



JCT LIMITED



Corporate Office: 305, 3rd Floor, Rattan Jyoti, 18 Rajendra Place, New Delhi-110008
Phone: 91-11-46290000; Fax: 25812222
Website: www.jct.co.in; E-mail: jctsecretarial@jctltd.com

May 30, 2016

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

Sub: Reg. 33-Audited Financial Results for the Quarter and Year ended 31.03.2016

Scrip Code: 500223

Dear Sir/ Madam,

Pursuant to Regulation 33 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, please find annexed herewith the Audited Financial Results of the Company, for the Quarter and Year ended 31.03.2016, in the prescribed format with Auditor's Report.

This is for your information and record please.

Thanking You,

**Yours faithfully,
For JCT Limited**



Nidhi Goel
(Nidhi Goel)

Company Secretary

Encl: AA

JCT LIMITED (CIN NO. L17117PB1946PLC004565)

Phone: 91-11-46290000; Fax:25812222 Website: www.jct.co.in, email:jctsecretarial@jctltd.com

REGD.OFFICE : VILLAGE CHOHAL, DISTT. HOSHIARPUR (PUNJAB) 146024

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31ST MARCH, 2016

Sl.No.	PARTICULARS	Quarter ended			Year ended	Year ended
		31.03.2016 (Audited)	31.12.2015 (Unaudited)	31.03.2015 (Audited)	31.03.2016 (Audited)	31.03.2015 (Audited)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
		(Amount Rs. in lakhs)				
1	Income from Operations					
	(a) Net Sales/ Income from Operations(net of excise duty)	22,117	20,563	24,743	85,743	94,320
	(b) Other Operating Income	476	351	897	1,600	3,844
	Total Income from Operations (Net)	22,593	20,914	25,640	87,343	98,164
2	Expenses					
	(a) Cost of materials consumed	11,698	11,463	13,294	47,522	55,482
	(b) Purchase of Stock in Trade					
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	778	(1,040)	1,077	(1,738)	(787)
	(d) Employee benefits expense	3,386	3,680	3,255	13,421	12,142
	(e) Depreciation & amortisation expense	814	761	677	3,046	2,758
	(f) Power and Fuel	2,393	2,683	3,466	12,123	14,874
	(g) Other expenses	2,561	2,514	2,828	9,806	10,118
	Total expenses	21,630	20,061	24,597	84,180	94,587
3	Profit from Operations before Other Income, finance costs & exceptional items (1-2)	963	853	1,043	3,163	3,577
4	Other Income	322	152	363	1,321	769
5	Profit from ordinary activities before finance costs & exceptional items (3+4)	1,285	1,005	1,406	4,484	4,346
6	Finance Cost	849	1,101	829	3,918	3,366
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	436	(96)	577	566	980
8	Exceptional Items					
	(Loss)/profit from discontinued operations	11	(6)	(61)	(23)	(102)
9	Profit/(Loss) from Ordinary activities before Tax	447	(102)	516	543	878
10	Tax expense -earlier year	-	-	-	-	-
11	Net Profit/(Loss) from Ordinary Activities after tax	447	(102)	516	543	878
12	Extraordinary Items (net of Tax expense)	-	-	-	-	-
13	Net Profit/(Loss) for the period (11+12)	447	(102)	516	543	878
14	Share of profit (+) / Loss (-) of associates	-	-	-	-	-
15	Minority interest	-	-	-	-	-
16	Net Profit/(Loss) after taxes, minority interest & share of profit/(Loss) of associates (13+14+15)	447	(102)	516	543	878
17	Paid-up equity share capital (Rs.2.50 each)	14,620	14,620	13,920	14,620	13,920
18	Reserves excluding Revaluation Reserve as per Balance Sheet of previous accounting year	(8,920)	-	(10,073)	(8,920)	(10,073)
19(i)	Earnings per share (before extra ordinary items) of Rs.2.50 each, not annualised					
	(a) Basic	0.07	(0.02)	0.07	0.09	0.16
	(b) Diluted	0.07	(0.02)	0.06	0.09	0.14
19(ii)	Earnings per share (after extra ordinary items) of Rs.2.50 each not annualised					
	(a) Basic	0.07	(0.02)	0.07	0.02	0.16
	(b) Diluted	0.07	(0.02)	0.06	0.02	0.14

		(Rs in lakhs)	
Statement of assets and liabilities		As at 31.03.2016	As at 31.03.2015
		(Audited)	(Audited)
A	<u>EQUITY AND LIABILITIES</u>		
1	Shareholders' Fund		
	(a) Share Capital	15,620	16,320
	(b) Reserves & Surplus	(4,174)	(5,301)
	Sub-total-Shareholders' fund	11,446	11,019
2	Non-current liabilities		
	(a) Long-term borrowings	13,538	12,085
	(b) Other long term liabilities	2,367	2,333
	(c) Long-term provision	4,974	4,608
	Sub-total-Non-current liabilities	20,879	19,026
3	Current liabilities		
	(a) Short-term borrowings	8,917	7,467
	(b) Trade payables	11,639	11,717
	(c) Other current liabilities	13,569	20,739
	(d) Short-term provision	534	445
	Sub-total-Current liabilities	34,659	40,368
	TOTAL -EQUITY AND LIABILITIES	66,984	70,413
B	<u>ASSETS</u>		
1	Non-current assets		
	(a) Fixed assets	36,914	38,946
	(b) Non-current investments	422	3,668
	(c) Long term loans and advances	834	540
	Sub-total-Non-current assets	38,170	43,154
2	Current assets		
	(a) Current Investments	55	-
	(b) Inventories	16,331	14,783
	(c) Trade receivables	8,021	8,071
	(d) Cash and cash equivalents	1,527	1,405
	(e) Short-term loans and advances	1,411	1,712
	(f) Other current assets	1,469	1,288
	Sub-total-Current assets	28,814	27,259
	TOTAL -ASSETS	66,984	70,413
Place: New Delhi		Sd/-	
Dated: 30th May,2016		(SAMIR THAPAR)	
		CHAIRMAN & MANAGING DIRECTOR	
		DIN : 00062287	

(Amount Rs. in lakhs)						
AUDITED SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED						
S.No	PARTICULARS	Quarter ended			Year ended	Year ended
		31.03.2016 (Audited)	31.12.2015 (Un-audited)	31.03.2015 (Audited)	31.03.2016 (Audited)	31.03.2015 (Audited)
1	Segment Revenue (Net Sales/ Income from each segment)					
	(a) Textiles	13,059	11,489	15,145	49,976	57,432
	(b) Nylon Filament Yarn	9,058	9,074	9,598	35,767	36,888
	(c) Unallocated	-	-	-	-	-
	Total	22,117	20,563	24,743	85,743	94,320
	Less: Inter Segment Revenue					
	Net Sales / Income From Operations	22,117	20,563	24,743	85,743	94,320
2	Segment Results (Profit(+)/ Loss(-) before tax and interest from each segment)					
	(a) Textiles	322	261	894	1,814	3,433
	(b) Nylon Filament Yarn	988	868	683	2,481	1,518
	(c) Unallocated	-	-	-	-	-
	Total	1,310	1,129	1,577	4,295	4,951
	Less: (i) Finance costs	849	1,101	829	3,918	3,366
	(ii) Other Un-allocable (Income)/Expenditure net off	26	134	171	(189)	605
	(iii) Un-allocable Income	-	-	-	-	-
	(iv) Exceptional Item	-	-	-	-	-
	(a) (Loss)/profit from discontinued operations	11	(6)	(61)	(23)	(102)
	Total profit before Tax	446	(102)	516	543	878
3	Capital Employed (Segment Assets - Segment Liabilities)					
	(a) Textiles	27,259	28,390	30,528	27,259	30,528
	(b) Nylon Filament Yarn	5,316	4,953	4,725	5,316	4,725
	(c) Unallocated	(25,875)	(27,084)	(29,007)	(25,875)	(29,007)
	Total	6,700	6,259	6,246	6,700	6,246
Notes:						
1	Figures of quarter ended March 31, 2016 are the balancing figures between audited figures in respect of the full financial year and published year to date figures upto the third quarter of the financial year and approved by the Board of Directors at its meeting held on 30th May, 2016.					
2	In earlier years, operations of Textile Unit at Sriganaganagar were discontinued. The Company has recognised Rs.11 lakhs as gain from discontinued operations during the quarter.					
3	The company had executed a 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 lakhs as on 27.03.1998 for term loan availed by JCT Electronics Ltd. from IFCI Ltd. Subsequently, IFCI Ltd. has assigned their debt to Asset Reconstruction Company (India) Limited (ARCIL) who have issued notice to the Company on 07.11.15 for winding up u/s 433 (e) & 434 of the Companies Act, 1956. The Company has disputed the notice with ARCIL and has been legally advised that the demand raised by them is not sustainable.					
4 (a)	The Company raised US\$ 30 million through issue of unsecured FCCBs on 08.04.2006 out of which FCCBs of US\$ 17.51 million were settled / converted into Equity Shares. The balance outstanding of US\$ 12.49 million alongwith 20.075% redemption premium became due for redemption on 08.04.2011. As the Company could not pay on due date, the Trustees of FCCB holders filed a winding up petition in Punjab & Haryana High Court at Chandigarh on 29.09.2012. The winding up petition filed by the trustees, The Bank of New York Mellon, of Foreign Currency Convertible Bond Holders (FCCBs), was disposed off on 27.01.2015 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 High Court where in consent term were allowed by the Hon'ble High Court on 05.06.2015, pursuant to which the appeal					
4 (b)	Company complied with all the conditions of consent terms and accordingly it became effective. The Company as per consent terms with FCCB holders has to pay US\$ 19.19 mn (principal and redemption premium of US\$ 15.0 mn and defaulted interest of US\$ 4.19 mn) in 10 instalments commencing from 05.10.2015 to 05.12.2017 alongwith interest @ 6% p.a. on reducing balance.					
4 (c)	In respect of 3rd and partially unpaid 2nd instalment aggregating to US\$ 2.22 million equivalent Rs 1480.97 lakhs having become due the Company based on the communication dated 24th May, 2016 from a bond holder has spread the aforesaid amount equally over the remaining instalments w.e.f. 05.06.2016 onwards.					
4 (d)	Interest payable on FCCBs as detailed below will be accounted for on payment basis: - Interest accrued @ 6% p.a. payable on FCCBs of US \$ 15 million for the period from 08.04.2011 to 05.06.2015 aggregating to US\$ 2.75 mn. equivalent Rs 1,834.94 lakhs. - Interest accrued but not due of Rs 1,120.18 lakhs on outstanding balance of Rs 8,052.48 lakhs as at 31.03.2016. In view of the management it is considered prudent to account for the aforesaid interest on payment basis as the interest has been spread together with the principal in 7 instalments commencing from 05.06.2016 to 05.12.2017. As such, no provision has been made for such interest aggregating					
5	During the year, 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 earned profit of Rs. 52 lakhs for the quarter (Rs. 663 lakhs for the year) on sale of such land included under Other Income.					
6	Debit/Credit balances in account of few parties are subject to confirmation/reconciliation.					
7	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 management, 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.					
8	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, Malaysia 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, Malaysia (Under liquidation), the Hon'ble Court of Malaya at Kuala Lumpur in its Order dated 13.6.2014 directed the Company to return the entire money of US \$ 1.25 million. On appeal against this order by the Company, the Court of Appeal at Malaysia vide its order dated 03.12.2015 set aside the said order. Thereafter, the Company has received a notice of motion from the Federal Court in the said matter which is pending disposal. No provision against the said motion is considered necessary by the management in view of favourable order.					
9	The figures of the previous year have been regrouped/ reclassified, wherever necessary, to confirm to current year's classification.					
BY ORDER OF THE BOARD						
Sd/-						
SAMIR THAPAR						
CHAIRMAN & MANAGING DIRECTOR						
Place: New Delhi						
Dated: 30.05.2016						

S.P. CHOPRA & CO.

Chartered Accountants

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Web Site: www.spchopra.in
E-mail: spc1949@spchopra.in

Independent Auditors' Report To The Members of JCT Limited

Report on the Financial Statements

We have audited the accompanying financial statements of JCT Limited (the "Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit & Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Basis of Qualified Opinion

The Company on completion of the compliance of the consent terms agreed to pay off the holders of Foreign Currency Convertible Bonds (FCCBs) 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 commencing from 5th October, 2015 to 5th December, 2017. The balance defaulted interest of Rs. 1,834.94 lakhs pertaining to the period 8th April, 2011 to 5th June, 2015, and interest accrued but not due of Rs. 1,120.18 lakhs on outstanding balance of Rs. 8,052.48 Lakhs as at 31st March, 2016 though crystallized and accrued is being accounted for on payment basis instead of on accrual basis by the Company. As such, no provision for such interest aggregating Rs. 2,955.12 Lakhs has been made in the Accounts by the company. This treatment is not in line with the Accounting Standards and the provisions of the Companies Act, 2013 and the rules. Had the interest been accounted for on accrual basis as stated above, the losses would be Rs. 2,411.65 lakhs for the year as against reported profit of Rs. 543.47 lakhs, deficit (net of reserves) would be Rs. 24,923.30 lakhs as against the reported deficit of Rs. 21,968.18 lakhs and other current liabilities would be Rs. 16,523.69 lakhs as against reported other current liabilities of Rs. 13,568.57 lakhs.

Qualified Opinion

In our opinion, and to the best of our information and according to the explanations given to us, except for the effects of the matter described in Basis of Qualified Opinion Paragraph above, the aforesaid financial statements give the information required by 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, 2016, and its profit and its cash flows for the year ended on that date.



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Emphasis of Matter

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

- i. Note No. 31.6; 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 Note No. 31.6.
- ii. Note No. 31.9; Non-confirmation/ reconciliation of certain balances in trade receivables, advances and trade payables of the Company.

Our opinion is not modified in respect of these matters.

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 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except for the matter described in Basis of Qualified Opinion paragraph ;
 - e. the going concern matter described in sub-paragraph (ii) under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
 - f. on the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;



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- g. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B'; 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 possible impact of pending litigations on its financial position in its financial statements (*Refer Note no. 31.1 and 31.2 to the financial statements*);
 - ii. the Company has not entered into any long-term contracts including derivative contracts; and
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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


SANJIV GUPTA

Partner

Membership No. 83364

**Place : New Delhi
Date : 30.05.2016**



ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of its fixed assets;
- a. The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets.
 - b. As explained to us, the fixed assets have been physically verified by the management during the period in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to information and explanation given to us, 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 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 period in accordance with the perpetual inventory programme. 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 has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 (the "Act").
- (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) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 and other relevant provisions of the Act and the Rules framed thereunder, with regard to the deposits accepted from the public upto 28th September, 2015 as the Company thereafter discontinued the acceptance/ renewal of deposits from public. As informed to us, no order has been passed by the Company Law Board, National Company Law Tribunal, Reserve Bank of India, any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

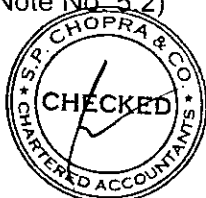


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- (vi) Pursuant to the rules made by the Central Government of India, the company is required to maintain cost records as specified under sub-section (1) of Section 148 of the Act in respect of its products manufactured. We have broadly reviewed the 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 records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities except tax deducted at source of Rs. 64.73 lakhs on payment to bond holders of Foreign Currency Convertible Bonds, which is not yet deposited. 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, 2016 for a period of more than six months from the date they became payable.
- b. The disputed statutory dues aggregating to Rs. 7,506.42 lakhs, that have not been deposited on account of matters pending in appeal before appropriate authorities are as under:

Sl. No.	Name of Statute	Nature of dues	Forum where dispute is pending	Amount (Rs. in Lakhs)
1	Central Excise Act	Excise Duty	Upto Commissioner's level	377.50
			CESTAT	4,334.04
			High Court / Supreme Court	1,067.28
2	Central Sales Tax Sales Tax Act of various states	Sales Tax	Dy. Commissioner Level	81.65
			Tribunal	1,455.62
			Asstt. Commissioner Level	4.28
3	Customs Duty Act, 1962	Customs Duty	Commissioner of customs	186.05
			TOTAL	7,506.42


- (viii) Based on our audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to a bank or debenture holders. However, in respect of dues of Foreign Currency Convertible Bonds (FCCBs), we have relied upon the communication from a bond holder for further reschedulement of unpaid installments and as such, there is no such default. (Refer Note No. 5.2)



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- (ix) In our opinion and according to the information and explanations given to us, the Company has neither raised funds by way of initial public offer or further public offer (including debt instruments) nor availed any term loan during the year.
- (x) In our opinion and according to the information and explanations given to us, no material fraud by the Company or any fraud on the Company by its officers/ employees has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for the managerial remuneration in accordance with the requisite approvals mandated by 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 and details of such transactions have been disclosed in the financial statements, as required by the applicable accounting standards.
- (xiv) The Company has made preferential allotment of 2,80,00,000 Equity Shares of Rs. 2.50 each at a premium of Rs. 2.50 each, in pursuance of conversion of 14,00,000 Optionally Convertible Preference Shares (OCPS), during the year under review. The requirement of Section 42 of the Companies Act, 2013 have been complied with to the extent applicable. The preferential allotment was in pursuance of option of conversion of OCPS exercised by the holder, accordingly, no fresh funds were received by the Company on such conversion.
- (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 S.P. Chopra & Co.
Chartered Accountants
Firm Registration No.000346N**


SANJIV GUPTA

Partner

Membership No. 83364

Place : New Delhi

Date : 30.05.2016



ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(g) of the independent Auditors' Report of even date on the financial statements of JCT Limited for the year ended 31st March 2016.)

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, 2016 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 Company's management 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, to the extent applicable to an audit of internal financial controls, both 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.



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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.



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Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 S.P. Chopra & Co.
Chartered Accountants
Firm Registration No.000346N**


SANJIV GUPTA
Partner

Membership No. 83364

**Place : New Delhi
Date : 30.05.2016**

