die.
(ii) The Company has complied with all the conditions of the consent terms and accordingly it became effective. The Company as per consent terms is to pay to FCCBs holder US\$ 19.19 million towards principal and redemption premium of US\$ 15.00 million and defaulted interest of US\$ 4.19 million in 10 instalments commencing from 5th October, 2015 to 5th December, 2017 alongwith the interest @ 6% p.a. on the reducing balance. The company paid the first instalment on due date i.e. 5th October, 2015 and in respect of second instalment due on 5th December, 2015 has since paid of US\$ 2 million against due instalment of US\$ 3.78 million the balance instalment of US\$ 1.78 million is being arranged by the Company.
(iii) The aforesaid amount of defaulted interest of US\$ 4.19 million (equivalent to Rs. 2795 lakhs) computed at the rate of 6% p.a. from the maturity date of the bonds i.e. 8th April, 2011 to 5th June, 2015, in the view of management, is prudent to charge to Statement of Profit & Loss over the period of payment plan contained in the consent terms. Accordingly, the company has not provided the balance defaulted interest of Rs. 2095 lakhs in the accounts as of 31st December,2015. Further in respect of the unpaid instalment of US\$ 1.78 million due on 5th December, 2015, the defaulted interest of US\$ 0.79 million (equivalent Rs.524 lakhs) and interest accrued on reducing unpaid balance @ 6% p.a. of US\$ 0.31 million (equivalent Rs.213 lakhs) shall be charged to statement of Profit & Loss on payment of instalment.
- 4 The company identified land at Sriganaganagar,Village Papravat,New Delhi,Village Satbari,New Delhi, Surplus land 26 acres at Phagwara and around 120 acres at Village Chohal,Hoshiarpur as non core assets. The Company has sold some assets which comprise some parts of land at Phagwara (in pursuance of the Agreement to Sell 12 acres of land), land at Papravat, New Delhi and some part of the land out of two parcels of land at Hoshiarpur (approved by CDR - EG) and has generated Cash flow of Rs. 818 lakhs upto the quarter ended 31.12.2015 (Rs.95 lakhs for the current quarter) and Long term capital gain of Rs 611 lakhs upto the quarter ended 31.12.2015 (Rs.67 lakhs for the current quarter) on above realisations and is included under Other Income.
- 5 Debit/ credit balances in account of few parties are subject to confirmation/ reconciliation.
- 6 Accumulated losses have resulted in erosion of substantial net worth of the Company. However, the financial statements have been prepared on a going basis on the strength of continued support from the promoters, bankers/ other lenders. Further, the Company is in the process of disposing off some of its non-core fixed assets to reduce its debts and improve its liquidity. The mangement, considering the future plans for operation and support of the promoters, lenders, business associates and workmen, is hopeful of improved profitability needing to further improvement in its financial position.
- 7 The Company had given an advance of US\$ 890,000 to a related company, CNLT, Malaysia, in December 2006 for supply of yarn. As CNLT could not supply the material within stipulated time, the Company suffered losses and claimed compensation of US\$ 360,000 which was paid alongwith advance in June 2007. On a petition filed by the ex-employees of CNLT (under liquidation) the Hon'ble Court at Kuala Lumpur in its Order dated 13.6.2014 directed the Company to return the entire money. The Company's appeal against the said Order with the Courts of Appeal at Malaysia was heard on 6th May 2015 and vide Order dated 30.12.2015 set aside Order passed by Hon'ble Court of Kaula Lumpur. However, the Company has now received a notice of motion filed by the ex-employees of CNLT (under liquidation) for leave to appeal to the Federal Court and the matter is coming up in the Federal Court on 26.2.2016.

B. Audit qualifications/ references

In respect of the Audited Accounts of the previous accounting year ended 31st March, 2015 are given hereunder:

Manner in which audit qualifications/ references of the previous accounting year ended 31st March, 2015 are addressed by the management in the unaudited financial results for the Quarter ended 31.12.2015

1 Without qualifying our opinion, we draw attention to the following notes in the financial statements:

i Note No. 5.2: Non provision of yield protection of Rs. 2,259 lakhs payable on unpaid amount of Foreign Currency Convertible Bonds (FCCBs) for the reasons stated therein and likely impact of winding up petition filed by the FCCB Trustee for non payment of their dues of US\$ 15.00 million equivalent to Rs.9457 lakhs since 08.04.2011.

Refer note no.A.3 above.

ii Note No. 30.7 : Accumulated losses have resulted in erosion of substantial net worth of the Company. However, the financial statements have been prepared on going concern basis on the grounds as disclosed in the said note.

Refer note no.A.6 above.

iii Note No. 30.8: Uncertainty related to the outcome of the appeal filed with the Courts of Appeals at Malaya by the Company of a claim of Rs. 788 lakhs by ex-employees of CNLT, Malaysia on account of advances and compensation paid to the Company by CNLT, Malaysia.

Refer note no.A.7 above.

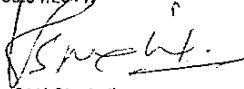
iv Note No. 30.10 : Non-confirmation/ reconciliation of certain balances in trade receivables, advances and trade payables of the Company

The letters have been sent to most of the parties for confirmation of balances. However, due to non receipt of the response from some of the parties, the impact if any, subsequent to confirmation will be taken in the year of confirmation/ reconciliation.



2 Other audit observation appearing under Companies (Auditor's Report) Order, 2015

- i. There has been a delay in deposit of statutory dues in few cases. Delays in deposit of statutory dues in few cases were for a very short period due to non availability of funds timely.
- ii. In respect of fixed deposits from public there were some delays in clearance of cheques by the depositors in respect of its deposits accepted before the commencement of Companies Act, 2013. Delay in deposit of cheques by the depositors led to delay in clearance of cheques.
- iii. The accumulated losses of the Company as at 31st March, 2015 are more than fifty percent of its net worth. Please refer note no.A.5 above.
- iv. The Company has defaulted in repayment of US\$ 15.00 million equivalent to Rs. 9457 lakhs to Foreign Currency Convertible Bond (FCCBs) holders since 08/04/2011. Refer note no.A.3 above.


(V K Singhal)

Controller of Finance & Accounts


(M P S Narang)

Chief Financial Officer

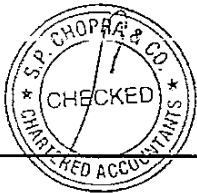

(Nidhi Goel)

Company Secretary

For S.P.CHOPRA & CO.
Chartered Accountants
Firm Registration No. 600346N


Sanjiv Gupta
Partner

Membership no. 63364



Place: N. Delhi

Date: 13th February, 2016