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INDEPENDENT AUDITORS' REVIEW REPORT ON INTERIM FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 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 December 31, 2017 and period to date from April 01, 2017 to December 31, 2017 (the "Statement") attached herewith, 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 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 entire dues of US\$ 15.36 million repayable by 05.12.2017. However, the Company has defaulted in repayment of the same..

Further, interest of Rs. 339.64 lakhs for the quarter ended December 31, 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. 339.64 lakhs for the quarter ended December 31, 2017 (cumulative Rs. 3251.59 lakhs) 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 would have been higher by Rs. 339.64 lakhs for the quarter ended December 31, 2017 (cumulative Rs. 3251.59 lakhs).

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4. Qualified Conclusion

Based on our review conducted as above, with the exception of the matters 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) 34 on 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act, 2013, 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.

5. Emphasis of Matters

We draw attention to the following matters as contained in **Notes to the Unaudited Results**.

- Note No. A.9: Non-confirmation/ non-reconciliation of balances in the accounts of few parties.
- Note No. A.10: 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 Conclusion is not qualified in respect of these matters.

6. Other Matter

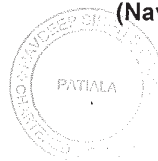
We have not audited or reviewed the accompanying Financial Results and other financial information for the quarter and nine months ended December 31, 2016, which have been prepared solely based on the information compiled by the management of the Company.

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



(Navdeep Singh Choudhary)
Partner
M. No. 034979

Place : New Delhi
Date : 14.02.2018



STATEMENT OF UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2017

(Rs. in Lakhs)

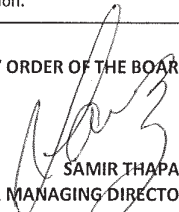
Sr. No.	Particulars	Quarter ended			Period to Date		Year Ended
		Dec.31, 2017 (Unaudited)	Sept 30, 2017 (Unaudited)	Dec.31, 2016 (Unaudited)	Dec.31, 2017 (Unaudited)	Dec.31, 2016 (Unaudited)	March 31, 2017 (Audited)
1	Income						
	a) Revenue from operations	19,791	20,703	20,786	57,981	62,502	80,755
	b) Other Income	109	598	422	883	1,114	1,095
	Total Income (a) + (b)	19,900	21,301	21,208	58,864	63,616	81,850
2	Expenses						
	a) Cost of materials consumed	11,321	10,642	11,262	33,415	33,823	46,824
	b) Other manufacturing expenses	3,229	3,442	2,842	9,801	9,569	12,171
	c) Change in inventories of finished goods and stock-in-trade	(794)	722	919	(1,872)	339	(258)
	d) Employee benefits expense	2,914	2,941	3,140	8,978	9,884	13,290
	e) Finance costs	927	926	1,113	2,752	2,827	3,679
	f) Depreciation and amortisation expense	791	749	819	2,285	2,392	3,083
	g) Other expenses	1,992	2,559	2,168	6,174	6,080	5,519
	Total Expenses (a+b+c+d+e+f+g)	20,380	21,981	22,263	61,533	64,914	84,308
3	(Loss)/Profit from continuing operations before tax (1-2)	(480)	(680)	(1,055)	(2,669)	(1,298)	(2,458)
4	Tax expense						
	- Current tax	-	-	-	-	-	-
	- Current tax related to earlier years	-	-	2	-	2	2
	- Deferred tax	-	-	-	-	-	-
5	(Loss) from continuing operations after tax (3-4)	(480)	(680)	(1,057)	(2,669)	(1,300)	(2,460)
6	(Loss)/Profit from discontinued operations before tax	(2)	(11)	(8)	76	589	552
7	Tax expense on discontinued operations	-	-	-	-	-	-
8	(Loss)/Profit from discontinued operations after tax (6-7)	(2)	(11)	(8)	76	589	552
9	(Loss)/Profit for the period (5+8)	(482)	(691)	(1,065)	(2,593)	(711)	(1,908)
10	Other Comprehensive Income/(Loss)						
a.	Items that will not be reclassified as profit or loss						
	- Re-measurements of the net defined benefit plans	(78)	(78)	4	(234)	12	-
b.	Income tax relating to items that will not be reclassified as profit or loss	-	-	-	-	-	-
	Other Comprehensive Income/(Loss) for the period (a+b)	(78)	(78)	4	(234)	12	-
11	Total Comprehensive Income/(Loss) for the period (9+10)	(560)	(769)	(1,061)	(2,827)	(699)	(1,908)
12	Paid up Equity Share Capital Rs. 2.50/- each	14,953	14,953	14,953	14,953	14,953	14,953
13	Earning per share (for continuing operations) of Rs. 2.50/- each (Not annualised)						
	(1) Basic (in Rs.)	(0.09)	(0.12)	(0.18)	(0.47)	(0.22)	(0.41)
	(2) Diluted (in Rs.)	(0.09)	(0.12)	(0.18)	(0.47)	(0.22)	(0.41)
	Earning per share (for discontinued operations) of Rs. 2.50/- each (Not annualised)						
	(1) Basic (in Rs.)	-	-	-	(0.01)	0.10	0.09
	(2) Diluted (in Rs.)	-	-	-	(0.01)	0.10	0.09
	Earning per share (for continuing operations/discontinued operations) of Rs. 2.50/- each (Not annualised)						
	(1) Basic (in Rs.)	(0.09)	(0.12)	(0.18)	(0.49)	(0.12)	(0.32)
	(2) Diluted (in Rs.)	(0.09)	(0.12)	(0.18)	(0.49)	(0.12)	(0.32)



(Amount Rs. in lakhs)

UNAUDITED SEGMENT-WISE REVENUE, RESULTS, ASSETS & LIABILITIES							
Sl.No.	PARTICULARS	Quarter ended			Period ended		Year ended
		31.12.2017	30.09.2017	31.12.16	31.12.2017	31.12.2016	31.03.2017
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Segment Revenue						
	Textiles	11,550	12,160	11,976	33,759	37,049	48,551
	Nylon Filament Yarn	8,241	8,543	8,810	24,222	25,453	32,204
	Unallocated	-	-	-	-	-	-
	Total	19,791	20,703	20,786	57,981	62,502	80,755
	Less : Inter Segment Revenue	-	-	-	-	-	-
	Total Income from Operations	19,791	20,703	20,786	57,981	62,502	80,755
2	Segment Results (Profit(+)/Loss(-) before tax and Finance Costs						
	Textiles	189	(260)	(445)	(689)	(167)	(694)
	Nylon Filament Yarn	149	(37)	252	49	1431	1,839
	Unallocated	-	-	-	-	-	-
	Total	338	(297)	(193)	(640)	1,264	1,145
	Less: (i) Finance costs	927	926	1113	2752	2827	3679
	(ii) Other Un-allocable (Income)/Expenditure net off	(109)	(543)	(251)	(723)	(265)	(76)
	(iii) Exceptional Item	-	-	-	-	-	-
	(Loss) before Tax from continuing operations	(480)	(680)	(1,055)	(2,669)	(1,298)	(2,458)
3	Segment Informations						
	Segment Assets						
	Textiles	39,604	39,458	41,989	39,604	41,989	41,475
	Nylon Filament Yarn	19,010	19,485	19,596	19,010	19,596	19,007
	Unallocated	2,426	2,297	2,820	2,426	-	2,199
	Total segment assets	61,040	61,240	64,405	61,040	61,585	62,681
	Segment liabilities						
	Textiles	20,736	19,538	17,940	20,736	17,940	19,140
	Nylon Filament Yarn	10,970	11,034	9,626	10,970	9,626	14,219
	Unallocated	22,599	23,410	26,088	22,599	26,088	24,520
	Total segment liabilities	54,305	53,982	53,654	54,305	53,654	57,879
Notes:							
A.1	The above results for the quarter and nine months ended 31.12.2017 are after the Limited Review carried out by the Statutory Auditors and have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at its meeting held on 14.02.2018.						
A.2	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 figures 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 and nine months ended December 31, 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.3	The Reconciliation of the financial results under 'GAAP' and under 'Ind AS' for the corresponding previous quarter and nine months ended December 31, 2016 is as under:						
	Particulars	Quarter ended December 31, 2016		Period to date December 31, 2016			
	Net Profit as reported previously under GAAP			(1050)		(672)	
	Other Income - Interest impact on financial instruments			44		91	
	Other Income - Amortisation of Government grant			6		18	
	Finance Cost - Interest impact on financial instruments			(54)		(161)	
	Depreciation and amortisation - Impact of Government grant adjustment			(6)		(19)	
	Other Adjustments (net)			(1)		36	
	Net Profit as reported under Ind AS			(1061)		(707)	
A.4	In earlier years, operations of Textile Unit at Sriganganagar were discontinued. The Company has recognised Rs.2 lakhs (net) as loss from discontinued operations during the quarter ended 31.12.2017.						
A.5	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. 3,580 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 (ARCIL) 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 had disputed the notice with ARCIL within the stipulated period. Thereafter, no response has been received from ARCIL. Further the company has been legally advised that demand raised by them is not sustainable.						



A.6	<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.</p> <p>(ii) The Company as per consent terms with FCCBs Holders was to pay US\$ 20.74 million in 10 installments commencing from 5th October, 2015 to 5th December, 2017 against which the Compnay has paid US\$ 5.38 million till December 31,2017. The balance dues of US\$ 15.36 million could not be paid due to non-disposal of non-core assets on account of depressed real estate market.</p> <p>(iii) The matter of repayment of dues is before the Hon'ble High Court of Punjab & Haryana, Chandigarh for amicable settlement and the next date of hearing is 27th February,2018.</p> <p>The Company has continued to follow the practice of accounting the interest on payment basis thus has not provided interest accrued and due of US \$ 0.52 million equivalent to RS. 339.64 lakhs for the quarter December 31,2017 (Cumulative interest of US\$ 5.02 million equivalent to Rs.3251.59 lakhs) payable as per consent terms.</p>
A.7	<p>The Company identified land at Sriganaganar, 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. The Company had sold 2.37 bigha at Sriganaganar and land at Satbari in previous quarters.</p>
A.8	<p>A case has been filed by the Official Liquidator of C N L T (Far East) Behrad, Malaysia in the High Court of Malaysia at Kuala Lumpur for recovery of US \$ 1,250,000 . The Company has filed objection before the High Court of Malaysia for Striking of the Case and the matter is listed for hearing on 6th March,2018.</p>
A.9	<p>Debit/ credit balances in account of few parties are subject to confirmation/ reconciliation.</p>
A.10	<p>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.</p>
A.11	<p>The figures of the previous period have been regrouped/reclassified, wherever necessary, to confirm to current period's classification.</p>
<p style="text-align: right;">BY ORDER OF THE BOARD</p> <p style="text-align: right;"> SAMIR THAPAR CHAIRMAN & MANAGING DIRECTOR DIN 00062608</p> <p>Place: New Delhi Date : 14th February, 2018</p>	

