



# JCT LIMITED



Corporate Office: 305, 3<sup>rd</sup> 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

August 14, 2017

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

Re: Regulation 33 of the SEBI (LODR) Regulations 2015 (Listing Regulations)

Sub: Un-Audited Financial Results for the Quarter ended 30.06.2017.

Scrip Code: 500223

Dear Sir/ Madam,

Pursuant to Regulation 33 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (Listing Regulations), we wish to inform you that a meeting of the Board of Directors of the Company was held today at Hoshiarpur (Punjab) at which Unaudited Financial Results for the quarter ended 30<sup>th</sup> June 2017 were placed before the Board and the same have been approved by them. A copy of such results is enclosed for your reference and record.

A copy of the Limited Review report by the Auditors of the Company on the aforesaid results is also enclosed for your ready reference and record.

Thanking You,



Yours faithfully,  
For JCT Limited

*Jitender Khanna*

(Jitender Khanna)

Vice President- Secretarial & Legal

Encl: AA



**S.P. CHOPRA & CO.**

Chartered Accountants

31-F, Connaught Place

New Delhi- 110 001

Tel: 91-11-23313495-6-7

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**INDEPENDENT AUDITORS' REVIEW REPORT ON**  
**INTERIM FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE, 2017**

The Board of Directors,  
JCT Limited.

**1. Introduction**

We have reviewed the accompanying Statement of **Unaudited Financial Results** (the 'Statement') of **JCT Limited** (the 'Company') for the quarter ended June 30, 2017, being submitted by the Company pursuant to the requirements of the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with the SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

**2. Scope of Review**

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. 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. 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 million and defaulted interest US\$ 4.19 million in 10 installments starting from 05.10.2015 to 05.12.2017 along with interest @ 6% on reducing balance. Interest of Rs.453.51 lakhs for the quarter ended June 30, 2017 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 to Rs. 453.51 lakhs for the quarter ended June 30, 2017 has been made in accounts by the Company. This treatment is not in compliance with Para 27 of Indian Accounting Standard (Ind AS 1) and the provisions of the Companies Act, 2013 and the rules thereunder. Had the interest been accounted for on accrual basis as stated above the Finance costs and losses for the quarter ending 30.06.2017 would have been higher by Rs. 453.51 lakhs.





#### Qualified Conclusion

Based on our review, with the exception of the matter described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Financial Results prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 to the extent applicable, read with the relevant rules issued thereunder 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 read with the SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

#### 4. Emphasis of Matters

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

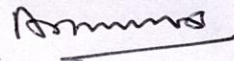
- Note No. A.7 regarding non-confirmation/ reconciliation of balances in the accounts of few parties.
- Note No. A.8 Accumulated losses have resulted in erosion of substantial net worth of the Company. However, the financial statements have been prepared on going concern basis on the grounds as disclosed in the Note No. A.8.

Our Conclusion is not qualified in respect of these matters.

#### 5. Other Matter

We have not audited or reviewed the accompanying Financial Results and other financial information for the quarter ended June 30, 2016, which have been prepared solely based on the information compiled by the management of the Company.

S.P. Chopra & Co.  
Chartered Accountants  
Firm Regn. No. 000346N



Ankur Goyal  
Partner  
Membership No. 099143

Place : Hoshiarpur  
Date : 14<sup>th</sup> August, 2017





## STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2017

Sl.No.	PARTICULARS	Quarter ended
		30.06.2017 (Unaudited)
		(Amount-Rs. In lakhs)
<b>1</b>	<b>Income</b>	
	a) Revenue from operations	17,487
	b) Other Income	176
	<b>Total Income (a) + (b)</b>	<b>17,663</b>
<b>2</b>	<b>Expenses</b>	
	a) Cost of materials consumed	11,452
	b) Other manufacturing expenses	3,130
	c) Excise Duty on sales	754
	d) Changes in inventories of finished goods and stock-in-process	(1,800)
	e) Employee benefits expense	3,123
	f) Finance costs	899
	g) Depreciation and amortisation expense	745
	h) Other expenses	869
	<b>Total Expenses (a+b+c+d+e+f+g+h)</b>	<b>19,172</b>
<b>3</b>	<b>(Loss)/Profit from continuing operations before tax (1-2)</b>	<b>(1,509)</b>
<b>4</b>	<b>Tax expense</b>	
	-Current Tax	-
	-Deferred Tax	-
<b>5</b>	<b>(Loss)/Profit from continuing operations after tax (3-4)</b>	<b>(1,509)</b>
<b>6</b>	<b>(Loss)/Profit from discontinued operations before tax</b>	<b>89</b>
<b>7</b>	<b>Tax expense on discontinued operations</b>	<b>-</b>
<b>8</b>	<b>(Loss)/Profit from discontinued operations after tax (6-7)</b>	<b>89</b>
<b>9</b>	<b>(Loss)/Profit for the period (5+8)</b>	<b>(1,420)</b>
<b>10</b>	<b>Other Comprehensive Income/(Loss)</b>	
a.	Items that will not be reclassified as profit or loss	
	-Re-measurement of the net defined benefit plans	(78)
b.	-Income tax relating to items that will not be reclassified as profit or loss	-
	<b>Other Comprehensive Income/(Loss) for the period (a+b)</b>	<b>(78)</b>
<b>11</b>	<b>Total Comprehensive Income/(Loss) for the period (9+10)</b>	<b>(1,498)</b>
<b>12</b>	<b>Paid up Equity Share Capital of Rs. 2.50/- each</b>	<b>14,953</b>
<b>13</b>	<b>Earning per share (for continuing operations) of Rs. 2.50/- each (Not annualised)</b>	
	(1) Basic	(0.25)
	(2) Diluted	(0.25)
	<b>Earning per share (for discontinued operations) of Rs. 2.50/- each (Not annualised)</b>	
	(1) Basic	0.01
	(2) Diluted	0.01
	<b>Earning per share (for continuing operations/ discontinued operations) of Rs. 2.50/- each (Not annualised)</b>	
	(1) Basic	(0.24)
	(2) Diluted	(0.24)

(V K Singhal)  
Chief Financial Officer

(G B Kathuria)  
Director  
DIN 00062088

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

Ankur Goyal  
Partner

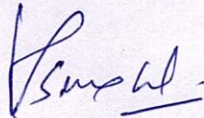
Membership No.099143

Place: Hoshiarpur  
Date: 14th August, 2017





(Amount Rs. in lakhs)		
UNAUDITED SEGMENT-WISE REVENUE, RESULTS , ASSETS & LIABILITIES		
Sl.No.	PARTICULARS	Quarter ended
		30.06.2017 (Unaudited)
<b>1</b>	<b>Segment Revenue</b>	
(a)	Textiles	10,049
(b)	Nylon Filament Yarn	7,438
(c)	Unallocated	-
	<b>Total</b>	<b>17,487</b>
	Less: Inter Segment Revenue	-
	<b>Total Income from Operations</b>	<b>17,487</b>
<b>2</b>	<b>Segment Results (Profit+) /Loss(-) before tax and Finance Costs</b>	
(a)	Textiles	(618)
(b)	Nylon Filament Yarn	(63)
(c)	Unallocated	-
	<b>Total</b>	<b>(681)</b>
	Less: (i) Finance costs	899
	(ii) Other Un-allocable (Income)/Expenditure net off	(71)
	(iii) Exceptional Item	-
	<b>Profit/(Loss) before Tax from continuing operations</b>	<b>(1,509)</b>
<b>3</b>	<b>Segment Informations</b>	
	<b>Segment Assets</b>	
(a)	Textiles	40,319
(b)	Nylon Filament Yarn	18,815
(c)	Unallocated	2,778
	<b>Total segment assets</b>	<b>61,912</b>
	<b>Segment liabilities</b>	
(a)	Textiles	19,487
(b)	Nylon Filament Yarn	10,373
(c)	Unallocated	24,022
	<b>Total segment liabilities</b>	<b>53,882</b>

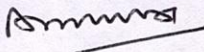


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Ankur Goyal  
Partner

Membership No.099143

Place: Hoshiarpur  
Date: 14th August, 2017





## JCT LIMITED

NOTES TO THE UNAUDITED FINANCIAL RESULTS  
FOR THE QUARTER ENDED 30TH JUNE, 2017

A.1	The Company has adopted the Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013, read with the relevant rules thereunder with effect from April 1, 2017 (transition date being April 1, 2016), and these financial results have been prepared in accordance with the 'Ind AS' based on the preliminary selection of the exemptions and the accounting policies. The impact of the transition has been accounted for in the opening reserves and the comparative period has been restated accordingly. However, the opening balance sheet as at April 1, 2017 and the results for the subsequent periods would be finalised along with the annual financial statements for the year to end March 31, 2018. The 'Ind AS' financial results and financial information for the quarter ended June 30, 2016 have been compiled by the management after making necessary adjustments to give a true and fair view of the results in accordance with 'Ind AS' and the same has not been subject to any limited review or audit.																
A.2	The Reconciliation of the financial results under 'GAAP' and under 'Ind AS' for the corresponding previous quarter ended June 30, 2016 is as under:																
	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Quarter ended June 30, 2016 (Rs. in Lakhs)</th> </tr> </thead> <tbody> <tr> <td>Net profit as reported previously under GAAP</td> <td>242</td> </tr> <tr> <td>Other Income-Interest impact on financial instruments</td> <td>43</td> </tr> <tr> <td>Other Income-Amortisation of Government Grant</td> <td>6</td> </tr> <tr> <td>Finance Cost-Interest impact on financial instruments</td> <td>(54)</td> </tr> <tr> <td>Depreciation and amortisation-Impact of Government Grant</td> <td>(6)</td> </tr> <tr> <td>Other Adjustments</td> <td>(2)</td> </tr> <tr> <td>Net Profit as reported under Ind AS</td> <td>229</td> </tr> </tbody> </table>	Particulars	Quarter ended June 30, 2016 (Rs. in Lakhs)	Net profit as reported previously under GAAP	242	Other Income-Interest impact on financial instruments	43	Other Income-Amortisation of Government Grant	6	Finance Cost-Interest impact on financial instruments	(54)	Depreciation and amortisation-Impact of Government Grant	(6)	Other Adjustments	(2)	Net Profit as reported under Ind AS	229
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A.3	In earlier years, operations of Textile Unit at Sriganganagar were discontinued. The Company has recognised Rs.89 lakhs (net) as gain from discontinued operations during the quarter, which includes long term capital gain of Rs. 99 lakhs arising on sale of 2.37 bighas land for Rs.100 lakhs.																
A.4	The Company had executed Corporate guarantee for Rs. 400 lakhs towards Equipment Credit Scheme on 01.09.1993 and also for a foreign currency loan of DM 166,566,406 equivalent to Rs.3580 lakhs as on 27.03.1998 availed by JCT Electronics Ltd.from IFCI Ltd. Subsequently, IFCI Ltd. has assigned their debt to Asset Reconstruction Company (India) Limited (ARCL) who have 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 ARCL and has been legally advised that demand raised by them is not sustainable.																
A.5	<p>(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 appeal was filed by the Trustee and Company with Senior Bench of High Court wherein the consent term were allowed by the Hon'ble High court on 5th June, 2015, pursuant to which the appeal is adjourned sine a die.</p> <p>(ii) The Company complied with all the conditions of the consent terms and accordingly it became effective. The Company as per consent terms with FCCBs holders has to pay US\$ 19.19 million (principal and redemption premium of US\$ 15.00 million and defaulted interest of US\$ 4.19 million) in 10 installments commencing from 5th October, 2015 to 5th December, 2017 alongwith the interest @ 6% p.a. on the reducing balance.</p> <p>(iii) The Company paid US\$ 5.38 million upto 30.06.2017, however for the balance of US\$ 15.36 million equivalent to Rs.10,049.88 lakhs (including interest of US\$ 5.02 million equivalent to Rs. 3284.21 lakhs), the Company has received a communication from a bond holder for extending the date of payment by 05.12.2017. Further, the Company is taking steps to generate additional funds to meet this liability.</p> <p>(iv) Interest payable on FCCBs as detailed below is accounted for on payment basis:  -Interest accrued for the period 01.04.2017 to 04.06.2017 of US\$ 0.68 million equivalent to Rs. 443.08 lakhs.  -Interest accrued but not due of US\$ 0.02 million equivalent to Rs. 10.43 lakhs for the period 05.06.2017 to 30.06.2017.</p> <p>In view of the management, it is considered prudent to continue the policy to account for the aforesaid interest on payment basis as the interest has been spread together in instalments upto 05.12.2017. As such, no provision has been made for such interest of US\$ 0.70 million equivalent to Rs. 453.51 lakhs during the quarter ended June, 2017.</p>																
A.6	The Company identified land at Sriganganagar, Village Satbari, New Delhi, 26 acres at Phagwara and around 120 acres at Village Chohal, Hoshiarpur as non core assets. The Company had sold some assets which comprise some parts of land at Phagwara (in pursuance of the Agreement to Sell 12 acres of land), some part of the land out of two parcels of land at Hoshiarpur (approved by CDR - EG) and settled for 40 Bighas of land at Sri Ganganagar against 80 Bighas in earlier year. During the quarter, the Company has sold 2.37 bighas of land at Sriganganagar as mentioned in note no.3 above.																
A.7	Debit/ credit balances in account of few parties are subject to confirmation/ reconciliation.																
A.8	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 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.																
A.9	The figures of the previous period have been regrouped/ reclassified, wherever necessary, to confirm to current period's classification.																

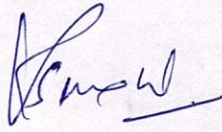




**B. Audit qualifications/emphasis of matters/other matters**

In respect of the Audited Accounts of the previous accounting year ended 31st March, 2017 are given hereunder: Manner in which audit qualifications/ references of the previous accounting year ended 31st March, 2017 are addressed by the management in the unaudited financial results for the Quarter ended 30.06.2017

- 1 Qualified opinion, we draw attention to the following note in our Independent Report attached with the financial statements:
  - i Non provision of interest aggregating Rs.3,199.06 lakhs payable on unpaid Refer note no.A.5 above. amount of Foreign Currency Convertible Bonds (FCCBs) which is not in line with the Accounting Standards and the provisions of the Companies Act,2013 and the rules.
- 2 Without qualifying our opinion, we draw attention to the following notes in the financial statements:
  - i Note No. 31.6 : Accumulated losses have resulted in erosion of substantial net Refer note no.A.8 above. worth of the Company. However, the financial statements have been prepared on going concern basis on the grounds as disclosed in the said note.
  - ii Note No. 31.8 : 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.

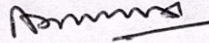


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