

# Navdeep Singh & Co.

Chartered Accountants

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## **INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL RESULTS OF JCT LIMITED PURSUANT TO THE REGULATION 33 OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To,  
The Board of Directors of JCT Limited,

1. We have reviewed the accompanying **statement of unaudited quarterly financial results of JCT Limited (the "Company") for the quarter ended June 30, 2018**, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation') read with the SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular').
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34') prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued there-under and other accounting principles generally accepted in India. Our responsibility is to issue a report on this Statement based on our review.
3. 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. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries, of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. **Basis of Qualified Conclusion**

Dues of Rs. 11,022.28 lakhs (including interest of Rs. 3,848.28 lakhs) having fallen due on 05.12.2017 to the Foreign Currency Convertible Bonds (FCCB's) holders could not be paid due to cash crunch. During the quarter ended 30.06.2018, a mutual understanding was arrived at to settle the dues on certain agreed terms by way of upfront payment and issue of fresh equity in the Company subject to approval from the banks/regulatory authorities. The Company intends to settle these dues through refinancing of its existing term loans and availing fresh funds from a financial organisation. The accounting impact will be taken after execution of settlement in all aspect.

Interest payable on FCCBs @ 6% p.a. for the quarter ended 30.06.2018 amounting to US \$ 0.23 million equivalent Rs. 159.85 lakhs will be accounted for on payment basis instead of accrual basis by the Company. As such, no provision for such interest aggregating to Rs. 159.85 lakhs for the quarter ended 30.06.2018 has been made in the accounts by the Company. This treatment is not in line with the Indian Accounting Standards and the provisions of the Companies Act, 2013 and the relevant rules thereunder.



Had the interest been accounted for on accrual basis as stated above, the finance costs and loss for the quarter ended 30.06.2018 would have been higher by Rs. 159.85 lakhs.

### 5. Qualified Conclusion

Based on our review conducted as above, 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.

### 6. Emphasis of Matter

We draw attention to the following matters in the Notes to the quarterly financial results:

- i. Note No. A.5 : Non-confirmation / reconciliation of balances in the accounts of few parties.
- ii. Note No. A.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.

**For NAVDEEP SINGH & CO.**

Chartered Accountants  
Firm Regn. No. 008400N



A handwritten signature in black ink, appearing to read "Navdeep Singh Choudhary".

**(Navdeep Singh Choudhary)**

Partner

M. No. 034979

**Place: New Delhi**

**Dated: 14<sup>th</sup> August, 2018**

**JCT LIMITED**

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(CIN NO. L17117PB1946PLC004565)

**STATEMENT OF UNAUDITED FINANCIAL RESULTS  
FOR THE QUARTER ENDED JUNE 30, 2018**

(Rs. in Lakhs)

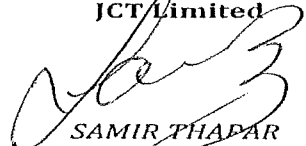
Sr. No.	Particulars	Quarter ended			Year ended
		June 30, 2018 (Unaudited)	March 31, 2018 (Audited)	June 30, 2017 (Unaudited)	March 31, 2018 (Audited)
<b>1</b>	<b>Income</b>				
	a) Revenue from operations	18,951	18,507	17,487	76,488
	b) Other Income	146	86	277	1,045
	<b>Total Income (a) + (b)</b>	<b>19,097</b>	<b>18,593</b>	<b>17,764</b>	<b>77,533</b>
<b>2</b>	<b>Expenses</b>				
	a) Cost of materials consumed	11,584	12,118	11,452	45,533
	b) Other manufacturing expenses	3,269	3074	3,130	12875
	a) Excise duty on sales	-	0	754	727
	c) Changes in inventories of finished goods and stock-in-process	(560)	1,252	(1,800)	(620)
	d) Employee benefits expense	2,981	3,000	3,123	11,978
	e) Finance costs	869	798	899	3,550
	f) Depreciation and amortisation expense	845	764	745	3,049
	g) Other expenses	892	(1,417)	881	4,030
	<b>Total Expenses (a+b+c+d+e+f+g)</b>	<b>19,880</b>	<b>19,589</b>	<b>19,184</b>	<b>81,122</b>
<b>3</b>	<b>(Loss) before tax (1-2)</b>	<b>(783)</b>	<b>(996)</b>	<b>(1,420)</b>	<b>(3,589)</b>
<b>4</b>	<b>Tax expense</b>				
	- Current tax	-	-	-	-
	Current tax related to earlier years		16		16
<b>5</b>	<b>(Loss) after tax (3-4)</b>	<b>(783)</b>	<b>(1,012)</b>	<b>(1,420)</b>	<b>(3,605)</b>
<b>6</b>	<b>Other Comprehensive Income/(Loss)</b>				
	Items that will not be reclassified as profit or loss				
	- Re-measurements of the net defined benefit plans	51	438	(78)	204
	<b>Other Comprehensive Income/(Loss) for the period /year</b>	<b>51</b>	<b>438</b>	<b>(78)</b>	<b>204</b>
<b>7</b>	<b>Total Comprehensive (Loss) for the period /year (5+6)</b>	<b>(732)</b>	<b>(574)</b>	<b>(1,498)</b>	<b>(3,401)</b>
<b>8</b>	<b>Paid up Equity Share Capital Rs. 2.50/- each</b>	<b>14,953</b>	<b>14,953</b>	<b>14,953</b>	<b>14,953</b>
<b>9</b>	<b>Earning per share of Rs. 2.50/- each (Not annualised)</b>				
	(1) Basic (in Rs.)	(0.13)	(0.17)	(0.24)	(0.60)
	(2) Diluted (in Rs.)	(0.13)	(0.17)	(0.24)	(0.60)

## UNAUDITED SEGMENT WISE REVENUE, RESULTS AND ASSETS &amp; LIABILITIES

Sl.No.	PARTICULARS	Quarter ended			Year ended
		30.06.2018 (Unaudited)	31.03.2018 (Audited)	30.06.2017 (Unaudited)	31.03.2018 (Audited)
1	<b>Segment Revenue</b>				
	(a) Textiles	11,769	11,964	10,049	45,723
	(b) Nylon Filament Yarn	7,182	6,543	7,438	30,765
	(c) Unallocated	-	-	-	-
	Total	18,951	18,507	17,487	76,488
	Less: Inter Segment Revenue	-	-	-	-
	<b>Total Income from Operations</b>	<b>18,951</b>	<b>18,507</b>	<b>17,487</b>	<b>76,488</b>
2	<b>Segment Results (Profit(+)/Loss(-) before tax and Finance Costs</b>				
	(a) Textiles	232	209	(618)	(480)
	(b) Nylon Filament Yarn	(142)	(86)	(63)	(37)
	(c) Unallocated	-	-	-	-
	Total	90	123	(681)	(517)
	Less: (i) Finance costs	869	798	899	3550
	(ii) Other Un-allocable (Income)/Expenditure net off	4	57	(160)	(666)
	(iii) Exceptional Item	-	-	-	-
	<b>(Loss) before Tax</b>	<b>(783)</b>	<b>(732)</b>	<b>(1,420)</b>	<b>(3,401)</b>
3	<b>Segment informations</b>				
	<b>Segment Assets</b>				
	(a) Textiles	39,265	39,655	40,319	39,655
	(b) Nylon Filament Yarn	18,158	18,118	18,815	18,118
	(c) Unallocated	2,331	2,294	2,778	2,294
	<b>Total segment assets</b>	<b>59,754</b>	<b>60,067</b>	<b>61,912</b>	<b>60,067</b>
	<b>Segment liabilities</b>				
	(a) Textiles	21,921	21,622	19,487	21,622
	(b) Nylon Filament Yarn	11,331	10,613	10,373	10,613
	(c) Unallocated	21,343	21,867	24,022	21,867
	<b>Total segment liabilities</b>	<b>54,595</b>	<b>54,102</b>	<b>53,882</b>	<b>54,102</b>

Notes:	
A.1	The Audit Committee has reviewed and recommended the above results, and subsequently the Board of Directors have approved the same, in their respective meeting held on August 14, 2018.
A.2	These financial results have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendments thereafter.
A.3	Ind AS 115 "Revenue from Contracts with Customers" is mandatory for reporting period beginning on or after April 01, 2018 and has replaced existing Ind AS related thereto. Under the modified retrospective approach, there were no significant adjustments required to be made to the retained earning as at April 01, 2018. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial results for the quarter ended June 30, 2018.
A.4	Dues of Rs. 11,022.28 lakhs (including interest of Rs. 3,848.28 lakhs) having fallen due on 05.12.2017 to the FCCB's holders could not be paid due to cash crunch. During the quarter ended 30.06.2018, a mutual understanding was arrived at to settle the dues by way of upfront payment of certain dues and issue of fresh equity in the Company after receipt of approval from regulatory authorities. The Company intends to payout these dues through refinancing of its existing term loans and availing fresh funds from a financial organisation from whom a sanction has been received subject to approvals from the Banks of the Company. The accounting impact will be taken after execution of settlement in all aspect.
A.4.1	Interest payable on FCCBs @ 6% p.a. for the quarter ended 30.06.2018 amounting to US \$ 0.23 million equivalent Rs. 159.85 lakhs (cumulative upto 30.06.2018, US\$ 5.55 million equivalent Rs. 3,848.28 lakhs) will be accounted for on payment basis, as such no provision has been made for interest in the accounts as on 30.06.2018.
A.5	Debit/ credit balances in account of few parties are subject to confirmation/ reconciliation.
A.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.
A.7	The figures of the previous period have been regrouped/reclassified, wherever necessary, to confirm to current period's classification.

For and on Behalf of  
JCT Limited



SAMIR THAPAR  
CHAIRMAN & MANAGING DIRECTOR  
DIN: 00062287

Place: New Delhi  
Date : 14th August, 2018