

ANNUAL REPORT

2010-2011



JCT LIMITED

**Board of Directors**

Mr. Samir Thapar

Mr. Mahesh Sahai

Mr. Gordhan Kathuria

Mr. Apar Singh Dugal

Dr. Satya Pal Narang

Mr. Vipul Singla

Vice Chairman & Managing Director

Allahabad Bank Nominee

Chief Financial Officer

Mr. Sanjiva Jain

Company Secretary

Mr. S.C. Saxena

Auditors

S.P. Chopra & Co.

Chartered Accountants

F-31, Connaught Place

New Delhi - 110 001

Registered Office

Village Chohal

Distt. Hoshiarpur - 146 024

(Punjab)

Units

Textiles : Phagwara (Punjab)

: Sriganaganagar (Raj.)

Filament : Hoshiarpur (Punjab)

Subsidiary

Rajdhani Trading Co. Limited

Corporate Office

305-309, 3rd Floor

Rattan Jyoti Building

18, Rajendra Place

New Delhi- 110008

Website: www.jct.co.inEmail: jctsecretarial@jctltd.com**Registrar & Share Transfer Agents**

RCMC Share Registry Pvt. Ltd.

B-106, Sector-2

Noida-201 301

Tel.: 95120-4015880

Fax: 95120-2444346

e-mail: shares@rcmcdelhi.com**Bankers**

Allahabad Bank

Bank of Baroda

Punjab National Bank

Punjab & Sind Bank

State Bank of India

State Bank of Patiala

State Bank of Travancore

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DIRECTORS' REPORT

To the Members of JCT Limited

The Directors of your Company present the 62nd Annual Report on the affairs of the Company together with audited statement of account of the Company for the year ended on 31st March, 2011.

The highlights of financial Results for the year are given below:

	(Rs. in lakhs)	
	2010-2011	2009-2010
Gross Income from operations	75,882	59,249
Other Income	1,469	1,285
Profit before Interest, Depreciation and Exceptional Items	3,017	2,888
Interest & financing charges	4,702	4,689
Depreciation	4,056	3,927
Exceptional Items		
-Profit from sale of building/factory	11,762	248
-(Loss)/Profit from discontinued operations	7	(600)
Provision for Tax	424	10
Net Profit/(loss)	5,604	(6,090)

DIVIDEND

In view of losses, the Directors are unable to recommend any dividend.

OPERATIONS

Textile Units

The Company had undertaken a huge expansion & modernization of the textile facilities in 2006-2008 which could not be fully utilised due to recessionary market conditions. Demand for direct export and garment fabrics remained subdued during the first two quarters due to downwards trend in the markets. However there was a surge in the demand in the latter half of the year and the industry witnessed buoyant demand. During 2010-11, the Company could focus on capacity utilization of both of its divisions - Cotton Textiles and Synthetic Performance fabrics. The important point needs mention is unprecedented upsurge in cotton prices. Globally, the cotton prices went through the roof and it was highest ever touching a level of Rs 65,000/- per candy. Following the trend of cotton, prices of other raw materials also increased considerably. During 2010-11, average per unit cost of cotton consumed was 49% higher compared to previous year. Raw material prices continue to be highly volatile leading to uncertainties in the fortunes of textile companies.

In Sriganganagar unit, the operations at Unit – 1 were discontinued in an earlier year. Land pertaining to the unit is pending disposal. The company is taking steps to revive the operations at Unit – 2 which remained suspended since 2009-10.

Filament Unit

JCT continues to maintain its position as one of the largest Textile Grade Nylon yarn manufacturer in India with installed capacity of 14,000 TPA. During the year the company sold 11,496 MT of

filament yarn & 741 MT of nylon chips as compared to 11,439 MT of filament yarn and 1,304 MT of nylon chips during the previous year. The market demand was more towards finer denier yarns. EBIDTA margins of the unit dropped in the current year due to consistent increase in the input costs. Price of Caprolactum, the main raw material, touched an all time high of Rs.173 per kg. During 2010-11 average raw material price per unit was 34% higher compared to previous year. Considering the market trend, unit has undertaken expansion of capacities of finer deniers which are expected to be operational during 2011-12.

Finance

During the year, the company redeemed Zero Rate Debentures (ZRDs) of Rs. 878 lakhs, Optionally Partially Convertible Preference Shares (OPCPS) of Rs. 489 lakhs and repaid term loan installments of Rs.699 lakhs as per stipulated terms. In case of certain loans, debentures and Optionally Partially Convertible Preference Shares (OPCPS) which became due for repayment/ redemption during the year, there were delays in servicing the debt obligations due to liquidity constraints. During the year, company sold off one of its buildings for a total consideration of Rs.12,000 lakhs, out of which Rs 4,900 lakhs was utilised to pay off dues of a bank to whom the property was mortgaged. The balance amount of sale proceeds was utilised for strengthening the working capital position of the company which had got strained due to the losses, as also to meet debt obligations and capital expenditure requirements.

The Company could not redeem the Foreign Currency Convertible Bonds (FCCBs) on due date 08.04.2011 for paucity of cash funds. The Company is taking steps to restructure/ extend the maturity of the FCCBs.

Fixed Deposits

Deposits remaining unclaimed at maturity amounted to Rs. 25.12 lakhs as on 31st March, 2011. Of the above, deposits of Rs. 15.33 lakhs have been repaid subsequently. Repayments and servicing of interest on fixed deposits remained prompt and regular.

Fixed Assets and Investments

Amount of certain investments which became due for redemption during the year were received and there was inflow of funds to the extent of about Rs.885 lakhs.

Exceptional Items in Profit and Loss Account

Pursuant to the scheme of amalgamation of the erstwhile wholly owned subsidiary company Gupta & Syal Ltd. with JCT Limited sanctioned by the Hon'ble High Court of Delhi vide order dated 10.05.2011 and Hon'ble High Court of Punjab and Haryana vide order dated 25.03.2011, all assets and liabilities of transferor company were transferred and stood vested with transferee company with effect from April 1, 2010. No shares have been allotted to the shareholders of the Company in terms of Scheme of Amalgamation. Loss of Rs.17.83 lakhs arising on amalgamation has been accounted for as per Accounting Standard 14 'Accounting for Amalgamation' issued by the Institute of Chartered Accountants of India.



During the year, company sold one of its buildings for a total consideration of Rs.12,000 lakhs and the resultant profit of Rs.11,762 lakhs has been reported as "Exceptional Income".

Statutory Disclosures

Pursuant to the approval granted by the Central Government under Section 212(8) of the Companies Act, 1956, copy of balance sheet, profit & loss account, cash flow statement, reports of the board of directors and auditors of the subsidiary are annexed hereto and form an integral part of this report.

As per the Central Government directives, the financial data of subsidiary company has been furnished as separate statement under 'Details of Subsidiaries' forming part of the Annual Report. Further, pursuant to Accounting Standard (AS-21) issued by the Institute of Chartered Accountants of India, consolidated financial statements presented by the Company in this Annual Report include financial information of the subsidiaries.

The particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are given in a separate Annexure to this Report. The Annexure is not being sent along with this Report to the Members of the Company in line with the provisions of Section 219(1)(b)(iv) of the said Act. These documents will be made available on request by any member of the Company.

The statement containing the information relating to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are annexed hereto and forms an integral part of the report.

In conformity with the provisions of Clause 32 of the Listing Agreement the Cash Flow Statement for the year ended 31.03.2011 is annexed hereto.

Pursuant to Clause 49 of the Listing Agreement, report on Corporate Governance and Management Discussions and Analysis are annexed hereto and form an integral part of this report.

Directors' Responsibility Statement

As required under Section 217 (2AA) of the Companies Act, 1956 this is to confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- ii) such accounting policies have been selected and applied consistently and judgments/estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) proper and sufficient care have been taken with best of knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis.

Auditors

M/s S.P. Chopra & Company, Chartered Accountants, Auditors of the Company, retire and being eligible offer for re-appointment. The Audit Committee and the Board of Directors recommend the re-appointment of M/s S.P. Chopra & Company as the Auditors of the Company.

Auditors' Report

The report by the Auditors is self-explanatory. However, in respect of certain observations made by the Auditors in the Annexure to their main Report to the Members of the Company, directors have to submit that (a) Delay in deposit of statutory dues in a few cases; delays in deposit of provident fund dues in respect of Sriganganagar unit were due to the financial constraints as there was no production activity and the said unit continued to incur cash losses; (b) default in repayment of term loan installments of Rs.314.51 lakhs to bankers and there have been delays in repayment of dues to financial institutions, banks and debentureholders amounting to Rs.983.54 lakhs during the year with maximum of 312 days; delays were due to financial constraints and were made good subsequently.

Cost Auditors

Pursuant to provisions of Section 233-B of the Companies Act, 1956, your Directors have appointed Mr. P.K. Verma AICWA, ACMM, as the Cost Auditors to conduct the Cost Audit of Textile Units at Phagwara and Sriganganagar and Filament Unit at Hoshiarpur, for the year ending on 31st March, 2012 and the requisite approval of Central Government have been received.

Directors

In accordance with the provisions of the Companies act, 1956 and Articles of Association of the Company, Mr Gordhan Kathuria and Dr. Satya Pal Narang, retire by rotation and being eligible offer themselves for re-election.

Mr Rajmohan Singh – Director (Operations) and Mr Sonjoy Sethee – Nominee Director (IFCI) ceased to be the Directors on the Board of the Company w.e.f. 14th May, 2011 and 12th August, 2011 respectively. The Board places on record its appreciation for valuable contribution made by them during their tenure on the Board of the Company.

Allahabad Bank, the lead bank in the Consortium Member Banks, has nominated Mr. Vipul Singla as their Nominee. Mr. Singla has been co-opted on the Board w.e.f. 12.8.2011.

Acknowledgement

Your Directors wish to place on record their appreciation for the team spirit, dedication, and commitment shown by the work force of the Company during this year. Their unstinted support has been and continues to be integral to your Company's operations.

Your Directors express their gratitude to the financial institution and more particularly to the banks and business associates for their continued co-operation and look forward to their continued support.

For and on behalf of the Board

Place : New Delhi

Samir Thapar

Dated: August 12, 2011 *Vice Chairman & Managing Director*



ANNEXURE TO DIRECTORS' REPORT

Information under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31.3.2011

(A) CONSERVATION OF ENERGY

(a) Energy conservation measures taken and (b) Additional investments and proposals, if any, being implemented for reduction in consumption of energy:

Textile Division

Purchase of Electricity through Open Access System sometime at much lesser rate, reduction of compressed air consumption under continual improvement plan resulting good amount of power saving, replacement of Conventional Axial fans with aerodynamic profile energy efficient axial fans at Float Dryer Cotton, modification in the circuit of cooling motor control at Stenter machine no. 1,2 5. Installed one MCB in the circuit of G5/1 Ring Frame pneumatic fan motor to stop it at the time of tuning for 8 hours/day, replacement of ceiling fans, A C, with energy efficient star rating, conventional CRT monitors with TFT Energy cleaning of radiators of 8 M.W T G alternators to improve loading in summer, installation of time switches in wrapping yarn store, LTG plant to switch of tube light at least 15 hrs in a day. Reduction of electrical energy consumption by adjusting load of transformer to underloaded ones. Use of energy efficient lights and CFL lights in plant. Reduced energy consumption for cooling of electronic panels at Jet Dyeing with chilled water cooling effects instead of A Cs. Substantial electrical unit saving by trimming the impellers of soft water pumps and running time control for Tube well motors in night. Steam conservation with the installation of auto temp. control system and saving of water resources.

Filament Division

Replaced DC drive system in LOY & DT machines with AC drive system resulting saving in power by 80 KW/hr. System has developed to drive gadgets of DT machines on individual AC drives & energy efficient motors. Power saving would be to the tune of 40KW/hr. System installed for auto start up of Air Compressors according to requirement of air in the plant. Power saving would be to the tune of 46 KW/hr. System has been installed to purchase cheaper power from open access (IEX), to run super heater with high temperature system in place of electric heating. Power saved is 64KW/hr.

(b) Impact of Measures:

On account of aforesaid steps/measures, considerable savings have been achieved in respect of per unit consumption of energy and other utilities cost.

(c) Total energy consumption and energy consumption per unit of production:

As per Form 'A' Attached.

(B) PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT (FORM 'B')

1. Specific areas in which R&D carried out by the company :

Textile Division

Blow Room Lap CV %, reduction in Bobbin Ejection at autoconor (post spg.) and defective stop motion at card. Saving in consumption of sulfuric acid by recycle the same solution for testing purposes in R & D Department. Improvement in poor colour fastness of Micro filaments Fabric and improvement in Crease Marks while dyeing of 100% Polyester Fabrics on jet Dyeing.

Filament Division

Upgraded R & D Lab of dyeing in order to reduce lead time for shade matching and new modified dyeing recipe developed in order to increase dyed yarn volume and reduce cost of production. Oeko Tex product class 1 certificate taken to cater export market by improving dyed yarn quality. Successfully launched two new products 40/10 brt FDY(for weaving) and 170/24 brt DW(for Velcro fabric). Mono yarn production increased by procurement of LOY and DT machines as well as enhancing capacity of existing hardware in spinning & DT machines. FDY quality significantly improved by modification in existing hardware & optimization of process parameters.

2. Benefits Derived :

Textile Division

Contributed to improvement in the yarn and in the fabric quality, to increase the efficiency of Auto Coner machines and decrease the unwanted cuts/splices in the yarn that create reasons to spoil the appearance of fabric. Improved card sliver quality which led to improvement in yarn and fabric quality. Saving in cost as well as environment control. Customers satisfaction due to improvement of color fastness and quality of fabric.

Filament Division

Providing products and services to our Customer's requirements. Reduction in cost of production by reduction in wastage, optimum resources of utilization of resources and manpower to increase productivity, better sales realization and presence in international market in hank & dope dyed segment.

3. Future plan of action :

Textile Division

The Company has independent R&D Department which regularly provides suggestions for improvement so as to optimize the cost of products and improve the quality.

Filament Division

Plan to increase LOY, POY, FDY/DT&DW machines to increase market share in domestic & international market and focused on increasing productivity by maximum utilization of resources & modification in existing hardware.

For reduction of consumption of energy-Replacement of existing brine chillers with energy efficient screw compressor, energy saving is 70KW and centrifugal fans with axial fans, energy saving is 30KW.



(C) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

(a) Efforts in brief, made towards technology absorption adaptation and innovation :

New latest technology and state of the art have been installed at Textile Division to produce as well as to reduce and optimize the cost of the production of various types of fabric and of the desired quality.

(b) Benefits derived:

The efforts for product quality improvement, cost reduction and technology absorption, adaptation and innovation have resulted into a larger product range of fabrics, development of new type of filament yarn and reduction in the cost.

(c) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year):

Not Applicable

(D) FOREIGN EXCHANGE EARNINGS & OUTGO

(a) Activities relating to exports, initiatives taken to increase export, development of new export markets for product services and export plans:

There have been continuous concerted efforts to maintain export performance both in fabrics and as well as Nylon Filament Yarn. Efforts are being made to further explore for more markets.

(b) Total Foreign Exchange used and earned:

	Current Year (Rs. in lakhs)	Previous Year (Rs. in lakhs)
Used	2,837.87	2,894.53
Earned	7,503.38	5,482.24

TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION

FORM 'A'

A. POWER AND FUEL CONSUMPTION:

	Current Year	Previous Year		Current Year	Previous Year
1. Electricity			2. Coal / Husk (Boilers)		
(a) Purchased:			Quantity (tonnes)	171,301.45	163,091.42
Units	50,363,050.00	40,656,385.00	Total Cost (Rs./Lacs)	4,236.26	3,642.20
Total Cost (Rs./Lacs)	2,615.67	2,047.63	Average Rate (Rs)	2,472.99	2,233.23
Rate/Unit(Rs.)	5.20	5.03	3. Furnace Oil (Boilers)		
Marchant Power:			Quantity (K.Ltrs)	1,338.89	1,563.58
Unit (Kwh)	2,764,820.00	—	Total Cost (Rs./Lacs)	379.60	374.23
Total cost (Rs.)	11,463,257.00	—	Average Rate/Ltr. (Rs.)	28.35	23.93
Rate/Unit (Rs.)	4.15	—	4. LDO/HSD (Furnaces / DG sets)		
(b) Own Generation:			Quantity (Ltrs)	127,572.00	234,149.00
(i) Through Diesel Generators			Total Cost (Rs./Lacs)	40.13	67.48
Units	457,420.00	809,124.00	Average Rate/ltr (Rs.)	31.46	28.82
Unit per Ltr of Diesel Oil	3.36	3.27	5. Other/Internal Generation		
Cost/unit (Rs.)	9.44	8.82	Steam		
(ii) Through Steam Turbine Generators			Quantity (tonnes)	641,409.00	634,520.00
Units	105,722,800.00	107,343,370.00	Total Cost (Rs./Lacs)	4,676.54	4,064.55
Total cost of Coal/			Average Rate (Rs.)	729.10	640.57
Rice Husk (Rs. in lakhs)	4,236.76	3,980.49			
Cost/unit (Rs.)	4.01	3.71			

B. Consumption cost per unit of production (Rs.)

	Current Year		Previous Year	
Products	Electricity	Steam	Electricity	Steam
Filament Yarn/Chips	30.43	6.78	24.61	6.13
Cloth	5.98	7.41	6.39	7.28



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

I. OVERALL VIEW

The overall profitability of the Company during the year under review has been adversely affected due to unfavorable market conditions prevailing for a major part of the year, particularly in the textile segment. Global economic recovery is still uneven and weak though emerging economies have grown strongly. Commodity prices have seen unprecedented volatility. Oil prices are at uncomfortable high levels due to various global factors including unrest in several Middle Eastern countries. In India, the economy has grown well. Concerns include rising commodity prices, high inflation, particularly food price inflation and high current account deficit. The rupee has been strengthening against the dollar putting pressure on realizations from exports. In order to control high inflation, RBI has adopted tighter monetary policies which have resulted in higher interest rates. Interest cost is likely to increase further in the coming years partly because of a general increase in the interest rates on all types of borrowing, whether short term or long term. There has been lot of resistance from the markets to fully absorb the escalating costs squeezing the margins and putting lot of pressure on profitability and liquidity. We expect the growing economy to result in increased demand and the ability and willingness to accept price increases.

Directors are confident that with the support of employees, investors and bankers the company will be in a position to tide over the unprecedented crisis in spite of the current stressful situation and our continued efforts to maintain quality and scouting for new and better markets should promote growth and we hope to achieve a better performance in the coming years.

II. TEXTILE OPERATIONS

During the year production of textile fabrics increased to 497.30 lakh meters compared to 413.56 lakh meters in the previous year. In volume terms, Sales increased to 496.88 lakh meters of fabric compared to 415.67 lakh meters in the previous year. This includes production and sales of the newly set up 100% synthetic performance fabrics unit, its products having been widely accepted in the market. In value terms, total revenue from textile operations increased to Rs. 43,333 lakhs as compared to Rs. 31,777 lakhs in the previous year. Market segment-wise and area-wise revenue from textile operations is as under:

MARKET SEGMENT	Fabrics-	Fabrics- RMG	Fabrics- Export	Institutions Domestic	Yarn & Others
2010-11					
- Rs. in Lakhs	26,574	7,170	7,658	1,649	24
- %age	61.69%	16.65%	17.7%	3.83%	0.05%
Region	Northern	Western	Southern	Eastern	Exports
2010-11					
- Rs. in Lakhs	12,782	2,993	13,959	6,171	7,170
- %age	29.67%	6.95%	32.41%	14.32%	16.65%

The segment incurred operational loss (before interest) of Rs.498 lakhs as against Rs.2,629 lakhs in the previous year. The cost of power and fuel was on the higher side as the prices of Rice Husk which is the main fuel used for power & steam generation remained higher than expected. In the prices of Dyes & Chemicals some consolidation was observed in the current year.

However the major concern was cotton prices which increased to the tune of Rs. 65,000 per candy. Other Raw Material like Polyester & Viscose followed the same trend. The sale prices also increased substantially in the 3rd & 4th quarter but there still remained pressure on sale prices and the margins.

III. FILAMENT OPERATIONS

During the year production of nylon yarn marginally decreased to 11,329 MT from 11,580 MT in the previous year while production of nylon chips (for outside sales) also decreased to 738 MT from 1,236 MT in the previous year. In volume terms Sales of nylon yarn, however, remained almost flat at 11,496 MT compared to 11,439 MT in the previous year, while Sale of nylon chips also decreased to 741 MT from 1,304 MT in the previous year. In value terms, total revenue from filament operations improved to Rs. 30,651 lakhs from Rs. 26,511 lakhs in the previous year. The segment earned operational profit (before interest) of Rs. 931 lakhs as against Rs. 2,543 lakhs in the previous year.

The Caprolactum – main raw material prices touched the all time high of Rs.173/- per kg and other input costs like chemicals, energy, packing material costs etc. also increased substantially. The unit has successfully installed the second hand LOY and DT machines and second phase of the increase in yarn capacity by installing 3 LOY lines and 12 DT machines is in process.

IV. INTERNAL CONTROL SYSTEMS

The company has proper and adequate system of internal control to safeguard assets against loss from unauthorized use or disposition. This also ensures that all transactions are authorised, recorded and reported correctly. Regular internal audit and



checks are carried out to check the existence of adequate system. The management also reviews the internal control systems and procedures to ensure its application. The emphasis on internal control prevails across functions and processes, covering the entire gamut of various activities. An effective and comprehensive review by the Audit Committee of the Board have strengthened the internal controls with the organization.

V. HUMAN RESOURCES

The Company takes pleasure in adopting a progressive policy for helping employees to develop their organizational skill, knowledge and abilities to achieve greater efficiency. The focus of all aspects of Human Resource Development is on developing superior workforce so that the organization and individual employees can accomplish their work goals of service to customers. The progress made by the Company was possible due to the sustained efforts of the entire team. Industrial relations were harmonious at all our units. Welfare and training at all levels of our employees continue to be areas of major focus for the Company.

VI. CORPORATE SOCIAL RESPONSIBILITY AND CONSERVATION OF RESOURCES

JCT has always been proud of its social commitments and endeavors to conserve the natural resources and we firmly believe that safe and healthy working conditions at factories and other premises are as necessary and as important as production, productivity and quality. Your Company complies with all applicable statutory provisions pertaining to health and safety and takes all possible measures to prevent accidents and occupational hazards. The Company provides the necessary information, promotes awareness and provides training to all employees to carry out their tasks in a safe and responsive manner. Periodic audits and risk analysis for hazardous operations are done and corrective actions taken. All employees are obliged to ensure that they fully understand all policies and that they fully comply with the requirements. The company has been patronizing the game of Football in the state of Punjab in a big way and also few other sports where budding sportspersons and potential talents have been groomed.

The units at Phagwara and Hoshiarpur have residential colonies for workers and staff. The Company is already running a Co-education School in Phagwara, which provides free education to the children of workers right upto the class 12th standard. Similar School is being run in Hoshiarpur, which has now been upgraded upto 8th standard.

VII. STATEMENT OF CAUTION

Statements in this report on 'Management Discussion and Analysis' may be forward looking, considering the applicable laws and regulations. The statements are based on certain assumptions and expectation of future events. Actual results could, however, differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand-supply conditions, finished goods prices, raw materials costs and availability, fluctuations in exchange rates, changes in Government regulations and tax structure, economic developments within India and the countries with which the Company has business contacts.

The Company assumes no responsibility in respect of the forward looking statements herein, which may undergo changes in future on the basis of subsequent developments, information or events.



CORPORATE GOVERNANCE REPORT : 2010-2011

Company's philosophy on code of Governance

JCT has full belief that the sound corporate governance is essential for the success of its operations in the long term. The organizational success is truly a reflection of the professionalism, conduct and ethical values of its management and employees. Our Company strives to ensure transparency in all its operations, make disclosures and comply with various laws and regulations.

1. Board of Directors

Composition of Board

During the year 2010-11, the strength of Board remained seven Directors comprising of two Executive and five Non-Executive Directors which constitute more than 50% as independent directors on the Board. These directors have considerable professional expertise and experience. None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees. Necessary disclosures regarding directorship held in other companies and committee positions as on 31.3.2011 have been made by the Directors.

Attendance of Directors at Board Meetings & AGM and number of companies in which the director is a member of the Board or its committees as a member or chairperson thereof during the financial year

Name of the Director & Designation	Category	Number of Board Meetings		No of other Companies in which a Director	No. of other Committees in which a Member	No. of other Board/ Committees in which a Chairperson
		Held	Attended			
Mr. Samir Thapar Vice Chairman & Managing Director	Executive	6	3	5	—	—
Mr. Rajmohan Singh* Director (Operations)	Executive	6	5	3	—	—
Mr. Mahesh Sahai	Independent Non Executive	6	5	1	—	—
Mr. G.B. Kathuria	Independent Non Executive	6	5	1	—	—
Dr. S.P. Narang	Independent Non Executive	6	4	2	5	1
Mr. A.S. Dugal	Independent Non Executive	6	5	1	—	—
Mr. Sonjoy Sethee** Nominee - IFCI Ltd.	Independent Non Executive	6	6	2	—	—

* ceased to be a Director on the Board of the Company w.e.f. 14.5.2011

** ceased to be a Director on the Board of the Company w.e.f. 12.8.2011

The last Annual General Meeting of the Company was held on September 29, 2010 and attended by Mr. G. B. Kathuria, Director of the Company who is also the Chairman of the Audit Committee, Mr. Rajmohan Singh, Director (Operations) and Mr. Sonjoy Sethee, Nominee Director of IFCI Limited.

Date and number of Board Meetings held

Six Board meetings were held during the year on April 28, 2010, August 6, 2010, September 29, 2010, October 19, 2010, November 15, 2010 and February 11, 2011.

Code of Conduct

The code of Conduct in line with the provisions of clause 49 of the listing agreement has been framed / adopted by the Board and is applicable to all the members of the Board and Senior Management Executives of the Company. The Board Members and Senior Management of the Company have confirmed compliance with the Code of Conduct. The Code of Conduct has been posted on the Company's web site www.jct.co.in

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended March 31, 2011.

For JCT Limited
Samir Thapar

Vice Chairman & Managing Director

2. Audit Committee

Constitution

The Board has constituted a qualified and an independent audit committee consisting of Mr. G. B. Kathuria, Mr. Mahesh Sahai, Dr. S. P. Narang, Mr. Sonjoy Sethee (Nominee of IFCI Ltd.) and Mr. Rajmohan Singh – Director (Operations). Mr. G. B. Kathuria who is an independent director is the Chairman of the Committee.

Statutory Auditors, Internal Auditor, Chief Financial officer (CFO) and other functional heads are also invited as special invitees. The Company Secretary acts as a Secretary of the Committee.

Date and number of Committee Meetings held

Five meetings of the Audit Committee were held during the year on April 28, 2010, August 6, 2010, November 15, 2010, December 23, 2010 and February 29, 2011.

Attendance of Directors		No of Meetings held	No of Meetings attended
Name of Committee Member			
Mr. G.B. Kathuria	Independent Non Executive	5	5
Dr. S.P. Narang	Independent Non Executive	5	4
Mr. Mahesh Sahai	Independent Non Executive	5	5
Mr. Rajmohan Singh*	Executive Director (Operations)	5	5
Mr. Sanjoy Sethee** Nominee - IFCI Ltd.		5	5

* ceased to be director w.e.f. 14.5.2011

** ceased to be director w.e.f. 12.8.2011

**Power, Role and Review of information by Audit Committee**

The role and terms of reference of the Audit Committee covers the areas mentioned under Clause 49 of the Listing Agreement and Section 292 A of the Companies Act, 1956 besides other matters as may be referred by the Board of Directors. These inter-alia include review of Company's financial reporting process and disclosure of financial information to ensure that the financial statement are correct, sufficient and credible, reviewing annual and quarterly financial statement with management before submission to the Board reviewing the adequacy of internal control system with management, external and internal auditors and reviewing the Company's financial risk and management policies.

3. Subsidiary Companies.

Company as at 31.3.2011 has one unlisted Indian subsidiary namely Rajdhani Trading Company Limited and in the case of subsidiary company the turnover / net worth does not exceed 20 % of the turn over/ net worth of the Company. Gupta & Syal Limited, formerly a subsidiary company has been merged with JCT Limited w.e.f 1.4.2010 in terms of the Orders of High Court of Punjab & Haryana at Chandigarh on 25.3.2011 and High Court of Delhi at New Delhi on 10.5.2011. The minutes of Board Meetings of Indian subsidiary Company are placed before the Board of Directors of the Company and a statement of all significant transactions and arrangements entered into by the Subsidiary Company, if any is placed before the board of directors. The Audit Committee reviews the financial statements including investments, if any.

4. Disclosures**Basis of related party transactions**

No transaction of a material nature has been entered into by the Company with the Directors, Senior Management, personnel and their relatives that may have a potential conflict with the interest of the Company except as disclosed under the related party transactions as per the Accounting Standard 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India (ICAI) which are set out in the Annual Report.

Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards issued by ICAI. The significant accounting policies which are consistently applied have been set out in the Notes to the Accounts.

Risk Management

Board was apprised of the assessment done of risk factors and the management policy for control and minimization of the same during the year. There is elaborate system for the assessment and control on continuous basis also.

Proceeds from public issues, right issues, preferential issues etc.

No money has been raised for public issue, right issue, preferential issue by the Company during the year 2010-11.

Remuneration of Directors

Terms of reference for Remuneration Committee constituted by the Board are to recommend/review the remuneration package of the Managing/ whole time Director based on performance and keeping in view the applicable provisions of the Companies Act, 1956.

The committee at present comprises of Mr. G. B. Kathuria, Dr. S. P. Narang, Mr. Mahesh Sahai and Mr. Sonjoy Sethee, Nominee of IFCl, all independent directors and Mr. G.B. Kathuria is the Chairman of the Committee.

Attendance of Members

Two meeting of the Remuneration Committee held during the year on August 6, 2010 and May 14, 2011 were attended by Mr. G.B. Kathuria, Chairman and Mr. Mahesh Sahai, Dr. S.P. Narang, Mr. Sonjoy Sethee, Members of the Committee.

Remuneration Policy

Remuneration policy is aimed at attracting and retaining high caliber talent. The policy therefore takes into account the remuneration trends in the industry and the competitive requirement of its business.

Details of remuneration of Directors

The details of remuneration paid to the Executive Directors during the year are given below:

(Rs. in lakhs)

	Mr. Samir Thapar Vice Chairman & Managing Director		Mr. Rajmohan Singh** Director (Operations)	
	Current Year	Previous Year	Current Year	Previous Year
Salary including allowances	49.50	42.00	41.64	33.72
Contribution to Provident & super annuation funds*	9.37	7.50	7.50	6.00
Perquisites & Reimbursements	3.30	6.00	11.16	14.18
TOTAL	62.17	55.50	60.30	53.90

* excluding the provision made towards gratuity and leave encashment on actuarial basis.

**ceased to be Director on the Board of the Company w.e.f 14.5.2011

Executive Directors are under service contracts on terms and conditions as approved by the Board /shareholders from time to time and the remuneration as permissible under the provisions of the Companies Act, 1956. The Non-executive Directors do not draw any remuneration from the Company except sitting fee of Rs.15,000/-for attending Audit Committee Meeting, Rs.8000/- other committee meetings and Rs.20,000/- for each meeting of the Board.The total amount of sitting fee paid to such directors during the year was Rs.9,05,000/-. Further, no shares and/or convertible instruments are held by the Non executive Directors of the Company.

Management

Management Discussion & Analysis Report is annexed and form the part of the Director's Report.

Shareholders' Committee

The said committee at present consists of Dr. S. P. Narang, Mr. A. S. Dugal, Mr. G. B. Kathuria all Non Executive Independent Directors and Mr. Rajmohan Singh, Executive Director (Operations). The committee meets normally once in three months to oversee proper redressal of grievances of shareholders /investors and compliance of stipulation in the matter of listing of shares with stock exchange/ depositories etc. The matter of transfer / transmission of shares /debentures, sub-division /consolidation and issue of new /duplicate shares / debenture certificates etc. including demat / remat of shares /debentures in the normal course are looked after by the committee of Senior Executives consisting of Mr. Sanjiva Jain, Chief Financial Officer and Mr. S. C. Saxena, Company Secretary who have been authorized by the Committee for the same.

**Brief profile of the Directors to be appointed/reappointed at the Annual General Meeting****Mr. G B Kathuria**

Mr. Kathuria has been a Director of the Company since 5th April, 1999. He retired as Chairman & Managing Director of Bank of India in the year 1995. He is having vast knowledge and experience in Finance & Banking. He is also the Chairman of the Audit, Asset Sale and Remuneration Committee(s) of the Board of Directors. He is also the Director on the Board of Rajiv Amrit Marketing Pvt. Limited.

Dr S P Narang

Dr.Narang has been a Director of the Company since 20th July, 2001. He has done M.Com, Ph.D, LL.B, FCS and Fellow Member of All India Management Association (FIMA) with consistent good academic record. He retired as Secretary & CEO of the Institute of Company Secretaries of India (ICSI) after serving the Institute for over 21 years. Presently, he is a Hony. Prof. of School of Management Studies, IGNOU and he is also the Executive Director of Shri Ram New Horizons Ltd., an Education & Training Company of Shri Ram Group. He has been actively involved in education, research, training and professional development. He was also involved in providing the inputs for drafting of Corporate and Economic Laws during his tenure with the Institute of Company Secretaries of India. He has been a prolific writer and has been regularly contributing for the financial dailies like The Economic Times and Financial Express. He has also participated in many International conferences related to Corporate Laws, Corporate Governance, CSR & Business Ethics. He specializes in the field of Corporate Laws and Financial Management. He is on the Board of Prithvi Information Solutions Limited and NH Elite Education Services Limited. He has also been a member of the various committees constituted by the Central & State Government including SEBI. He is closely associated with the various Chambers of Commerce like FICCI, ASSOCHAM, CII, PHDC and various academic bodies in different capacities. .

Mr Vipul Singla

Company on receipt of letter no. IFB/ND/GR-II/JCT/443 dated 3.8.2011 from Allahabad Bank, informing that Mr. Vipul Singla, Dy. General Manager, Zonal Office, Allahabad Bank, New Delhi is Nominee Director on behalf of the Consortium Member Banks. He is appointed as Nominee Director on the Board of the Company and holds office upto the date of the forthcoming Annual General Meeting. The Notice under Section 257 of the Companies Act, 1956 has been received from Member(s) signifying his intention to propose Mr. Singla to the office of the Director at the forthcoming Annual General Meeting and his appointment is recommended.

Name of the Non-Executive Director heading the Committee

Dr. S.P.Narang, Director

Name & Designation of Compliance Officers

Mr. Sanjiva Jain, Chief Financial Officer

Mr. S. C. Saxena, Company Secretary.

Number of complaints received, not solved & shares pending transfer

11 complaints were received and replied to the satisfaction of shareholders during the year 2010-11. There was no pending complaints as on 31st March, 2011. There is no share transfer or any other correspondence pending for more than fifteen days as on the date of this report. The Company also have exclusive e-mail ID i.e. jctsecretarial@jctltd.com for investors to contact the Company in case of any information and grievance.

General Body Meetings

The previous three Annual General Meeting(s) of the Company were held at 12.30 p.m each on September 27, 2008, September 25, 2009 and September 29, 2010 at the registered office of the Company at Village Chohal, District Hoshiarpur, Punjab. No special resolution was passed in the last three Annual General Meetings.

Resolution through Postal Ballot

There was no resolution which was required to be passed by the shareholders of the Company through a Postal Ballot during the year 2010-2011.

Details of non-compliance, penalties etc. imposed by Stock Exchange, SEBI etc. on any matter related to capital markets, during the last three years

No stricture/ penalties have been imposed on the Company by the Stock Exchanges or the Securities and Exchange Board of India (SEBI) or any statutory authority on any matters related to Capital Markets during the last three years.

Whistle Blower Policy

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism of reporting illegal or unethical behaviour. The Company has a whistle blower policy wherein the employees are free to report violation of laws, rules or unethical conduct to their immediate supervisors or such other person as may be notified by the management to the workgroups including the members of Audit Committee. The confidentiality of these reporting violation is maintained and they are not subject to any discriminatory practice.

Means of Communication

- | | | |
|---------------------------------------------------|---|-----------------------------------------------------------------------|
| (a) Quarterly Results | : | Through publication |
| (b) Newspapers wherein results normally published | : | Business Standard (English)
Tribune (Punjabi)
Jagbani (Punjabi) |
| (c) Web site at which result are displayed | : | On the web site of Mumbai
Stock Exchange i.e. www.bseindia.com |

The General Information, Shareholding Pattern, Financial Results, Code of Conduct and Balance Sheet etc. is also displayed at the Company's web site at www.jct.co.in

- | | | |
|--------------------------------------------------------------------------------------------------------------------------------|---|----------------------------|
| (d) Whether it also displays official news releases
and the presentations made to institutional investors
or to analysts | : | Yes, as and when necessary |
|--------------------------------------------------------------------------------------------------------------------------------|---|----------------------------|

**General shareholder information**

AGM 62nd Annual General Meeting
Date 26th September, 2011
Time 12.30 p.m.
Financial Year 2011-2012
Venue Village Chohal, Dist. Hoshiarpur
(Punjab)-146 024

Date of Book Closure : September 19, 2011 to September 26, 2011 (both days inclusive)
Dividend Payment Date : Not applicable
Listing on Stock Exchanges : Mumbai Stock Exchange
Stock Code : 500223 (BSE)
Market Price Data

Month	High	Low
April, 2010	3.92	3.00
May	3.92	2.95
June	3.65	3.05
July	3.89	3.12
August	3.49	3.00
September	3.49	2.98
October	4.64	3.08
November	4.29	3.20
December	3.61	2.97
January, 2011	3.73	2.87
February	3.27	2.77
March	3.17	2.77

GDRs issued by the Company have been delisted from the Luxembourg Stock Exchange from 3.1.2011.

Performance in comparison to broad based indices such as BSE Sensex, Crisil Index etc.

The shares of the Company are not considered by Stock Exchange in their index fluctuations.

ISIN No. : INE945A01026

Registrar & Share Transfer Agents

RCMC Share Registry Pvt. Limited
B-106, Sector- 2
NOIDA - 201301
Telephone : 95120-4015880
Fax : 95120-2444346
E-mail : shares@rcmc Delhi.com

Share Transfer System

The system for transfer of shares in physical form is delegated to Share Transfer Committee which meets once in a fortnight and the average time taken for transfer of shares is approximately 15 days. SEBI vide its circular no. MRD/DoP/Cir-03/2010 dated 7.1.2010 has now made it mandatory for the Transferee (s) to furnish copy of PAN Card to the Company / RTAs for register of transfer / transmission / deletion / transposition of shares in physical form of Listed Companies irrespective of the amount of such transaction.

Shareholding Pattern by size (as on 31.3.2011)

	Category	No. of Shareholder	No. of Shares	%age of Shares
1	5000	92282	38422308	10.70
5001	10000	4155	12445337	3.47
10001	20000	3095	17138259	4.77
20001	30000	1199	11988740	3.34
30001	40000	422	6009726	1.67
40001	50000	266	5037864	1.40
50001	100000	437	12459621	3.47
100001	Above	374	255576735	71.18
	TOTAL	102230	359078590	100.00

Shareholding Distribution Pattern (as on 31.3.2011)

Category	No. of Shares	%age
Promoters/Promoter group	182504724	50.83
Non-Promoters (Institutions/Banks/Mutual Funds/State Govt./FILs etc.)	21628141	6.02
Others (Corporate Bodies/Individuals/custodian/non resident)	154945725	43.15
TOTAL	359078590	100.00

**Dematerialization of shares and liquidity**

Presently, 97.43% of shares are in dematerialized form. The shares of the Company are listed on Bombay Stock Exchange Ltd., which provide sufficient liquidity to the investors.

Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity

Name of the Instrument	Date of conversion	Maximum Amount likely to be converted into equity
Optionally Partially Convertible Preference shares of face value Rs.100/- each	Any time before the last instalment of redemption due on 31.12.2011	20%
Foreign Currency Convertible Bonds (FCCB)(issued on April 8, 2006) and due on April 8, 2011	-	FCCB not redeemed on due date: Steps to restructure/extend the maturity period are in progress.

Plant Locations

Textile units at Phagwara (Punjab) and Sriganganagar (Rajasthan)

Filament unit at Chohal, Dist. Hoshiarpur (Punjab)

Address for Correspondence

(a) Registered Office - Village Chohal, Dist. Hoshiarpur (Punjab) - 146 024

(b) Corporate Office - 305-309,3rd Floor, 18, Rattan Jyoti Building Rajendra Place, New Delhi-110008

CEO/CFO Certification

Mr. Samir Thapar, Vice Chairman & Managing Director and Mr. Sanjiva Jain, Chief Financial Officer of the Company have certified to the Board that ;

- (a) They have reviewed financial statements and the cash flow statement for the year ended 31st March, 2011 and that to the best of their knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material factor contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are to the best of their knowledge and belief, no transaction entered into by the Company during the year ended 31st March, 2011 are fraudulent, illegal or violative of the Company's code of conduct.
- (c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) They have indicated to the auditors and the Audit committee
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they became aware and the involvement therein, if any of the management or an employee having a significant role in the Company's internal control system over financial reporting.

AUDITORS' CERTIFICATE TO THE SHAREHOLDERS ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

We have examined the compliance of conditions of corporate governance by JCT Limited for the year ended on 31st March, 2011 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchange.

The compliance of conditions of corporate governance is the responsibility of the Company's management. Our examination was limited to a review of the procedures and implementations thereof adopted by the Company, for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the management of the Company, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

We further state such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S. P. CHOPRA & CO.
Chartered Accountants
Pawan K. Gupta
Partner

Place : New Delhi
Dated : August 12, 2011

Membership No. 92529
Firm Registration No. 000346N

**STATEMENT REGARDING SUBSIDIARY COMPANIES PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956**

1. Name of the subsidiary Company	Rajdhani Trading Co. Ltd	
2. Holding Company's interest	Wholly owned subsidiary	
3. Net aggregate amount of Profit/(Loss)		
(i) For the subsidiaries financial year/period ended 31st March, 2011 (in Rs.)	8,526	
(ii) For the previous financial years of the subsidiary companies since it became subsidiary (in Rs.)	(69,904)	
4. Net aggregate amount of subsidiary companies' profits, less losses and dealt within the Company's accounts:		
(i) For the subsidiaries financial year/period ended 31st March, 2011	Nil	
(ii) For the previous financial years of the subsidiary companies since it became subsidiary	Nil	
5. (a) There was no change in the Company's interest in any subsidiary company between the end of the preceding financial year of the subsidiary and the end of the Company's financial year	Nil	
(b) Material changes occurred between the end of the preceding financial year of the subsidiary and the end of the company's financial year in respect of subsidiary's:		
(i) Fixed Assets	}	Nil
(ii) Investments		
(iii) The moneys lent by it		
(iv) The moneys borrowed by it for any purpose other than that of meeting current liabilities.		

Sanjiva Jain
Chief Financial Officer

S.C. Saxena
Company Secretary

Samir Thapar
Vice Chairman &
Managing Director

G.B. Kathuria
Director

Place : New Delhi
Dated : August 12, 2011



AUDITORS' REPORT

To the Members

1. We have audited the attached Balance Sheet of JCT Limited, as at 31st March, 2011, the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
 2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
 3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
 4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that:
 - (a) we have 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, Profit & Loss Account and Cash Flow Statement dealt with by the Report are in agreement with the books of account;
 - (d) on the basis of the written representations received from the directors of the Company and taken on record by the Board of Directors, we report that none of the directors is disqualified as at 31st March, 2011 from being appointed as director of the Company in terms of Section 274 (1) (g) of the Companies Act, 1956;
- (e) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement of the Company dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956;
 - (f) Without qualifying our opinion, we draw attention to Note No.18 in Schedule "IX" in the financial statements. The Company has incurred substantial cash losses in the current year as also in the previous years resulting in substantial erosion in 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.
 - (g) in our opinion and to the best of our information and according to the explanations given to us, the said Accounts read together with the Significant Accounting Policies and other notes thereon in Schedule No. 'IX' give the information as required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - (ii) in the case of the Profit & Loss Account, of the profit of the Company for the year ended on that date; and
 - (iii) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For S. P. CHOPRA & CO.
Chartered Accountants
Pawan K. Gupta
Partner

Place: New Delhi
Dated: August 12, 2011

Membership No. : 92529
Firm Registration No. 000346N

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 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 fixed assets on the basis of available information.
 - (b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
- (ii) In respect of its inventories:
 - (a) As explained to us, inventories except those lying with third parties, have been physically verified by the management in accordance with the perpetual inventory programme, at regular intervals during the year. In our opinion, the frequency of verification is reasonable.



- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to size of the Company and nature of its business.
- (c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed in physical verification of inventory as compared to the book records.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured from/to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered into a register maintained under Section 301 of the Companies Act, 1956.
- (vi) 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 58A, Section 58AA and other relevant provisions of the Companies Act, 1956 and the Rules framed there under, with regard to the deposits accepted from the public. As informed to us, no order has been passed by the National Company Law Tribunal, Reserve Bank of India, any court or any other Tribunal during the year.
- (vii) In our opinion and according to the information and explanations given to us, the internal audit system is commensurate with the size and nature of the Company's business.
- (viii) We have broadly reviewed the books of account maintained by the Company in respect of the Textile and Filament Units of the Company where Order has been made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records.
- (ix) In respect of statutory dues:
- (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities *though there has been a delay in few cases*. 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, 2011 for a period of more than six months from the date they became payable.
- (b) The disputed statutory dues aggregating to Rs. 3107.81 lakhs, that have not been deposited on account of matters pending in appeal before appropriate authorities are as under:

Sl. No.	Name of the statute	Nature of the Dues	Forum where dispute is Pending	Amount (Rs. in lakhs)
1.	Central Excise Act	Excise Duty	Upto Commissioner's level CESTAT Tribunal	61.74 1,324.47 977.30
2.	Central Sales Tax and Sales Tax Act of various states	Sales Tax	Upto AETC High Court Supreme Court	6.40 379.88 51.10
3.	Customs Duty Act, 1962	Customs Duty	Commissioner of Customs	186.05
4.	Income tax Act, 1961	Income Tax	CIT ITAT Supreme Court	0.55 37.83 82.49
		TOTAL		3,107.81

- (x) In our opinion, the Company has incurred operational cash losses in the financial year and also in the financial year immediately preceeding the current financial year.
- (xi) Based on our audit procedures and according to the information and explanations given to us, *the Company has defaulted in repayment of term loan instalments of Rs. 314.51 lakhs to bankers which has been paid subsequently. Further, there have been delays by the Company in repayment of dues to financial institutions, banks and debenture holders amounting to Rs. 983.54 lakhs during the year with maximum of 312 days.*
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments.
- (xv) The Company has given a guarantee for a loan taken by another body corporate from a financial institution. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima-facie prejudicial to the interest of the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company has not availed any term loan during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares to any parties or companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) On the basis of the records made available to us, the Company has created securities in respect of debentures.
- (xx) The Company has not raised any money by way of public issues during the year.
- (xxi) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For S. P. CHOPRA & CO.
Chartered Accountants
Pawan K. Gupta
Partner

Place: New Delhi
Dated: August 12, 2011

Membership No. : 92529
Firm Registration No. 000346N



BALANCE SHEET AS AT 31ST MARCH, 2011

(Rs. in lakhs)

	Schedule No.	31.3.2011	31.3.2010
SOURCES OF FUNDS			
1. SHAREHOLDERS' FUNDS			
Capital	'A'	11,399.45	11,888.33
Reserves and surplus	'B'	13,603.16	14,173.98
		25,002.61	26,062.31
2. LOAN FUNDS			
Secured loans	'C'	25,888.93	29,779.76
Unsecured loans	'D'	18,389.86	18,878.77
		44,278.79	48,658.53
TOTAL		69,281.40	74,720.84
APPLICATION OF FUNDS			
1. FIXED ASSETS	'E'		
Gross block		101,504.64	101,897.59
Less : Depreciation		53,789.44	50,735.91
Net block		47,715.20	51,161.68
Capital work-in-progress		514.94	493.18
		48,230.14	51,654.86
2. INVESTMENTS	'F'	4,250.94	5,391.79
3. CURRENT ASSETS, LOANS AND ADVANCES			
Current Assets	'G'		
(a) Inventories		16,361.94	12,630.42
(b) Sundry Debtors		5,996.83	3,360.09
(c) Cash and bank balances		2,254.71	1,053.20
Loans and Advances	'H'	4,033.42	4,645.31
		28,646.90	21,689.02
Less : CURRENT LIABILITIES AND PROVISIONS			
(a) Current liabilities	'I'	19,678.50	17,657.78
(b) Provisions	'J'	2,381.51	2,157.09
		22,060.01	19,814.87
4. NET CURRENT ASSETS		6,586.89	1,874.15
5. PROFIT & LOSS ACCOUNT		10,213.43	15,800.04
Significant accounting policies and notes forming part of the Balance Sheet	'IX'		
TOTAL		69,281.40	74,720.84

Sanjiva Jain
Chief Financial Officer

S.C. Saxena
Company Secretary

Samir Thapar
Vice Chairman &
Managing Director

G.B. Kathuria
Director

As per our report of even date attached
For S.P. CHOPRA & CO.
Chartered Accountants
Pawan K. Gupta
Partner

Place : New Delhi
Dated : August 12, 2011

Membership No. 92529
Firm Registration No. 000346N



**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED ON 31ST MARCH, 2011**

(Rs. in lakhs)

	Schedule No.	Current Year	Previous Year
INCOME			
Gross Sales	'I'	75,882.02	59,249.21
Less: Excise Duty		(3,247.94)	(1,992.79)
Net Sales		72,634.08	57,256.42
Other income	'II'	1,469.11	1,284.62
Increase/(decrease) in stocks	'III'	41.79	(277.37)
		74,144.98	58,263.67
EXPENDITURE			
Raw materials consumed		38,368.53	26,404.10
Other Manufacturing expenses	'IV'	19,558.75	17,782.91
Purchase		40.72	300.25
Payments to and provisions for employees	'V'	7,281.50	6,143.47
Administration and other expenses	'VI'	2,541.92	1,930.24
Selling and distribution expenses	'VII'	3,336.57	2,814.96
Interest and financing charges	'VIII'	4,701.86	4,689.18
Depreciation			
Depreciation for the year		4,068.88	3,950.85
Less: Transfer from revaluation reserve		(13.30)	(24.15)
		4,055.58	3,926.70
		79,885.43	63,991.81
Profit/(Loss) before Tax and exceptional item		(5,740.45)	(5,728.14)
Profit on sale of Ginning factory		—	248.24
Profit on sale of Building (Refer Note 17 in Schedule IX)		11,761.76	—
Profit/(Loss) form continuing operations after exceptional item and before tax		6,021.31	(5,479.90)
Provision for tax		423.79	10.02
Profit/(Loss) from continuing operations after exceptional item and after tax		5,597.52	(5,489.92)
Profit/(Loss) from discontinued operations (Refer Note 20 In Schedule IX)		6.92	(599.59)
Net Profit/(Loss) after tax		5,604.44	(6,089.51)
Loss brought forward from last year		(15,800.04)	(9,710.53)
Loss arising on amalgamation (Refer Note No. 10 in Schedule IX)		(17.83)	—
Balance loss carried over to Balance Sheet		(10,213.43)	(15,800.04)
Earning/(Loss) per share before exceptional items -in Rs. (Refer Note 26 of Schedule IX)			
- Basic		(1.72)	(1.60)
- Diluted		(1.25)	(1.16)
Earning/(Loss) per share after exceptional items -in Rs. (Refer Note 26 of Schedule IX)			
- Basic		1.56	(1.70)
- Diluted		1.14	(1.23)
Significant Accounting Policies and Notes forming part of the Profit & Loss Account	'IX'		

Sanjiva Jain
Chief Financial Officer

S.C. Saxena
Company Secretary

Samir Thapar
Vice Chairman &
Managing Director

G.B. Kathuria
Director

As per our report of even date attached
For S.P. CHOPRA & CO.
Chartered Accountants
Pawan K. Gupta
Partner

Place : New Delhi
Dated : August 12, 2011

Membership No. 92529
Firm Registration No. 000346N



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

(Rs. in lakhs)

	Year ended 31.3.2011	Year ended 31.3.2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before tax and exceptional items	(5,740.45)	(5,728.14)
Adjustment for:		
Depreciation	4,055.58	3,926.70
Provision for diminution in value of investments	238.70	0.47
Fixed Assets written off.	127.42	27.48
Provision for doubtful debts and advances	271.78	128.55
Bad debts written off	4.32	0.62
Liabilities/provisions no longer required, written back	(34.72)	(121.94)
Depreciation excess provided in earlier years written back	(0.85)	—
Interest expense	4,701.86	4,689.18
Interest earned	(158.66)	(118.78)
Dividend/Interest on Investments	(3.67)	(3.37)
Profit on sale of investments	(2.25)	—
Profit on sale of fixed assets (net)	(24.69)	(77.38)
Foreign exchange fluctuation (net)	(87.89)	(133.26)
	9,086.93	8,318.27
Operating profit before exceptional items and before working capital changes	3,346.48	2,590.13
Adjustment for working capital changes:		
Inventories	(3,731.52)	(636.37)
Trade and other receivables	(2,250.62)	1,337.01
Trade payables and others	2,279.66	3,951.89
	(3,702.48)	4,652.53
Cash generated from operations:	(356.00)	7,242.66
Cash flow from operating activities	(356.00)	7,242.66
Income tax paid	(443.92)	(32.59)
Net cash flow from operating activities	(799.92)	7,210.07
B. CASH FLOW FROM EXCEPTIONAL ITEMS		
Sale proceeds of Ginning factory	—	261.39
Sale Proceeds of Building (Refer Note 17 in Schedule IX)	12,000.00	—
Profit/(Loss) from discontinued operations (Refer Note 20 in Schedule IX)	6.92	(599.59)
Loss arising on amalgamation (Refer Note 10 in Schedule IX)	(17.83)	—
Net Cash flow from Exceptional items	11,989.09	(338.20)
C. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets including capital work in progress	(1,263.37)	(922.46)
Sale of fixed assets	44.36	27.58
Purchase/Sale/proceeds from investments (net of provision for diminution)	880.85	267.68
Interest earned	158.66	118.78
Dividend/Interest on investments	3.67	3.37
Net Cash used in investing activities	(175.83)	(505.05)

**CASH FLOW STATEMENT (Contd.)**

	(Rs. in lakhs)	
	Year ended 31.3.2011	Year ended 31.3.2010
D. CASH FLOW FROM FINANCING ACTIVITIES		
Redemption of Preference Shares (net)	(488.88)	(128.11)
Redemption of debentures (net)	(878.06)	(437.78)
Repayment of long term secured loans (net)	(171.02)	(698.56)
Repayment/proceeds from short term loans - secured	(2,841.75)	591.52
Repayment of short term loans - Unsecured	(818.15)	(1,007.94)
Foreign exchange fluctuations (net)	87.89	133.26
Interest and financing charges	(4,701.86)	(4,689.18)
Net cash used in financing activities	(9,811.83)	(6,236.79)
INCREASE IN CASH AND CASH EQUIVALENTS	1,201.51	130.03
CASH AND CASH EQUIVALENTS (OPENING)	1,053.20	923.17
CASH AND CASH EQUIVALENTS (CLOSING)	2,254.71	1,053.20

Note to cash flow statement :

Cash and cash equivalents consist of cash in hand and balances with banks.
Cash and cash equivalents included in the Cash flow statement comprise of the following Balance Sheet Items:

Cash in hand (including cheques and drafts

in hand/remittance in transit)

Balances with Banks :

— Current accounts

— Others

— Cash and bank balances lodged as security

600.48 304.20

884.23 64.27

769.81 684.54

0.19 0.19

2,254.71 1,053.20

Sanjiva Jain
Chief Financial Officer

S.C. Saxena
Company Secretary

Samir Thapar
Vice Chairman &
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G.B. Kathuria
Director

As per our report of even date attached
For S.P. CHOPRA & CO.
Chartered Accountants
Pawan K. Gupta
Partner

Place : New Delhi
Dated : August 12, 2011

Membership No. 92529
Firm Registration No. 000346N



**SCHEDULES ATTACHED TO AND FORMING PART OF THE
BALANCE SHEET AS AT 31ST MARCH, 2011**

(Rs. in lakhs)

SCHEDULE 'A'	31.3.2011	31.3.2010
SHARE CAPITAL		
AUTHORISED		
600,000,000 Equity Shares of Rs.2.50 each	15,000.00	15,000.00
5,000,000 Redeemable Preference Shares of Rs.100/- each	5,000.00	5,000.00
	20,000.00	20,000.00
ISSUED, SUBSCRIBED AND PAID UP		
35,90,78,590 Equity Shares of Rs.2.50 each, fully paid-up	8,976.96	8,976.96
24,22,488 (Previous Year: 29,11,365)- Optionally Partially Convertible Preference Shares of Rs.100/- each (net of redemption)	2,422.49	2,911.37
	11,399.45	11,888.33

NOTES :

- In earlier years, 11,80,235 Equity Shares were allotted as fully paid up by way of bonus shares, capitalised from General Reserve and Share Premium Account.
- 10,22,488 Optionally Partially Convertible Preference Shares (OPCPS) issued to body corporates with an outstanding of Rs. 1,022.49 lakhs carry no dividend and are redeemable on 31.12.2011. 20% of the face value is optionally convertible into equity shares during the currency of OPCPS in which case the amount of conversion of OPCPS would be reduced from the last redemption instalment payable.
 - 1,400,000 OPCPS with an outstanding amount of Rs.1,400 lakhs issued to a body corporate carry no dividend and are redeemable on 26.12.2015 with the option to convert before that the whole amount into equity shares at the amount to be determined and as permissible under SEBI guidelines.

SCHEDULE 'B'	31.3.2011	31.3.2010
RESERVES AND SURPLUS		
CAPITAL REDEMPTION RESERVE		
As per last Account	165.44	165.44
REVALUATION RESERVE		
As per last Account	5,031.18	682.83
Add: On account of revaluation of land	—	4,373.60
Less: Adjusted on sale of Assets (Refer Note 20 in Schedule IX)	(116.43)	(1.10)
Less: Transfer to Profit & Loss Account	(13.30)	(24.15)
	4,901.45	5,031.18
DEBENTURE REDEMPTION RESERVE		
As per last Account	2,045.76	2,045.76
SHARE PREMIUM ACCOUNT		
As per last Account	6,931.60	6,951.11
Add: Premium on conversion of Foreign Currency Convertible Bonds (FCCBs)	—	223.06
Add: Write back of pro-rata redemption premium payable on FCCBs	—	35.94
Less: Premium payable on redemption of FCCBs (Refer Note 4 of Schedule IX)	(441.09)	(278.51)
	6,490.51	6,931.60
	13,603.16	14,173.98



(Rs. in lakhs)

SCHEDULE 'C'
SECURED LOANS

31.3.2011

31.3.2010

DEBENTURES

Zero rate Redeemable Debentures (Net of redemption) **26.23** 904.29

TERM LOANS

Scheduled banks **18,530.56** 18,735.25

Others **127.17** 89.38

Interest accrued and due on above **—** 4.12

18,657.73 18,828.75

CASH CREDIT ACCOUNTS WITH SCHEDULED BANKS **7,204.97** 10,046.72

25,888.93 29,779.76

NOTES:

- Debentures due to a body corporate were rescheduled and repaid subsequently.
- (a) Term Loans and Debentures are secured by hypothecation of all the moveable properties including plant & machinery and accessories etc. (both present & future) and also equitable mortgage, by deposit of title deeds, of all the immovable properties (both present & future) including land, factory buildings, structures, erections, constructions and/or further constructions to be made thereon pertaining to Textile and Filament Units except:
 - Term Loan of Rs.1,388.39 lakhs from scheduled banks are secured by hypothecation of specific plant & machinery.
 - Term Loan of Rs. 83.41 lakhs from scheduled banks and Rs. 124.88 lakhs from non-banking finance companies are secured against specific vehicles.
- (b) Debentures are additionally secured by a legal mortgage over the immovable properties of the Company (both present & future) situate at Dist. Mehsana (Gujarat).
- Cash Credit facilities from consortium of scheduled banks are secured by first charge ranking pari-passu inter-se amongst themselves on all the stock of raw materials, stock in process, semi-finished and finished goods, stores & spares, bills receivable and books debts and all other moveables current assets both present and future pertaining to Company's Textile and Filament Units. These are also secured by second charge over the fixed assets pertaining to abovesaid units.
- Financial facilities from Allahabad Bank are additionally secured by first charge by way of an equitable mortgage over the land admeasuring around 9 acres and structures thereon at Phagwara.
- Term Loans due within one year aggregate Rs. 3,634.88 lakhs including Rs. 314.51 lakhs due during 2010-11, repaid subsequently.
- During the year, Company repaid Rs. 84.61 lakhs of term loans with delay of 312 days due to financial constraints.

SCHEDULE 'D'
UNSECURED LOANS

31.3.2011

31.3.2010

FIXED DEPOSITS **2,050.61** 2,052.02

SHORT TERM LOANS AND ADVANCES

(i) book overdraft **498.02** 889.24

(ii) Inter-corporate deposit **50.00** —

548.02 889.24

FOREIGN CURRENCY CONVERTIBLE BONDS **11,474.59** 11,586.44

(Refer Note 4 of Schedule IX)

Add: Premium payable on redemption **2,294.92** 1,853.83

13,769.51 13,440.27

SECURITY DEPOSITS **2,021.72** 2,497.24

18,389.86 18,878.77



SCHEDULE 'E'

FIXED ASSETS

ASSETS	ORIGINAL COST				As at 31.3.2011
	As at 1.4.2010	Additions on account of amalgamation	Additions during the year	Sales/ disposal/ adjustments during the year	
TANGIBLE FIXED ASSETS					
Land freehold (Note 1)	15,219.35	—	—	—	15,219.35
Building	11,914.30	5.45	249.29	726.32	11,442.72
Plant & machinery:					
Plant & machinery (main) (Note 2)	71,745.05	—	753.57	589.22	71,909.40
Data processing equipment	484.96	—	38.08	29.35	493.69
Electric installations					
including gadgets	821.30	—	17.10	21.37	817.03
Tools & implements	63.32	—	0.10	10.35	53.07
Furniture & fixtures & other equipment	552.90	—	33.53	85.52	500.91
Vehicles	873.32	—	135.20	163.14	845.38
Leasehold Improvements	23.51	—	—	—	23.51
Scrap (value of discarded assets)	1.68	—	9.29	9.29	1.68
Sub-total	101,699.69	5.45	1,236.16	1,634.56	101,306.74
Intangible Assets					
Computer Software	197.90	—	—	—	197.90
Curent year's total	101,897.59	5.45	1,236.16	1,634.56	101,504.64
Previous year's total	99,854.16	—	5,200.24	3,156.81	101,897.59
CAPITAL WORK-IN-PROGRESS					
Capital work-in-progress					
Advances against machinery and civil work - unsecured considered good					
Total					



DEPRECIATION					(Rs. in lakhs)	
As at 1.4.2010	Additions on account of amalgamation	For the year	On sales disposals/ adjustment during the year	As at 31.3.2011	WRITTEN DOWN VALUE	
					As at 31.3.2011	As at 31.3.2010
—	—	—	—	—	15,219.35	15,219.35
3,679.63	4.89	321.42	323.76	3,682.18	7,760.54	8,234.66
45,047.77	—	3,511.95	465.35	48,094.37	23,815.03	26,697.28
366.77	—	31.68	22.21	376.24	117.45	118.19
568.23	—	28.51	13.59	583.15	233.88	253.07
52.27	—	1.58	10.21	43.64	9.43	11.05
426.44	—	23.65	60.33	389.76	111.15	126.47
537.13	—	94.93	124.79	507.27	338.11	336.19
2.61	—	7.84	—	10.45	13.06	20.90
—	—	—	—	—	1.68	1.68
50,680.85	4.89	4,021.56	1,020.24	53,687.06	47,619.68	51,018.84
55.06	—	47.32	—	102.38	95.52	142.84
50,735.91	4.89	4,068.88	1,020.24	53,789.44	47,715.20	51,161.68
48,432.67	—	3,950.85	1,647.61	50,735.91	51,161.68	
					407.79	395.02
					107.15	98.16
					514.94	493.18

NOTES:

- The above includes the following assets held for disposal as at 31st March, 2011 which are being carried at the lower of net block and net realisable value. (Refer Note 20 in Schedule IX)

Description	Gross Block		Accumulated depreciation		Net Block	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Land Freehold	84.65	84.65	—	—	84.65	84.65
Other Assets	—	231.70	—	204.14	—	27.56
Total	84.65	316.35	—	204.14	84.65	112.21

- 'Sales/disposal/adjustments during the year' includes gain of Rs. 111.85 lakhs arising due to foreign exchange fluctuations (Refer Note 9 in Schedule IX)



SCHEDULE 'F'

INVESTMENTS

Name of the Company	Face value Rs.	No.	Balance as on 31.3.2010	
			Face Value Rs. in lakhs	Book Value Rs. in lakhs
A. LONG TERM INVESTMENTS				
Subsidiary Companies - unquoted				
Equity Shares - Fully Paid-up				
Gupta & Syal Limited (Note 1)	10	82,320	8.23	18.31
Rajdhani Trading Co. Ltd.	100	5,010	5.01	65.71
Other Companies				
In Optionally Convertible Zero Rate Debentures				
Provestment Securities Pvt. Ltd. (Note-2)	100	1,792,800	1,792.80	1,792.80
KCT Textiles Ltd. (Note-3)	100	2,297,918	2,297.92	2,297.92
8.25% Secured Redeemable Non-convertible Debentures				
Britannia Industries Ltd.	170	500	0.85	—
In Equity Shares -quoted				
JCT Electronics Ltd. (Refer Note 5 in Schedule IX)	1	10,631,900	106.32	562.54
In Equity Shares - unquoted				
India International Airways Ltd.	10	3,630,000	363.00	537.00
Nimbua Greenfield (Punjab) Ltd.	10	50,000	5.00	5.00
Preeti Vanijya (P) Ltd.	10	52,312	5.23	418.50
Mynah Industries Ltd.	10	4,000	0.40	0.40
Shivalik Video Communication Ltd.	100	9,200	9.20	9.20
The New India Co-operative Bank Ltd.	10	3,260	0.33	0.33
B. CURRENT INVESTMENTS				
In Equity Shares - quoted				
ABB Ltd.	2	6,000	0.12	0.07
Aditya Birla Nuvo Ltd.	10	9,313	0.93	11.90
Alstom Projects India Ltd.	10	1,200	0.12	—
Ashok Leyland Ltd.	1	5,000	0.05	0.18
Asian Paints Ltd.	10	600	0.06	—
Britannia Industries Ltd. (Note 4)	2	500	0.05	—
Cheslind Textiles Ltd.	10	15,000	1.50	1.50
Colgate Palmolive (I) Ltd.	1	3,000	0.03	0.06
EIH Ltd.	2	7,500	0.15	—
Grasim Industries Ltd.	10	1,000	0.10	—
HDFC Bank Ltd.	10	500	0.05	0.05
Hindustan Unilever Ltd.	1	5,000	0.05	0.03
Housing Development Finance Corpn. Ltd (Note 5)	2	3,020	0.30	0.40
India Card Clothing Ltd.	10	75	0.01	0.02
Tata Steel Ltd.	10	81	0.01	0.10
Ultratech Cement Ltd. (Note 6)	10	—	—	—
The Waterbase Ltd.	10	1,450,000	145.00	145.00
In Units of Mutual Fund				
UTI Growth Fund	10	8,516	0.85	5.25
HDFC Prudential Mutual Fund - Growth (Note 7)	10	—	—	—
				5,872.27
Less: Provision for diminution in value of investments				(480.48)
				5,391.79

NOTES:

1. Amalgamated with JCT Ltd. with effect from 1st April 2010 as per scheme of amalgamation approved by High Court of Punjab & Haryana order dated 25.03.2011, and High Court of Delhi order dated 10.05.2011
2. Redeemable on 31st March each year in two equal instalments.
3. Redeemable on 31st March each year in seven equal instalments.
4. 2,500 equity shares of face value of Rs. 2/- each of Britannia Industries Ltd. received on split of 500 equity shares of face value of Rs. 10/- each.
5. 15,100 equity shares of face value of Rs. 2/- each of Housing Development Finance Corpn. Ltd. received on split of 3,020 equity shares of face value of Rs. 10/- each.
6. 571 equity shares of face value Rs. 10/- each of Ultratech Cement Ltd. were received as per Scheme of Restructuring of Grasim Industries Ltd.
7. Added on amalgamation of Gupta & Syal Ltd. with JCT Ltd.
8. Particulars of quoted/unquoted investments and their market value are as under:



Additions during the year		Sold/adjusted during the year		Balance as on 31.3.2011		
No.	Book Value Rs. in lakhs	No.	Book Value Rs. in lakhs	No.	Face Value Rs. in lakhs	Book Value Rs. in lakhs
—	—	82,320	18.31	—	—	—
—	—	—	—	5,010	5.01	65.71
—	—	597,600	597.60	1,195,200	1,195.20	1,195.20
—	—	287,240	287.24	2,010,678	2,010.68	2,010.68
—	—	—	—	500	0.85	—
—	—	—	—	10,631,900	106.32	562.54
—	—	—	—	3,630,000	363.00	537.00
—	—	12,500	1.25	37,500	3.75	3.75
—	—	—	—	52,312	5.23	418.50
—	—	—	—	4,000	0.40	0.40
—	—	—	—	9,200	9.20	9.20
—	—	—	—	3,260	0.33	0.33
—	—	—	—	6,000	0.12	0.07
—	—	—	—	9,313	0.93	11.90
—	—	—	—	1,200	0.12	—
—	—	—	—	5,000	0.05	0.18
—	—	—	—	600	0.06	—
2,500	—	500	—	2,500	0.05	—
—	—	—	—	15,000	1.50	1.50
—	—	—	—	3,000	0.03	0.06
3,409	2.25	—	—	10,909	0.22	2.25
—	—	—	—	1,000	0.10	—
—	—	—	—	500	0.05	0.05
—	—	—	—	5,000	0.05	0.03
15,100	—	3,020	—	15,100	0.30	0.40
—	—	—	—	75	0.01	0.02
—	—	—	—	81	0.01	0.10
571	—	—	—	571	0.06	—
—	—	—	—	1,450,000	145.00	145.00
—	—	—	—	8,516	0.85	5.25
2,957	4.00	2,957	4.00	—	—	—
—	6.25	—	908.40	—	—	4,970.12
—	—	—	—	—	—	(719.18)
—	—	—	—	—	—	4,250.94

(Rs. in lakhs)			(Rs. in lakhs)			
			Book Value		Market Value	
	31.3.2011	31.3.2010	31.3.2011	31.3.2010	31.3.2011	31.3.2010
A. In Debentures	3,205.88	4,090.72	448.05	577.10	587.26	600.58
In fully paid up Equity Shares	1,039.81	1,295.82				
In Mutual Fund Units	5.25	5.25	3,802.89	4,814.69	—	—
	4,250.94	5,391.79	4,250.94	5,391.79	587.26	600.58



(Rs. in lakhs)

SCHEDULE 'G'
CURRENT ASSETS

31.3.2011

31.3.2010

(a) Inventories as prepared, valued and certified by the management			
(i) Stores & spares	2,116.77		1,881.05
(ii) Raw materials (including Rs. 2,663.18 lakhs lying with outside parties/creditors)	5,795.20		2,449.74
(iii) Stock in-trade	2,683.56		2,414.92
(iv) Stock in-process	4,880.20		3,368.69
(v) Loose stock awaiting packing	691.30		2,429.66
(vi) Goods in-transit	194.91		86.36
	16,361.94		12,630.42
(b) Sundry debtors (unsecured)			
(i) Debts outstanding for a period exceeding six months :			
Considered good	161.87		85.44
Considered doubtful	403.43		502.64
	565.30		588.08
Less: Provision for doubtful debts	(403.43)		(502.64)
	161.87		85.44
(ii) Other debts : Considered good	5,834.96		3,274.65
	5,996.83		3,360.09
(c) Cash and bank balances			
(i) Cash-in-hand	25.26		13.64
(ii) Cheques and drafts-in-hand/remittance in transit	575.22		290.56
(iii) With scheduled banks :			
(a) On current accounts	884.23		64.27
(b) On fixed deposits	158.29		11.23
(c) On margin money account	611.11		672.63
(d) In savings bank accounts	0.41		0.68
	1,654.04		748.81
(iv) In Post Office Savings Accounts (lodged as security)	0.19		0.19
	24,613.48		17,043.71



(Rs. in lakhs)

SCHEDULE 'H'

LOANS AND ADVANCES

31.3.2011

31.3.2010

(Unsecured - considered good unless stated otherwise)

(a) ADVANCE TO A SUBSIDIARY COMPANY

Considered good	—	6.00
Considered doubtful	—	30.00
	—	36.00
Less: Provision for doubtful debts	—	(30.00)

— 6.00

(b) ADVANCES AND OTHER AMOUNTS RECOVERABLE IN

CASH OR IN KIND OR FOR VALUE TO BE RECEIVED

(inclusive of interest accrued and accruing)

Considered good	3,752.36	4,378.38
Considered doubtful	1,243.34	1,450.04
	4,995.70	5,828.42
Less: Provision for doubtful debts	(1,243.34)	(1,450.04)

3,752.36 4,378.38

**(c) TAX DEDUCTED AT SOURCE AND ADVANCE INCOME-TAX -
PENDING ADJUSTMENT (NET OF PROVISIONS)**

281.06 260.93
4,033.42 4,645.31

SCHEDULE 'I'

CURRENT LIABILITIES

31.3.2011

31.3.2010

Acceptances including bills purchased and discounted by the bankers	1,025.92	3,190.95
Sundry creditors (Note 1 and 2)	17,843.78	13,562.84
Statutory liabilities	458.66	273.71
Remuneration payable to directors	3.71	1.67
Interest accrued but not due on fixed deposits, debentures, loans and security deposits	303.28	595.95
Unclaimed amount of fixed deposits/preference shares and interest thereon (Note 3)	34.62	20.86
Employees' security deposits (deposited with scheduled banks)	8.53	11.80
	19,678.50	17,657.78

NOTES:

1. The Company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid at the year end together with interest paid/payable as required under the said Act have not been given.
2. Includes for machinery and civil works Rs.36.40 lakhs (Previous year: Rs. 131.53 lakhs).
3. There is no amount due and outstanding to be credited to Investors Education & Protection Fund.



JCT LIMITED

	(Rs. in lakhs)	
SCHEDULE 'J' PROVISIONS	31.3.2011	31.3.2010
Provision for gratuity, superannuation and leave encashment	<u>2,381.51</u>	<u>2,157.09</u>
	<u>2,381.51</u>	<u>2,157.09</u>

Signatures to Schedules 'A' to 'J' of the Balance Sheet

Sanjiva Jain
Chief Financial Officer

S.C. Saxena
Company Secretary

Samir Thapar
Vice Chairman &
Managing Director

G.B. Kathuria
Director



SCHEDULES ATTACHED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	(Rs. in lakhs)	
	Current Year	Previous Year
SCHEDULE - I		
GROSS SALES		
Sales (Gross)	75,467.33	58,978.48
Export incentives/duty draw back	414.69	270.73
	<u>75,882.02</u>	<u>59,249.21</u>
SCHEDULE - II		
OTHER INCOME		
Dividend on shares - current investments	3.60	3.37
Interest on Debentures	0.07	—
Interests on deposits with Banks (Gross: Tax deducted at source Rs. 8.41 lakhs, previous year: Rs. 6.98 lakhs)	73.96	64.36
Interest on loans and advances, overdue accounts etc. (Gross: Tax deducted at source Rs. 3.82 Lakhs, Previous year: Rs. 6.47 lakhs)	84.70	54.42
Profit on sale of fixed assets (net)	24.69	77.38
Profit on sale of investments	2.25	—
Liabilities/provisions no longer required, written back	34.72	121.94
Depreciation excess provided in earlier years written back (net)	0.85	—
Proceeds from carbon emission reduction credits	602.62	259.27
Other receipts (Gross : tax deducted at source Rs. 4.67 lakhs, Previous year : Rs. 26.51 lakhs)	641.65	703.88
	<u>1,469.11</u>	<u>1,284.62</u>
SCHEDULE - III		
INCREASE/(DECREASE) IN STOCKS		
Opening Stocks :		
Finished	2,414.92	2,100.08
Loose stock - awaiting packing	2,429.66	2,615.76
In-process	3,368.69	3,774.80
	<u>8,213.27</u>	<u>8,490.64</u>
Closing Stocks :		
Finished	2,683.56	2,414.92
Loose stock - awaiting packing	691.30	2,429.66
In-process	4,880.20	3,368.69
	<u>8,255.06</u>	<u>8,213.27</u>
	<u>41.79</u>	<u>-277.37</u>
SCHEDULE - IV		
OTHER MANUFACTURING EXPENSES		
Stores & spares consumed	7,069.99	6,874.42
Power & fuel	10,225.95	8,879.20
Repairs to and maintenance of buildings	136.17	93.47
Repairs to and maintenance of plant & machinery	1,411.15	1,385.99
Excise Duty*	13.00	30.57
Processing charges	551.08	400.48
Material handling charges	151.41	118.78
	<u>19,558.75</u>	<u>17,782.91</u>

* Represents the difference between excise duty on opening and closing stock of finished goods.



(Rs. in lakhs)

SCHEDULE - V
Current Year
Previous Year
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES

Salaries, wages, bonus, gratuity, allowances etc.	6,360.96	5,346.87
Contribution to provident, superannuation and other funds	607.04	499.61
Workmen & staff welfare expenses	313.50	296.99
	7,281.50	6,143.47

SCHEDULE - VI
ADMINISTRATION AND OTHER EXPENSES

Rent	132.99	166.24
Rates & taxes	53.58	29.61
Insurance	74.79	66.54
Directors' fee	9.05	6.94
Directors' remuneration	91.14	75.72
Legal and professional fees	175.53	172.32
Travelling and conveyance	261.66	264.55
Auditors' remuneration:		
Audit fee	15.00	12.00
Certification work	5.80	4.53
Out-of-pocket expenses	1.44	1.15
	22.24	17.68
Bad debts written off	582.00	491.14
Less: Provision for bad and doubtful debts written back	(577.68)	(490.52)
	4.32	0.62
Provision for doubtful debts and advances	271.78	128.55
Loss on sale of raw materials/stores (net)	3.89	11.52
Long Term Investments written off	—	5,120.59
Less: Provision for diminution in value of investments written back	—	(5,120.59)
	—	—
Provision for diminution in value of investments	238.70	0.47
Fixed Assets written off	127.42	27.48
Miscellaneous expenses	1,074.83	962.00
	2,541.92	1,930.24

SCHEDULE - VII
SELLING & DISTRIBUTION EXPENSES

Selling & publicity expenses	277.18	312.79
Commission to dealers/convassing agents	637.19	544.84
Freight & cartage (net)	718.49	657.50
Sales tax & octroi	1,330.79	1,003.30
Cash discount on sales	372.92	296.53
	3,336.57	2,814.96

SCHEDULE - VIII
INTEREST AND FINANCING CHARGES

On Foreign Currency Convertible Bonds	364.15	327.12
On term/bridging loans	1,422.69	1,695.74
On fixed deposits and inter-corporate deposits	471.99	198.52
On borrowing from banks/others for working capital	2,443.03	2,466.90
Other financing charges	—	0.90
	4,701.86	4,689.18



SCHEDULE – 'IX'
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE
ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of Financial Statements

The accompanying financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India ("GAAP") and the provisions of Companies Act, 1956, except for certain fixed assets which have been revalued.

2. Use of Estimates

The preparation of financial statements in conformity with GAAP in India requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of financial statements, and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known/ materialised.

3. Fixed Assets

- (a) Fixed assets, except those revalued, are accounted for on historical cost basis (inclusive of the cost of installation and exchange fluctuations on foreign currency loans obtained for acquisition of fixed assets) less accumulated depreciation and impairment loss, if any.
- (b) Expenditure during construction period attributable to the fixed assets incurred upto the date of commercial production are capitalized.
- (c) Expenditure on renovation/ modernisation relating to existing fixed assets is added to the cost of such assets where it increases its performance/life significantly.
- (d) Leasehold improvements are amortised over the primary period of lease.

4. Intangible asset

Intangible asset consists of computer software and is stated at cost of acquisition/ implementation less accumulated depreciation. It is amortized over a period of 5 years on straight line basis.

5. Investments

Investments primarily meant to be held over long term period are valued at cost. Provision is made when in the management's opinion there is a decline, other than temporary, in the carrying value of such investments. Current investments are stated at the lower of cost or quoted/fair value, computed category wise.

6. Inventory Valuation

- (a) Inventories are valued at the lower of cost and net realisable value.
- (b) In respect of raw materials and stores & spares, cost is computed on weighted average basis. Finished goods and stock in process include cost of inputs, conversion and other costs incurred in bringing the inventories to their present location and condition.
- (c) Obsolete, defective and unserviceable stocks are provided for, wherever required.

7. Depreciation

- (a) Depreciation is provided as under:
 - (i) On written down value basis at the applicable rates prescribed under Schedule XIV of the Companies Act, 1956 on pro-rata basis except in respect of Plant & Machinery and Buildings, which is provided on straight line method at the applicable rates prescribed under Schedule XIV of the Companies Act, 1956 on pro-rata basis.
 - (ii) Depreciation on buildings of Textile Units revalued in earlier years is calculated on the respective revalued figures spread equally over the residual life of the concerned buildings as assessed by the valuer. The difference in depreciation on revalued amount so determined and the depreciation on the original cost of such assets calculated in accordance with Section 205(2) of the Companies Act, 1956 is transferred from Revaluation Reserve to the credit of depreciation account.
- (b) In respect of assets sold/ discarded during the year, depreciation is provided upto the month prior to the date of sale/ discarding.

8. Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds recoverable value. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is identified as impaired. The impaired loss of prior accounting period is increased/ reversed where there has been change in the estimate of recoverable amount. The recoverable value is the higher of the assets' net selling price and value in use.

9. Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currency existing at balance sheet date are translated at the exchange rate prevailing on that date. Exchange differences in case of borrowed funds and liabilities in foreign currency for the acquisition of fixed assets from a country outside India are adjusted to the cost of fixed asset. All other exchange differences are recognised in profit & loss account. Premium or discount on forward exchange contract is amortised as expense or income over the life of the contract. Exchange difference on such contract is recognized in the statement of profit & loss account in the reporting period in which



the exchange rates changes. Any profit or loss arising on cancellation or renewal of forward contract is recognised as income and expenditure during the period.

10. Revenue Recognition

- Sales revenue is recognised on transfer of the significant risks and rewards of ownership of the goods to the buyer and are inclusive of excise duty/sales tax/VAT and net of trade discounts. Export sales are recognised on the date the Company ships the exported goods as evidenced by their Bill of Lading/Air-way Bill.
- Sale of Certified Emission Reduction (CER) is recognised as income on the generation of CER.
- Export benefit entitlements under the duty entitlement pass book (DEPB) scheme are recognised in the Profit & Loss account when the right to receive credit as per the terms of the scheme is established in respect of the exports made. Obligation/entitlements on account of advance license scheme for imports of raw materials are accounted for at the time of purchase of raw materials.
- Other items of revenue are recognised in accordance with the Accounting Standard (AS-9). Accordingly, wherever there are uncertainties in the ascertainment/realisation of income it is not accounted for as revenue.
- Profit/loss on sale of revalued fixed assets are stated with reference to the written down value determined on the basis of their historical cost.

11. Government Grants

Government grants are recognized when there is a reasonable assurance of compliance with the conditions attached to such grants and where benefits in respect thereof have been earned and it is reasonably certain that the ultimate collection will be made. Government subsidy received for a specific asset is reduced from the cost of the said asset.

12. Employee Benefits

- Liability towards Provident Fund is funded through a separate Trust and contributions thereon are made to the Trust.
- Gratuity to employees is provided for on the basis of actuarial valuation reduced by balance available under group gratuity policy with the insurance companies. The deficit between the actual payments and recoveries against claims are charged to revenue.
- Liability towards earned leave which is encashable is provided for on the basis of actuarial valuation.
- The Company has an approved Superannuation Scheme for its Officers not covered under the Payment of Bonus Act, 1965. Contributions are made in accordance with the Scheme and the Trust Rules.

B. CONTINGENT LIABILITIES NOT PROVIDED FOR

- Claims against the Company not acknowledged as debts: Rs. 18.47 lakhs (Previous year: Rs. 17.55 lakhs).
- Guarantees given by the bankers on behalf of the Company: Rs.229.21 lakhs (Previous year: Rs. 287.05 lakhs).
- Unutilised amount of letters of credit established: Rs.166.31 lakhs (Previous year: Rs. 36.63 lakhs).
- Disputed liabilities not adjusted as expenses in the Accounts for various years being in appeals towards:

	As at 31.3.2011 (Rs. in lakhs)	As at 31.3.2010 (Rs. in lakhs)
Sales Tax	454.46	394.39
Income Tax	120.87	188.80
Excise Duty	2,363.51	2,491.40
Stamp Duty	187.72	187.72
Custom Duty	186.05	186.05
Others	235.07	229.44
Total	3,547.68	3,607.80

C. NOTES TO THE ACCOUNTS

- Estimated amount of contracts remaining to be executed on Capital Account and not provided for in the Accounts (net of advances) : Rs.483.76 lakhs (Previous year : Rs. 451.98 lakhs).
- Secured loans of Rs.25,654.42 lakhs (Previous year: Rs.28,593.32 lakhs) from banks/financial institutions and a body corporate are additionally secured by personal guarantees of Vice Chairman and Managing Director and Shri M. M. Thapar. Further, secured loans of Rs.28.53 lakhs are secured through pledge of 9,08,98,773 equity shares of JCT Limited held by Promoter group companies.
- Corporate guarantee of Rs. 3,580.00 lakhs given to IFCI Ltd. for the term loan given to JCT Electronics Ltd. was invoked in earlier years. As the said term loan has been restructured in terms of the scheme sanctioned by the 'Board for Industrial and Financial Reconstruction' which is under process of implementation, the invocation of guarantee is under abeyance.
- Foreign Currency Convertible Bonds:
The Company raised US\$ 30 million through the issue of 2.5% unsecured Foreign Currency Convertible Bonds (FCCBs) on 8.4.2006. FCCBs amounting to US\$ 4.58 million stood converted into equity shares as at 31.03.2011. Balance outstanding



FCCBs of US\$ 25.42 million are redeemable by the Company on maturity on 08-04-2011 at a premium of 20.075% (US\$ 5.08 million) either in cash or by allotment of fully paid up equity shares of Rs. 2.50 each upto 65% of the redemption amount.

The Company has provided for the full redemption premium including pro-rata premium for the year of Rs.441.09 lakhs (previous year: Rs. 242.57 lakhs) by adjustment against the Share Premium Account.

The Company could not redeem the FCCBs on due date 08.04.2011 for paucity of cash funds. The Company is taking steps to restructure/ extend the maturity of the FCCBs.

5. In respect of the Company's investment in JCT Electronics Ltd.:

- (a) The Company has given an undertaking to a financial institution and a bank of JCT Electronics Ltd. that the Company would not dispose off, pledge, charge, or create any lien, assign 39,33,000 equity shares having face value of Re. 1/- each.
- (b) The Company has pledged 42,87,000 equity shares having a face value of Re. 1/- each with a financial institution for financial facility availed by JCT Electronics Ltd.

6. (a) The Company had revalued its certain freehold land held at Tehsil Phagwara on 01.04.2005 and the resultant revalued amount of Rs. 10,417.70 lakhs was substituted for the historical cost in the gross block of fixed assets.

- (b) The Company had revalued its freehold land at Village Chohal, Hoshiarpur on 15.03.2010 and the resultant revalued amount of Rs.4,403.91 lakhs was substituted for the historical cost in the gross block of fixed assets.

7. Government grant of Rs. 416.54 lakhs received in 2008-09 was reduced against the cost of specific plant and machinery.

8. Capital work in progress includes under noted pre-operative expenditure pending allocation on commencement of commercial production.

	(Rs. in lakhs)			
	As at 1.4.2010	Additions	Less Capitalised/Adj.	As at 31.3.2011
Miscellaneous Expenses	16.71	10.25	24.74	2.22
Travelling and conveyance	59.25	6.92	63.97	2.20
Legal & Professional fees	30.51	0.30	—	30.81
Total	106.47	17.47	88.71	35.23

9. The Company has continued to adjust the foreign currency exchange differences on amounts borrowed for acquisition of fixed assets to the carrying cost of fixed assets which is in accordance with provisions of the Companies Act, 1956, read with notification dated 31st March, 2009 of the Government of India. This has resulted in decrease in fixed assets by Rs.111.85 lakhs during the year (Previous Year: decrease of Rs. 1,517.27 lakhs).

10. a) Pursuant to the scheme of amalgamation of the erstwhile wholly owned subsidiary company namely Gupta & Syal Ltd. (hereinafter referred as 'transferor' company) with JCT Limited (hereinafter referred as 'transferee' company) sanctioned by the Hon'ble High Court of Delhi vide order dated 10.05.2011 and Hon'ble High Court of Punjab and Haryana vide order dated 25.03.2011, all assets and liabilities of transferor company were transferred and stood vested with transferee company with effect from April 1, 2010.

The amalgamation has been accounted for under the 'Pooling of Interests' method as prescribed by the Accounting Standard 14 'Accounting for Amalgamation' issued by the Institute of Chartered Accountants of India. Accordingly, assets and liabilities of transferor company as at April 1, 2010 have been incorporated in the financial statements of transferee company in the same manner and form as they appear in the financial statements of the transferor company except for building on leasehold land (including cost of land) of Rs.5.45 lakhs. This was shown under Investment in the books of transferor company which has been included under fixed assets in the books of transferee company in terms of the scheme of amalgamation.

b) Loss of Rs.17.83 lakhs arising on amalgamation consists of:

	(Rs. in Lakhs)
i. Accumulated deficit of transferor company	37.75
ii. Loss on cancellation of shares held inter-se among transferor and transferee companies	10.08
iii. Write back of provision for doubtful debts in the books of transferee company relating to advance to transferor company	(30.00)
	17.83

c) In terms of Scheme of amalgamation no shares of the transferee Company have been issued to the shareholders of the transferor company being a wholly owned subsidiary of the transferee company.



11. Loans and advances include the following amounts:

	As at 31.3.2011 (Rs. in lakhs)	Maximum amount outstanding during the year (Rs. in lakhs)
Associate Companies *		
JCT Chemicals & Fibres Ltd.	395.00	395.00
Firemount Textile (India) Ltd.	9.35	9.35

* Interest-free and with no stipulation for repayment

12. (a) Pursuant to erosion in net worth, as per audited Accounts for the financial year ended 31.3.2010 approved and adopted in the Annual General Meeting held on 29.9.2010, the Company discontinued acceptance of fresh/renewal of deposit under public category w.e.f.30.09.2010 in compliance with the rules contained in Companies (Acceptance of Deposits) Rules, 1975.
- (b) Security deposits include Rs.1,540.00 lakhs (previous year: Rs.860.00 lakhs) received upto 31.03.2011 against 'Leave & License' of certain properties with licensees' option to buy at an agreed price in which eventuality the security deposit would be adjusted against the sale proceeds.
13. (a) The Company has not recorded cumulative deferred tax assets on account of timing differences as stipulated in Accounting Standard 22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India in view of uncertainty of future taxable income.
- (b) Adequate provision for income tax under Section 115-JB of the Income Tax Act, 1961 and wealth tax have been made in the accounts.
14. In view of accumulated losses:
- (a) No commission is payable to whole time directors.
- (b) No capital redemption reserve has been created during the year.
15. Foreign exchange variation gain (net) on account of revenue transactions amounting to Rs. 87.89 lakhs (Previous year: Rs. 133.26 lakhs) has been debited/ credited to respective revenue heads.
16. The Company has an export obligation of Rs. 6,151.12 lakhs (previous year: Rs.12,662.94 lakhs) against import of machinery under EPCG Scheme which it would meet within stipulated time.
17. During the year Company sold one of its buildings for a total consideration of Rs.12,000 lakhs. Profit of Rs.11,761.76 lakhs on sale of the building has been shown separately in the Profit & Loss account as 'Exceptional Income'.
18. Going Concern:
Accumulated losses have resulted in substantial erosion in net worth of the company. However, the financial statements have been prepared on a going concern basis on the strength of continued support of the promoters, bankers/ other lenders. In addition, during the year Company generated cash inflow of Rs.12,000 lakhs through sale of one of its buildings to reduce debt and improve its working capital.
The management is of the view that the operating losses incurred are temporary in nature and considering the future plans for operations and support of the promoters and lenders, it is hopeful of improved profitability leading to improvement in its financial position.
19. Leases:
The Company has leased facilities under cancellable and non cancellable operating lease arrangements with a lease terms ranging from 1 to 3 years, which are subject to renewal thereafter at mutual consent. The cancellable arrangements can be terminated by either party after giving due notice. The lease rent expense recognized during the year amounts to Rs.84.73 lakhs. The future lease payments in respect of non- cancellable operating leases for a period later than one year but not later than 5 years is Rs.103.80 lakhs as at 31st March, 2011 (Previous year: Rs. 28.70 lakhs).
20. Discontinued Operations:
The operations at Unit-I of Sriganganagar Textile Mill were discontinued in an earlier year. The identified asset being land pending disposal having net book value of Rs.84.65 lakhs is carried at the net book value as expected net realizable value is higher, and is disclosed in 'Schedule E' as 'Assets held for disposal'. Advances of Rs.421.50 lakhs received from the buyers of asset of the Unit are included in the Current Liabilities to be adjusted pending completion of legal formalities.
Company has recognised income of Rs. 6.92 lakhs (previous year loss of Rs.599.59 lakhs) as 'Income from discontinued Operations' and disclosed it separately in the Profit & Loss Account. Disclosures as required under 'Accounting Standard 24 – Discontinuing Operations' are as under:



	For the year ended 31.3.2011	(Rs. in Lakhs) For the year ended 31.3.2010
Total Assets	84.65	112.21
Total Liabilities excluding corporate funds	421.50	393.15
Other Income	21.86	34.88
Expenses:		
Payments to & provisions for employees	11.94	335.74
Compensation to workers for retiral	—	263.92
Miscellaneous expenses	3.00	34.81
Profit/ (Loss) before Tax	6.92	(599.59)
Profit/ (Loss) after Tax	6.92	(599.59)
Net Cash Flows attributable to:		
(a) Operating Activities (including change in working capital)	—	17.93
(b) Investing Activities	62.83	249.90

Revaluation reserve of Rs.116.43 lakhs has been adjusted as the related building was sold/discarded during the year.

21. Production activity at Unit-2 of Sriganganagar Textile Mill remained suspended since 2009-10. The Company is taking steps to revive the operations.

22. Employee Benefits

(a) General description of the defined benefit scheme:

Gratuity : Payable on separation as per the Employees Gratuity Act @ 15 days pay for each completed year of service to eligible employee who render continuous service of 5 years or more.

Leave Encashment : Payable on encashment as per the policy or on separation to the eligible employees who have accumulated earned leave.

(b) Defined Benefit Plan

The employees' gratuity fund scheme managed by a Trust is a defined benefit plan.

In respect of gratuity and leave encashment, the present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(c) Other disclosures as required under AS-15 (Revised 2005) on "Employee Benefits" in respect of defined benefit obligations are as under:

(i) Reconciliation of opening and closing balances of Defined Benefit obligation

	Gratuity (Funded)				Gratuity (Unfunded)				Leave encashment (Unfunded)			
	2010-11	2009-10	2008-09	2007-08	2010-11	2009-10	2008-09	2007-08	2010-11	2009-10	2008-09	2007-08
Defined Benefit obligation at beginning of the year	1241.17	1225.19	1054.26	1129.91	573.88	804.74	740.32	677.65	408.44	434.67	412.72	382.97
Current Service Cost	87.77	80.89	77.44	62.94	43.45	37.56	50.49	196.86	61.24	46.08	45.10	139.72
Past Service Cost	14.81	—	—	—	28.05	—	—	—	—	—	—	—
Interest Cost	93.09	91.89	79.07	84.74	43.04	60.35	55.52	50.82	30.63	32.60	30.95	28.72
Actuarial (gain)/loss	26.97	15.91	136.38	7.65	44.22	66.94	40.91	(35.34)	61.51	(26.49)	59.57	1.78
Benefits paid	(90.00)	(172.71)	(121.96)	(230.98)	(83.29)	(395.71)	(82.50)	(149.67)	(70.93)	(78.42)	(113.67)	(140.47)
Defined Benefit obligation at the year end	1373.81	1241.17	1225.19	1054.26	649.35	573.88	804.74	740.32	490.89	408.44	434.67	412.72



(ii) Reconciliation of opening and closing balances of fair value of plan assets

(Rs. in lakhs)

	Gratuity (Funded)			
	2010-11	2009-10	2008-09	2007-08
Fair value of plan assets at beginning of the year	346.03	475.52	502.00	487.98
Expected return on plan assets	32.01	41.61	46.69	45.13
Actuarial gain/(loss)	(0.56)	(5.14)	(5.17)	(4.13)
Employer contribution	111.77	—	53.96	204.00
Benefits paid	(90.00)	(165.96)	(121.96)	(230.98)
Fair value of plan assets at year end	399.25	346.03	475.52	502.00
Actual return on plan assets	31.45	36.45	41.52	41.00

(iii) Reconciliation of fair value of assets and obligations

(Rs. in lakhs)

	Gratuity (Funded)				Gratuity (Unfunded)				Leave encashment (Unfunded)			
	2010-11	2009-10	2008-09	2007-08	2010-11	2009-10	2008-09	2007-08	2010-11	2009-10	2008-09	2007-08
Fair value of plan assets	399.25	346.03	475.52	502.00	—	—	—	—	—	—	—	—
Present value of obligation	(1373.81)	(1241.17)	(1225.19)	(1054.26)	(649.35)	(573.88)	(804.74)	(740.32)	(490.89)	(408.44)	(434.67)	(412.72)
Amount recognized in												
Balance Sheet (Liability)	(974.56)	(895.14)	(749.67)	(552.26)	(649.35)	(573.88)	(804.74)	(740.32)	(490.89)	(408.44)	(434.67)	(412.72)

(iv) Expense recognized during the year (Under the head "Payments to and Provisions for Employees" in Schedule 'V')

(Rs. in lakhs)

	Gratuity (Funded)				Gratuity (Unfunded)				Leave encashment (Unfunded)			
	2010-11	2009-10	2008-09	2007-08	2010-11	2009-10	2008-09	2007-08	2010-11	2009-10	2008-09	2007-08
Current Service Cost	87.77	80.89	77.44	62.94	43.45	37.56	50.49	196.86	61.24	46.08	45.10	139.72
Past Service Cost	14.81	—	—	—	28.05	—	—	—	—	—	—	—
Interest Cost	93.09	91.89	79.07	84.74	43.04	60.35	55.52	50.82	30.63	32.60	30.95	28.72
Expected return on plan assets	(32.01)	(41.61)	(46.69)	(45.13)	—	—	—	—	—	—	—	—
Actuarial (gain)/loss	26.97	15.91	136.38	7.65	44.22	66.94	40.91	(35.34)	61.51	(26.49)	59.57	1.78
Net Cost	190.63	147.08	246.20	110.20	158.76	164.85	146.92	212.34	153.38	52.19	135.62	170.22

(v) Investment Details

(% Invested)

	As at			
	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Life Insurance Corporation of India	100	100	100	100

(vi) Actuarial assumptions

	As at 31.3.2011	As at 31.3.2010	As at 31.3.2009	As at 31.3.2008
Method used	Projected unit credit			
Mortality Table (LIC)	1994-96 (duly modified)			
Discount rate (per annum)	7.50%	7.50%	7.50%	7.50%
Expected rate of return on plan assets (per annum)	9.25%	8.75%	9.30%	9.25%
Withdrawal Rate (per annum)				
upto 30/44 years and above 44 years	3% / 2% / 1%	3% / 2% / 1%	3% / 2% / 1%	3% / 2% / 1%
Rate of escalation in salary (per annum)	5.00%	5.00%	5.00%	5.00%



The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

- (vii) The disclosure above is in respect of the current year and the immediately preceding three years. The disclosure in respect of one immediately preceding annual periods as required by 'AS-15 (Revised 2005)' is not presented as the management considered it impracticable in the absence of requisite information.

23. Disclosure of Derivative Instruments:

- (a) The following are the outstanding forward exchange contracts used for hedge against currency exposures as at 31st March, 2011.

Currency	In foreign currency (in million)	In Indian Rupee (in lakhs)	Exposure to Buy/Sell
EURO	0.13	82.50	Sell

- (b) Foreign currency exposures that have not been specifically hedged by a derivative instrument or otherwise as at 31st March, 2011 are given below:

	Rs. in lakhs		Foreign Currency in millions			
	Current year	Previous year	Current Year		Previous year	
			Currency	Amount	Currency	Amount
Sundry Debtors	630.24	360.65	US\$	1.41	US\$	0.80
	137.98	142.51	Euro	0.22	Euro	0.24
Loans and Advances	315.23	296.25	Euro	0.51	Euro	0.50
Foreign Currency						
Convertible Bonds	13,769.51	13,440.27	US\$	30.50	US\$	29.49
Sundry Creditors	217.23	267.03	US\$	0.49	US\$	0.58
	1.87	—	MYR	0.01	MYR	—
	38.19	30.39	Euro	0.07	Euro	0.05
	38.06	22.53	JPY	6.94	JPY	4.59

24. Related party disclosures:

A. Relationship

- (a) Subsidiary Companies:
Rajdhani Trading Co. Ltd.

- (b) Key Management Personnel:
Mr. Samir Thapar
Mr. Rajmohan Singh

- (c) Other related parties where control/
significant influence exists:
Mr. M.M. Thapar
JCT Electronics Ltd.
Provestment Securities Pvt. Ltd.
JCT Chemicals & Fibres Ltd.
India International Airways Ltd.
Firemount Textiles (India) Ltd.
KCT Textiles Ltd.
JCT Sports Pvt. Ltd.

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.



B. Transactions with related parties

(Rs. in lakhs)

	31.3.2011	31.3.2010
EXPENSES		
Professional Fee: Mr. M.M. Thapar	24.00	24.00
Rent Paid: Mr. M.M. Thapar	0.08	—
Rent Paid: Rajdhani Trading Co. Ltd.	0.30	0.27
Interest paid: Provestment Securities Pvt. Ltd.	175.83	—
Travelling Expenses: India International Airways Ltd.	—	7.14
Sports promotion Expenses: JCT Sports Pvt. Ltd.	36.84	139.20
Establishment Expenses Realised: Rajdhani Trading Co. Ltd.	0.12	0.12

(Rs. in lakhs)

	Dr./(Cr.) Balance as on 1.4.2010	Received/ adjusted/given during the year	Refunded/ adjusted during the year	Dr./(Cr.) Balance as on 31.3.2011
UNSECURED LOANS FROM:				
Provestment Securities Pvt. Ltd.	—	2925.00	2925.00	—
Investments:				
Provestment Securities Pvt. Ltd.	1792.80	—	597.60	1195.20
KCT Textiles Ltd.	2297.92	—	287.24	2010.68
	4090.72	—	884.84	3205.88
Other Receivables				
Rajdhani Trading Co. Ltd.	—	0.12	0.12	—
JCT Chemicals & Fibres Ltd.	395.00	—	—	395.00
Firemount Textiles (India) Ltd.	9.35	—	—	9.35
	404.35	0.12	0.12	404.35
Payables:				
JCT Electronics Ltd.	(58.57)	(1.00)	—	(59.57)
JCT Sports Pvt. Ltd.	—	(36.84)	36.84	—
Mr. M.M. Thapar	(13.90)	(23.92)	25.89	(11.93)
Provestment Securities Pvt. Ltd.	(12.61)	(1,635.99)	1,517.44	(131.16)
India International Airways Ltd.	(10.93)	—	9.41	(1.52)
	(96.01)	(1,697.75)	1,589.58	(204.18)

Note: Details of remuneration to key management personnel referred to in A(b) above are given in Note No. D.9 of this Schedule.

25. Segment Reporting Policies

(a) Identification of segments

(i) Primary Segments

Business segment: The Company's operating businesses are organised and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products. Two identified segments are Textiles and Filament yarn. The products considered as a part of Textile segment are cloth, yarn and fents, rags and chindies. The products considered as a part of Filament segment are nylon yarn and chips.

(ii) Secondary Segment

Geographical Segment: The analysis of geographical segment is based on the geographical location of the customers.

(b) Inter Divisional transfers of goods, as marketable products produced by separate divisions of the Company, for captive consumption are made as if sales were made to third parties at current market prices and are included in turnover.

(c) Unallocable Items

Corporate income, corporate expenses, interest, capital and reserves are considered as part of unallocable items which are not identifiable to any business segment.



Segment information:

(Rs. in lakhs)

	Textile		Filament		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
External Sales/Income	42,637.94	31,345.54	29,996.13	25,910.88	72,634.07	57,256.42
Segment revenue	43,332.62	31,776.89	30,651.24	26,510.90	73,983.86	58,287.79
Segment results	(497.57)	(2,629.40)	930.88	2,543.42	433.31	(85.98)
Segment assets	54,518.32	53,119.17	14,296.51	13,508.51	68,814.83	66,627.68
Segment liabilities	17,942.63	16,971.49	7,577.98	7,493.99	25,520.61	24,465.48

Reconciliation of reportable segment with the financial statements:

(Rs in lakhs)

	Revenues		Net Profit/(Loss)		Assets		Liabilities	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Total of reportable Segments	73,983.86	58,287.79	433.31	(85.98)	68,814.83	66,627.68	25,520.61	24,465.48
Add: Corporate-Unallocated	119.33	253.25	(1,471.90)	(952.98)	12,032.09	11,847.06	40,818.19	44,007.92
Interest expenses	—	—	(4,701.86)	(4,689.18)	—	—	—	—
Exceptional Items (net)	—	—	11,768.68	(351.35)	—	—	—	—
Taxes	—	—	(423.79)	(10.02)	281.06	260.93	—	—
As per financial statements	74,103.19	58,541.04	5,604.46	(6,089.51)	81,127.98	78,735.67	66,338.80	68,473.40

(d) Secondary segment reporting (By geographical segments)

The following is the distribution of the Company's sales by geographical market, regardless where the goods were produced:

(Rs. in lakhs)

	Current Year	Previous year
Sales to domestic market	63,252.02	51,570.85
Sales to overseas market	8,967.37	5,414.84
Total	72,219.39	56,985.69

The Company has common fixed assets for producing goods for domestic and overseas markets. Hence, separate figures for fixed assets/additions to fixed assets cannot be furnished.

26. Earnings/(loss) per share:

	Current Year	Previous Year
Net Profit/(Loss) as per Profit & Loss Account – (Rs. in lakhs)	5,604.44	(6,089.51)
Weighted average number of equity shares for Basic Profit/(Loss)	35,90,78,590	35,90,78,590
Add: (i) Adjustment for option for 24,22,488 (Previous year : 29,11,365) Optionally Partially Convertible Preference Shares of Rs. 100/- each	6,52,29,651	6,70,90,288
(ii) Adjustment for option for foreign Currency Convertible Bonds having face value of US\$ 25,420,000	6,87,35,253	6,87,35,253
Weighted average number of equity shares for Diluted Profit/(Loss)	49,30,43,494	49,49,04,131
Nominal value of Equity Share (Rs.)	2.50	2.50
Basic Profit/(Loss) per Share before exceptional items (Rs.)	(1.72)	(1.60)
Diluted Profit/(Loss) per Share before exceptional items (Rs.)	(1.25)	(1.16)
Basic Profit/(Loss) per Share after exceptional items (Rs.)	1.56	(1.70)
Diluted Profit/(Loss) per Share after exceptional items (Rs.)	1.14	(1.23)

27. Figures for previous year have been re-arranged, wherever necessary to conform to current year's classification.



SCHEDULE - IX (Contd.)

D. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPHS (3) TO (4D) OF PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956

1. Particulars in respect of the installed capacities and the actual production :

Class of goods	Unit	Installed Capacity	
		Current Year	Previous Year
(a) Ring spindles	Nos.	50,728	50,728
(b) Rotor open end	Nos.	2,568	2,568
(c) Looms	Nos.	486	486
(d) Synthetic filament including industrial yarn/tyre cord	M.T.	14,000	14,000
(e) Polyester/nylon chips	M.T.	1,000	1,000

- NOTES:**
1. Installed capacities are as those certified by the management.
 2. Licensed capacities are not given as no license is required.

2. Particulars in respect of stocks of finished goods and sales:

Class of Goods	Unit of Quantity	STOCK OPENING				PURCHASE	
		Current Year		Previous Year		Current Year	
		Quantity	Value	Quantity	Value	Quantity	Value
		(Rs. in lakhs)		(Rs. in lakhs)		(Rs. in lakhs)	
A. MANUFACTURING:							
Cloth (in '000)	Mtrs.	1,217	1,001.55	1,449	1,010.76	—	—
Fents, rags and chindies	M.T.	2	0.50	—	—	—	—
Yarn	M.T.	—	—	4	2.29	—	—
Nylon filament yarn	M.T.	701	1,207.64	560	947.43	—	—
Polyester/nylon chips	M.T.	3	3.78	71	64.31	—	—
Others		—	39.70	—	39.85	—	—
B. TRADING:							
Ready-made garments (in '000)	Pcs	58	161.75	12	35.44	16	40.72
TOTAL			2,414.92		2,100.08		40.72

- NOTES:**
- * inclusive of 85 thousand pcs (previous year: 59 thousand pcs) manufactured from own cloth.
 - ** does not include export incentives of Rs. 414.69 lakhs (previous year: Rs. 270.73 lakhs)



Class of goods	Unit	Actual Production	
		Current Year	Previous Year
Yarn*	M.T.	10,464	9,677
Cloth** (in '000)	Mtrs.	49,730	41,356
Fents, rags & chindies	M.T.	497	500
Nylon filament yarn	M.T.	11,329	11,580
Polyester/nylon chips	M.T.	738	1,236

* inclusive of 10,425 M.T. consumed for the manufacture of cloth (Previous year: 9,640 M.T.).

** inclusive of 21 thousand metres internally consumed (Previous year: 21 thousand metres).

PURCHASE		STOCK CLOSING				NET SALES**			
Previous Year Quantity	Value	Current Year		Previous Year		Current Year		Previous Year	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
(Rs. in lakhs)		(Rs. in lakhs)		(Rs. in lakhs)		(Rs. in lakhs)		(Rs. in lakhs)	
—	—	1,237	1,284.60	1,217	1,001.55	49,688	41,086.44	41,567	30,010.14
—	—	—	—	2	0.50	499	259.73	498	255.29
—	—	10	6.91	—	—	29	25.37	41	31.26
—	—	534	1,178.56	701	1,207.64	11,496	28,635.03	11,439	24,460.16
—	—	—	—	3	3.78	741	1,117.55	1,304	1,341.11
—	—	—	55.58	—	39.70	—	752.10	—	520.79
85	300.25	61	157.91	58	161.75	99*	343.17	98*	366.94
	300.25		2,683.56		2,414.92		72,219.39		56,985.69



SCHEDULE - IX (Contd.)

3. Analysis of raw materials consumed:

(Rs. in lakhs)

Particulars	Unit of Quantity	Current Year		Previous Year	
		Quantity	Value	Quantity	Value
Cotton	Bales*	60,512	10,034.89	56,660	6,293.80
Grey cloth (in' 000)	Mtrs	9,912	4,140.74	6,234	2,082.39
Synthetic fibre	M.T.	1,315	1,253.46	1,641	1,323.88
Finished fabrics (in' 000)	Mtrs	238	273.94	188	174.77
Blended yarn	M.T.	2,912	4,742.34	2,029	2,681.86
Caprolactum	M.T.	11,209	15,655.73	11,772	12,300.75
Renol chips	M.T.	109	241.48	99	194.67
Nylon POY & others	M.T.	1,093	2,025.95	1,096	1,351.98
			38,368.53		26,404.10

* Standard bale of 1.70 quintals.

4. Value of imports on C.I.F. basis :

Particulars	Current Year	Previous Year
(a) Raw materials	1,476.98	1,633.51
(b) Components & spare parts etc.	815.91	633.45
(c) Capital goods	47.09	151.78
Total*	2,339.98	2,418.74

* Including Rs.26.70 lakhs (Previous year: Rs. 18.91 lakhs) being the value of documents retired which includes the value of materials and components, spare parts and stores and spares under approval.

5. Expenditure in foreign currency:

Particulars	Current Year	Previous Year
(a) Commission on export sales	73.63	46.77
(b) Interest on FCCB	291.32	294.41
(b) Other matters : On travelling	82.97	86.12
: On others	49.98	48.49
Total	497.90	475.79

6. Earnings in foreign currency:

Particulars	Current Year	Previous Year
Export of goods calculated on F.O.B. basis*	7,503.38	5,482.24

* includes deemed exports of Rs. 916.71 lakhs (Previous year: Rs. 194.67 lakhs).



SCHEDULE - IX (Contd.)

- 7. Value of imported raw materials, spare parts and components (excluding stores) consumed and the value of indigenous raw materials, spare parts and components (excluding stores) similarly consumed and the percentage of each to the total consumption:**

Particulars	Current Year		Previous Year	
	Amount (Rs. in lakhs)	Percentage	Amount (Rs. in lakhs)	Percentage
(a) Raw materials - imported	1,543.59	4.02	1,893.50	7.17
Raw materials - indigenous	36,824.94	95.98	24,510.60	92.83
	38,368.53	100.00	26,404.10	100.00
(b) Spare parts & components - imported	307.55	21.05	357.54	23.39
Spare parts & components - indigenous	1,153.77	78.95	1,171.30	76.61
Total*	1,461.32	100.00	1,528.84	100.00

* Consumption of components and spare parts includes estimated value of stock brought forward from earlier years.

- 8. No amount has been remitted during the year in foreign currency on account of dividend.**

NOTE : Information and particulars given for items (1) to (8) are as those certified by the Management.

- 9. Particulars of managerial remuneration are as under:**

	Vice Chairman & Managing Director		Director (Operations)	
	Current Year	Previous Year	Current Year	Previous Year
	(Rs.in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)	(Rs. in lakhs)
Salary including allowances	49.50	42.00	41.64	33.72
Contribution to provident and Superannuation funds*	9.38	7.50	7.50	6.00
Perquisites & Reimbursement	3.30	6.00	11.16	14.18
	62.18	55.50	60.30	53.90

* Excluding the provision made towards gratuity and leave encashment on actuarial basis.

- 10. Prior period expenses aggregating Rs. 15.30 lakhs (net debit) have been accounted for in the respective heads of account (Previous year: Rs. 6.75 lakhs - net debit).**



SCHEDULE - IX (Contd.)

E. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(Amount : Rs. in lakhs)

1. Registration details

Registration No.	4,565	State Code	16
Balance Sheet date	Date	Month	Year
	31	03	2011

2. Capital raised during the period

Public issue	Nil	Private Placement	Nil
Right issue	Nil	Bonus issue	Nil

3. Position of Mobilisation and Deployment of Funds

Total Liabilities	69,281	Total Assets	69,281
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4. Sources of Funds

Paid-up Capital	11,399	Reserves & Surplus	13,603
Secured loans	25,889	Unsecured loans	18,390

5. Application of Funds

Net Fixed Assets	48,230	Investments	4,251
Net Current Assets	6,587	Accumulated losses	10,213

6. Performance of Company

Turnover	74,103	Total Expenditure	79,844
Loss before tax	6,028	Profit after tax	5,604
Profit per share (Rs.)		Dividend Rate (%)	Nil
- Basic	1.56		
- Diluted	1.14		

7. Generic names of two Principal Products/Services of Company (as per monetary terms)

Item Code No.(ITC Code)	5208 and 5210	Product Description	Cotton & Blended Textiles
Item Code No.(ITC Code)	5,402	Product Description	Nylon Filament Yarn

Signatures to Schedules 'I' to 'IX' of the Profit & Loss Account

Sanjiva Jain
Chief Financial Officer

S.C. Saxena
Company Secretary

Samir Thapar
Vice Chairman &
Managing Director

G.B. Kathuria
Director



AUDITORS' REPORT

To the Board of Directors on consolidated financial statements

We have examined the attached consolidated Balance Sheet of JCT Limited and its subsidiaries as at 31st March, 2011, the consolidated Profit and Loss Account and the consolidated cash flow statement for the year then ended. These financial statements are the responsibility of the management of JCT Limited. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework generally accepted in India and are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of subsidiaries, whose financial statements reflect total assets of Rs. 4.89 lakhs as at 31st March, 2011 and total profit of Rs. 0.09 lakhs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the subsidiaries, is based solely on the report of the other auditors.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21, "Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of JCT Limited and its subsidiary.

Without qualifying our opinion, we draw attention to Note No. 19 in Schedule IX in the financial statements. The Company has incurred substantial cash losses in the current year as also in the previous year resulting in substantial erosion in 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.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of JCT Limited and its subsidiaries, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) in the case of the consolidated Balance Sheet of state of affairs of JCT Limited and its subsidiary as at 31st March, 2011;
- (b) in case of the consolidated Profit and Loss Account of the losses of JCT Limited and its subsidiary for the year then ended; and
- (c) in case of the consolidated cash flow statement of the cash flows of JCT Limited and its subsidiary for the year then ended.

For S. P. CHOPRA & CO.
Chartered Accountants

Pawan K. Gupta
Partner

Place: New Delhi
Dated: August 12, 2011

Membership No. : 92529
Firm Registration No. 000346N



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

(Rs. in lakhs)

	Schedule No.	31.3.2011	31.3.2010
SOURCES OF FUNDS			
1. SHAREHOLDERS' FUNDS			
Capital	'A'	11,399.45	11,888.33
Reserves and surplus	'B'	13,603.16	14,173.98
		25,002.61	26,062.31
2. LOAN FUNDS			
Secured loans	'C'	25,888.93	29,779.76
Unsecured loans	'D'	18,389.86	18,878.77
		44,278.79	48,658.53
TOTAL		69,281.40	74,720.84
APPLICATION OF FUNDS			
1. FIXED ASSETS	'E'		
Gross block		101,505.14	101,903.54
Less : Depreciation		53,789.91	50,741.27
Net block		47,715.23	51,162.27
Capital work-in-progress		514.94	493.18
		48,230.17	51,655.45
2. INVESTMENTS	'F'	4,185.23	5,311.78
3. GOODWILL (on Consolidation)		60.70	112.42
4. CURRENT ASSETS, LOANS AND ADVANCES			
Current Assets	'G'		
(a) Inventories		16,361.94	12,630.42
(b) Sundry Debtors		5,996.83	3,360.09
(c) Cash and bank balances		2,259.17	1,058.64
Loans and Advances	'H'	4,033.79	4,646.24
		28,651.73	21,695.39
Less : CURRENT LIABILITIES AND PROVISIONS			
(a) Current liabilities	'I'	19,679.21	17,658.26
(b) Provisions	'J'	2,381.51	2,157.09
		22,060.72	19,815.35
5. NET CURRENT ASSETS		6,591.01	1,880.04
6. PROFIT & LOSS ACCOUNT		10,214.29	15,761.15
Significant accounting policies and notes forming part of the Balance Sheet	'IX'		
TOTAL		69,281.40	74,720.84

Sanjiva Jain
Chief Financial Officer

S.C. Saxena
Company Secretary

Samir Thapar
Vice Chairman &
Managing Director

G.B. Kathuria
Director

As per our report of even date attached
For S.P. CHOPRA & CO.
Chartered Accountants
Pawan K. Gupta
Partner

Place : New Delhi
Dated : August 12, 2011

Membership No. 92529
Firm Registration No. 000346N



CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2011

(Rs. in lakhs)

	Schedule No.	Current Year	Previous Year
INCOME			
Gross Sales	'I'	75,882.02	59,249.21
Less: Excise Duty		(3,247.94)	(1,992.79)
Net Sales		72,634.08	57,256.42
Other income	'II'	1,469.35	1,285.22
Increase/(decrease) in stocks	'III'	41.79	(277.37)
		<u>74,145.22</u>	<u>58,264.27</u>
EXPENDITURE			
Raw materials consumed		38,368.53	26,404.10
Other Manufacturing expenses	'IV'	19,558.75	17,782.91
Purchase		40.72	300.25
Payments to and provisions for employees	'V'	7,281.62	6,143.59
Administration and other expenses	'VI'	2,541.92	1,928.58
Selling and distribution expenses	'VII'	3,336.57	2,814.96
Interest and financing charges	'VIII'	4,701.86	4,689.18
Depreciation			
Depreciation for the year		4,068.88	3,950.89
Less: Transfer from revaluation reserve		(13.30)	(24.15)
		<u>4,055.58</u>	<u>3,926.74</u>
		<u>79,885.55</u>	<u>63,990.31</u>
Profit/(Loss) before Tax and exceptional item		(5,740.33)	(5,726.04)
Profit on sale of Ginning factory		—	248.24
Profit on sale of building (Refer Note 18 in Schedule IX)		11,761.76	—
Profit/(Loss) from continuing operations after exceptional item and before tax		6,021.43	(5,477.80)
Provision for tax		423.83	10.25
Profit/(Loss) from continuing operations after exceptional item and after tax		5,597.60	(5,488.05)
Profit/(Loss) from discontinued operations (Refer Note 21 in Schedule IX)		6.92	(599.59)
Net Profit/(Loss) after tax		<u>5,604.52</u>	<u>(6,087.64)</u>
Loss brought forward from last year		(15,761.15)	(9,673.51)
Loss on amalgamation of a subsidiary company		(57.66)	—
Balance loss carried over to Balance Sheet		<u>(10,214.29)</u>	<u>(15,761.15)</u>
Earning/(Loss) per share before exceptional items -in Rs. (Refer Note 27 of Schedule IX)			
- Basic		(1.72)	(1.60)
- Diluted		(1.25)	(1.16)
Earning/(Loss) per share after exceptional items -in Rs. (Refer Note 27 of Schedule IX)			
- Basic		1.56	(1.70)
- Diluted		1.14	(1.23)
Significant Accounting Policies and Notes forming part of the Consolidated Profit & Loss Account	'IX'		

Sanjiva Jain
Chief Financial Officer

S.C. Saxena
Company Secretary

Samir Thapar
Vice Chairman &
Managing Director

G.B. Kathuria
Director

As per our report of even date attached
For S.P. CHOPRA & CO.
Chartered Accountants
Pawan K. Gupta
Partner

Place : New Delhi
Dated : August 12, 2011

Membership No. 92529
Firm Registration No. 000346N



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

(Rs. in lakhs)

	Year ended 31.3.2011	Year ended 31.3.2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before tax and exceptional items	(5,740.33)	(5,726.04)
Adjustment for:		
Depreciation	4,055.58	3,926.74
Provision for diminution in value of investments	238.70	0.82
Fixed Assets written off	127.42	27.48
Provision for doubtful debts and advances	271.78	128.55
Bad debts written off	4.32	0.62
Liabilities/provisions no longer required, written back	(34.72)	(121.94)
Depreciation excess provided in earlier years written back	(0.85)	—
Interest expense	4,701.86	4,689.18
Interest earned	(158.90)	(119.08)
Dividend/Interest on Investment	(3.67)	(3.37)
Profit on sale of investments	(2.25)	—
Profit on sale of fixed assets (net)	(24.69)	(77.38)
Foreign exchange fluctuation (net)	(87.89)	(133.26)
	<u>9,086.69</u>	<u>8,318.36</u>
Operating profit before exceptional items and before working capital changes	3,346.36	2,592.32
Adjustment for working capital changes:		
Inventories	(3,731.52)	(636.37)
Trade and other receivables	(2,280.25)	1,337.07
Trade payables and others	2,280.04	3,951.92
	<u>(3,731.73)</u>	<u>4,652.62</u>
Cash generated from operations:	<u>(385.37)</u>	<u>7,244.94</u>
Cash flow from operating activities	(385.37)	7,244.94
Income tax paid	(443.94)	(32.76)
Net cash flow from operating activities	<u>(829.31)</u>	<u>7,212.18</u>
B. CASH FLOW FROM EXCEPTIONAL ITEMS		
Sale proceeds of Ginning factory	—	261.39
Sale proceeds of Building (Refer Note 18 in Schedule IX)	12,000.00	—
Profit/(Loss) from discontinued operations (Refer Note 21 in Schedule IX)	6.92	(599.59)
Net Cash flow from Exceptional Items	<u>12,006.92</u>	<u>(338.20)</u>
C. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets including capital work in progress	(1,257.92)	(922.46)
Sale of fixed assets	49.25	27.58
Purchase/sale/proceeds from investments (net of provision for diminution)	880.85	266.02
Interest earned	158.90	119.08
Dividend/Interest on Investments	3.67	3.37
Net cash used in investing activities	<u>(165.25)</u>	<u>(506.41)</u>

**CASH FLOW STATEMENT (Contd.)**

(Rs. in lakhs)

	Year ended 31.3.2011	Year ended 31.3.2010
D. CASH FLOW FROM FINANCING ACTIVITIES		
Redemption of Preference Shares (net)	(488.88)	(128.11)
Redemption of debentures (net)	(878.06)	(437.78)
Repayment of long term secured loans (net)	(171.02)	(698.56)
Repayments/Proceeds from short term loans - Secured	(2,841.75)	591.52
Repayment of short term loans - Unsecured	(818.15)	(1,007.94)
Foreign exchange fluctuations (net)	87.89	133.26
Interest and financing charges	(4,701.86)	(4,689.18)
Net cash used in financing activities	(9,811.83)	(6,236.79)
 INCREASE IN CASH AND CASH EQUIVALENTS	1,200.53	130.78
CASH AND CASH EQUIVALENTS (OPENING)	1,058.64	927.86
CASH AND CASH EQUIVALENTS (CLOSING)	2,259.17	1,058.64
Note to cash flow statement :		
Cash and Cash equivalents consist of cash in hand and balances with banks.		
Cash and cash equivalents included in the cash flow statement comprise the following		
Balance Sheet items		
Cash in hand (including cheques and drafts in hand/remittance in transit)	600.52	304.36
Balances with banks :		
— Current accounts	888.65	66.05
— Others	769.81	688.04
— Cash and bank balances lodged as security	0.19	0.19
	2,259.17	1,058.64

Sanjiva Jain
Chief Financial Officer

S.C. Saxena
Company Secretary

Samir Thapar
Vice Chairman &
Managing Director

G.B. Kathuria
Director

As per our report of even date attached
For & on behalf of S.P. CHOPRA & CO.
Chartered Accountants

Pawan K. Gupta
Partner

Place : New Delhi
Dated : August 12, 2011

Membership No. 92529
Firm Registration No. 000346N



SCHEDULES ATTACHED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

(Rs. in lakhs)

SCHEDULE 'A'	31.3.2011	31.3.2010
SHARE CAPITAL		
AUTHORISED		
600,000,000 Equity Shares of Rs.2.50 each	15,000.00	15,000.00
5,000,000 Redeemable Preference Shares of Rs.100/- each	5,000.00	5,000.00
	20,000.00	20,000.00
ISSUED, SUBSCRIBED AND PAID UP		
35,90,78,590 - Equity Shares of Rs.2.50 each, fully paid-up	8,976.96	8,976.96
24,22,488 (Previous Year: 29,11,365)- Optionally Partially Convertible Preference Shares of Rs.100/- each (net of redemption)	2,422.49	2,911.37
	11,399.45	11,888.33

NOTES :

- In earlier years, 11,80,235 Equity Shares were allotted as fully paid up by way of bonus shares, capitalised from General Reserve and Share Premium Account.
- 10,22,488 Optionally Partially Convertible Preference Shares (OPCPS) issued to body corporates with an outstanding amount of Rs. 1,022.49 lakhs carry no dividend and are redeemable on 31.12.2011. 20% of the face value is optionally convertible into equity shares during the currency of OPCPS in which case the amount of conversion of OPCPS would be reduced from the last redemption instalment payable.
 - 1,400,000 OPCPS with an outstanding amount of Rs.1,400 lakhs issued to a body corporate carry no dividend and are redeemable on 26.12.2015 with the option to convert before that the whole amount into equity shares at the amount to be determined and as permissible under SEBI guidelines.

SCHEDULE 'B'	31.3.2011	31.3.2010
RESERVES AND SURPLUS		
CAPITAL REDEMPTION RESERVE		
As per last Account	165.44	165.44
REVALUATION RESERVE		
As per last Account	5,031.18	682.83
Add: On account of revaluation of land	—	4,373.60
Less: Adjusted on sale of assets (Refer Note 21 in Schedule IX)	(116.43)	(1.10)
Less: Transfer to Profit & Loss Account	(13.30)	(24.15)
	4,901.45	5,031.18
DEBENTURE REDEMPTION RESERVE		
As per last Account	2,045.76	2,045.76
SHARE PREMIUM ACCOUNT		
As per last Account	6,931.60	6,951.11
Add: Premium on conversion of Foreign Currency Convertible Bonds (FCCBs)	—	223.06
Add: Write back of pro-rata redemption premium payable on FCCBs	—	35.94
Less: Premium payable on redemption of FCCBs (Refer Note 5 of Schedule IX)	(441.09)	(278.51)
	6,490.51	6,931.60
	13,603.16	14,173.98



(Rs. in lakhs)

SCHEDULE 'C'
SECURED LOANS

31.3.2011

31.3.2010

DEBENTURES

Zero rate Redeemable Debentures (Net of redemption) **26.23** 904.29

TERM LOANS

Scheduled banks **18,530.56** 18,735.25

Others **127.17** 89.38

Interest accrued and due on above **—** 4.12

18,657.73 18,828.75

CASH CREDIT ACCOUNTS WITH SCHEDULED BANKS **7,204.97** 10,046.72

25,888.93 29,779.76

NOTES:

1. Debentures due to a body corporate were rescheduled and repaid subsequently.
2. (a) Term Loans and Debentures are secured by hypothecation of all the moveable properties including plant & machinery and accessories etc. (both present & future) and also equitable mortgage, by deposit of title deeds, of all the immoveable properties (both present & future) including land, factory buildings, structures, erections, constructions and/or further constructions to be made thereon pertaining to Textile and Filament Units except:
 - Term Loan of Rs.1,388.39 lakhs from scheduled banks, are secured by hypothecation of specific plant & machinery.
 - Term Loan of Rs. 83.41 lakhs from scheduled banks and Rs. 124.88 lakhs from non-banking finance companies are secured against specific vehicles.
 (b) Debentures are additionally secured by a legal mortgage over the immovable properties of the Company (both present & future) situate at Dist. Mehsana (Gujarat).
3. Cash Credit facilities from consortium of scheduled banks are secured by first charge ranking pari-passu inter-se amongst themselves on all the stock of raw materials, stock in process, semi-finished and finished goods, stores & spares, bills receivable and books debts and all other moveables current assets both present and future pertaining to Company's Textile and Filament Units. These are also secured by second charge over the fixed assets pertaining to abovesaid units.
4. Financial facilities from Allahabad Bank are additionally secured by first charge by way of an equitable mortgage over the land admeasuring around 9 acres and structures thereon at Phagwara.
5. Term Loans due within one year aggregate Rs. 3,634.88 lakhs including Rs. 314.51 lakhs due during 2010-11 repaid subsequently.
6. During the year, the Company repaid Rs. 84.61 lakhs of term loans with maximum delays of 312 days due to financial constraints.

SCHEDULE 'D'
UNSECURED LOANS

31.3.2011

31.3.2010

FIXED DEPOSITS **2,050.61** 2,052.02

SHORT TERM LOANS AND ADVANCES

(i) book overdraft **498.02** 889.24

(ii) inter-corporate deposit **50.00** —

548.02 889.24

FOREIGN CURRENCY CONVERTIBLE BONDS **11,474.59** 11,586.44
(Refer Note 5 of Schedule IX)

Add: Premium payable on redemption **2,294.92** 1,853.83

13,769.51 13,440.27

SECURITY DEPOSITS **2,021.72** 2,497.24

18,389.86 18,878.77



SCHEDULE 'E'

CONSOLIDATED FIXED ASSETS

ASSETS	ORIGINAL COST				As at 31.3.2011
	As at 1.4.2010	Additions on account of amalgamation	Additions during the year	Sales/ disposal/ adjustments during the year	
TANGIBLE FIXED ASSETS					
Land freehold (Note 1)	15,219.35	—	—	—	15,219.35
Building	11,914.30	5.45	249.29	726.32	11,442.72
Buildings (Leasehold)	5.45	—	—	5.45	—
Plant & machinery:					
Plant & machinery (main) (Note 2)	71,745.05	—	753.57	589.22	71,909.40
Data processing equipment	484.96	—	38.08	29.35	493.69
Electric installations					
including gadgets	821.80	—	17.10	21.37	817.53
Tools & implements	63.32	—	0.10	10.35	53.07
Furniture & fixtures & other equipment	552.90	—	33.53	85.52	500.91
Vehicles	873.32	—	135.20	163.14	845.38
Leasehold Improvements	23.51	—	—	—	23.51
Scrap (value of discarded assets)	1.68	—	9.29	9.29	1.68
Sub-total	101,705.64	5.45	1,236.16	1,640.01	101,307.24
Intangible Assets (other than internally generated)					
Computer Software	197.90	—	—	—	197.90
Curent year's total	101,903.54	5.45	1,236.16	1,640.01	101,505.14
Previous year's total	99,860.12	—	5,200.24	3,156.81	101,903.54
CAPITAL WORK-IN-PROGRESS					
Capital work-in-progress					
Advances against machinery and civil work - unsecured considered good					
Total					



DEPRECIATION					(Rs. in lakhs)	
As at 1.4.2010	Addition on account of amalgamation	For the year	On sales disposals/ adjustment during the year	As at 31.3.2011	WRITTEN DOWN VALUE As at 31.3.2011	As at 31.3.2010
—	—	—	—	—	15,219.35	15,219.35
3,679.63	4.89	321.42	323.76	3,682.18	7,760.54	8,234.67
4.89	—	—	4.89	—	—	0.56
45,047.77	—	3,511.95	465.35	48,094.37	23,815.03	26,697.28
366.77	—	31.68	22.21	376.24	117.45	118.19
568.70	—	28.51	13.59	583.62	233.91	253.08
52.27	—	1.58	10.21	43.64	9.43	11.05
426.44	—	23.65	60.33	389.76	111.15	126.47
537.13	—	94.93	124.79	507.27	338.11	336.20
2.61	—	7.84	—	10.45	13.06	20.90
—	—	—	—	—	1.68	1.68
50,686.21	4.89	4,021.56	1,025.13	53,687.53	47,619.71	51,019.43
55.06	—	47.32	—	102.38	95.52	142.84
50,741.27	4.89	4,068.88	1,025.13	53,789.91	47,715.23	51,162.27
48,438.00	—	3,950.89	1,647.62	50,741.27	51,162.27	
					407.79	395.02
					107.15	98.16
					514.94	493.18

NOTES:

1. The above includes the following assets held for disposal as at 31st March, 2011 which are being carried at the lower of net block and net realisable value. (Refer Note 21 in Schedule IX)

Description	Gross Block		Accumulated depreciation		Net Block	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Land Freehold	84.65	84.65	—	—	84.65	84.65
Other Assets	—	231.70	—	204.14	—	27.56
TOTAL	84.65	316.35	—	204.14	84.65	112.21

2. 'Sales/disposal/adjustments during the year' includes gain of Rs. 111.85 lakhs arising due to foreign exchange fluctuations (Refer Note 10 in Schedule IX)



SCHEDULE 'F'

CONSOLIDATED INVESTMENTS

			Balance as on 31.3.2010	
	Face value	No.	Face Value	Book Value
Name of the Company	Rs.		Rs. in lakhs	Rs. in lakhs
A. LONG TERM INVESTMENTS				
In Optionally Convertible Zero Rate Debentures				
Provestment Securities Pvt. Ltd. (Note-1)	100	1,792,800	1,792.80	1,792.80
KCT Textiles Ltd. (Note-2)	100	2,297,918	2,297.92	2,297.92
8.25% Secured Redeemable Non-convertible Debentures				
Britannia Industries Ltd.	170	500	0.85	—
In Equity Shares -quoted				
JCT Electronics Ltd. (Refer Note 6 in Schedule IX)	1	10,631,900	106.32	562.54
In Equity Shares - unquoted				
India International Airways Ltd.	10	3,630,000	363.00	537.00
Nimbua Greenfield (Punjab) Ltd.	10	50,000	5.00	5.00
Preeti Vanijya (P) Ltd.	10	52,312	5.23	418.50
Mynah Industries Ltd.	10	4,000	0.40	0.40
Shivalik Video Communication Ltd.	100	9,200	9.20	9.20
The New India Co-operative Bank Ltd.	10	3,260	0.33	0.33
B. CURRENT INVESTMENTS				
In Equity Shares - quoted				
ABB Ltd.	2	6,000	0.12	0.07
Aditya Birla Nuvo Ltd.	10	9,313	0.93	11.90
Alstom Projects India Ltd.	10	1,200	0.12	—
Ashok Leyland Ltd.	1	5,000	0.05	0.18
Asian Paints Ltd.	10	600	0.06	—
Britannia Industries Ltd. (Note 3)	2	500	0.05	—
Chesind Textiles Ltd.	10	15,000	1.50	1.50
Colgate Palmolive (I) Ltd.	1	3,000	0.03	0.06
EIH Ltd.	2	7,500	0.15	—
Grasim Industries Ltd.	10	1,000	0.10	—
HDFC Bank Ltd.	10	500	0.05	0.05
Hindustan Unilever Ltd.	1	5,000	0.05	0.03
Housing Development Finance Corpn. Ltd (Note 4)	2	3,020	0.30	0.40
India Card Clothing Ltd.	10	75	0.01	0.02
Tata Steel Ltd.	10	81	0.01	0.10
Ultratech Cement Ltd. (Note 5)	10	—	—	—
The Waterbase Ltd.	10	1,450,000	145.00	145.00
In Units of Mutual Fund				
UTI Growth Fund	10	8,516	0.85	5.25
HDFC Prudential Mutual Fund - Growth	10	2,957	0.30	4.00
				5,792.25
Less: Provision for diminution in value of investments				(480.47)
				5,311.78

NOTES:

1. Redeemable on 31st March each year in two equal instalments.
2. Redeemable on 31st March each year in seven equal instalments.
3. 2,500 equity shares of face value of Rs. 2/- each of Britannia Industries Ltd. received on split of 500 equity shares of face value of Rs. 10/- each.
4. 15,100 equity shares of face value of Rs. 2/- each of Housing Development Finance Corpn. Ltd. received on split of 3,020 equity shares of face value of Rs. 10/- each.
5. 571 equity shares of face value Rs. 10/- each of Ultratech Cement Ltd. were received as per Scheme of Restructuring of Grasim Industries Ltd.
6. Particulars of quoted/unquoted investments and their market value are as under:



Additions during the year		Sold/adjusted during the year		Balance as on 31.3.2011		
No.	Book Value Rs. in lakhs	No.	Book Value Rs. in lakhs	No.	Face Value Rs. in lakhs	Book Value Rs. in lakhs
—	—	597,600	597.60	1,195,200	1,195.20	1,195.20
—	—	287,240	287.24	2,010,678	2,010.68	2,010.68
—	—	—	—	500	0.85	—
—	—	—	—	10,631,900	106.32	562.54
—	—	—	—	3,630,000	363.00	537.00
—	—	12,500	1.25	37,500	3.75	3.75
—	—	—	—	52,312	5.23	418.50
—	—	—	—	4,000	0.40	0.40
—	—	—	—	9,200	9.20	9.20
—	—	—	—	3,260	0.33	0.33
—	—	—	—	6,000	0.12	0.07
—	—	—	—	9,313	0.93	11.90
—	—	—	—	1,200	0.12	—
—	—	—	—	5,000	0.05	0.18
—	—	—	—	600	0.06	—
2,500	—	500	—	2,500	0.05	—
—	—	—	—	15,000	1.50	1.50
—	—	—	—	3,000	0.03	0.06
3,409	2.25	—	—	10,909	0.22	2.25
—	—	—	—	1,000	0.10	—
—	—	—	—	500	0.05	0.05
—	—	—	—	5,000	0.05	0.03
15,100	—	3,020	—	15,100	0.30	0.40
—	—	—	—	75	0.01	0.02
—	—	—	—	81	0.01	0.10
571	—	—	—	571	0.06	—
—	—	—	—	1,450,000	145.00	145.00
—	—	—	—	8,516	0.85	5.25
—	—	2,957	4.00	—	—	—
—	2.25	—	890.09	—	—	4,904.41
—	—	—	—	—	—	(719.18)
—	—	—	—	—	—	4,185.23

(Rs. in lakhs)				(Rs. in lakhs)			
		31.3.2011	31.3.2010	Book Value		Market Value	
		31.3.2011	31.3.2010	31.3.2011	31.3.2010	31.3.2011	31.3.2010
A. In Debentures		3,205.88	4,090.72	B. Quoted investments	448.05	587.26	605.96
In fully paid up Equity Shares		974.10	1,211.81	Unquoted investments	3,737.18	—	—
In Mutual Fund Units		5.25	9.25				
		4,185.23	5,311.78		4,185.23	587.26	605.96



(Rs. in lakhs)

SCHEDULE 'G'
CURRENT ASSETS

31.3.2011

31.3.2010

(a) Inventories as prepared, valued and certified by the management			
(i) Stores & spares	2,116.77	1,881.05	
(ii) Raw materials (including Rs. 2,663.18 lakhs lying with outside parties/creditors)	5,795.20	2,449.74	
(iii) Stock in-trade	2,683.56	2,414.92	
(iv) Stock in-process	4,880.20	3,368.69	
(v) Loose stock awaiting packing	691.30	2,429.66	
(vi) Goods in-transit	194.91	86.36	
	16,361.94		12,630.42
(b) Sundry debtors (unsecured)			
(i) Debts outstanding for a period exceeding six months :			
Considered good	161.87	85.44	
Considered doubtful	403.43	502.64	
	565.30	588.08	
Less: Provision for doubtful debts	(403.43)	(502.64)	
	161.87	85.44	
(ii) Other debts : Considered good	5,834.96	3,274.65	
	5,996.83		3,360.09
(c) Cash and bank balances			
(i) Cash-in-hand	25.30		13.70
(ii) Cheques and drafts-in-hand/remittance in transit	575.22		290.66
(iii) With scheduled banks :			
(a) On current accounts	888.65	66.05	
(b) On fixed deposits	158.29	14.73	
(c) On margin money account	611.11	672.63	
(d) In savings bank accounts	0.41	0.68	
	1,658.46		754.09
(iv) In Post Office Savings Accounts (lodged as security)	0.19		0.19
	24,617.94		17,049.15

SCHEDULE 'H'
LOANS AND ADVANCES

(Unsecured - considered good unless stated otherwise)

(a) ADVANCES AND OTHER AMOUNTS RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED (inclusive of interest accrued and accruing)

Considered good	3,752.75	4,385.34	
Considered doubtful	1,243.34	1,450.04	
	4,996.09	5,835.38	
Less: Provision for doubtful debts	(1,243.34)	(1,450.04)	
	3,752.75		4,385.34

(b) TAX DEDUCTED AT SOURCE AND ADVANCE INCOME-TAX - PENDING ADJUSTMENT (NET OF PROVISIONS)

281.04	260.91
4,033.79	4,646.25



	(Rs. in lakhs)	
SCHEDULE 'I'	31.3.2011	31.3.2010
CURRENT LIABILITIES		
Acceptances including bills purchased and discounted by the bankers	1,025.92	3,190.95
Sundry creditors: (Note 1 and 2)	17,844.49	13,563.32
Statutory liabilities	458.66	273.71
Remuneration payable to directors	3.71	1.67
Interest accrued but not due on fixed deposits, debentures, loans and security deposits	303.28	595.95
Unclaimed amount of fixed deposits/preference shares and interest thereon (Note 3)	34.62	20.86
Employees' security deposits (deposited with scheduled banks)	8.53	11.80
	19,679.21	17,658.26

NOTES:

1. The Company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid at the year end together with interest paid/payable as required under the said Act have not been given.
2. Includes for machinery and civil works Rs. 36.40 lakhs (Previous year: Rs. 131.53 lakhs).
3. There is no amount due and outstanding to be credited to Investors Education & Protection Fund.

SCHEDULE 'J'
PROVISIONS

Provision for gratuity, superannuation and leave encashment	2,381.51	2,157.09
	2,381.51	2,157.09

Signatures to Schedules 'A' to 'J' of the Consolidated Balance Sheet

Sanjiva Jain
Chief Financial Officer

S.C. Saxena
Company Secretary

Samir Thapar
Vice Chairman &
Managing Director

G.B. Kathuria
Director

Place : New Delhi
Dated : August 12, 2011



SCHEDULES ATTACHED TO AND FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	(Rs. in lakhs)	
	Current Year	Previous Year
SCHEDULE - I		
GROSS SALES		
Sales (Gross)	75,467.33	58,978.48
Export incentives/duty draw back	414.69	270.73
	75,882.02	59,249.21
SCHEDULE - II		
OTHER INCOME		
Dividend on shares - current investments	3.60	3.37
Interest on Debentures	0.07	—
Interests on deposits with Banks (Gross: Tax deducted at source Rs. 8.43 lakhs, previous year: Rs. 7.01 lakhs)	74.20	64.65
Interest on loans and advances, overdue accounts etc. (Gross: Tax deducted at source Rs. 3.82 Lakhs, Previous year: Rs. 6.47 lakhs)	84.70	54.43
Profit on sale of fixed assets (net)	24.69	77.38
Profit on sale of investments	2.25	—
Liabilities/provisions no longer required, written back	34.72	121.94
Depreciation excess provided in earlier years written back (net)	0.85	—
Proceeds from carbon emission reduction credits	602.62	259.27
Other receipts (Gross, tax deducted at source Rs. 4.67 lakhs Previous year: Rs. 26.51 lakhs)	641.65	704.18
	1,469.35	1,285.22
SCHEDULE - III		
INCREASE/(DECREASE) IN STOCKS		
Opening Stocks :		
Finished	2,414.92	2,100.08
Loose stock - awaiting packing	2,429.66	2,615.76
In-process	3,368.69	3,774.80
	8,213.27	8,490.64
Closing Stocks :		
Finished	2,683.56	2,414.92
Loose stock - awaiting packing	691.30	2,429.66
In-process	4,880.20	3,368.69
	8,255.06	8,213.27
	41.79	(277.37)
SCHEDULE - IV		
OTHER MANUFACTURING EXPENSES		
Stores & spares consumed	7,069.99	6,874.42
Power & fuel	10,225.95	8,879.20
Repairs to and maintenance of buildings	136.17	93.47
Repairs to and maintenance of plant & machinery	1,411.15	1,385.99
Excise Duty*	13.00	30.57
Processing charges	551.08	400.48
Material handling charges	151.41	118.78
	19,558.75	17,782.91

* Represents the difference between excise duty on opening and closing stock of finished goods.



		(Rs. in lakhs)
SCHEDULE - V	Current Year	Previous Year
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
Salaries, wages, bonus, gratuity, allowances etc.	6,361.08	5,346.99
Contribution to provident, superannuation and other funds	607.04	499.61
Workmen & staff welfare expenses	313.50	296.99
	<u>7,281.62</u>	<u>6,143.59</u>

SCHEDULE - VI
ADMINISTRATION AND OTHER EXPENSES

Rent	132.87	165.54
Rates & taxes	53.58	29.70
Insurance	74.79	66.56
Directors' fee	9.05	6.94
Directors' remuneration	91.14	75.72
Legal and professional fees	175.55	172.32
Travelling and conveyance	261.66	264.55
Auditors' remuneration:		
Audit fee	15.03	12.08
Certification work	5.80	4.53
Out-of-pocket expenses	1.44	1.15
	<u>22.27</u>	<u>17.76</u>
Bad debts written off	582.00	491.14
Less: Provision for bad and doubtful debts written back	<u>(577.68)</u>	<u>(490.52)</u>
	4.32	0.62
Provision for doubtful debts and advances	271.78	128.55
Loss on sale of raw materials/stores (net)	3.89	11.52
Long Term Investments written off	—	5,120.59
Less: Provision for diminution in value of investments written back	<u>—</u>	<u>(5,120.59)</u>
	<u>238.70</u>	<u>(0.82)</u>
Provision for diminution in value of investments	127.42	27.48
Fixed Assets written off	1,074.90	962.14
Miscellaneous expenses	<u>2,541.92</u>	<u>1,928.58</u>

SCHEDULE - VII
SELLING & DISTRIBUTION EXPENSES

Selling & publicity expenses	277.18	312.79
Commission to dealers/convassing agents	637.19	544.84
Freight & cartage (net)	718.49	657.50
Sales tax & octroi	1,330.79	1,003.30
Cash discount on sales	372.92	296.53
	<u>3,336.57</u>	<u>2,814.96</u>

SCHEDULE - VIII
INTEREST AND FINANCING CHARGES

On Foreign Currency convertible Bonds	364.15	327.12
On term/bridging loans	1,422.69	1,695.74
On fixed deposits and inter-corporate deposits	471.99	198.52
On borrowing from banks/others for working capital	2,443.03	2,466.90
Other financing charges	—	0.90
	<u>4,701.86</u>	<u>4,689.18</u>



SCHEDULE 'IX'
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED
ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of Financial Statements

The accompanying consolidated financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India ("GAAP") and the provisions of Companies Act, 1956, except for certain fixed assets which have been revalued.

The consolidated financial statements are prepared in accordance with the principles and procedures laid out by the Accounting Standard on consolidated financial statements issued by the Institute of Chartered Accountants of India. The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and transactions and resulting un-realised gains/losses. The consolidated financial statements are prepared applying uniform accounting policies in use at the Company and its subsidiaries.

2. Use of Estimates

The preparation of financial statements in conformity with GAAP in India requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of financial statements, and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known/ materialised.

3. Fixed Assets

- (a) Fixed assets, except those revalued, are accounted for on historical cost basis (inclusive of the cost of installation and exchange fluctuations on foreign currency loans obtained for acquisition of fixed assets) less accumulated depreciation and impairment loss, if any.
- (b) Expenditure during construction period attributable to the fixed assets incurred upto the date of commercial production are capitalized.
- (c) Expenditure on renovation/ modernisation relating to existing fixed assets is added to the cost of such assets where it increases its performance/life significantly.
- (d) Leasehold improvements are amortised over the primary period of lease.

4. Intangible asset

Intangible asset consists of computer software and is stated at cost of acquisition/ implementation less accumulated depreciation. It is amortized over a period of 5 years on straight line basis.

5. Investments

Investments primarily meant to be held over long term period are valued at cost. Provision is made when in the management's opinion there is a decline, other than temporary, in the carrying value of such investments. Current investments are stated at the lower of cost or quoted/fair value, computed category wise.

6. Inventory Valuation

- (a) Inventories are valued at the lower of cost and net realisable value.
- (b) In respect of raw materials and stores & spares, cost is computed on weighted average basis. Finished goods and stock in process include cost of inputs, conversion and other costs incurred in bringing the inventories to their present location and condition.
- (c) Obsolete, defective and unserviceable stocks are provided for, wherever required.

7. Depreciation

- (a) Depreciation is provided as under:
 - (i) On written down value basis at the applicable rates prescribed under Schedule XIV of the Companies Act, 1956 on pro-rata basis except in respect of Plant & Machinery and Buildings, which is provided on straight line method at the applicable rates prescribed under Schedule XIV of the Companies Act, 1956 on pro-rata basis.
 - (ii) Depreciation on buildings of Textile Units revalued in earlier years is calculated on the respective revalued figures spread equally over the residual life of the concerned buildings as assessed by the valuer. The difference in depreciation on revalued amount so determined and the depreciation on the original cost of such assets calculated in accordance with Section 205(2) of the Companies Act, 1956 is transferred from Revaluation Reserve to the credit of depreciation account.
 - (iii) In case of subsidiary Company, depreciation is provided on written down value basis in the manner and at the applicable rates prescribed in Schedule XIV of the Companies Act, 1956.
- (b) In respect of assets sold/ discarded during the year, depreciation is provided upto the month prior to the date of sale/ discarding.

**8. Impairment of Assets**

An asset is treated as impaired when the carrying cost of assets exceeds recoverable value. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is identified as impaired. The impaired loss of prior accounting period is increased/ reversed where there has been change in the estimate of recoverable amount. The recoverable value is the higher of the assets' net selling price and value in use.

9. Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currency existing at balance sheet date are translated at the exchange rate prevailing on that date. Exchange differences in case of borrowed funds and liabilities in foreign currency for the acquisition of fixed assets from a country outside India are adjusted to the cost of fixed asset. All other exchange differences are recognised in profit & loss account. Premium or discount on forward exchange contract is amortised as expense or income over the life of the contract. Exchange difference on such contract is recognised in the statement of profit & loss account in the reporting period in which the exchange rates changes. Any profit or loss arising on cancellation or renewal of forward contract is recognised as income and expenditure during the period.

10. Revenue Recognition

- Sales revenue is recognised on transfer of the significant risks and rewards of ownership of the goods to the buyer and are inclusive of excise duty/sales tax/VAT and net of trade discounts. Export sales are recognised on the date the Company ships the exported goods as evidenced by their Bill of Lading/Air-way Bill.
- Sale of Certified Emission Reduction (CER) is recognised as income on the generation of CER.
- Export benefit entitlements under the duty entitlement pass book (DEPB) scheme are recognised in the Profit & Loss account when the right to receive credit as per the terms of the scheme is established in respect of the exports made. Obligation/entitlements on account of advance license scheme for imports of raw materials are accounted for at the time of purchase of raw materials.
- Other items of revenue are recognised in accordance with the Accounting Standard (AS-9). Accordingly, wherever there are uncertainties in the ascertainment/ realisation of income it is not accounted for as revenue.
- Profit/loss on sale of revalued fixed assets are stated with reference to the written down value determined on the basis of their historical cost.

11. Government Grants

Government grants are recognized when there is a reasonable assurance of compliance with the conditions attached to such grants and where benefits in respect thereof have been earned and it is reasonably certain that the ultimate collection will be made. Government subsidy received for a specific asset is reduced from the cost of the said asset.

12. Employee Benefits

- Liability towards Provident Fund is funded through a separate Trust and contributions thereon are made to the Trust.
- Gratuity to employees is provided for on the basis of actuarial valuation reduced by balance available under group gratuity policy with the insurance companies. The deficit between the actual payments and recoveries against claims are charged to revenue.
- Liability towards earned leave which is encashable is provided for on the basis of actuarial valuation.
- The Company has an approved Superannuation Scheme for its Officers not covered under the Payment of Bonus Act, 1965. Contributions are made in accordance with the Scheme and the Trust Rules.

B. CONTINGENT LIABILITIES NOT PROVIDED FOR

- Claims against the Company not acknowledged as debts: Rs. 18.47 lakhs (Previous year: Rs. 17.55 lakhs).
- Guarantees given by the bankers on behalf of the Company: Rs.229.21 lakhs (Previous year: Rs. 287.05 lakhs).
- Unutilised amount of letters of credit established: Rs.166.31 lakhs (Previous year: Rs. 36.63 lakhs).
- Disputed liabilities not adjusted as expenses in the Accounts for various years being in appeals towards:

	As at 31.3.2011 (Rs. in lakhs)	As at 31.3.2010 (Rs. in lakhs)
Sales Tax	454.46	394.39
Income Tax	120.87	118.80
Excise Duty	2,363.51	2,491.40
Stamp Duty	187.72	187.72
Custom Duty	186.05	186.05
Others	235.07	229.44
Total	3,547.68	3,607.80

C. NOTES TO THE ACCOUNTS

- The financial statements of the subsidiary used in the consolidation are drawn upto the same reporting date as that of parent Company. Subsidiary company namely Rajdhani Trading Co. Ltd. is included in the consolidation with the parent company. This company is a wholly owned subsidiary of the parent company i.e. JCT Ltd. and incorporated in India.



2. Estimated amount of contracts remaining to be executed on Capital Account and not provided for in the Accounts (net of advances) : Rs.483.76 lakhs (Previous year : Rs. 451.98 lakhs).
3. Secured loans of Rs.25,654.42 lakhs (Previous year: Rs.28,593.32 lakhs) from banks/financial institutions and a body corporate are additionally secured by personal guarantees of Vice Chairman and Managing Director and Shri M. M. Thapar. Further, secured loans of Rs.28.53 lakhs are secured through pledge of 9,08,98,773 equity shares of JCT Limited held by Promoter group companies.
4. Corporate guarantee of Rs. 3,580.00 lakhs given to IFCI Ltd. for the term loan given to JCT Electronics Ltd. was invoked in earlier years. As the said term loan has been restructured in terms of the scheme sanctioned by the 'Board for Industrial and Financial Reconstruction' which is under process of implementation, the invocation of guarantee is under abeyance.
5. Foreign Currency Convertible Bonds:
The Company raised US\$ 30 million through the issue of 2.5% unsecured Foreign Currency Convertible Bonds (FCCBs) on 8.4.2006. FCCBs amounting to US\$ 4.58 million stood converted into equity shares as at 31.03.2011. Balance outstanding FCCBs of US\$ 25.42 million are redeemable by the Company on maturity on 08-04-2011 at a premium of 20.075% (US\$ 5.08 million) either in cash or by allotment of fully paid up equity shares of Rs. 2.50 each upto 65% of the redemption amount.
The Company has provided for the full redemption premium including pro-rata premium for the year of Rs.441.09 lakhs (previous year: Rs. 242.57 lakhs) by adjustment against the Share Premium Account.
The Company could not redeem the FCCBs on due date 08.04.2011 for paucity of cash funds. The Company is taking steps to restructure/ extend the maturity of the FCCBs.
6. In respect of the Company's investment in JCT Electronics Ltd.:
 - (a) The Company has given an undertaking to a financial institution and a bank of JCT Electronics Ltd. that the Company would not dispose off, pledge, charge, or create any lien, assign 39,33,000 equity shares having face value of Re. 1/- each.
 - (b) The Company has pledged 42,87,000 equity shares having a face value of Re. 1/- each with a financial institution for financial facility availed by JCT Electronics Ltd.
7. (a) The Company had revalued its certain freehold land held at Tehsil Phagwara on 01.04.2005 and the resultant revalued amount of Rs. 10,417.70 lakhs was substituted for the historical cost in the gross block of fixed assets.
(b) The Company had revalued its freehold land at Village Chohal, Hoshiarpur on 15.03.2010 and the resultant revalued amount of Rs.4,403.91 lakhs was substituted for the historical cost in the gross block of fixed assets.
8. Government grant of Rs. 416.54 lakhs received in 2008-09 was reduced against the cost of specific plant and machinery.
9. Capital work in progress includes under noted pre-operative expenditure pending allocation on commencement of commercial production.

	(Rs. in lakhs)			
	As at 1.4.2010	Additions	Less Capitalised/Adj.	As at 31.3.2011
Miscellaneous Expenses	16.71	10.25	24.74	2.22
Travelling and conveyance	59.25	6.92	63.97	2.20
Legal & Professional fees	30.51	0.30	—	30.81
Total	106.47	17.47	88.71	35.23

10. The Company has continued to adjust the foreign currency exchange differences on amounts borrowed for acquisition of fixed assets to the carrying cost of fixed assets which is in accordance with provisions of the Companies Act, 1956, read with notification dated 31st March, 2009 of the Government of India. This has resulted in decrease in fixed assets by Rs.111.85 lakhs during the year (Previous Year: decrease of Rs. 1,517.27 lakhs).
11. a) Pursuant to the scheme of amalgamation of the erstwhile wholly owned subsidiary company namely Gupta & Syal Ltd. (hereinafter referred as 'transferor' company) with JCT Limited (hereinafter referred as 'transferee' company) sanctioned by the Hon'ble High Court of Delhi vide order dated 10.05.2011 and Hon'ble High Court of Punjab and Haryana vide order dated 25.03.2011, all assets and liabilities of transferor company were transferred and stood vested with transferee company with effect from April 1, 2010.

The amalgamation has been accounted for under the 'Pooling of Interests' method as prescribed by the Accounting Standard 14 'Accounting for Amalgamation' issued by the Institute of Chartered Accountants of India. Accordingly, assets and liabilities of transferor company as at April 1, 2010 have been incorporated in the financial statements of transferee company in the same manner and form as they appear in the financial statements of the transferor company except for building on leasehold land (including cost of land) of Rs.5.45 lakhs. This was shown under Investment in the books of transferor company which has been included under fixed assets in the books of transferee company in terms of the scheme of amalgamation.



- b) In terms of Scheme of amalgamation no shares of the transferee Company have been issued to the shareholders of the transferor company being a wholly owned subsidiary of the transferee company.

12. Loans and advances include the following amounts:

	As at 31.3.2011 (Rs. in lakhs)	Maximum amount outstanding during the year (Rs. in lakhs)
Associate Companies *		
JCT Chemicals & Fibres Ltd.	395.00	395.00
Firemount Textile (India) Ltd.	9.35	9.35

* Interest-free and with no stipulation for repayment

13. (a) Pursuant to erosion in net worth, as per audited Accounts for the financial year ended 31.3.2010 approved and adopted in the Annual General Meeting held on 29.9.2010, the Company discontinued acceptance of fresh/renewal of deposit under public category w.e.f.30.09.2010 in compliance with the rules contained in Companies (Acceptance of Deposits) Rules, 1975.
- (b) Security deposits include Rs.1,540.00 lakhs (previous year: Rs.860.00 lakhs) received upto 31.03.2011 against 'Leave & License' of certain properties with licensees' option to buy at an agreed price in which eventuality the security deposit would be adjusted against the sale proceeds.
14. (a) The Company has not recorded cumulative deferred tax assets on account of timing differences as stipulated in Accounting Standard 22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India in view of uncertainty of future taxable income.
- (b) Adequate provision for income tax under Section 115-JB of the Income Tax Act, 1961 and wealth tax have been made in the accounts.
15. In view of accumulated losses:
- (a) No commission is payable to whole time directors.
- (b) No capital redemption reserve has been created during the year.
16. Foreign exchange variation gain (net) on account of revenue transactions amounting to Rs.87.89 lakhs (Previous year: Rs. 133.26 lakhs) has been debited/ credited to respective revenue heads.
17. The Company has an export obligation of Rs. 6,151.12 lakhs (previous year: Rs.12,662.94 lakhs) against import of machinery under EPCG Scheme which it would meet within stipulated time.
18. During the year Company sold one of its buildings for a total consideration of Rs.12,000 lakhs. Profit of Rs.11,761.76 lakhs on sale of the building has been shown separately in the Profit & Loss account as 'Exceptional Income'.
19. Going Concern:

Accumulated losses have resulted in substantial erosion in net worth of the company. However, the financial statements have been prepared on a going concern basis on the strength of continued support of the promoters, bankers/ other lenders. In addition, during the year Company generated cash inflow of Rs.12,000 lakhs through sale of one of its buildings to reduce debt and improve its working capital.

The management is of the view that the operating losses incurred are temporary in nature and considering the future plans for operations and support of the promoters and lenders, it is hopeful of improved profitability leading to improvement in its financial position.

20. Leases:

The Company has leased facilities under cancellable and non cancellable operating lease arrangements with a lease terms ranging from 1 to 3 years, which are subject to renewal thereafter at mutual consent. The cancellable arrangements can be terminated by either party after giving due notice. The lease rent expense recognized during the year amounts to Rs.84.73 lakhs. The future lease payments in respect of non- cancellable operating leases for a period later than one year but not later than 5 years is Rs.103.80 lakhs as at 31st March, 2011 (Previous year Rs.28.70 lakhs).

21. Discontinued Operations:

The operations at Unit-I of Sriganganagar Textile Mill were discontinued in an earlier year. The identified asset being land pending disposal having net book value of Rs.84.65 lakhs is carried at the net book value as expected net realizable value is higher, and is disclosed in 'Schedule E' as 'Assets held for disposal'. Advances of Rs.421.50 lakhs received from the buyers of asset of the Unit are included in the Current Liabilities to be adjusted pending completion of legal formalities.

Company has recognised income of Rs. 6.92 lakhs (previous year: loss of Rs.599.59 lakhs) as 'Income from discontinued Operations' and disclosed it separately in the Profit & Loss Account. Disclosures as required under 'Accounting Standard 24 – Discontinuing Operations' are as under:



	Rs. in Lakhs	
	For the year ended 31.3.2011	For the year ended 31.3.2010
Total Assets	84.65	112.21
Total Liabilities excluding corporate funds	421.50	393.15
Other Income	21.86	34.88
Expenses:		
Payments to & provisions for employees	11.94	335.74
Compensation to workers for retiral	—	263.92
Miscellaneous expenses	3.00	34.81
Profit/ (Loss) before Tax	6.92	(599.59)
Profit/ (Loss) after Tax	6.92	(599.59)
Net Cash Flows attributable to:		
(a) Operating Activities (including change in working capital)	—	17.93
(b) Investing Activities	62.83	249.90

Revaluation reserve of Rs. 116.43 lakhs has been adjusted as the related building was sold/discarded during the year.

22. Production activity at Unit-2 of Sriganganagar Textile Mill remained suspended since 2009-10. The Company is taking steps to revive the operations.

23. Employee Benefits

(a) General description of the defined benefit scheme:

Gratuity	:	Payable on separation as per the Employees Gratuity Act @ 15 days pay for each completed year of service to eligible employee who render continuous service of 5 years or more.
Leave Encashment	:	Payable on encashment as per the policy or on separation to the eligible employees who have accumulated earned leave.

(b) Defined Benefit Plan

The employees' gratuity fund scheme managed by a Trust is a defined benefit plan.

In respect of gratuity and leave encashment, the present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(c) Other disclosures as required under AS-15 (Revised 2005) on "Employee Benefits" in respect of defined benefit obligations are as under:

(i) Reconciliation of opening and closing balances of Defined Benefit obligation

	(Rs. in lakhs)											
	Gratuity (Funded)				Gratuity (Unfunded)				Leave encashment (Unfunded)			
	2010-11	2009-10	2008-09	2007-08	2010-11	2009-10	2008-09	2007-08	2010-11	2009-10	2008-09	2007-08
Defined Benefit obligation at beginning of the year	1241.17	1225.19	1054.26	1129.91	573.88	804.74	740.32	677.65	408.44	434.67	412.72	382.97
Current Service Cost	87.77	80.89	77.44	62.94	43.45	37.56	50.49	196.86	61.24	46.08	45.10	139.72
Past Service Cost	14.81	—	—	—	28.05	—	—	—	—	—	—	—
Interest Cost	93.09	91.89	79.07	84.74	43.04	60.35	55.52	50.82	30.63	32.60	30.95	28.72
Actuarial (gain)/loss	26.97	15.91	136.38	7.65	44.22	66.94	40.91	(35.34)	61.51	(26.49)	59.57	1.78
Benefits paid	(90.00)	(172.71)	(121.96)	(230.98)	(83.29)	(395.71)	(82.50)	(149.67)	(70.93)	(78.42)	(113.67)	(140.47)
Defined Benefit obligation at the year end	1373.81	1241.17	1225.19	1054.26	649.35	573.88	804.74	740.32	490.89	408.44	434.67	412.72



(ii) Reconciliation of opening and closing balances of fair value of plan assets

(Rs. in lakhs)

	Gratuity (Funded)			
	2010-11	2009-10	2008-09	2007-08
Fair value of plan assets at beginning of the year	346.03	475.52	502.00	487.98
Expected return on plan assets	32.01	41.61	46.69	45.13
Actuarial gain/(loss)	(0.56)	(5.14)	(5.17)	(4.13)
Employer contribution	111.77	—	53.96	204.00
Benefits paid	(90.00)	(165.96)	(121.96)	(230.98)
Fair value of plan assets at year end	399.25	346.03	475.52	502.00
Actual return on plan assets	31.45	36.45	41.52	41.00

(iii) Reconciliation of fair value of assets and obligations

(Rs. in lakhs)

	Gratuity (Funded)				Gratuity (Unfunded)				Leave encashment (Unfunded)			
	2010-11	2009-10	2008-09	2007-08	2010-11	2009-10	2008-09	2007-08	2010-11	2009-10	2008-09	2007-08
Fair value of plan assets	399.25	346.03	475.52	502.00	—	—	—	—	—	—	—	—
Present value of obligation	(1373.81)	(1241.17)	(1225.19)	(1054.26)	(649.35)	(573.88)	(804.74)	(740.32)	(490.89)	(408.44)	(434.67)	(412.72)
Amount recognized in Balance Sheet (Liability)	(974.56)	(895.14)	(749.67)	(552.26)	(649.35)	(573.88)	(804.74)	(740.32)	(490.89)	(408.44)	(434.67)	(412.72)

(iv) Expense recognized during the year (Under the head "Payments to and Provisions for Employees" in Schedule 'V')

(Rs. in lakhs)

	Gratuity (Funded)				Gratuity (Unfunded)				Leave encashment (Unfunded)			
	2010-11	2009-10	2008-09	2007-08	2010-11	2009-10	2008-09	2007-08	2010-11	2009-10	2008-09	2007-08
Current Service Cost	87.77	80.89	77.44	62.94	43.45	37.56	50.49	196.86	61.24	46.08	45.10	139.72
Past Service Cost	14.81	—	—	—	28.05	—	—	—	—	—	—	—
Interest Cost	93.09	91.89	79.07	84.74	43.04	60.35	55.52	50.82	30.63	32.60	30.95	28.72
Expected return on plan assets	(32.01)	(41.61)	(46.69)	(45.13)	—	—	—	—	—	—	—	—
Actuarial (gain)/loss	26.97	15.91	136.38	7.65	44.22	66.94	40.91	(35.34)	61.51	(26.49)	59.57	1.78
Net Cost	190.63	147.08	246.20	110.20	158.76	164.85	146.92	212.34	153.38	52.19	135.62	170.22

(v) Investment Details

(% Invested)

	31st March, 2011	31st March, 2010	31st March, 2009	As at 31st March, 2008
Life Insurance Corporation of India	100	100	100	100

(vi) Actuarial assumptions

	As at 31.3.2011	As at 31.3.2010	As at 31.3.2009	As at 31.3.2008
Method used	Projected unit credit			
Mortality Table (LIC)	1994-96 (duly modified)			
Discount rate (per annum)	7.50%	7.50%	7.50%	7.50%
Expected rate of return on plan assets (per annum)	9.25%	8.75%	9.30%	9.25%
Withdrawal Rate (per annum) upto 30/44 years and above 44 years	3% / 2% / 1%	3% / 2% / 1%	3% / 2% / 1%	3% / 2% / 1%
Rate of escalation in salary (per annum)	5.00%	5.00%	5.00%	5.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary. The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.



- vii. The disclosure above is in respect of the current year and the immediately preceding three years. The disclosure in respect of one immediately preceding annual period as required by 'AS-15 (Revised 2005)' is not presented as the management considered it impracticable in the absence of requisite information.

24. Disclosure of Derivative Instruments:

- (a) The following are the outstanding forward exchange contracts used for hedge against currency exposures as at 31st March, 2011.

Currency	In foreign currency (in million)	In Indian Rupee (in lakhs)	Exposure to Buy/Sell
EURO	0.13	82.50	Sell

- (b) Foreign currency exposures that have not been specifically hedged by a derivative instrument or otherwise as at 31st March, 2011 are given below:

	Rs. in lakhs		Foreign Currency in millions			
	Current year	Previous year	Current Year		Previous year	
			Currency	Amount	Currency	Amount
Sundry Debtors	630.24	360.65	US\$	1.41	US\$	0.80
	137.98	142.51	Euro	0.22	Euro	0.24
Loans and Advances	315.23	296.25	Euro	0.51	Euro	0.50
Foreign Currency						
Convertible Bonds	13,769.51	13,440.27	US\$	30.50	US\$	29.49
Sundry Creditors	217.23	267.03	US\$	0.49	US\$	0.58
	1.87	—	MYR	0.01	MYR	—
	38.19	30.39	Euro	0.07	Euro	0.05
	38.06	22.53	JPY	6.94	JPY	4.59

25. Related party disclosures:

A. Relationship

- (a) Key Management Personnel:

Mr. Samir Thapar
Mr. Rajmohan Singh

- (b) Other related parties where control/
significant influence exists:

Mr. M.M. Thapar
JCT Electronics Ltd.
Provestment Securities Pvt. Ltd.
JCT Chemicals & Fibres Ltd.
India International Airways Ltd.
Firemount Textiles (India) Ltd.
KCT Textiles Ltd.
JCT Sports Pvt. Ltd.

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

B. Transactions with related parties

(Rs. in lakhs)

	31.3.2011	31.3.2010
EXPENSES		
Professional Fee: Mr. M.M. Thapar	24.00	24.00
Rent Paid: Mr. M.M. Thapar	0.08	—
Interest paid: Provestment Securities Pvt. Ltd.	175.83	—
Travelling Expenses: India International Airways Ltd.	—	7.14
Sports promotion Expenses: JCT Sports Pvt. Ltd.	36.84	139.20



(Rs. in lakhs)

	Dr./ (Cr.) Balance as on 1.4.2010	Received/ adjusted/given during the year	Refunded/ adjusted during the year	Dr./ (Cr.) Balance as on 31.3.2011
UNSECURED LOANS FROM:				
Provestment Securities Pvt. Ltd.	—	2,925.00	2,925.00	—
Investments:				
Provestment Securities Pvt. Ltd.	1,792.80	—	597.60	1,195.20
KCT Textiles Ltd.	2,297.92	—	287.24	2,010.68
	4,090.72	—	884.84	3,205.88
Other Receivables				
JCT Chemicals & Fibres Ltd.	395.00	—	—	395.00
Firemount Textiles (India) Ltd.	9.35	—	—	9.35
	404.35	—	—	404.35
Payables:				
JCT Electronics Ltd.	(58.57)	(1.00)	—	(59.57)
JCT Sports Pvt. Ltd.	—	(36.84)	36.84	—
Mr. M.M. Thapar	(13.90)	(23.92)	25.89	(11.93)
Provestment Securities Pvt. Ltd.	(12.61)	(1,635.99)	1,517.44	(131.16)
India International Airways Ltd.	(10.93)	—	9.41	(1.52)
	(96.01)	(1,697.75)	1,589.58	(204.18)

Note: Details of remuneration to key management personnel referred to in (a) above

	Vice Chairman & Managing Director		Director (Operations)	
	Current Year Rs. in Lakhs	Previous year Rs. in Lakhs	Current Year Rs. in Lakhs	Previous year Rs. in Lakhs
Salary including allowances	49.50	42.00	41.64	33.72
Contribution to provident And Superannuation Fund*	9.38	7.50	7.50	6.00
Perquisites & Reimbursement	3.30	6.00	11.16	14.18
	62.18	55.50	60.30	53.90

*Excluding the provision made towards gratuity and leave encashment on actuarial basis.

26. Segment Reporting Policies

(a) Identification of segments

(i) Primary Segments

Business segment: The Company's operating businesses are organised and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products. Two identified segments are Textiles and Filament yarn. The products considered as a part of Textile segment are cloth, yarn and fents, rags and chindies. The products considered as a part of Filament segment are nylon yarn and chips.

(ii) Secondary Segment

Geographical Segment: The analysis of geographical segment is based on the geographical location of the customers.

(b) Inter Divisional transfers of goods, as marketable products produced by separate divisions of the Company, for captive consumption are made as if sales were made to third parties at current market prices and are included in turnover.

(c) Unallocable Items

Corporate income, corporate expenses, interest, capital and reserves are considered as part of unallocable items which are not identifiable to any business segment.

Segment information:

(Rs. in lakhs)

	Textile		Filament		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
External Sales/Income	42,637.94	31,345.54	29,996.13	25,910.88	72,634.07	57,256.42
Segment revenue	43,332.62	31,776.89	30,651.24	26,510.90	73,983.86	58,287.79
Segment results	(497.57)	(2,629.40)	930.88	2,543.42	433.31	(85.98)
Segment assets	54,518.32	53,119.17	14,296.51	13,508.51	68,814.83	66,627.68
Segment liabilities	17,942.63	16,971.49	7,577.98	7,493.99	25,520.61	24,465.48



Reconciliation of reportable segment with the financial statements:

(Rs in lakhs)

	Revenues		Net Profit/(Loss)		Assets		Liabilities	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Total of reportable Segments	73,983.86	58,287.79	433.31	(85.98)	68,814.83	66,627.68	25,520.61	24,465.48
Add: Corporate-Unallocated	119.57	253.26	(1,471.76)	(950.88)	12,036.96	11,886.46	40,818.90	44,008.40
Interest expenses	—	—	(4,701.86)	(4,689.18)	—	—	—	—
Exceptional Items (net)	—	—	11,768.68	(351.35)	—	—	—	—
Taxes	—	—	(423.83)	(10.25)	281.04	260.91	—	—
As per financial statements	74,103.43	58,541.05	5,604.54	(6,087.64)	81,132.83	78,775.05	66,339.51	68,473.88

(d) Secondary segment reporting (By geographical segments)

The following is the distribution of the Company's sales by geographical market, regardless where the goods were produced:

(Rs. in lakhs)

	Current Year	Previous year
Sales to domestic market	63,252.02	51,570.85
Sales to overseas market	8,967.37	5,414.84
Total	72,219.39	56,985.69

The Company has common fixed assets for producing goods for domestic and overseas markets. Hence, separate figures for fixed assets/additions to fixed assets cannot be furnished.

27. Earnings/(loss) per share:

	Current Year	Previous Year
Net Profit/(Loss) as per Profit & Loss Account – (Rs. in lakhs)	5,604.53	(6,087.64)
Weighted average number of equity shares for Basic Profit/(Loss)	35,90,78,590	35,90,78,590
Add: (i) Adjustment for option for 24,22,488 (Previous year : 29,11,365) Optionally Partially Convertible Preference Shares of Rs. 100/- each	6,52,29,651	6,70,90,288
(ii) Adjustment for option for foreign Currency Convertible Bonds having face value of US\$ 25,420,000	6,87,35,253	6,87,35,253
Weighted average number of equity shares for Diluted Profit/(Loss)	49,30,43,494	49,49,04,131
Nominal value of Equity Share (Rs.)	2.50	2.50
Basic Profit/(Loss) per Share before exceptional items (Rs.)	(1.72)	(1.60)
Diluted Profit/(Loss) per Share before exceptional items (Rs.)	(1.25)	(1.16)
Basic Profit/(Loss) per Share after exceptional items (Rs.)	1.56	(1.70)
Diluted Profit/(Loss) per Share after exceptional items (Rs.)	1.14	(1.23)

28. Figures for previous year have been re-arranged, wherever necessary to conform to current year's classification. Further, the previous year figures also includes the results of another erstwhile subsidiary company namely Gupta & Syal Limited, which has been amalgamated with JCT Ltd. w.e.f. 01.04.2010 and thus are not comparable to that extent.

Signatures to Schedules 'I' to 'IX' of the Consolidated Balance Sheet

Sanjiva Jain
Chief Financial Officer

S.C. Saxena
Company Secretary

Samir Thapar
Vice Chairman &
Managing Director

G.B. Kathuria
Director



DIRECTORS' REPORT

To the Members

Your Directors present their Annual Report and Accounts for the year ended 31.03.2011.

Financial Results

During the year under review, the company has made a profit of Rs. 12,487/- after providing for depreciation to the tune of Rs. 424/-. In view of accumulated losses no payment of dividend is recommended.

Directors

Mr. Satish Kapoor, Director, retires by rotation and being eligible, offers himself for re-appointment.

Auditors

M/s Gautam Suri & Company, Chartered Accountants, the retiring Auditors being eligible offer themselves for re-appointment. They have furnished a certificate that their re-appointment, if made, would be within the limits specified in Section 224(1B) of the Companies Act, 1956.

Auditors Report

The observations made by the Auditors in their Report are adequately explained in the notes to the Accounts and Significant Accounting Policies and need no further elaboration.

Requirement under Section 217(2A) of the Companies Act, 1956

There are no employees covered under the provisions of the

Section 217(2A) of the Companies Act, 1956 read under the Companies (Particulars of Employees) Rules, 1975.

Directors' Responsibility Statement

As required under Section 217 (2AA) of the Companies Act, 1956 the Directors hereby confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- ii) Such accounting policies have been selected and applied consistently and judgments / estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- iii) Proper and sufficient care have been taken with the best of knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the said Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) The annual accounts have been prepared on a going concern basis.

For & on behalf of Board

Jitender Khanna

Director

Place : New Delhi

Dated : May 26, 2011

AUDITORS' REPORT

To the members

- 1 We have audited the attached Balance Sheet of M/s RAJDHANI TRADING COMPANY LIMITED as at 31st March, 2011 and also the Profit & Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3 As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4 Further to our comments in the Annexure referred to in paragraph (03) above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii. 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;
 - iii. The Balance Sheet and Profit and Loss Account, dealt with by this report are in agreement with the books of account;

- iv. In our opinion, the Balance Sheet and Profit and Loss Account, dealt with by this report comply with the Accounting Standards, referred to in sub-section (3C) of Section 211 of the companies Act, 1956;
- v. On the basis of written representations received from the directors, as on 31st March, 2011 none of them are disqualified from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi. No comments are offered on clause (g) of the Section 227(3) of the Companies Act, 1956, since the Central Government has not yet published any notification in the Official Gazette for levy and collection of cess under section 441A of the Companies Act, 1956;
- vii. In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read with Significant Accounting Policies and Notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-
 - a. In the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2011; and
 - b. In the case of the Profit and Loss Account, of the Profit for the year ended on that date;

For GAUTAM SURI & CO.
Chartered Accountants

Gautam Suri
Sole Proprietor

Place : New Delhi
Dated : May 26, 2011

Membership No. 89819
Firm Registration No. 011073N



ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph (03) of our Report of even date

- 1 In respect of fixed assets of the Company:-
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - b. The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancy has been noticed on such verification.
- 2 The company does not have any inventories and as such the clause is not applicable
- 3 During the year, the company has neither granted nor taken any loans secured or unsecured from companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956. Therefore the provision of clause 4(iii) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures, commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit no major weakness has been noticed in the internal control system.
5.
 - a. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the Register maintained under section 301 of the Companies Act, 1956, have been so entered.
 - b. In our opinion and according to the information and explanation given to us, the transaction made in pursuance of contracts of arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of concerned parties during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- 6 The Company has not accepted any deposit under the provisions of the Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under during the year.
- 7 In our opinion, the company has an internal audit system, commensurate with the size and nature of its business.
- 8 The Central Government has not prescribed the maintenance of cost records by the Company under Section 209 (1) (d) of the Companies Act, 1956, therefore the provision of clause 4 (viii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- 9
 - a. According to the records of the Company, it is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other applicable statutory dues.
 - b. According to the information and explanations given to us, there is no undisputed amount payable in respect of income tax, wealth tax, sales tax, custom duty, excise duty and cess as at the year end; for a period more than six months from the date they became payable.
 - c. According to the information and explanation given to us, there are no dues of custom duty, wealth tax and cess, which have not been deposited on account of any dispute.
- 10 The Company has not incurred cash losses during the financial year under report.
- 11 The Company has not defaulted in repayment of dues to Financial Institutions and Banks. Further the Company does not have any outstanding debentures.
- 12 The Company has not granted any loans and advances, on the basis of security by way of pledge of shares, debentures and other securities, during the year.
- 13 The Company is not a chit fund, nidhi or mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
- 14 The company has not dealt or traded in shares, securities, debentures and other investments during the year.
- 15 According to the information and explanation given to us, the Company has not given any guarantee during the year, for loans taken by others from Banks or other Financial Institutions.
- 16 The Company has neither raised any term loan during the year nor was any utilized amount left on this account, as at the beginning of the year. Therefore the provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 17 According to the information and explanation given to us and on all overall examination of the Balance Sheet of the Company, we report that the funds raised on short-term basis have not been used for long-term investment and vice-versa.
- 18 The Company has not made any preferential allotment of shares to any person during the year.
- 19 The Company does not have any outstanding debentures. Therefore, the provision of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- 20 The Company has not raised any money by public issue during the year.
- 21 To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For GAUTAM SURI & CO.
Chartered Accountants

Gautam Suri
Sole Proprietor

Membership No. 89819

Firm Registration No. 011073N

Place : New Delhi
Dated : May 26, 2011

**RAJDHANI TRADING COMPANY LIMITED****BALANCE SHEET
AS AT 31ST MARCH, 2011**

LIABILITIES	31.3.2011	31.3.2010
	Rs.	Rs.
SHARE CAPITAL		
AUTHORISED		
10,000 (Previous year: 10,000) Equity Shares of Rs 100/- each	1,000,000	1,000,000
ISSUED, SUBSCRIBED & PAID UP		
5,010 (Previous year: 5,010) Equity Shares of Rs.100/- each	501,000	501,000
CURRENT LIABILITIES & PROVISIONS		
Current Liability		
Liability for expenses	70,771	41,948
Provision		
Provision for Income Tax	4,000	8,450
	575,771	551,398
ASSETS		
FIXED ASSETS (As per Schedule 'A' attached)		
Gross block	50,136	50,136
Less: Depreciation	47,516	(47,092)
	2,620	
CURRENT ASSETS, LOANS & ADVANCES		
Current Assets:		
Cash in hand	3,350	3,970
Balance with scheduled banks on current account	92,009	49,161
Fixed Deposit Account	350,000	350,000
	445,359	
Loans & Advances:		
Security Deposit	20,900	20,900
Tax Deducted at Source/Advance Tax	2,043	6,597
Interest Receivable	18,384	22,735
	41,327	
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
PROFIT & LOSS ACCOUNT	86,465	94,991
Notes to Accounts and Significant Accounting Policies as per Schedule 'B'	575,771	551,398

In terms of our Report of even date
For GAUTAM SURI & CO.

Chartered Accountants

Gautam Suri

Proprietor

Membership No.89819

Firm Registration No. 011073N

Place : New Delhi
Dated: May 26, 2011

J.K. Gupta
Directors : Jitender Khanna
Satish Kapoor

**PROFIT & LOSS ACCOUNT**
FORTHE YEAR ENDED 31ST MARCH, 2011

	Current Year Rs.	Previous Year Rs.
INCOME		
Income from other sources	29,700	29,700
Interest on Fixed Deposit (TDS Rs 2,043/- Previous year: 2,527/-)	24,016	29,090
	<u>53,716</u>	<u>58,790</u>
EXPENSES		
Audit fee	2,500	2,500
Rent paid	17,796	19,635
Discount & Bank Charges	221	2,193
Filing fee	600	900
Establishment Expenses	12,000	12,000
Legal & Professional Expenses	1,500	1,500
Repair & Maintinace	6,188	5,952
Depreciation	424	491
	<u>41,229</u>	<u>45,171</u>
Profit/(Loss) for the year	12,487	13,619
Provision for Income Tax		
Current Year	4,000	4,350
Earlier Years	(39)	—
	<u>3,961</u>	<u>—</u>
Loss brought forward	94,991	104,260
Loss Carried Forward to Balance Sheet	<u>86,465</u>	<u>94,991</u>

In terms of our Report of even date
For GAUTAM SURI & CO.
Chartered Accountants
Gautam Suri
Proprietor
Membership No.89819
Firm Registration No. 011073N

Place : New Delhi
Dated: May 26, 2011

J.K. Gupta
Directors : Jitender Khanna
Satish Kapoor



SCHEDULE 'A'
FIXED ASSETS

Assets	ORIGINAL COST			DEPRECIATION			WRITTEN DOWN VALUE	
	As on 1.4.2010	Sold during the year	As on 31.3.2011	As on 1.4.2010	For the year	Upto 31.3.2010	As on 31.3.2011	As on 31.3.2010
Air conditioners	40,186	—	40,186	37,565	365	37,930	2,256	2,621
Generators	9,950	—	9,950	9,527	59	9,586	364	423
Current year's total	50,136	—	50,136	47,092	424	47,516	2,620	3,044
Previous year's total	50,136	—	50,136	46,601	491	47,092	3,044	3,535

SCHEDULE 'B'
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2011

A. SIGNIFICANT ACCOUNTING POLICIES

These accounts have been prepared on historical cost convention and materially comply with the Accounting Standards issued by the Institute of Chartered Accountants of India.

1. FIXED ASSETS

Fixed assets are stated at cost (inclusive of cost of installation less depreciation).

2. DEPRECIATION

Depreciation is charged on written down value basis in the manner and at the applicable rates prescribed in Schedule XIV of the Companies Act, 1956.

B. NOTES ON ACCOUNTS

- All the equity shares are held by the Holding Company i.e. M/s JCT Limited &/or its nominee.
- Previous year figures have been re-grouped wherever necessary so as to make them comparable with the figures of the current year.
- There was no amount due to any supplier as on 31.3.2011 and further there was no claim from suppliers for interest on delayed payment under the "Micro, Small and Medium enterprises Development Act, 2006".
- In view of substantial carry forward losses and no business income for the current year and also due to uncertainty with regard to future business income, the Company has not recorded cumulative deferred tax assets on accounting of timing differences as stipulated in AS-22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.
- Earning per share (As per AS 20)

	Current Year	Previous Year
Net Profit/(Loss) as per Profit & Loss Account (Rs.)	8,526	9,269
Weighted Average Nos of Equity Shares for Basic Profit/Loss	5,010	5,010
Weighted Average Nos of Equity Shares for Diluted Profit/Loss	5,010	5,010
Nominal value of Equity Share (Rs.)	100	100
Basic Earning per Share (Rs.)	1.70	1.85
Diluted Earning per Share (Rs.)	1.70	1.85

C. RELATED PARTY DISCLOSURES

- Relationship
 - Holding company:
JCT Limited
 - Key Management Personnel:
Mr. Satish Kapoor
Mr. J. K. Gupta
Mr. Jitendra Khanna
 - Other related Parties:
Provostments Securities Pvt Ltd.

- Details of the transaction carried out with the related parties in the ordinary course of business.

Nature of Transaction	Nature of relationship	Name of the related parties	Amount (Rs.)
A. Expenses/Income (during the year)			
Income from other sources	1(a)	JCT Limited	29,700
Establishment Expenses	1(a)	JCT Limited	12,000
B. Balance outstanding as on 31.3.2011			Nil

NOTE : Related party relationship is as identified by the Company and relied upon by the Auditors.

D. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPHS (3) to (4D) OF PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956

**INFORMATION PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I. REGISTRATION DETAILS	
Registration No.	29591
State Code	55
Balance Sheet date	31.3.2011
II. CAPITAL RAISED DURING THE YEAR	
	Rs. Nil
III. POSITION OF MOBILISATION & DEPLOYMENTS OF FUNDS	
Total liabilities	575,771
Total assets	575,771
IV. SOURCES OF FUNDS	
Paid up capital	501,000
Reserves & surplus	—
Secured loans	—
Unsecured loans	—
V. APPLICATION OF FUNDS	
Net fixed assets	2,620
Investments	—
Net current assets	411,915
Misc. expenditure	—
Accumulated losses	86,465
VI. PERFORMANCE OF COMPANY	
Total income	53,716
Total expenditure	41,229
Profit before tax	12,487
Profit after tax	8,526
Earning per share in Rs. (weighted average)	1.70
Dividend rate %	Nil
VII. GENERAL NAMES OF THREE PRINCIPALS PRODUCTS/ SERVICES OF COMPANY (AS PER MONETARY TERMS)	
Product description	N.A.
Item Code No.	N.A.

AUDITORS' REPORT

Signatures to schedules 'A' & 'B'
forming part of the Balance sheet
For GAUTAM SURI & CO.
Chartered Accountants

Place : New Delhi
Dated: May 26, 2011

Gautam Suri
Proprietor
Membership No.89819
Firm registration No. 011073N

J.K. Gupta
Directors : Jitender Khanna
Satish Kapoor