



# JCT LIMITED

ANNUAL REPORT

2017-18

**Board of Directors**

Mr. Samir Thapar

Ms. Priya Thapar

Dr. Ajit Kumar Doshi

Mr. Chander Mohan Bhanot

Mr Ram Swaroop Samria

Mr. Avaya Kumar Mohapatra

Chairman and Managing Director

Director (Strategic Business Development)

Allahabad Bank Nominee

**Business Head**

Mr Kamal Bhasin

**Chief Financial Officer**

Mr. V K Singhal

**Company Secretary**

Ms. Nidhi Goel

**Auditors:**

Navdeep Singh &amp; Co.

Chartered Accountants

Deep Complex (First Floor)

89, Manshaia Colony

Patiala-147001

**Registered Office:**

Village Chohal

Distt. Hoshiarpur

Punjab: 146024

**Ph. No.:** 01882-258780; Fax: 01882-258059**Email:** [jctsecretarial@jctltd.com](mailto:jctsecretarial@jctltd.com)**Website:** [www.jct.co.in](http://www.jct.co.in)**CIN:** L17117PB1946PLC004565**Units:**

Textiles : Phagwara (Punjab)

Nylon Filament Yarn : Hoshiarpur (Punjab)

**Corporate Office:**305-309, 3<sup>rd</sup> Floor, Rattan Jyoti Building

18, Rajendra Place, New Delhi-110008

**Registrar & Share Transfer Agents****RCMC Share Registry Private Limited**B-25/1, 1<sup>st</sup> Floor, Okhla Industrial Area

Phase II, New Delhi-110020

Tel: 011-26387320-321-323

Fax: 011-26387322

Email: [investor.services@rcmcdelhi.com](mailto:investor.services@rcmcdelhi.com)**Bankers:**

Allahabad Bank

State Bank of India

Punjab National Bank

Bank of Baroda

Punjab &amp; Sind Bank

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**JCT LIMITED**

[CIN – L17117PB1946PLC004565]

Registered Office: Village Chohal, District Hoshiarpur 146 024 (Punjab)

Tel: 01882-258780; FAX: 01882-258059

Website: [www.jct.co.in](http://www.jct.co.in); Email ID: [jctsecretarial@jctltd.com](mailto:jctsecretarial@jctltd.com)

**NOTICE**

**NOTICE is hereby given that the 69<sup>th</sup> Annual General Meeting of the Members of the Company will be held on Friday, the 14<sup>th</sup> day of September, 2018 at 11:30 a.m. at the Registered Office of the Company at Village Chohal, District Hoshiarpur 146024 (Punjab), to transact the following business(s).**

**ORDINARY BUSINESS**

1. To receive, consider and adopt the financial statements of the Company including the Audited Balance Sheet as at 31<sup>st</sup> March, 2018 and the statement of Profit & Loss for the financial year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Priya Thapar (DIN: 06742680), who retires by rotation, and being eligible, offers herself for re-election.
3. To ratify the appointment of the Auditors and to fix their remuneration and to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of Sections 139, and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) thereto or re-enactment(s) thereof, for the time being in force), pursuant to the recommendations of the Audit Committee of the Board of Directors, and in pursuance of the resolution passed by the members at 68<sup>th</sup> Annual General Meeting held on 14<sup>th</sup> August, 2017, the appointment of M/s Navdeep Singh & Company, Chartered Accountants (Registration No. 008400N) as the Auditors of the Company, to hold office till the conclusion of 73<sup>rd</sup> Annual General Meeting, be and is hereby ratified/confirmed, at a remuneration of Rs. 16,00,000 p.a. inclusive of certification fees etc., plus service tax and out of pocket expenses payable on quarterly basis.

**SPECIAL BUSINESS**

4. **Approval of Cost Auditor's remuneration:**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) thereto or re-enactment(s) thereof, for the time being in force), M/s Goyal, Goyal & Associates, Cost Accountants (Firm Registration No. 000100) appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company's Textile and Filament Units, be paid a remuneration, for the financial year ending 31st March, 2019, amounting to Rs. 1,50,000 plus service tax as applicable and re-imbursement of out of pocket expenses incurred by them in connection with the aforesaid audit.”

5. **Appointment of Mr Ramswaroop Samaria as an Independent Director**

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR / Listing Regulations), including any statutory modifications or re-enactment(s) thereof and any rules made there under, for the time being in force, Mr. Ramswaroop Samaria (DIN 00375315), who was appointed as an Additional Director of the Company with effect from 30<sup>th</sup> May, 2018, and whose term expires at this Annual General Meeting, for the office of an Director not liable to



retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 years with effect from May 30, 2018 to 29<sup>th</sup> May, 2023.

**6. Re-appointment and payment of remuneration to Mr. Samir Thapar, Chairman and Managing Director for the period from 1.10.2018 to 30.09.2021**

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee, and approval of Board and subject to the provisions of Sections 196, 197 and 203 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof) read with schedule V of the Companies act, 2013 and applicable clauses of Article of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Samir Thapar (DIN: 00062287), as the Chairman and Managing Director of the Company with effect from 01.10.2018 to 30.09.2021, and remuneration payable to Mr. Samir Thapar for the said period, in pursuance of this resolution, on the terms and conditions as set out in the Explanatory Statement to this Resolution and also contained in the draft agreement to be entered into between the Company and Mr. Thapar, submitted to this meeting, which agreement be and is hereby specifically approved and sanctioned with liberty of Board Of Directors to alter and vary the terms and conditions of the said re-appointment and/or remuneration and agreement, subject to the same not exceeding the limits specified in Schedule V of the said Act, in such form and manner with such modification as the Board may deem fit and as agreed to by Mr. Samir Thapar.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred any Committee of Director or Director(s) to give effect to the aforesaid resolution.”

**7. Re-appointment and payment of remuneration to Ms. Priya Thapar as Whole-time Director for the period from 1.12.2018 to 30.11.2021**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Special Resolution**:

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee, and approval of Board and subject to the provisions of Sections 196, 197 and 203 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof) read with schedule V of the Companies act, 2013 and applicable clauses of Article of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Ms. Priya Thapar (DIN: 06742680), as Whole Time Director designated as Director (Strategic Business Development), of the Company for a period of three years i.e. from 1.12.2018 to 30.11.2021, and remuneration payable to Ms. Priya Thapar for the said period, in pursuance of this resolution, on the terms and conditions as set out in the Explanatory Statement to this Resolution and also contained in the draft agreement to be entered into between the Company and Ms. Priya Thapar, submitted to this meeting, which agreement be and is hereby specifically approved and sanctioned with liberty of Board Of Directors to alter and vary the terms and conditions of the said re-appointment and/or remuneration and agreement, subject to the same not exceeding the limits specified in Schedule V of the said Act, in such form and manner with such modification as the Board may deem fit and as agreed to by Ms. Priya Thapar.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred any Committee of Director or Director(s) to give effect to the aforesaid resolution.”

**8. Increase of Share Capital and Alteration of Memorandum of Association**

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 13, 61 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made there under (including any statutory amendment(s) or modification(s) thereto or enactment(s) or re-enactment(s) thereof for the time being in force) (the “Act”) and pursuant to the provisions of the Articles of Association of the Company, the Authorized Share Capital of the Company be and is hereby increased from Rs. 200,00,00,000/- (Rupees Two Hundred Crores only) divided into 70,00,00,000 (seventy crores) equity shares of Rs.2.50/- (Rupees Two Decimal Five Zero only) each and 25,00,000 (twenty five lakhs) redeemable preference shares of Rs. 100/- (Rupees Hundred only) each to Rs. 250,00,00,000/- (Rupees Two Hundred Fifty Crores only) divided into 90,00,00,000 (ninety crores) equity shares of Rs. 2.50/- (Rupees Two Decimal Five Zero only) each and 25,00,000 (twenty five lakhs) redeemable preference shares of Rs. 100/- (Rupees Hundred only) each.”



**“RESOLVED FURTHER THAT** the existing Clause V of the Memorandum of Association of the Company be and is hereby altered as follows:

**V. The Authorised Share Capital of the Company is Rs. 250,00,00,000/- (Rupees Two Hundred and Fifty Crores only) divided in 90,00,00,000 (ninety crores) Equity Shares of Rs. 2.50/- (Rupees Two Decimal Five Zero only) each and 25,00,000 (twenty five lakhs) Redeemable Preference Shares of Rs. 100/- (Rupees Hundred only) each.**

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (including a Committee thereof) be and are hereby authorized to do all such acts, deeds and things and execute all such documents and writings, as it may in its absolute discretion deem necessary or incidental thereto including paying such fees and incurring such expenses in relation thereto as it may deem appropriate and to file such documents, forms, etc., as required with the regulatory/statutory authorities and authorize the officials of the Company for the aforesaid purpose, as may be deemed fit to give effect to this resolution.”

**9. Issue of Fresh Equity Shares to Foreign Currency Convertible Bondholders (Non-Promoter’s)**

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 42, 62 and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the Memorandum of Association and Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (**“Listing Regulations”**), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (**“SEBI ICDR Regulations”**), Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeover) Regulations, 2011 as amended and all other applicable laws including the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, various rules, regulations, press notes, notifications, any other guidelines and clarifications issued by the Government of India, all applicable regulations, circulars, notifications issued by the Securities and Exchange Board of India, the Reserve Bank of India, stock exchanges on which the equity shares of the Company are listed and also by any other statutory/regulatory authorities and subject to all such other approvals, permissions, consents and/or sanctions of any authorities, as may be necessary, and subject to such conditions and modifications, as may be prescribed by any one of them while granting any such approvals, consents, permissions and/or sanctions which may be agreed to by the Board of Directors (the **“Board”**) of the Company, consent of the shareholders of the Company be and is hereby given to the Board which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution, to offer, issue and allot, on preferential basis, aggregating **24,03,00,606** (Twenty Four Crores Three lacs and Six Hundred and Six) equity shares of the Company of face value of Rs. 2.50/- each (**“Equity Shares”**), at Rs. 2.65 per shares (Rupees Two and Sixty Five Paise) (**“Preferential Issue”**) to the Foreign Currency Convertible Bond (FCCB) holders of the Company as set out in the explanatory statement pursuant to restructuring/conversion of 1249 FCCB (Foreign Currency Convertible Bonds) of face value of USD 10,000 each;”

**“RESOLVED FURTHER THAT** the Preferential Issue of the Equity Shares to the FCCBs holders upon restructuring/conversion of 1249 FCCB of face value of USD 10,000 each shall be, inter alia, on the following terms and conditions

- (a) The ‘Relevant Date’ under SEBI ICDR Regulations for the purpose of determination of issue price of the Equity Shares shall be 14th August, 2018 i.e. the day 30 days prior to the date of this Meeting (**“Relevant Date”**);
- (b) Equity Shares shall be allotted at a price of Rs. 2.65 per shares (Rupees Two and Sixty Five Paise) per equity share, calculated as per Regulation 76 of the SEBI ICDR Regulations;
- (c) The Equity Shares shall be fully paid-up and shall rank pari passu in all respects with the existing Equity Shares of the Company in accordance with the Memorandum of Association and the Articles of Association of the Company;
- (d) The Preferential Issue of the Equity Shares shall only be made in dematerialized form and shall, subject to receipt of necessary approvals, be listed and traded on the BSE Limited;
- (e) In pursuance of the Preferential Issue, as aforesaid, the shares to be allotted to the Lenders shall remain locked-in for such period as specified under the SEBI ICDR Regulations;
- (f) The Equity Shares to be issued shall be allotted within a period of 15 (fifteen) days from the date of this resolution,



provided that where the allotment is pending on account of pendency of any regulatory, Stock Exchange or Government of India (GOI) approval(s), the allotment shall be completed within 15 (Fifteen) days of receipt of such approval(s)."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized, in its entire discretion, to do all such acts, matters, deeds and things and to take all such steps and to do all such things and give all such directions, as the Board may consider necessary, expedient or desirable, including without limitation, effecting any modification to the foregoing (including any modifications to the terms of the issue), to allot such number of equity shares in one or more tranches to each lender pursuant to this resolution, as may be thought fit or decided by the Board, to prescribe the forms of application, allotment, to enter into any agreements or other instruments, and to take such actions or give such directions as may be necessary or desirable and to file applications and obtain any approvals, permissions, sanctions which may be necessary or desirable and to settle any questions or difficulties that may arise and appoint consultants, valuers, legal advisors, advisors and such other agencies as may be required for the Preferential Issue of the Equity Shares without being required to seek any further clarification, consent or approval of the members and that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution"

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by the above resolutions to any Director(s) or to any Committee of the Board or any other Officer(s) of the Company to give effect to the aforesaid resolution"

"RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects."

#### **10. Creation of Charge(s) / Mortgage / Hypothecation**

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of the resolution passed by the Members of the Company on 31.07.2015 and pursuant to the provisions of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any committee thereof) to create such charges, mortgages and/or hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such form and manner and with such ranking, whether first exclusive, pari-passu, second charge, subservient or otherwise and at such time and on such terms as the Board may deem fit, to or in favour of all or any of the lenders, to secure the financial facilities availed or to be availed by the Company in terms of the subscription agreements / loan agreements / letters of sanctions / memorandum of terms and conditions entered into or to be entered into by the Company for such facilities."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to finalise, settle and execute such documents, deeds, writings, papers, prescribed Government forms, file petition and swear affidavit and/or agreements as may be required and do all such other acts, deeds, matters and things, as it may in its absolute discretion deem fit, necessary or appropriate."

By order of the Board  
For JCT Limited  
*Nidhi Goel*  
Company Secretary

Place : New Delhi  
Dated : 14.08.2018

**NOTES FOR MEMBERS' ATTENTION:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other member of the Company.

The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the Meeting. A Proxy Form is annexed herewith. Proxies submitted on behalf of companies, societies etc., must be supported by an appropriate resolution/ authority, as applicable.

2. Members / Proxies / Authorised Representatives should bring the duly filled Attendance Slip enclosed herewith to attend the Meeting.
3. Disclosure pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-II), with respect to Directors seeking appointment/reappointment at the Annual General Meeting, is annexed to this Notice.
4. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business, under Item No. 4 above is annexed hereto.
5. **The Register of Members and Share Transfer Books of the Company will remain closed from 10th September 2018 to 14th September, 2018 (both days inclusive).**
6. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
7. All the Registers, as required as per the provisions of Companies Act, 2013 and applicable rules, will be available for inspection by the Members at the time of Annual General Meeting.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Registrar/Company.
9. Annual Report of the Company for the year 2017-18 with the Notice of the 69<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in electronic mode to the Members whose e-mail addresses are registered with the Company and/or Depository Participant(s), unless a member has requested for a hard copy of the same. We further request shareholders to update their e-mail addresses with the Share Transfer Agent/ Depository Participants to enable the Company to send the required communication/ correspondence electronically. Physical copies of the aforesaid documents are being sent to those Members who have not registered their email addresses.
10. Members may also note that the Annual Report for the year 2017-18 and Notice of the 69<sup>th</sup> Annual General Meeting will be available on the Company's website, [www.jct.co.in](http://www.jct.co.in). Physical copies of the aforesaid documents will also be available at the Company's Registered Office at Village Chohal, Dist. Hoshiarpur, Punjab, for inspection during normal business hours on working days.

**Voting through electronic means:** Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, the Company is pleased to provide its members the facility of remote e-voting (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 69<sup>th</sup> Annual General Meeting (AGM). The business may be transacted through e-voting services rendered by National Securities Depository Limited (NSDL). The facility for voting, through polling paper shall be available at the venue of the 69<sup>th</sup> AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.





The Company has appointed Ms Seema Sharma, Practicing Company Secretary as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

**11. The procedure to login to e-Voting website consists of two steps as detailed hereunder:**

**Step 1 : Log-in to NSDL e-Voting system**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/>.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details will be as per details given below :
  - a) **For Members who hold shares in demat account with NSDL:** 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300\*\*\* and Client ID is 12\*\*\*\*\* then your user ID is IN300\*\*\*12\*\*\*\*\*).
  - b) **For Members who hold shares in demat account with CDSL:** 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12\*\*\*\*\* then your user ID is 12\*\*\*\*\*).
  - c) **For Members holding shares in Physical Form:** EVEN Number followed by Folio Number registered with the company (For example if folio number is 001\*\*\* and EVEN is 101456 then user ID is 101456001\*\*\*).
5. Your password details are given below:
  - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need enter the ‘initial password’ and the system will force you to change your password.
  - c. How to retrieve your ‘initial password’?
    - i. If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - ii. If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a. Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b. “Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Step 2 : Cast your vote electronically on NSDL e-Voting system.**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.





2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of the Company.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

- A. Corporate and institutional shareholders (companies, trusts, societies etc.) are required to send a scanned copy (in PDF / JPG format) of the relevant Board Resolution / appropriate authorization to the Scrutinizer through e-mail at pcs.seemasharma@gmail.com with a copy marked to NSDL’s e-mail ID evoting@nsdl.co.in.
- B. **Those who become Members of the Company after dispatch of the Notice but on or before 07th September, 2018 (cut-off date) may write to NSDL at evoting@nsdl.co.in or to the RTA at investor.service@rcmc Delhi.com requesting for user ID and password. On receipt of user ID and password, the steps from Sl. Nos. (1) to (3) mentioned in steps 1 above should be followed for casting of vote.**
- C. **Remote e-voting will commence at 9.00 a.m. on 10th September, 2018 and will end at 5.00 p.m. on 13th September, 2018, when remote e-voting will be blocked by NSDL.**
- D. In case of any query / grievance, you may refer to the Frequently Asked Questions for Shareholders and e-voting User Manual for Shareholders available under the Downloads section of NSDL’s e-voting website **www.evoting.nsdl.com** or call on toll free no : 1800-222-990
- E. There will be one vote for every Client ID No. / Registered Folio No. irrespective of the number of joint holders.
- F. The Results of voting will be declared within 48 hours from the conclusion of the AGM and the Resolutions will be deemed to be passed on the date of the AGM, subject to receipt of requisite number of votes.
- G. The declared Results, alongwith the Scrutinizer’s Report, will be available forthwith on the Company’s corporate website [www.jct.co.in](http://www.jct.co.in) under the section ‘Investor Relations’ and on the website of NSDL; such Results will also be forwarded to BSE Limited, Mumbai.

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013**

**Item No. 4**

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s Goyal, Goyal & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for both Textile & Nylon Filament Units, for the financial year ending 31<sup>st</sup> March, 2019 at a remuneration of Rs. 1,50,000/- plus Service Tax and reimbursement of out of pocket expenses incurred.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, (as amended or re-enacted from time to time) the remuneration as mentioned above, payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors for the financial year ending March 31, 2019, as set out in the Ordinary Resolution for the aforesaid services to be rendered by them.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the said resolution.

The Board of Directors recommends the Ordinary Resolution set out in Item No 4 of the Notice for approval by the members.

**Item No. 5**

The Board of Directors, at its meeting held on 30<sup>th</sup> May, 2018, approved the appointment of Mr. Ramswaroop Samria (DIN 00375315) after having the approval/recommendations from the Nomination & Remuneration Committee of Directors, as an Additional Independent Director on the Board of the Company effective from the said date subject to the shareholders' approval.

The Company has received a declaration from Mr. Samria confirming that he meets the criteria of independent director as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Mr. Samria is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company. In the opinion of the Board, Mr. Samria fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations and he is independent of the management.

Mr. Samria has 11 years of experience in Textiles Industry and is currently working as a Sr. founding partner in a practicing firm of Chartered Accountants, Samria & Co. for the past 37 years.

A copy of the draft letter of appointment for Independent Directors, setting out the terms and conditions for appointment of Independent Directors is available for inspection by the Members at the registered office of the Company during business hours on any working day and is also available on the website of the Company [www.jct.co.in](http://www.jct.co.in). Mr. Samria is not related to any other Director and Key Managerial Personnel of the Company.

Your Directors recommend the Special Resolution as set out in Item No. 5 for your approval.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Mr Ramswaroop Samria (whose appointment is proposed in the resolution) are in any way concerned or interested in the Resolution.

**Item No. 6 & 7**

- I. Mr. Samir Thapar has been the Managing Director of the Company since 2.06.1994. The Present proposal is to seek the Member's approval for the re-appointment and remuneration payable to Mr. Samir Thapar as the Chairman & Managing Director of the Company in terms of the applicable provisions of the Companies Act, 2013 read with Schedule V thereto.

Pursuant to the recommendation of the Nomination and Remuneration Committee at its meeting held on 30.05.2018 as approved by the Board at its meeting held on 30.05.2018, the Board recommends the re-appointment of Mr. Samir Thapar on the following terms & conditions:

- a) **Salary** : Rs. 6,50,000 per month
- b) **Perquisites** : The perquisites shall include accommodation (furnished or otherwise), house maintenance allowance together with reimbursement of expenses and/or allowances for utilization of gas, electricity, water, furnishing and repairs, medical reimbursement, club fees, medical insurance, use of Company's car with Driver and such other perquisites and allowances. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules there under or any statutory modification(s) or re-enactment thereof. In the absence of any Rules perquisites and allowances shall be evaluated at actual cost.

However, the Company's contribution to provident Fund and Superannuation or Annuity Fund are not Taxable under the Income-tax law, and gratuity payable and encashment of leave at the end of the tenure, as per the rules of the Company and to the extent not taxable under the Income-tax law, shall not be included for the purpose of computation of the overall ceiling of remuneration.

- c) **Reimbursement of Expenses**: Expenses incurred for travelling, boarding / lodging for self, entertainment or business promotion expenses etc. and telephone expenses at residence shall be paid/reimbursed and not considered as perquisites.
- d) **General**:
- (i) The terms and conditions set out for re-appointment and payment of remuneration herein may be altered and varied by the Remuneration Committee and/or Board as it may, from time to time, deem fit.
  - (ii) He shall not be liable to retire by rotation.

Mr. Samir Thapar satisfies all the conditions as set out in part I of Schedule V of Companies Act, 2013 and other applicable provisions, for being eligible for re- appointment.



- II. Ms Priya Thapar has been whole time Director of the Company since 1.12.2013. The Present proposal is to seek the Member's approval for the re-appointment and remuneration payable to Ms. Priya Thapar as the Whole Time Director of the Company in terms of the applicable provisions of the Companies Act, 2013 read with Schedule V thereto.

Ms Priya Thapar has done Bachelor of Business Administration with major in Marketing and B.A in Fashion Merchandising from American College in London (ACL). She has also done Bachelor of Business Administration from London School of Economics and Bachelors in Interior Design from Parsons School of Design besides degree in History of Art from Sothebys London with consistent good academic record. She has vast experience in Human Resources, Marketing, Administration and Finance. She was associated with Organic World India in introducing the first ever concept of Organic Lifestyle Brand in India, a one stop shop for a complete eco- friendly holistic way of living which includes garments, food products, home furnishings, health products in India and overseas.

Pursuant to the recommendation of the Nomination and Remuneration Committee at its meeting held on 30.05.2018 as approved by the Board at its meeting held on 30.05.2018, the Board recommends the re-appointment of Ms. Priya Thapar on the following terms & conditions:

- (a) Salary : Rs. 1,50,000/- per month  
 Special Allowance : Rs. 45,000/- per month  
 Perquisites : Rs. 5000/- per month
- (b) Reimbursement of Expenses:  
 Expenses incurred for travelling, boarding / lodging for self, entertainment or business promotion expenses etc. and telephone expenses at residence shall be paid/reimbursed and not considered as perquisites.
- (c) General:  
 (i) The terms and conditions set out for appointment and payment of remuneration herein may be altered and varied by the Remuneration Committee and/or Board as it may, from time to time deem fit subject to the applicable approvals and provisions under the Companies Act, 2013.  
 (ii) She shall be liable to retire by rotation.

- III. The information as required to be disclosed as per Clause (iv) of the Second Proviso to Section II of part II of Schedule V to the Companies Act, 2013 is given hereunder:

**I. General Information**

1.	Nature of industry	Manufacturing of Cotton Textiles, Synthetic Fabrics and Nylon Filament Yarn		
2.	Date of commencement of commercial production	19.12.1946		
3.	Financial performance based on given indicators	<b>(Rs. in lacs)</b>		
		<b>2017-18*</b>	<b>2016-17 *</b>	<b>2015-16#</b>
	Gross Income from Operations	76488.41	83939.90	87342.85
	Other Income	1045.21	1678.90	1321.36
	Interest & Financing Cost(Net)	3550.01	3632.94	3917.56
	Comprehensive Income/ (Loss) before Depreciation	(335.15)	1085.56	3589.29
	Depreciation	3049.36	3108.99	3045.82
	Net Comprehensive Income /(Loss) Before Tax	(3384.51)	(2023.43)	566.62
4.	Foreign Investment or Collaborations	Nil		

**\*Figures as per IND-AS mandatorily adopted w.e.f. 1.4.2017**

**# Figures are as per previous GAAP**



**II. Information about the appointee's**

<b>Name Of the Director</b>	<b>Mr Samir Thapar</b>	<b>Ms Priya Thapar</b>
<b>DIN</b>	00062287	06742680
<b>Date of Birth/Age</b>	16.01.1965 / 54 Years	10.05.1968 / 50 Years
<b>Qualifications</b>	Graduate in Business Administration from California State University Bakersfield, USA with a total experience of 26 years	Bachelor of Business Administration with major in Marketing and B.A in Fashion Merchandising from American College in London (ACL). She has also done Bachelor of Business Administration from London School of Economics and Bachelors in Interior Design from Parsons School of Design besides degree in History of Art from Sothebys London with consistent good academic record
<b>Experience</b>	30 years of experience in the field of Industry, Business and Corporate Management.	Vast experience in HR, Marketing, Administration, and Corporate Management.
<b>No. of meetings of the Board attended during the year</b>	3	2
<b>Shareholding in the Company</b>	271356	260000
<b>Relationship with other Directors, Manager and other Key Managerial Personnel of the Company.</b>	Brother of Ms Priya Thapar – Whole Time Director	Sister of Mr Samir Thapar – Chairman & Managing Director
<b>Terms &amp; Conditions of appointment/ re-appointment alongwith details of remuneration sought to be paid and remuneration last drawn by such person</b>	Terms & Conditions of re-appointment are as per the Remuneration and Nomination Policy of the Company as displayed on the Company's website i.e. <a href="http://www.jct.co.in">www.jct.co.in</a> The details of remuneration sought to be paid is given in the explanatory statement annexed to this Notice. Remuneration last drawn is Rs 96 lacs in FY 2017-18	Terms & Conditions of re-appointment are as per the Remuneration and Nomination Policy of the Company as displayed on the Company's website i.e. <a href="http://www.jct.co.in">www.jct.co.in</a> . The details of remuneration sought to be paid is given in the explanatory statement annexed to this Notice. Remuneration last drawn is Rs 24 lacs in FY 2017-18
<b>Recognition or Awards</b>	None	None
<b>Job Profile and his/her suitability</b>	Mr Samir Thapar as Chairman & Managing Director has been looking after the overall affairs and operations of the Company guiding the supervision and control of the Board of Directors. He is involved in policy planning, vision and strategy and long term development activities of the company.	She has also been looking after the overall affairs and operations of the Company and involved in the policy planning, HR and Marketing policy of the Company.
<b>Remuneration Proposed</b>	Salary: Rs. 78.00 Lacs per annum Perquisites & Reimbursement: Rs. 18.00 Lacs Per annum Contribution to Provident and Superannuation Funds: Rs. 10.36 Lacs per annum	Salary: Rs. 23.40 Lacs per annum Perquisites & Reimbursement : Rs. 0.60 Lacs Per annum Contribution to Provident and Superannuation Funds: Rs. 3.16 Lacs per annum



<b>Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person</b>	The corresponding cost of the Company of persons handling similar portfolio in Textile Industry are in the salary band of Rs. 25 to 30 lac per month	The corresponding cost of the Company of persons handling similar portfolio in Textile Industry are in the salary band of Rs. 10 to 15 lac per month
<b>Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel</b>	Promoter Director. He holds 2,71,356 equity shares of the Company	Promoter Director. She holds 2,60,000 equity shares of the Company

**III. Other Information**

<b>1</b>	<b>Reasons of Inadequate profits</b>	Due to liquidity crunch, company could not invest in upgrading/de-bottlenecking the production facilities which resulted into quality issues and lower profitability.
<b>2</b>	<b>Steps taken or proposed to be taken for Improvement</b>	The inherent strengths of the Company, especially its reputation as a premium producer of cotton cloth and powerful brand "JCT" expected to enable the Company to position itself during adversities. The Company has also strategically planned to address the issue of productivity and increase profits and has put in place measures to reduce cost and improve the bottom-line.
<b>3</b>	<b>Expected increase in productivity and profits in measurable terms</b>	The Company has taken various initiatives to maintain its leadership, improve market share and financial performance. It has been aggressively pursuing and implementing its strategies to improve financial performance.

**IV. Disclosures:**

- Remuneration package fully described in the explanatory statement as stated above.
- Disclosures in the Board of Directors' Report under the heading 'Corporate Governance' included in Annual Report 2017-18.

The draft of the Agreement between the Company and Ms Priya Thapar and Company and Mr. Samir Thapar are open for inspection at the Registered Office of the Company during office hours on all working day except Saturday, between 10 A.M to 12 Noon. The above may also be treated as an Abstract under Section 190 of the Companies Act, 2013.

Except Ms. Priya Thapar & Mr. Samir Thapar, no other Director is concerned or interested in the Resolution.

**Item No. 8**

Presently, the authorized share capital of the Company is Rs.200,00,00,000/- (Rupees Two Hundred Crores only) divided into 70,00,00,000 (seventy crores) equity shares of Rs.2.50/- (Rupees Two Decimal Five Zero only) each and 25,00,000/- (twenty five lakhs)redeemable preference shares of Rs.100/- (Rupees Hundred only) each. The issue of fresh proposed equity shares mentioned at Item No 9 and 10 would require increase in authorised share capital from Rs. 200,00,00,000/- (Rupees Two Hundred Crores only) to Rs. 250,00,00,000/- (Rupees Two Hundred Fifty Crores only) and corresponding amendments to the existing Clause V of the Memorandum of Association of the Company such that the authorized share capital is increased to Rs. 250,00,00,000/- (Rupees Two Hundred and Fifty Crores only) divided in 90,00,00,000 (ninety crores) equity shares of Rs. 2.50/-(Rupees Two Decimal Five Zero only) each and 25,00,000 (twenty five lakhs) redeemable preference shares of Rs. 100/- (Rupees Hundred only) each.

The increase in authorized share capital require alteration of Memorandum of Association of the Company and is subject to members' approval in terms of Sections 13 and 61 of the Companies Act, 2013 and any other applicable statutory and regulatory approvals.

Accordingly, the resolutions in Item no. 8 of the Notice seeking members' approval for consequential amendment to the relevant clause of Memorandum of Association of the Company.

No director, key managerial personnel or their relatives are directly or indirectly concerned or interested in the resolutions at Item no. 8 of the Notice. The Board recommends the resolution set forth for the approval of the members.

The draft of the Memorandum of Association of the Company, after incorporating the proposed changes is available for inspection by the Members at the Registered Office of the Company from 11.00 a.m. to 2.00 p.m. on any working day up to the date of the meeting. The Board of Directors recommends the Special Resolution as set out at Item No. 8 of the accompanying Notice for approval of the Members of the Company. None of the Directors or their relatives, Key Managerial Personnel or their relatives are in any way concerned or interested, financial or otherwise, in the proposed Resolution.



**Item No. 9**

The Company raised US\$ 30 million through issue of unsecured FCCBs on 08.04.2006 out of which FCCBs of US\$ 17.51 million were settled / converted into Equity Shares. The balance outstanding of US\$ 12.49 million alongwith 20.075% redemption premium became due for redemption on 08.04.2011. As the Company could not pay on due date, the Trustees of FCCB holders filed a winding up petition in Punjab & Haryana High Court at Chandigarh on 29.09.2012. The winding up petition filed by the trustees, The Bank of New York Mellon, of Foreign Currency Convertible Bond Holders (FCCBs), was disposed off by the Hon'ble High Court on 27.01.2015, against which appeal was filed by the trustees and the Company with Sr. Bench of High Court where in consent term were allowed by the Hon'ble High Court on 05.06.2015, pursuant to which the appeal is adjourned **sine-a-die**. The Company as per consent terms with FCCB holders had to pay US\$ 20.74 million (principal redemption premium, interest yield @ 6% from April 2011 to June 2015 and 6% yield on reducing balance) in 10 installments commencing from 05.10.2015 to 05.12.2017. During the period the company could make payment of US\$ 5.38 million only.

The company and the FCCB holders informed the Hon'ble High Court of Punjab & Haryana, Chandigarh on the hearing on 08.05.2018 about ongoing settlement and the court fixed the next date on 12.09.2018. A settlement agreement executed between FCCB holder(s) and company pursuant to which FCCB holders agreed on following terms:

Amount worked out on 03.05.2018	Rs. 110.76 Crores
Upfront payment	Rs. 40.00 Crores
Interest Waiver	Rs. 7.08 Crores
Issuance of Fresh Equity Shares	Rs . 63.68 Crores

**(i) Object of the Preferential Issue**

The purpose of the preferential allotment of the Issue Shares pursuant to settlement of amount due on account of the FCCBs. It will reduce the long-pending litigation and also reduce indebtedness of the Company.

**(ii) Proposal of the promoters/directors/key management personnel of the Company to subscribe to the offer**

The current promoters, directors, and/or key management personnel of the Company do not propose to subscribe to the proposed preferential issue.

**(iii) Shareholding pattern of the Company before and after the proposed preferential issue – please see the number of shares & resultant %**

S. No.	Category	Pre Issue/Allotment		Post Issue/Allotment	
		No. of Shares held	% of Share	No. of Shares held	% of Share
<b>A</b>	<b>Promoters Holding</b>				
1	Indian				
	Individual	636429	0.11	636429	0.08
	Bodies Corporate	235972778	39.45	235972778	28.14
	<b>Sub Total</b>	<b>236609207</b>	<b>39.56</b>	<b>236609207</b>	<b>28.22</b>
2	Foreign Promoters	-	-	-	-
	<b>Sub Total (A)</b>	<b>236609207</b>	<b>39.56</b>	<b>236609207</b>	<b>28.22</b>
<b>B</b>	<b>Public Shareholders</b>				
1	Institutional Investors	83040745	13.88	83040745	9.90
	QVT Mauritius West Fund	-	-	167960312	20.03
	Quintessence Mauritius West Fund	-	-	5002254	0.60
	Deutsche Bank AG london	-	-	67338040	8.03
2	Central Govt/State Govt/President of India	5564	0.00	5564	0.00





S. No.	Category	Pre Issue/Allotment		Post Issue/Allotment	
		No. of Shares held	% of Share	No. of Shares held	% of Share
3	Non Institutions:				
	Individuals	177989414	29.76	177989414	21.23
	Bodies Corporate	20110738	3.36	20110738	2.40
	Clearing Members	4318765	0.72	4318765	0.52
	NRI	1414775	0.24	1414775	0.17
	Trust	7699	0.00	7699	0.00
	Overseas Corporate Bodies	74509875	12.46	74509875	8.89
	NBFC	119200	0.02	119200	0.01
	<b>Sub Total (B)</b>	<b>361516775</b>	<b>60.44</b>	<b>601817381</b>	<b>71.78</b>
	<b>Grand Total</b>	<b>598125982</b>	<b>100.00</b>	<b>838426588</b>	<b>100.00</b>

**(iv) Proposed time within which the Preferential Allotment shall be completed:**

Under Regulation 74(1) of the SEBI ICDR Regulations, Preferential Allotment of the Equity Shares is required to be completed within a period of 15 (fifteen) days from the date of passing of the special resolution of the shareholders of the Company or within the statutory time limits prescribed by the regulatory authorities subject to all the necessary approvals being in place. If any approval or permissions by any regulatory or statutory authority or the Central Government for allotment is pending, the period of 15 (fifteen) days shall commence from the date of such approval or permission being obtained.

**(v) Identity of the proposed allottees, the percentage of post preferential issue capital that maybe held by them, and change in control, if any, in the Company consequent to the preferential issue**

Identity of Proposed allottees	If allottee is not a natural person, identity of the natural person who are the ultimate beneficial owner of the shares proposed to be issued, if applicable	Category	Number of FCCBs to be converted (Face Value of USD 10,000 each)	No of equity shares to be allotted	Percentage of post preferential issue
QVT Mauritius West Fund	N/A	Non-Promoter	873	167960312	20.03
Quintessence Mauritius West Fund	N/A	Non-Promoter	26	5002254	0.60
Deutsche Bank AG London	Foreign Bank	Non Promoter	350	67338040	8.03

**(vi) The number of persons to whom allotment on preferential basis have already been made during the year in terms of number of securities as well as price:**

During the year, the Company has not made any allotment on preferential basis to any person.

**(vii) Requirements as to re-computation of price:**

Since the Equity Shares of the Company have been listed on the stock exchanges for a period of more than twenty six weeks prior to the Relevant Date, the Company is neither required to re-compute the price of the equity shares nor to submit undertakings specified under Regulation 73(1) (f) and (g) of the ICDR Regulations.

**(viii) Relevant Date and Issue Price:**

In terms of Chapter VII of SEBI ICDR Regulations, since the Equity Shares of the Company have been listed on the recognized stock exchanges for a period of more than twenty six weeks as on the Relevant Date, the Equity Shares proposed to be issued to the Lenders will be issued and allotted at a price not less than the higher of the following in terms of Regulation 76 of the SEBI ICDR Regulations:





- (i) The average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognized stock exchange during the twenty six weeks preceding the relevant date (as defined below); or
- (ii) The average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognized stock exchange during the two weeks preceding the relevant date (as defined below).
- (iii) The “Relevant Date” for the preferential issue, as per the ICDR Regulations, for the determination of applicable price for the Issue of the Allotment Shares shall be 14th August, 2018 which is the date that is 30 (thirty) days prior to the date of this Meeting to consider the proposed Preferential Issue. Accordingly, the issue price of ` Rs. 2.65/- (Rupees Two and Sixty Five Paise only) per Equity Share at which the Equity Shares are proposed to be issued and allotted to the Lenders is higher than the prices determined in accordance with Regulation 76 of the ICDR Regulations.

**(ix) Lock-In Period:**

The Equity Shares issued pursuant to this Preferential Allotment to the Lenders shall be locked-in as per the applicable provisions of the SEBI ICDR Regulations, as amended from time to time. Further, pursuant to Regulation 70(4) of SEBI ICDR Regulations, there is no requirement of lock-in on pre-preferential allotment shareholding.

The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer – Not Applicable

The class or classes of persons to whom the allotment is proposed to be made – Non Promoter and Non Promoter Group.

**(x) Undertakings**

- (a) An undertaking that the issuer shall re-compute the price of the specified securities in terms of the provisions of these regulations where it is required to do so – As the equity shares of the Company are listed with the BSE Limited for more than six (6) months, the same is not applicable to the Company.
- (b) An undertaking that if the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked in till the time such amount is paid by the allottees – As the equity shares of the Company are listed with the BSE Limited and for more than six (6) months, the same is not applicable to the Company.
- (c) It is hereby confirmed that neither the Company nor any of its Promoters or Directors are willful defaulter.

**(xi) Auditor’s Certificate:**

The Statutory Auditors of the Company, M/s. Navdeep Singh & Company, Chartered Accountants have issued a certificate confirming that the issue of the Equity Shares is being made in accordance with the requirements of the SEBI ICDR Regulations. A copy of the certificate will also be open for inspection at the Registered Office of the Company from 11.00 a.m. to 2.00 p.m. on any working day upto the date of the meeting. As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the relevant stock exchanges on which the Equity Shares are listed under the provisions of the Listing Regulations.

The Board of Directors recommends passing of the Special Resolution at Item No.10 of the Notice. None of the Directors and Key Managerial Personnel of the Company, and their relatives are in any way concerned or interested in the said Resolution, except and to the extent of their shareholding in the Company

**Item No.10**

As per provisions of Section 180 (1)(a) of the Companies Act, 2013, the mortgage or charge on all or any part of the movable and/or immovable properties of the Company, may be deemed as the disposal of the whole, or substantially the whole, of the undertaking(s) of the Company and hence, requires approval from the members of the Company by way of a Special Resolution.

Accordingly, it is proposed to pass an enabling special resolution authorizing the Board to create charge on the moveable and immoveable properties of the Company.

The Board recommends the resolution for approval of the members as a Special Resolution. None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

By order of the Board  
For JCT Limited  
*Nidhi Goel*  
Company Secretary

Place : New Delhi  
Dated : 14.08.2018



**Profile of Directors seeking appointment/re-appointment at the 69<sup>th</sup> Annual General Meeting pursuant to Secretarial Standards on General Meeting (SS - II) and Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

Particulars	Mr. R S Samria	Mr. Samir Thapar		Ms. Priya Thapar	
<b>DIN</b>	00375315	00062287		06742680	
<b>Date of Birth</b>	14.06.1943	16.01.1965		10.05.1968	
<b>Date of First Appointment</b>	30.05.2018	02.06.1994		26.11.2013	
<b>Expertise in specific General Functional area</b>	Tax Consultancy	Managerial and Administrative Experience		Managerial and Administrative Experience	
<b>Qualification</b>	B. Com, Chartered Accountant	Graduate in Business Administration from California State University Bakersfield, USA with a total experience of 26 years		Bachelor of Business Administration with major in Marketing and B.A in Fashion Merchandising from American College in London (ACL). She has also done Bachelor of Business Administration from London School of Economics and Bachelors in Interior Design from Parsons School of Design besides degree in History of Art from Sothebys London with consistent good academic record	
<b>Shareholding in the Company</b>	Nil	2,71,356		2,60,000	
<b>Relationship with other KMPs</b>	Not Applicable	Brother of Ms Priya Thapar – Whole Time Director		Sister of Mr Samir Thapar – Chairman & Managing Director	
<b>No. of Board Meetings held during the tenure and attend by the Director during the FR 2017-18</b>	Not Applicable	3		2	
<b>Board Membership of other listed Companies as on March 31, 2018</b>	NA	NA		NA	
<b>Chairman/Member of the Committee of the Board of Directors of the Company</b>	Nil	Chairman	Board	Member	Stakeholder Relationship
			CSR		CSR
		Member	Stakeholder Relationship		Board
<b>Chairman/Member of the Committee of Directors of other Public Limited Company in which he is a Director</b>	NA	NA		NA	

**DIRECTORS' REPORT & MANAGEMENT****DISCUSSION AND ANALYSIS****Dear Members**

Your Directors present the 69<sup>th</sup> Annual Report on the affairs of the Company together with Audited Financial Statements for the financial year ended 31st March 2018. The Management Discussion and Analysis is also included in this Report.

**1. Financial Highlights**

(₹ in Lakhs)

	2017-18	2016-17
Revenue from operations	76,488.41	83,939.90
Other Income	1,045.21	1,678.90
Profit before Finance Cost, Depreciation and Amortization Expense and Tax ,	3,011.04	5,115.34
Finance Cost	3,550.01	3,732.94
Depreciation and amortization Expense	3,049.36	3,108.99
(Loss) for the year before tax	(3,588.33)	(1,726.59)
(Loss) for the year after tax	(3,604.33)	(1,728.33)

**2. Dividend**

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

**3. Outlook of the Economy**

The year 2017 was marked by a number of key structural initiatives to build strength across macro-economic parameters for sustainable growth in the future. The growth in the first half of the year suffered despite global tailwinds. However, the weakness seen at the beginning of 2017 seems to have bottomed out as 2018 set in. Currently, the economy seems to be on the path to recovery, with indicators of industrial production, stock market index, auto sales and exports having shown some uptick.

Price of Crude Oil is once again making headlines and it has reached the level not seen since first quarter of 2015-16. Current increase in oil prices might have short term implications, but current macro-economic outlook of Indian Economy is very good and fundamentals are very strong to weather any storm. But any further increase in prices might destabilize not just the Indian economy but the global economy.

The International Monetary Fund (IMF) remains bullish on India's growth potential and has retained its GDP forecast for the country at 6.7 per cent in 2017 and 7.4 per cent in 2018. In its World Economic Outlook Update, it also estimated that the Indian economy would grow by 7.8 per cent in 2019, which make the country the world's fastest-growing economy in 2018 and 2019, the top ranking it briefly lost in 2017 to China.

Now with widening of current account deficit Indian Rupee depreciation in its value and that will have exert inflationary pressure. Indian policymakers would do well to keep a vigil on oil prices and have contingency plan proactively. We believe that India's economic outlook remains promising for FY2017-18 and is expected to strengthen further in FY 2018-19.

**4. INDUSTRY OUTLOOK**

Indian textiles industry is a well-established with showing strong features and a bright future. In fact, the country is the second biggest textiles manufacturer worldwide, right after China. Similar force is demonstrated in the cotton production and consumption trend where India ranks just after China and USA. The textiles manufacturing business is a pioneer activity in the Indian manufacturing sector and it has a primordial importance in the economic life of the country, which is still predominantly based on the agro-alimentary sector.

Textiles industry is not limited to manufacture and export of garments. The country is also significant textiles fiber and yarn manufacturer on the world scene, taking on its own a 12% share of the world's production volume. India ranks on the second place as regards in production of silk and cellulose fibre and yarn whilst standing on the fifth position when it comes to synthetic fibre and yarn.

The industry is now preparing itself to take share of opportunities expected to arise out of the market freed from quota restrictions and other trade barriers. Industry operators are increasingly moving towards modernization and expansion as encouraged by the so-designated Textile Upgradation Fund Scheme implemented by Government.

The local textile sector is now at a critical stage where it should prepare itself to rise and grab the opportunities that are available through liberalization of the international market. Manufacturers however, were caught in inadvertence as new players started to creep on the market at a time when most operators had attention on imminent opportunities coming from a quota-free market. With traders realizing the threat of relying on a single manufacturing source such as China, India could do well in proposing a valuable alternative to buyers on the international scene, but this is only possible through an adequate and appropriate development strategy and macro-economic policy. In that view, many manufacturing companies in India are rushing towards expansion and modernization options. Manufacturers are having recourse to fund raising programmes pushing EPS to higher growth, dissolving equity on its way. Business collaborations with foreign players, creation of buying offices and Government's effort to enhance quality production and export are



many visible signs of Indians coming into force on the global market.

The future of the textiles industry seems to be bright in all aspects. As such Government places all its trust and relies sector for its strong 'employment creation' capability, more precisely in the garments manufacturing side. Lowering tax burdens on companies will play an important part in cutting down production costs and boosting competitiveness, increasing ability to tap high-volume orders from the global market. Modernization would enable companies provide quality and volume solutions which is in constant demand by international buyers.

The home textile sector is in a good position to activate and encourage developments in the overall domestic textile industry. With more emphasis on product having longer cycles than those average apparels, the home textiles manufacturing is more protected than its apparel counterparts. Those wishing to reap the benefits of opportunities have to show good preparatory dispositions as well as willingness to stay on the forefront of the global competition game without these, we could see regional competition grabbing most of the market share.

## **5. Business Strategy**

### **Textile Unit:**

This year again has been a challenging year and most of the companies considering GST / eWay Bill implementation which has by and large slowed down the entire business cycle. The end consumer is not sure about his own end customer buying pattern hence the Mills tend to lose in terms of continuity from there bigger domestic giants. Cash transactions could not be justified and end consumer was not sure whether or not to register and how to tackle paper work and returns. We anticipated this mind set and hence have focused on direct and deemed exports.

Company has plans to shift our base from domestic players to garment exporters and direct fabric exports so that there is enough rotation of funds which is need of the hour and in order to counter this shift and manage our cash flows keeping the capacity occupied we have also taken a conscious move and shift focus to deemed and direct exports. Although this segment is also facing challenge as duty drawbacks have been slashed to 1.3% -1.6 % but there is continuity of business and commitments are honored. Our draw back benefits have also reduced on direct fabric exports but there is immense opportunity since we are competitive against other countries on 100 % cotton and blended fabrics.

Company is now more focusing on technical Fibre fabrics, high value nylon fabrics for Defence and

Export needs for parachute products, FR fabric for back packs, coated fabric and work wear segments. There is a huge potential in synthetic segment and with the strong and long term relationship one of our key customers Decathlon we intend to grow further with them. On Cotton segment, we have developed strong relationship with Shahi Exports (Fashion), Gokaldas Exports, Malcolm (Work wear) and Siggi (Garment) who are seeking more capacities and we are all set to step in. We are exploring direct fabric export business with old and new customers in US, Europe, Middle East, Turkey.

### **Filament Unit**

Company continues to enjoy its leadership in Nylon Filament Yarn in terms of product range, quality parameters as well as in volumes. In order to further consolidate its position into value added segments, the Company proposes to install additional Air Texturising capacity. Besides, it will also undertake conversion of additional polyester spinning machines into nylon spinning machines to enhance its production capacity. As reported last year, your Company continuous to pursue diversifying its product range by offering dipped Polyester Tyre Cord Fabric. It is also exploring possibilities of offering dipping services for Rayon Tyre Cord Fabric. Your Company is also pursuing to fully integrate its NTCF capacity and shall approach the Government authorities for requisite permissions to implement these facilities. Your Company is constantly endeavoring to become energy efficient and has initiated steps to replace some of the old equipment to reduce the energy cost.

## **6. OPERATIONS**

### **Textiles:**

The textile unit at Phagwara, despite challenging business environment, the unit produced and sold 328.23 lakhs and 369.98 lakhs meters of fabrics respectively. The technical textiles have been well accepted by the market.

### **Nylon Filament Yarn:**

Nylon Filament Unit has been one of the top Textile Grade Nylon Yarn manufacturers in India with installed capacity of 16000 TPA and 1000 TPA for Nylon Chips. The unit has produced and sold 11543 MT of Filament Yarn and 403 MT of Nylon Chips and sold 12657 MT and 403 MT respectively. Capacity utilization is lower on account of stiff competition and cheap imports in India through ASEAN countries.

## **7. FINANCE AND ACCOUNTS**

The Company has been meeting its repayment obligation as per the terms of restructuring under CDR mechanism.



As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended 31st March 2018 has been prepared in accordance with the Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014. The estimates and judgments relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonable present the Company's state of affairs, profit/loss and cash flows for the year ended 31st March 2018.

## **8. ANNUAL RETURN**

Extract of Annual Return of the Company is annexed herewith in compliance with the Section 92(3) of Companies Act, 2013 and forms integral part of this Report.

## **9. DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134 (3)(c) of the Companies Act, 2013 that;

- i). in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii). the directors have selected such accounting policies and applied them consistently and made judgments and estimates 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 and loss of the company for that period;
- iii). the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv). the directors have prepared the annual accounts on a going concern basis;
- v). the directors, have laid down internal financial controls which were followed by the company, such internal financial controls are adequate and operating effectively; and
- vi). the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

## **10. Declaration by Independent Directors and re-appointment, if any**

Independent Directors have given declarations that

they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (LODR) Regulations, 2015.

## **11. Remuneration Policy**

The Board of Directors has framed a policy, which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The details of this policy have been posted on the website of the Company viz. [www.jct.co.in](http://www.jct.co.in).

## **12. AUDITORS**

### **Statutory Auditors**

M/s Navdeep Singh & Company, Chartered Accountants (Firm Registration No.008400N) are the Statutory Auditors of the Company for the year ended March 31, 2018. Their appointment as the Statutory Auditors will be ratified at the ensuing Annual General Meeting pursuant to the provisions of Section 139 of the Companies Act, 2013, and Rules made thereunder.

The Report given by the Auditors on the financial statements of the company is self explanatory and is a part of Annual Report. Their qualified opinion given in the Report has been fully explained in Note No. 21.2.

### **Cost Auditors**

As per the requirement of Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company has been carrying out audit of cost records relating to Textile & Filament Units every year. The Board of Directors, on the recommendation of the Audit Committee, has appointed M/s Goyal, Goyal & Associates, Cost Accountants, (Firm Registration No. FRN-000100) as Cost Auditor to audit the cost records of the Company for the Financial Year 2018-19. As required under the Companies Act, 2013, a resolution seeking members' approval for their remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting.

The Cost Audit Report for the financial year 2017-18 is under finalization and would be filed within the stipulated time with the Ministry of Corporate Affairs.

### **Secretarial Audit**

In compliance with the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Board has appointed Ms. Seema Sharma, Whole Time Company Secretary in Practice (C.P No.4397) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed and forms an integral part of this Report. There is no secretarial audit qualification for the year under review.





### **13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

### **14. RELATED PARTY TRANSACTIONS**

All transactions entered with Related Parties were on arm's length basis and in the ordinary course of business. There were no materially significant transactions with the related parties during the financial year, which were in conflict with the interest of the Company. Thus a disclosure in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required. All Related Party Transactions are placed before the Audit Committee and also before the Board for approval. The policy on related party transactions as approved by the Board has been uploaded on the website of the Company.

None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company except remuneration and sitting fees.

### **15. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There are no significant and material orders passed by the Regulators / Courts that would impact the going concern status of the Company and its future operations.

### **16. STATUTORY INFORMATION**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies (Accounts) Rules, 2014 is annexed and forms integral part of this Report.

A statement showing the names and other particulars of the employees drawing remuneration in terms of Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed and forms integral part of this Report. The said statement is not being sent along with this annual report to the members of the company in line with the provision of Section 136 (1) of the Companies Act, 2013. Further, Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid statement is also available for inspection by Members at the Registered Office of the Company, 21 days before and up to the date of the ensuing Annual General Meeting during the business hours on working days.

None of the employees mentioned in the said statement is a relative of any Director of the Company and none of the employees hold (by himself or along with his spouse and dependent children) more than two percent of the equity shares of the Company.

### **17. DIRECTORS**

#### **Changes in Directors and Key Managerial Personnel**

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Ms. Priya Thapar retires by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for the re-appointment. The Board recommends her re-appointment. Brief profile of Ms Priya Thapar has been given in the Notice convening the Annual General Meeting.

The Board of Directors on recommendation of the Nomination and Remuneration Committee has appointed Mr. Ramswaroop Samria (DIN 00375315) as an Additional Director (Independent) with effect from 30<sup>th</sup> May 2018. In terms of Section 161 of the Companies Act, 2013, Mr. Ramswaroop Samria holds office up to the date of ensuing Annual General Meeting. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Ramswaroop Samria as an Independent Director, for the approval by the shareholders of the Company for a term of five years.

Mr. Gordhan Bhojraj Kathuria (DIN No.00062088), Director (Independent) of the company, expired on 25<sup>th</sup> January 2018 and ceased to be the Director of the Company. Directors have placed their condolence on his sad demise and appreciated for his contribution, assistance and guidance during his tenure served with the company for last 19 years. Members acknowledged the contribution he made in the growth and progress of the company.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013, Regulation 16(b) and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors on recommendation of the Nomination and Remuneration Committee has re-appointed Mr Samir Thapar as Chairman & Managing Director and Ms Priya Thapar, –Director (Strategic Business Development) of the Company for a period of 3 (three) years with effect from 1.10.2018 and 1.12.2018, respectively subject to approval of shareholders, as their current term of office is upto 30<sup>th</sup> September, 2018 and 30<sup>th</sup> November, 2018 respectively.

#### **Formal Annual Evaluation**

Pursuant to the provisions of the Companies Act, 2013



and Regulation 25 of SEBI (LODR) Regulations, 2015, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its constituted Committees from time to time.

#### **Number of Meetings of Board and its Committees**

The details of the number of meetings of the Board held during the financial year 2017-18 forms part of the Corporate Governance Report.

### **18. DEPOSITS**

The Company has not been accepting fresh/renewals of deposits and is regular in repayment and servicing of interest on fixed deposits. Unclaimed Deposits remained on 31.03.2018 were of Rs.107.83 lacs and deposits amounting to 92.05 lakhs paid subsequently.

### **19. INTERNAL CONTROL SYSTEMS**

The Company has a well established framework of internal controls in all areas of its operations, including suitable monitoring procedures and competent personnel. In addition to statutory audit, the financial controls of the Company at various locations are reviewed by the Internal Auditors, who report their findings to the Audit Committee of the Board. The Audit Committee is headed by an Independent Director and it ensures independence of functions and transparency of the process of supervision. The Committee meets on a regular basis to review the progress of the internal audit initiatives, significant audit observations and planning and implementation of follow-up action required. The Company conducts its business with integrity and high standards of ethical behavior and in compliance with the laws and regulations that govern its business.

The Company has in place adequate internal financial control systems, commensurate with the size, scale and complexity of its operations. The Company has appropriate policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence of the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information. Based on the report of the internal auditor, respective departments undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

### **20. SHARE CAPITAL**

The paid up Equity Share Capital as at March 31, 2018 stood at Rs.149.53 Crores and during the year under review, the Company has not issued shares with differential voting rights.

### **21. FOREIGN CURRENCY CONVERTIBLE BONDS (FCCBs)**

The outstanding amount of FCCBs of Rs. 11,022.28 lakhs (including interest of Rs.3848.28 lakhs) having fallen due on 5.12.2017 to the FCCB holders could not be paid due to cash crunch. A mutual understanding between the FCCB holders and the Company was arrived at to settle the dues by way of upfront payment of certain dues and issue of fresh equity in the Company after receipt of approval from regulatory authorities. The Company intends to pay upfront by availing fresh funds from a financial organization from whom a sanction has been received subject to approvals from the Banks of the Company. The accounting impact will be taken after execution of settlement in all respect.

### **22. CORPORATE GOVERNANCE**

In compliance with the Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate report on Corporate Governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report.

### **23. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has a Whistle Blower Policy to report genuine concerns or grievances for redressal. The Whistle Blower Policy has been posted on the website of the Company viz. [www.jct.co.in](http://www.jct.co.in). During the year under review no complaint was received by your company.

### **24. RISK MANAGEMENT**

The Company has a Risk Management Policy for identifying, prioritizing and mitigating risks, which may impact attainment of short and long term business goals of the Company. The risk management framework is reviewed periodically by the risk management teams at all the units of the Company constituted by the Board which monitors and evaluates the effectiveness of risk management framework of the Company and strengthens it.

### **25. CORPORATE SOCIAL RESPONSIBILITY**

The Company has drafted the Corporate Social Responsibility Policy which may be accessed on the website of the Company [www.jct.co.in](http://www.jct.co.in). As there is net average loss incurred by the Company during the three preceding financial years, the company need not to spent any amount towards Corporate Social Responsibility activities during the year ended 31.03.2018. The CSR Committee comprises of three members. One member of the Committee is Independent Director.



**26. CONSERVATION OF RESOURCES**

The Company firmly believes that without safe, clean environment and healthy working conditions, the overall economic growth cannot be achieved and maintained. The company also takes all possible measures to prevent accidents and occupational hazards. The manufacturing operations are conducted to ensure sensitivity towards the environment and minimize waste by encouraging “Green Initiative” practices. Efficient management and use of renewable resources are encouraged. All employees are obliged to ensure that they fully understand all policies and they fully comply with the requirements.

**27. PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORK PLACE**

During the year under review, the Company has not received any complaint under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has also formed an Internal Committee for addressing the complaints received under the said Act

**28. STATEMENT OF CAUTION**

Statements in this Directors’ Report and Management Discussion and Analysis describing the Company’s objectives, projections, estimates, expectations or predictions may be “forward-looking statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company’s operations include raw material availability and its prices, cyclical demand and pricing in the Company’s principal markets, changes in Government regulations, Tax regimes, economic developments within India and the countries in which the Company conducts business and other ancillary factors.

**29. APPRECIATION & ACKNOWLEDGEMENTS**

The Board of Directors would like to express their sincere appreciation for the assistance and co-operation received from the, banks, Government authorities, customers, vendors and members during the year under review. The Board of Directors also wish to place on record its deep sense of appreciation for the committed services by the Company’s executives, staff and workers.

For & on behalf of the Board  
**SAMIR THAPAR**  
*Chairman and Managing Director*  
DIN: 00062287

Place : New Delhi  
Date : 14.08.2018



**PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134(3)(q) AND SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

Requirements of Rule 5(1)		Details		
1	the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	:	Name of the Director	Ratio
			Samir Thapar	74X
			Priya Thapar	19X
		The median Remuneration of employee of the Company was Rs. 1,29,161.		
2	the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	:	Mr. Samir Thapar	-
			Ms. Priya Thapar	-
			Mr. V K Singhal (CFO)	39%
			Ms. Nidhi Goel (CS)	14%
3	the percentage increase in the median remuneration of employees in the financial year;	:	17.13%	
4	The number of permanent employees on the rolls of company	:	5006	
5	Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	:	Average %age : Non-Managerial – 8% Average %age : Managerial - Nil	
6	Affirmation that the remuneration is as per the remuneration policy of the Company	:	Remuneration paid to Non-Managerial Personnel during the year ended March 31, 2018 is as per the Remuneration Policy of the Company.	



**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
**JCT LIMITED**  
**Village Chohal, District Hoshiarpur,**  
**Punjab-146001**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by JCT Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and Management Representation Letter and information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended 31<sup>st</sup> March, 2018 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31<sup>st</sup> March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment in India and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

I further report that, there were no actions/events in pursuance of;

- (a) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
- (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; requiring compliance thereof by the Company during the audit period.

I have also examined compliance with the applicable Clauses of The Listing Agreement entered into by the Company with Bombay Stock Exchange and applicable clauses of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Secretarial Standards issued by The Institute of Company Secretaries of India were complied with during the audit period.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. One Independent director has expired during the year and accordingly, there was a change in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

There were no dissenting views by any Board member as per the minutes of the Board meetings duly recorded and signed.

I further report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of compliance reports by respective department heads/Company Secretary/CEO taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exists in the Company to monitor and ensure compliance with applicable general laws.

I further report, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

**I further report that** during the audit period, there might be major bearing on the company's affairs regarding following events:

- I. No communication had been received from Asset Reconstruction Company (India) Limited (ARCIL), which issued notice to the Company on 07.11.2015 for winding up under the then existing Sections 433 (e) and 434 of the Companies Act, 1956, after the letter dated 11/2/2016 sent by company.
- II. The Company complied with all the conditions of the consent terms dated 5.6.2015 entered between the Company and Foreign Currency Convertible Bondholders for payment of US\$ 19.19 Million in 10 instalments commencing from 5.10. 2015 to 5.12.2017 alongwith interest @ 6% per annum on reducing balance. Dues of Rs. 10,079.06 lakhs (including interest of Rs.3,392.74 lakhs) having fallen due on 05.12.2017 to FCCBs holders and the company was making efforts to settle the dues. The High Court of Punjab & Haryana at Chandigarh issued a notice on 12.1.2018 and on the date of its hearing on 8.5.2018 the Company and the FCCB holders informed the Court of their on-going settlement. Subsequent to the Balance Sheet date, the settlement was reached on certain mutually agreed terms, subject to necessary approvals from statutory authorities including the existing lenders. The Company intends to settle these dues through re-financing of its existing term loans and availing fresh funds and the negotiations are going on with a reputed organization. The impact of the settlement shall be taken in the accounts after necessary approvals are received.
- III. The Official Liquidator (OL) of CNLT Malaysia (company under liquidation) has during the year filed a recovery case in the High Court of Malaysia at Kuala Lumpur for US\$ 1,250,000 towards alleged fraudulent payment by CNLT to Company in 2006-07. The Company has filed objections for striking off the Case and asked for Security Cost. The Hon'ble High Court of Malaysia has ordered OL to deposit the Security Cost and the next date of hearing is fixed for 11th July, 2018. In view of the management, no liability will arise on this account to the Company.
- IV. Accumulated losses have resulted in erosion of substantial net worth of the Company. However, the financial statements have been prepared on a going concern basis on the strength of continued support from promoters, bankers/lenders. Further, the Company is in the process of disposing off some of its non-core fixed assets to reduce its debt and improve its liquidity. The management considering the future plans for operations and support of the promoters, lenders, business associates and workmen, is hopeful of improvement in this financial position.

New Delhi  
30.05.2018

**SEEMA KHANNA**  
Proprietor – SEEMA K & ASSOCIATES  
FCS No. 8054/C P No.: 4397



**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

As on the financial year ended 31.03.2018

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
 (Management & Administration) Rules, 2014

**I. REGISTRATION & OTHER DETAILS:**

1	<b>CIN</b>	L17117PB1946PLC004565
2	<b>Registration Date</b>	28.10.1946
3	<b>Name of the Company</b>	JCT Limited
4	<b>Category/Sub-category of the Company</b>	Company Limited by Shares
5	<b>Address of the Registered office &amp; contact details</b>	Village Chohal, District Hoshiarpur 146 024 (Punjab) Tel: 01882-258780 Fax : 01882 258059 Email: jctsecretarial@jctltd.com
6	<b>Whether listed company</b>	Yes
7	<b>Name, Address &amp; contact details of the Registrar &amp; Transfer Agent, if any.</b>	RCMC Share Registry Pvt. Ltd B-25/1, 1st Floor, Okhla Industrial Area, Phase II, New Delhi - 110020 Tel: 011-26387320 Email: investor.services@rcmcdelhi.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10% or more of the total turnover of the company shall be stated)

<b>S. No.</b>	<b>Name and Description of main products / services</b>	<b>NIC Code of the Product/ Service*</b>	<b>% to total turnover of the company#</b>
1	Manufacture of Textile	131	57.64%
2	Manufacture of Man-Made Fibers (Nylon Filament Yarns)	203	40.21%

\* As per National Industrial Classification – Ministry of Statistics and Programme Implementation

# On the basis of Gross Turnover

**III. Particulars of Holding, Subsidiary and Associate Companies:**

<b>S. No.</b>	<b>Name and Description of main products / services</b>	<b>CIN</b>	<b>Holding/ Subsidiary/ Associate Company</b>
1	Provestment Securities Private Limited 305, 3rd floor Rattan Jyoti Building Rajendra Place New Delhi-110008	U74899DL1995PTC072026	Associate Company
2	KCT Textiles Limited 305, 3rd floor Rattan Jyoti Building Rajendra Place New Delhi-110008	U17115DL2004PLC129499	Associate Company



**VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**(A) CATEGORY-WISE SHAREHOLDING**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	636429	-	636429	0.11	636429	-	636429	0.11	Nil
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	235972778	-	235972778	39.45	235972778	-	235972778	39.45	Nil
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	236609207	-	236609207	39.56	236609207	-	236609207	39.56	Nil
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)= (A) (1)+ (A) (2)	236609207	-	236609207	39.56	236609207	-	236609207	39.56	Nil
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	158397	158397	0.03	-	158397	158397	0.03	Nil
b) Banks / FI	21048731	394852	21443583	3.59	19693731	394852	20088583	3.36	(0.23)
c) Central Govt	5564	-	5564	-	5564	-	5564	0.00	Nil
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	8899420	400	8899820	1.49	8899420	400	8899820	1.49	Nil
g) FIs	53819225	403300	54222525	9.07	53819225	403300	54222525	9.07	Nil
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Limited liability partnership)	15669	-	15669	-	22869	-	22869	0.00	Nil
Sub-total (B)(1)	83788609	956949	84745558	14.18	82440809	956949	83397758	13.95	(0.23)
2. Non-Institutions									
a) Bodies Corp.	21443275	225175	21668450	3.62	22094647	225045	22319692	3.72	0.1
b) Individuals									



Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	103824602	7103408	110928010	18.55	108528856	7025989	115554845	19.32	0.77
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	47397792	43949	47441741	7.93	57902212	43949	57946161	9.69	1.76
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	1490851	18330	1509181	0.25	1442027	20730	1462757	0.24	(0.01)
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	5078302	-	5078302	0.85	6255786	-	6255786	1.05	0.2
Trusts	10699	-	10699	0	7699	-	7699	0.00	0.00
Foreign Bodies	90134834	-	90134834	15.07	74572077	-	74572077	12.47	(2.60)
<b>Sub- Total (B)(2):-</b>	<b>269380355</b>	<b>7390862</b>	<b>276771217</b>	<b>46.27</b>	<b>270803304</b>	<b>7315713</b>	<b>278119017</b>	<b>46.49</b>	<b>0.22</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>353168964</b>	<b>8347811</b>	<b>361516775</b>	<b>60.45</b>	<b>353244113</b>	<b>8272662</b>	<b>361516775</b>	<b>60.44</b>	<b>(0.01)</b>
<b>C. Shares held by Custodian for GDRs/ ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>589778171</b>	<b>8347811</b>	<b>598125982</b>	<b>100</b>	<b>589853320</b>	<b>8272662</b>	<b>598125982</b>	<b>100</b>	<b>100</b>

**(B) SHAREHOLDINGS OF PROMOTER**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	M M Thapar	59500	0.01	-	59500	0.01	-	Nil
2	Samir Thapar	271356	0.05	47.54	271356	0.05	100	Nil
3	Priya Thapar	260000	0.04	-	260000	0.04	-	Nil
4	Tiny Kesang Thapar	45573	0.01	-	45573	0.01	-	Nil
5	Provestment Securities Pvt. Ltd.	145427667	24.31	90.38	145427667	24.31	100	Nil
6	KCT Textiles Limited	90545111	15.14	100.00	90545111	15.14	100	Nil

**(C ) CHANGE IN PROMOTERS' SHAREHOLDING (Please specify, if there is no change)**

There is no change in Promoters' Shareholding during the Financial Year 2017-18.





**(D) SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS (other than Directors, Promoters and Holders of GDRs and ADRs)**

SI No.	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>1</b>	<b>ELM Park Fund Limited</b>					
	At the beginning of the year 01/04/2017		53819225	9	53819225	9
	At the end of the year 31/03/2018				53819225	9
<b>2</b>	<b>Musk Holding Limited.</b>					
	At the beginning of the year 01/04/2017		44195092	7.39	44195092	7.39
	At the end of the year 31/03/2018				44195092	7.39
<b>3</b>	<b>Alport Limited</b>					
	At the beginning of the year 01/04/2017		28000000	4.68	28000000	4.68
	At the end of the year 31/03/2018				28000000	4.68
<b>4</b>	<b>Hypnos Fund Limited</b>					
	At the beginning of the year 01/04/2017		17939742	3	17939742	3
	01/09/2017	Transfer	(281996)	(0.05)	17657746	2.95
	08/09/2017	Transfer	(938194)	(0.16)	16719552	2.8
	15/09/2017	Transfer	(2626615)	(0.44)	14092937	2.36
	22/09/2017	Transfer	(294335)	(0.05)	13798602	2.31
	13/10/2017	Transfer	(62224)	(0.01)	13736378	2.3
	27/10/2017	Transfer	(2576650)	(0.04)	13478713	2.25
	03/11/2017	Transfer	(1344047)	(0.220)	12134666	2.03
	10/11/2017	Transfer	(1128404)	(0.19)	11006262	1.84
	17/11/2017	Transfer	(140811)	(0.02)	10865451	1.82
	24/11/2017	Transfer	(125894)	(0.02)	10739557	1.8
	01/12/2017	Transfer	(1349530)	(0.23)	9390027	1.57
	08/12/2017	Transfer	(2141119)	(0.36)	7248908	1.21
	15/12/2017	Transfer	(52000)	(0.01)	7196908	1.2
	22/12/2017	Transfer	(500000)	(0.08)	6696908	1.12
	29/12/2017	Transfer	(3665459)	(0.61)	3031449	0.51
	23/02/2018	Transfer	(200000)	(0.03)	2831449	0.47
	02/03/2018	Transfer	(433121)	(0.07)	2398328	0.4
	09/03/2018	Transfer	(21343)	0	2376985	0.4
	At the end of the year 31/03/2018				2376985	0.4
<b>5</b>	<b>Punjab National Bank</b>					
	At the beginning of the year 01/04/2017		9520000	1.59	9520000	1.59
	At the end of the year 31/03/2018				9520000	1.59



SI No.	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>6</b>	<b>Allahabad Bank</b>					
	At the beginning of the year 01/04/2017		8600000	1.44	8600000	1.44
	At the end of the year 31/03/2018				8600000	1.44
<b>7</b>	<b>Life Insurance Corporation of India</b>					
	At the beginning of the year 01/04/2017		6815901	1.14	6815901	1.14
	At the end of the year 31/03/2018				6815901	1.14
<b>8</b>	<b>RBK Share Broking Limited</b>					
	At the beginning of the year 01/04/2017		2350000	0.39	2350000	0.39
	22/09/2017	Transfer	(850000)	(0.14)	1500000	0.25
	06/10/2017	Transfer	(250000)	(0.04)	1250000	0.21
	24/11/2017	Transfer	(250000)	(0.04)	1000000	0.17
	At the end of the year 31/03/2018				1000000	0.17
<b>9</b>	<b>United India Insurance Company Limited</b>					
	At the beginning of the year 01/04/2017		1824425	0.31	1824425	0.31
	At the end of the year 31/03/2018				1824425	0.31
<b>10</b>	<b>Rai Investments Limited</b>					
	At the beginning of the year 01/04/2017		1571976	0.26	1571976	0.26
	At the end of the year 31/03/2018				1571976	0.26
<b>11</b>	<b>Aditya Vikram Agarwalla</b>					
	At the beginning of the year 01/04/2017		700000	0.12	700000	0.12
	21/07/2017	Transfer	800000	0.13	1500000	0.25
	28/07/2017	Transfer	200000	0.03	1700000	0.28
	At the end of the year 31/03/2018				1700000	0.28
<b>12</b>	<b>SBI-SG Global Securities Services Pvt. Ltd.</b>					
	At the beginning of the year 01/04/2017		0	0	0	0
	01/09/2017	Transfer	156996	0.03	156996	0.03
	08/09/2017	Transfer	(79658)	(0.01)	77338	0.01
	15/09/2017	Transfer	252615	0.04	329953	0.06
	22/09/2017	Transfer	(297953)	(0.05)	32000	0.01
	29/09/2017	Transfer	(32000)	(0.01)	0	0
	27/10/2017	Transfer	102326	0.02	102326	0.02
	03/11/2017	Transfer	134795	0.02	237121	0.04



SI No.	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	10/11/2017	Transfer	(237121)	(0.04)	0	0
	01/12/2017	Transfer	60425	0.01	60425	0.01
	08/12/2017	Transfer	84207	0.01	144632	0.02
	15/12/2017	Transfer	(144632)	(0.02)	0	0
	22/12/2017	Transfer	375000	0.06	375000	0.06
	29/12/2017	Transfer	2165247	0.36	2540247	0.42
	05/01/2018	Transfer	(2540247)	(0.42)	0	0
	23/02/2018	Transfer	200000	0.03	200000	0.03
	02/03/2018	Transfer	(178394)	(0.03)	21606	0
	09/03/2018	Transfer	(21606)	0	0	0
	At the end of the year 31/03/2018				0	0

**(E) SHAREHOLDING OF DIRECTORS & KEY MANAGERIAL PERSONNEL:**

S. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Samir Thapar				
	At the beginning of the year	271356	0.05	271356	0.05
	At the end of the year			271356	0.05
2	Priya Thapar				
	At the beginning of the year	260000	0.04	260000	0.04
	At the end of the year			260000	0.04
3	Dr. Ajit Kumar Doshi	-	-	-	-
4	Mr. Chander Mohan Bhanot	-	-	-	-
5	Mr. A.K Mohapatra	-	-	-	-
6	Mr. Vinod Kumar Singhal	-	-	2	0.00
7	Ms. Nidhi Goel	-	-	1700	0.00



**V. INDEBTEDNESS (Rs. in Lacs)**

Indebtedness of the Company including interest outstanding / accrued but not due for payment.

**(Rs. in Lacs)**

Indebtedness of the Company including interest outstanding/ accrued but not due for payment.				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	9,167.97	7,868.33	2,393.47	19,429.77
ii) Interest due but not paid	107.79	-	-	107.79
iii) Interest accrued but not due	0.48	72.04	-	72.52
<b>Total (i+ii+iii)</b>	<b>9,276.24</b>	<b>7,940.37</b>	<b>2,393.47</b>	<b>19,610.08</b>
Change in Indebtedness during the financial year				
* Addition	82.67	707.37	24.82	814.86
* Reduction	2,642.22	330.01	92.42	3,064.65
Net Change	(2,559.55)	377.35	(67.60)	(2,249.80)
Indebtedness at the end of the financial year				
i) Principal Amount	6,636.18	8,243.73	2,325.87	17,205.78
ii) Interest due but not paid	80.01	-	-	80.01
iii) Interest accrued but not due	0.50	73.99	-	74.49
<b>Total (i+ii+iii)</b>	<b>6,716.69</b>	<b>8,317.72</b>	<b>2,325.87</b>	<b>17,360.28</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

**(A) Remuneration to Managing Director, Whole-time Directors and/or Manager**

**(Rs. In lacs/p.a.)**

Sr.	Particulars of Remuneration	Name of MD/ WTD/ Manager		Total Amount
		Samir Thapar – Chairman & Managing Director	Priya Thapar –Whole-time Director	
1	Gross salary			
	- Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	78.00	18.00	96.00
	- Value of perquisites u/s 17(2) of Income-tax Act, 1961	17.10	5.80	22.90
	- Profits in lieu of salary under section 17(3) of Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit	-	-	-
5	Others, Insurance Premium	0.90	0.20	1.10
	<b>Total (A)</b>	<b>96.00</b>	<b>24.00</b>	<b>120.00</b>



**(B) Remuneration to other directors**

**(Rs. In lacs)**

Sr.	Particulars of Remuneration	Name of Directors				Total Amount
		G.B Kathuria	A K Doshi	C M Bhanot	A.K Mohapatra	
<b>1</b>	<b>Independent Directors</b>					
	Fee for attending board & committee meetings	5.00	7.00	7.00	-	<b>19.00</b>
	Commission	-	-	-	-	-
	Others, Travelling	0.32	0.15	0.08	-	<b>0.55</b>
	<b>Total (1)</b>	<b>5.32</b>	<b>7.15</b>	<b>7.08</b>	<b>-</b>	<b>19.55</b>
<b>2</b>	<b>Other Non-Executive Directors</b>					
	Fee for attending board & committee meetings	-	-	-	4.00	<b>4.00</b>
	Commission	-	-	-	-	-
	Others, Travelling	-	-	-	-	<b>0.00</b>
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00</b>
	<b>Total (1+2)</b>	<b>5.32</b>	<b>7.15</b>	<b>7.08</b>	<b>4.00</b>	<b>23.55</b>
	<b>Total Managerial Remuneration</b>					<b>23.55</b>

**(C) Remuneration To Key Managerial Personnel Other Than MD/ Manager/ WTD**

**(Rs. In lacs)**

Sr.	Particulars of Remuneration	Company Secretary	Chief Financial Officer	Total
<b>1</b>	<b>Gross salary</b>			
	- Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5.75	36.90	42.65
	- Value of perquisites u/s 17(2) of Income-tax Act, 1961	0.56	3.02	3.58
	- Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	-	-	-
<b>2</b>	<b>Stock Option</b>	-	-	-
<b>3</b>	<b>Sweat Equity</b>	-	-	-
<b>4</b>	<b>Commission - as % of profit</b>	-	-	-
<b>5</b>	<b>Others, Insurance Premium</b>	0.07	0.28	0.35
	<b>Total</b>	<b>6.38</b>	<b>40.2</b>	<b>46.58</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There have been no penalties / punishment / compounding of offences imposed by Regional Director/ NCLT/ Court to the Company / Directors / Officers in default.



## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING & OUTGO**

The Information under section 134 (3)(m) of the Companies Act, 2013 read with the Rule 8 (3) of the Companies (Account) Rules, 2014 for the year ended 31<sup>st</sup> March 2018 is given below and forms part of the Director's Report.

### **I. CONSERVATION OF ENERGY**

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

#### **Textile Division**

(1) AC drive provided in Boiler Feed water Pump of 50 ton Boiler. Average power saving = 61 KW/Hr. (2) Reduction in Voltages of LT/HT Transformers to reduce transformer/line Losses. Average Saving= 113 KW/Hr. (3) AC drive provided in PA fan of 50 TON Boiler. Average Saving = 18 KW/Hr. (4) PRS station installed at Extraction Steam Line of 8 MW Turbine for controlled Steam Pressure to Plant. Average Husk Saving= 1750 Ton/Annum. (5) In all plant 1400 nos. 22w/18w/16w LED sets provided in place of 36 watt conventional tube sets. Average power saving= 30 KW/Hr (6) In Taffeta tube lights are interlocked with water jet looms. Average power saving = 3500 KW/Annum. (7) In Taffeta ON/OFF Heating control System of one Zone of Sizing machine is converted to Continuous Heating control System. Average Power Saving=2500 KW/Annum. (8) Reduction in Frequency of 8 MW Turbines to 49.3 from 49.5 HZ. Average Saving Achieved = 70 KW/Hr. (9) Reduction in Air Compressor Set Points in Weaving and Spinning Sections by 0.5 Kg/Cm2. Average Saving Achieved = 60 KW/ Hr.

#### **Filament Division**

(1) Replacement of conventional type tube sets with LED lights. Total savings 38.88 MW/Year. (2) Pre-Heater No 3 (Old LOY Spinning) converted to CHS. Total savings 47.52 MW /Year. (3) Dowtherm Boiler of Ext 7 has been replaced. Total savings 71.71 MW/ Year. (4) Replacement of agitator A29 DC motor with AC motors. Total savings 140.74 MW/Year. (5) 02 pumps along with Motors for cooling towers of power plant have been replaced on CT Pump No -1 & 4. Total savings 561.6 MW/Year. (6) Textile Lab AHU supply arranged from DTEX 1 AHU. Total savings 161.57 MW/Year. (7) Technical Hall AHU stopped; supply is feeded from NEW LOY inverter room duct. Total savings 135.65 MW/Year. (8) Old Chemical Lab AHU is stopped. Total savings 47.52 MW/Year. (9) Capacity of Condenser Water pump -7 on cooling Towers reduced from 75 kW to 45 kW. Total savings 61.34 MW/Year. (10) Installation of high energy aero dynamic E class FRP fans on old plant room cooling tower # 1. Total savings 43.2 MW/Year. (11) VFD installed on SAF and RAF on AHU of D.Tex-1. Total savings 50.112 MW/Year. (12) Static Delta Pressure reduced from 57 to 53 MMWG in Spinning

Conventional. Total savings 90.72 MW/Year. (13) Reduced Plant compressed Air Pressure from 7.8 to 7.2 bars. Total savings 155.52 MW/Year. (14) VFD installation on Hydro Extractor. Total savings 13.21 MW/Year. (15) VFD installation on conning machines 6 & 8 OF VFD. Total savings 2.16 MW/Year.

- (b) **Impact of Measures:**

**Textile Unit:** Impact of Energy Conservation Projects by implementing them in Various Steps is a downward trend in Power Cost and it is 5 to 6 %.

**Filament Unit:** Due to various steps taken by the Unit, the total power saving is 1621.4 MW/Year.

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

As per Form 'A' Attached.

### **II. PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT (FORM 'B')**

- (a) **Specific areas in which R&D carried out by the company.**

**Textile Unit:** Installation of Air Permeability Machine and Deep Freezer in Taffeta Plant Lab

**Filament Unit:** Successful commissioning of new crimping & additional dyeing vessel to increase crimp/ dyed yarn volume; Several new products namely 30/10 BRT DW (high tenacity), 40/36 SD FDY, 70/48 BRT HOY, 280/14 BRT FR, 120/72 BRT Dope Dyed etc; Established 222/48 dope dyed in socks and Successfully utilized spare capacity of Batch poly for textile grade products.

- (b) **Benefits Derived.**

#### **Textile Division:**

- The newly installed Air Permeability Machine has ensured the online & offline testing of important Parachute fabrics being developed for Indian Defence & also for other technical fabrics being produced for multinational brands.
- The newly installed Deep Freezer, capable of testing the specially developed PU coated fabrics for Resistance to Low Temperature (-30 deg C to -40 deg C) test, has ensured the quality assurance and compliance to stringent test specifications of various technical fabrics being produced for Indian Defence.

#### **Filament Division**

- Provide products and services to our customers not only meeting but exceeding their requirements.
- Initiative to reduce cost of production by reduction in wastage, optimum utilization of resources & manpower to increase productivity & sales realization.
- Increase presence in international market in hank dyed & dope dyed segment.



**(c) 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 further increase capacity of covered yarn, HOY/FDY & Crimp/dyed yarn production to increase market share in domestic & international market.
- Develop new product to expand customer base in new application or different quality.
- Focus on increasing productivity by maximum utilization of resources & modification in existing hardware.

**III. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

To meet the challenges of the world, the new latest technology state of the art machines have been adopted and installed in the Mills to produce as well as to reduce and optimize the cost of the fabric of desired quality.

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

Efforts continued in strengthening the R&D facilities in order to provide a comprehensive range of products being manufactured both at Textile and Filament Yarn Units. Training at various levels to technical staff and workmen is an ongoing process.

**(b) Benefits derived :**

Availability of energy efficient, environment friendly systems and equipments, wide range of products with improved quality, designs and reduction in cost were amongst the benefits derived.

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

The Company continuously strives to adopt latest technology for improving productivity, product quality and reducing consumption of raw material, energy and other inputs.

**IV. 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:**

The Company is exporting Textile Fabrics, Filament Yarns and has taken successful initiatives for increasing exports.

**(b) Total Foreign Exchange used and earned:**

(Rs. In lacs)

	Current Year	Previous Year
Used	2950.92	4108.29
Earned	6747.45	8146.87

**TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION FORM 'A'**

**A. POWER AND FUEL CONSUMPTION**

	Current Year	Previous Year
<b>1 Electricity</b>		
(a) <b>Purchased:</b>		
Units	28631800	26603179
Total Cost (Rs./ LACS)	2003	1895
Rate/Unit(Rs.)	7.00	7.12
<b>Merchant Power</b>		
Units (Kwh)	945280	14496311
Total Cost (Rs./ LACS)	67.06	865.67
Rate/Unit(Rs.)	7.09	5.97
(b) <b>Own Generation:</b>		
(i) <b>Through Diesel Generators</b>		
Units	55674	74862
Total Cost (Rs./ LACS)	10.01	12.39
Unit per Ltr of Diesel Oil	2.90	3.08
Cost/unit (Rs.)	17.98	16.55
(ii) <b>Through Steam Turbine Generators</b>		
Units	108851700	109300790
Total cost of Coal / Rice Husk ( Rs. In Lacs)	3935.19	3099.10
Cost/unit(Rs)	3.62	2.84
<b>2 Coal / Husk ( Boilers )</b>		
Quantity (tonnes)	185697.22	185054.21
Total Cost (Rs. Lacs)	7490.73	6015.30
Average Rate(Rs)	4033.84	3250.56
<b>3 Furnace Oil ( Boilers )</b>		
Quantity (K.Ltrs)	36630	53785
Total Cost (Rs. In Lacs)	9.51	10.21
Average Rate./Ltr (Rs)	25.96	18.98
<b>4 LDO/HSD ( Furnaces / DG sets )</b>		
Quantity (Ltrs)	19185	24290
Total Cost (Rs. Lacs)	10.01	12.39
Average Rate/ltr(Rs)	52.18	51.01
<b>5 Pet Coke</b>		
Quantity(Kgs)	2255100	2340800
Total Cost(Rs./Lacs)	209.66	188.42
Average Rate./Ltr (Rs)	9.30	8.05
<b>6 Other/Internal Generation</b>		
<b>Steam</b>		
Quantity (tonnes)	668505.21	679500.44
Total Cost (Rs. Lacs)	7500.24	6025.52
Average Rate (Rs)	1121.94	886.76

**B. CONSUMPTION COST PER UNIT OF PRODUCTION (in RS.)**

Product	Current Year		Previous Year	
	Elect.& DG/TG Power	Steam	Elect.& DG/TG Power	Steam
Filament Yarn / Chips	21.57	6.67	17.88	4.43
Cloth	7.913	10.479	8.088	8.776





## **CORPORATE GOVERNANCE REPORT**

The Directors present the Company's Report on Corporate Governance for the year ended 31<sup>st</sup> March 2018, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Corporate Governance is modus operandi of governing a corporate entity which includes a set of systems, procedures and practices which ensure that the Company is managed in the best interest of all corporate stakeholders i.e. shareholders, employees, suppliers, customers and society in general. Fundamentals of Corporate Governance include transparency, accountability, reporting and independence. For accomplishment of the objects of ensuring fair Corporate Governance, the Government of India has put in place a framework based on the stipulations contained under The Companies Act, SEBI Regulations, Accounting Standards and Secretarial Standards etc.

### **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 organization 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. A Report on compliance with the principles of Corporate Governance as prescribed by The Securities and Exchange Board of India (SEBI) in Chapter VI read with Schedule V of the Listing Regulations is given below.

#### **1. BOARD OF DIRECTORS**

In terms of the Company's Corporate Governance Policy, all statutory and other significant & material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the Shareholders.

##### **a) Composition and Category of the Board of Directors**

As on 31.03.2018, Board of Directors of Company had five directors consists of 2 Executive Directors including one women director, 2 as Independent Directors and 1 Nominee Director. The Chairman of the Board is an Executive Director. Mr. G B Kathuria, one of the Independent Directors, who were on the Board for the last 19 years expired on 25.01.2018. Directors have placed their condolence on the sad demise and appreciate for his contribution, assistance and guidance during his tenure as Director of the Company. 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 31.03.2018 have been made by Directors.

##### **b) Attendance of Directors at Board Meetings & Annual General Meeting and Number of Companies in which the director is a member of the Board or its committee as a chairperson thereof during the year.**

Name of Director	Category	Attendance in Board Meeting		Attendance in last AGM held on 14.08.2017	Other Board		
		Held	Attended		No of other Directorships	No of committees in which a member	No of committees in which a chairperson
Mr. Samir Thapar <i>Chairman &amp; Managing Director</i>	Executive	4	3	No	2	-	-
Ms. Priya Thapar	Executive	4	2	No	-	-	-
Mr. Gordhan Bhojraj Kathuria*	Non-Executive - Independent	4	3	Yes	-	-	-
Dr Ajit Kumar Doshi	Non-Executive - Independent	4	4	Yes	1	-	-
Mr. Chander Mohan Bhanot	Non-Executive - Independent	4	4	Yes	-	-	-
Mr. Avaya Kumar Mohapatra**	Non-Executive - Nominee (Allahabad Bank)	4	4	Yes	-	-	-

\*Ceased to be director w.e.f.: 25.01.2018

\*\*Co opted on 30.05.2017

##### **c) Ms. Priya Thapar- Director (HR) is sister of Mr. Samir Thapar- Chairman and Managing Director.**



- d) Dr Ajit Kumar Doshi, Mr. Chander Mohan Bhanot and Mr. Avaya Kumar Mohapatra does not have any shareholdings in the Company

**e) Familiarization Programme for Independent Directors**

At the time of appointing a Director, a formal letter of appointment is given to him, which *inter-alia* explains the role, function, duties and responsibilities expected of him as a Director of the Company. Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the Directors. Site visits to plant locations are organized for the Directors to enable them to understand the operations of the Company. The details of such familiarization programme for Independent Directors are posted on the website of the Company i.e. [www.jct.co.in](http://www.jct.co.in).

**f) Board Meetings**

During the financial year 2017-18, the Board of the Company met 4 times on 30.05.2017, 14.08.2017, 13.11.2017 and 14.02.2018. The interval between two meetings is well within the maximum period under Section 173 of the Companies Act, 2013 and the provisions of Regulation 17 of SEBI (LODR) Regulations, 2015.

The notice of each Board Meeting is given in writing to each Director. The Agenda along with relevant notes and other material information are sent in advance separately to each Director.

In case of business exigencies or urgency of matters, resolutions are passed by circulation and same is placed before the Board in the next meeting. Besides performance of Company's operations before taking on record the quarterly / annual financial results of the Company, information supplied to the Board. All relevant information as required under Schedule II of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 was placed before the Board from time to time.

## **2. COMMITTEES OF THE BOARD**

### **AUDIT COMMITTEE**

**a) Terms of Reference**

The terms of reference of Audit Committee cover the areas mentioned under Part C of Schedule II of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 as well as Section 177 of the Companies Act, 2013. The Audit Committee *inter alia* performs the functions of approving review of financial reporting system, internal controls system, discussion on financial results, interaction with Statutory and Internal Auditors, recommendation for the appointment of Statutory and Cost Auditors and their remuneration, recommendation for the appointment and remuneration of Internal Auditors.

**b) Composition**

As on 31.03.2018 the Audit Committee consists of three Non-Executive Directors out of which two are Independent namely Dr Ajit Kumar Doshi and Mr Chander Mohan Bhanot whereas the other one Mr. Avaya Kumar Mohapatra is a Nominee Director from Allahabad Bank. Dr. Ajit Kumar Doshi is the Chairman of the Committee. All members of the Audit Committee are financially literate and bring in expertise in the fields of Accounting, Finance and Taxation.

Besides above Chairman & Managing Director, Whole-time Director, Chief Financial Officer, the representatives of the Auditors are permanent invitees to the Audit Committee Meetings. The Company Secretary acts as a Secretary to the Committee.

The quorum, power, role and scope are in accordance with the Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the SEBI (LODR) Regulations, 2015.

**c) Meetings and Attendance**

The Committee met four times during the Financial Year ended 2017-18 on 30.05.2017, 14.08.2017, 13.11.2017 and 14.02.2018. The maximum gap between any two meetings was less than four months which is in compliance with the provisions of Regulation 18 of SEBI (LODR) 2015. Adequate quorum was present for all Meetings. The Chairman of the Audit Committee was present at the Annual General Meeting of the Company. The Table below provides the attendance of the Audit Committee members.

<b>Name of the Members</b>	<b>Position</b>	<b>Category</b>	<b>No. of Meetings held</b>	<b>No. of Meetings attended</b>
Mr. Gordhan Bhojraj Kathuria*	Chairman	Non-Executive Independent	4	3
Dr. Ajit Kumar Doshi	Member	Non-Executive Independent	4	4
Mr. Chander Mohan Bhanot	Member	Non-Executive Independent	4	4
Mr. Avaya Kumar Mohapatra	Member	Nominee-Allahabad Bank	4	4

\*Ceased to be the Chairman of the Committee w.e.f. 25.01.2018 on account of death.

**NOMINATION AND REMUNERATION COMMITTEE**

- I. In compliance with Section 178 of Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015, the Nomination and Remuneration Committee comprises of atleast 3 Directors all of whom are non-executive and atleast fifty percent of the directors shall be independent directors.

**a) Term of Reference**

The Nomination and Remuneration Committee assist the Board in overseeing the method, criteria and quantum of compensation for directors and senior management based on their performance and defined assessment criteria. The terms of the reference of Nomination and Remuneration Committee covers the areas mentioned under Part D of Schedule II of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 as well as section 178 of the Companies Act, 2013.

**b) Composition, Meeting and Attendance:**

The Committee at present comprises of three non-executive Directors which includes Dr Ajit Kumar Doshi, Mr Chander Mohan Bhanot – Independent Directors and Mr. Avaya Kumar Mohapatra – Nominee Director from Allahabad Bank. Dr Ajit Kumar Doshi is the Chairman of the Committee who replaced Mr. Gordhan Bhojraj Kathuria the earlier Chairman of the Committee ceased on 25.01.2018 on account of his death. During the financial year ended 2017-18 only one meeting of the Committee was held on 30.05.2017 and attended by Mr.Gordhan Bhojraj Kathuria,Mr.Chander Mohan Bhanot and by Dr.Ajit Kumar Doshi.

**c) Performance Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) 2015, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as stakeholder relationship committee. The Directors expressed their satisfaction with the evaluation process.

**II. Remuneration of Directors**

- a) Remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in accordance with the existing industry practice. There is no such pecuniary relationship between the Company and Non Executive Directors.

**b) Disclosure of Remuneration to Non-Executive / Independent Directors:**

The Non-Executive Directors were paid remuneration by way of Sitting Fees for each meeting of the Board and Committee of Directors attended by them. The total amount of Sitting Fees paid during the Financial Year ended 31<sup>st</sup> March, 2018 was Rs. 23.54 Lacs.

**Rs. in Lacs**

Sr. No.	Particulars of Remuneration	Name of the Directors				Total Amount
		Mr Gordhan Bhojraj Kathuria	Dr Ajit Kumar Doshi	Mr Chander Mohan Bhanot	Mr. Avaya Kumar Mohapatra*	
1.	Fee for attending board & committee meetings	5.00	7.00	7.00	4.00	23.00
2.	Commission	-	-	-	-	-
3.	Others, Travelling	0.32	0.15	0.07	-	0.54
	<b>Total</b>	<b>5.32</b>	<b>7.15</b>	<b>7.07</b>	<b>4.00</b>	<b>23.54</b>

\*Paid to Allahabad Bank

**c) Remuneration to Executive Directors**

Payment of remuneration to Executive Directors is governed by the respective Agreements executed between them and the Company. The remuneration package of Chairman & Managing Director and Whole-time Director comprises of salary, perquisites, allowances and contribution to Provident and other Retirement Benefit Funds as approved by the shareholders at the General Meeting.

The details of the remuneration paid during the year ended 31<sup>st</sup> March 2018 under review is given below.



(Rs. in lacs)

	Mr Samir Thapar		Ms Priya Thapar	
	Current Year	Previous Year	Current Year	Previous Year
Salary including Allowances	<b>78.00</b>	81.98	<b>23.40</b>	23.40
Contribution to Provident & Superannuation Funds	<b>10.36</b>	10.36	<b>3.16</b>	3.16
Perquisites & Reimbursements	<b>18.00</b>	14.02	<b>0.60</b>	0.60
<b>Total*</b>	<b>106.36</b>	106.36	<b>27.16</b>	27.16

\*excludes the provision made towards gratuity and leave encashment on actuarial basis

## **STAKEHOLDERS RELATIONSHIP COMMITTEE**

### **a) Composition and Attendance**

The Stakeholders Relationship Committee comprises of four Directors. Dr Ajit Kumar Doshi, Independent Director is the Chairman of this Committee. The table below highlights the composition and attendance of the Members of the Committee. The requisite quorum was present at all the Meetings.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Positions</b>	<b>Category</b>	<b>No. of Meetings Attended</b>
1	Dr. Ajit Kumar Doshi	Chairman	Independent Director	4
2	Mr. Gordhan Bhojraj Kathuria*	Member	Independent Director	3
3	Mr. Chander Mohan Bhanot	Member	Independent Director	4
4	Mr. Samir Thapar**	Member	Executive Director	1
5	Ms. Priya Thapar**	Member	Executive Director	1

\*ceased as member w.e.f. 25.1.2018 on account of death

\*\*became members w.e.f. 14.2.2018

The Committee meets normally once in three months to oversee proper redressal of grievances of stakeholders/ investors and compliance of stipulation in the matter of listing of shares with stock exchange/ depositories etc. The matter of transfer / transmission of shares, sub-division/ consolidation and issue of new / duplicate shares etc. including demat/ remat of shares in the normal course are looked after by the Committee of Senior Executives consisting of Mr. Vinod Kumar Singhal – Chief Financial Officer, Mr. Jitender Khanna – Vice President (Secretarial and Legal) and Ms Nidhi Goel - Company Secretary, who have been authorized by the Committee for the same.

The Committee met 4 times during the year on 30.05.2017, 14.08.2017, 13.11.2017 and 14.02.2018.

### **b) Name and Designation of the Compliance Officer**

Ms Nidhi Goel, Company Secretary

### **c) Number of complaints received, not solved & pending**

The total number of complaints received and resolved during the year ended 31<sup>st</sup> March 2018 was 7. There were no complaints outstanding as on 31<sup>st</sup> March 2018. The number of pending share transfers and pending requests were Nil. Shareholders'/ Investors' complaints and other correspondence are normally attended to within seven working days except where constrained by disputes or legal impediments. No investor grievances remained unattended / pending for more than thirty days as on 31<sup>st</sup> March, 2018.

### **d) Terms of Reference**

The Committee shall consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE****a) Composition:**

Company has a Corporate Social Responsibility Committee consisting of Mr. Samir Thapar, Ms. Priya Thapar and Dr. Ajit Kumar Doshi. Mr. Samir Thapar is the Chairman of the Committee.

**b) Term of Reference**

- Decide the CSR activities to be taken up by the Company in accordance of this policy
- Decide the amount to be allocated for each project or activity
- Oversee and monitor the progress of the initiatives rolled out under this policy and
- Submit a report to the Board of Directors on all CSR activities undertaken during the financial year which shall duly be displayed on the Company's website [www.jct.co.in](http://www.jct.co.in).

**c) Meeting**

No meeting was held during the financial year ended 31st March, 2018.

**3. GENERAL BODY MEETINGS****a) Details of last 3 Annual General Meetings Held**

Sr. No.	Financial Year/ Period	Date and Time	Location	Details of Special Resolutions
1	2016-17	14.08.2017 at 11:30 am	Village Chohal Dist. Hoshiarpur Punjab	NO
2	2015-16	12.08.2016 at 11:30 am	Village Chohal Dist. Hoshiarpur Punjab	NO
3	2014-15	29.09.2015 at 12:30 pm	Village Chohal Dist. Hoshiarpur Punjab	Resolution under Section 73 & 76 of Companies Act 2013

**4. MEANS OF COMMUNICATIONS**

- a) Quarterly Results : Through Publications
- b) Newspaper wherein results normally published : Financial Express / Business Standard (all editions) & Jagbani
- c) Website at which result is published : [www.jct.co.in](http://www.jct.co.in) and [www.bseindia.com](http://www.bseindia.com)
- d) Whether it also displays official news releases : Yes, as and when necessary/required
- e) The presentations made to Institutional Investors or analysts : No

**5. GENERAL SHAREHOLDER DETAILS**

- a) Annual General Meeting Time, Day, Date & Venue : 11:30 am, Friday, 14th September, 2018  
Village Chohal, District Hoshiarpur (Punjab) 146024
- b) Financial Calendar(Provisional)
- Unaudited results for QE 30.06.2018 : }
- Unaudited results for QE 30.09.2018 : } Within 45 days of the close of the respective quarter
- Unaudited results for QE 31.12.2018 : }
- Audited results YE 31.03.2019 : Within 60 days of the close of the year.
- c) Dividend Payment Date : No Dividend is proposed
- d) Name and address of stock exchange : BSE Ltd.  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai- 400001
- e) Annual Listing Fee : Annual Listing fee for the year 2017-18 has been paid.
- f) Stock Code : 500223



**g) Market Price Data**

(In Rs)

Month/Year	High	Low
Apr-17	5.54	4.80
May-17	5.24	4.07
Jun-17	4.38	3.79
Jul-17	5.15	3.85
Aug-17	4.62	3.65
Sep-17	3.88	3.10
Oct-17	3.80	2.95
Nov-17	3.77	3.10
Dec-17	4.20	3.20
Jan-18	5.25	3.60
Feb-18	3.92	3.02
Mar-18	3.25	2.60

**h) Performance in comparison to broad base indices such :**

The shares of the Company are not considered as BSE Sensex, Crisil Index, by stock exchange in their index fluctuations.

**i) The Securities were not suspended from trading during the financial year 2017-18.**

**j) Registrar & Transfer Agents**

RCMC Share Registry Private Ltd,  
B--25/1, 1st Floor, Okhla Industrial Area Ph II, New Delhi 110020  
Tel: 011-26387320-321-323 Fax: 011-26387322  
Email: investor.services@rcmcdelhi.com

**k) Share Transfer System**

The system for transfer of shares in physical form has been delegated to Sr. Executives of the Company by the Committee of Stakeholders Relationship Committee of Directors which meets once in a fortnight and the average time taken for transfer of shares is approximately 30 days. Company obtains Certificate of compliance as required under Regulation 40(9) of SEBI (LODR) Regulations, 2015 from a Company Secretary in practice.

**l) Distribution of shareholding as on 31.03.2018**

No of Equity Shares held		No of shareholders	%age of shareholders	No of shares held	Amount	% age of Shareholding
From	To					
Upto	5000	82466	87.28	33959402	84898505	5.68
5001	10000	4352	4.61	13157920	32894800	2.20
10001	20000	3638	3.85	20251125	50627812.50	3.39
20001	30000	1597	1.69	16074453	40186132.50	2.69
30001	40000	546	0.58	7768847	19422117.50	1.30
40001	50000	447	0.47	8514612	21286530	1.42
50001	100000	721	0.76	20539559	51348897.50	3.43
100001 and Above		719	0.76	477860064	1194650160	79.89
<b>Grand Total</b>		<b>94486</b>	<b>100</b>	<b>598125982</b>	<b>1495314955</b>	<b>100</b>

**m) Dematerialization of shares and liquidity**

**As on 31.03.2018, 98.62% of equity shares have been dematerialized.**

- National Securities Depositories Limited (NSDL) : 508595703
- Central Depositories Services Limited (CDSL) : 81257617

**n) Commodity price or foreign exchange risk and hedging activities**

Company is exposed to Foreign Exchange Risk on account of outstanding of Foreign Currency Convertible Bonds (FCCBs), Import and Export transactions. The company does not enter into any hedging transaction with banks since US\$/INR has not been moved much and are at the levels of June 2015. More so, company is also having natural hedge in the form of sizable exports to cover imports.

Company is also a sizable user of various commodities including Cotton, PSF, VSF and other Yarns which expose it to the price risk on account of procurement of commodities. The company does not enter into any hedging transactions Commodity Exchanges since these are readily available in the open market.

- o) Plant Locations** : Textile Unit at Phagwara (Punjab)  
Filament Yarn Unit at Hoshiarpur (Punjab)
- p) Address for correspondence** : Village Chohal, District Hoshiarpur 146024 (Punjab)

**OR**

305, Rattan Jyoti Building, 18 Rajendra Place  
New Delhi 110008

**6. OTHER DISCLOSURES****a) Related Party Transactions**

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and SEBI (LODR) 2015 during the financial year were in the ordinary course of business and on arm's length basis and do not attract the provision of Section 188 of the Companies Act, 2013. Related party transactions with the Directors, Senior Management, Personnel and their relatives are reported to the Audit Committee from time to time and have been disclosed under the Related Party Transactions as per Accounting Standard 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants Of India (ICAI) which are set out in the Annual Report and other relevant notes to the financial statements for the year ended 31.03.2018. There were no material significant Related Party Transactions that may have potential conflict with the interest of the Company at large.

**b) Details of non-compliance, penalties etc. imposed by Stock Exchanges, Securities Exchange Board of India (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 Exchange(s) or SEBI or any statutory authority on any matters related to Capital Markets during the last three years.

**c) Vigil Mechanism/ Whistle Blower Policy**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and SEBI (LODR) 2015, the Company has formulated a Whistle Blower Policy for vigil mechanism for Directors and Employees to report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and make provisions for direct access to the Chairperson of the Audit Committee in exceptional cases.

The practice of the Whistle blower Policy is overseen by the Audit Committee of the Board and Mr Jitender Khanna – Vice President (Secretarial & Legal) is the Vigilance Officer. None of the personnel of the Company has been denied access to the Audit Committee. The confidentiality of those reporting violations is maintained and they are not subject to any discriminatory practice. The Policy is available on the website of the Company [www.jct.co.in](http://www.jct.co.in).

**d) Mandatory & Non mandatory requirements**

The Company has fully complied with mandatory requirements as stipulated under SEBI (LODR) 2015 with the Bombay Stock Exchange and non mandatory requirement as and when required or necessary to do so.

**e) Subsidiary Companies:**

Company does not have any Subsidiary Company.

**f) Related party transaction policy:**

As required under the SEBI (LODR) 2015, the Company has formulated a policy dealing with the related party transactions. The Policy is available on the website of the Company [www.jct.co.in](http://www.jct.co.in).



**7. NON COMPLIANCE**

Company has complied with all the requirement/ disclosures as mentioned in sub paras (2) to (10) of Corporate Governance Report as given in part C of Schedule V of SEBI (LODR) Regulations, 2015.

**8. The status of compliance of Discretionary non Mandatory requirements as prescribed in Part E of the SEBI (LODR) 2015 are as under:**

- The Board : The Chairman of the Company is Executive Chairman and hence this provisions is not applicable
- Shareholders' Right: The quarterly, half yearly and annual financial results of the Company are published in newspapers on all India basis and are also posted on the Company's Website. Significant events are also posted on Company's Website.
- Modified Opinion: The observation of the Auditors have been fully explained in the Independent Auditors Report.
- Mr. Samir Thapar is the Chairman and Managing Director of the Company.
- Reporting of Internal Auditors: The Internal Auditors are directly reporting to the Audit Committee.

**9. STATUS OF COMPLIANCE****a) Code of Conduct**

The Board of Directors of the Company plays an important role in ensuring good governance and has adopted the Code of Conduct for Directors and Senior Management Personnel. The Code is applicable to all the Board Members and Senior Management of the Company. A copy of the same is available on Company's website [www.jct.co.in](http://www.jct.co.in). The Managing Director has also confirmed and certified the same.

**b) Risk Assessment {17(9)}**

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

**c) Risk Management Committee**

For the Year 2017-18, our Company does not qualify to be in Top 100 Listed Company therefore the provisions of Regulations 21 of SEBI (LODR) Regulations, 2015 are not applicable.

**d) Independent Directors**

The Non-Executive Independent Directors fulfill the conditions of Independence specified in section 149(6) of the Companies Act, 2013 and Rules made there under and meet the requirements of Regulation 25 of SEBI (LODR) Regulations, 2015.

A formal letter of appointment to Independent Director has been issued and disclosed on the website of the Company viz. [www.jct.co.in](http://www.jct.co.in).

During the year under review, the Independent Directors met on 14.02.2018 inter alia, to

- a) Review the performance of non-independent directors and the board of directors as a whole;
- b) Review the performance of the chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- c) Assess the quality, quantity and timelines of flow of information between the management of the Company and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

**e) Insider Trading Code**

The Securities and Exchange Board of India vide its Notification dated January 15, 2015 has notified The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (New Regulations) which has come into effect from May 15, 2015. Under the New Regulations, the requirements of initial disclosures are applicable to promoter, key managerial personnel and director of a Company and requirements of continual disclosures are applicable to promoter, employee and director of a Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations and has laid down an effective monitoring system for the said purposes.



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## **CEO/CFO CERTIFICATION**

- A. We have reviewed financial statements and the cash flow statement for the year 2017-18 and that to the best of our knowledge and belief:
- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) 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. We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year 2017-18 which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware.
- D. We have indicated to the auditors and the Audit committee
- (1) Significant changes in internal control over financial reporting during the year, 2017-18;
  - (2) Significant changes in accounting policies during the year, 2017-18 and that the same have been disclosed in the notes to the financial statements; and
  - (3) Instances of significant fraud of which we have become 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.

Place : New Delhi  
Dated : 14.08.2018

**V.K SINGHAL**  
*Chief Financial Officer*

**SAMIR THAPAR**  
*Chairman & Managing Director*

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## **DECLARATION**

### **DECLARATION BY THE MANAGING DIRECTOR REGARDING ADHERANCE TO THE CODE OF CONDUCT**

As provided under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31.03.2018

Place : New Delhi  
Dated : 14.08.2018

**SAMIR THAPAR**  
*Chairman & Managing Director*



## **AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

**Independent Auditor's Report on compliance with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulations 46(2) and para C & D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To,  
The Members of **JCT Limited**,

1. The Corporate Governance Report prepared by JCT Limited (hereinafter the "Company"), contains details as required by the provisions stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C & D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2018. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

### **Management's Responsibility**

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### **Auditor's Responsibility**

4. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
  - i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;
  - iii. Obtained and read the Directors Register as on March 31, 2018 and verified that atleast one women director was on the Board during the year;
  - iv. Obtained and read the minutes of the following committee meetings held April 01, 2017 to March 31, 2018:
    - (a) Board of Directors Meeting;
    - (b) Audit Committee;
    - (c) Annual General Meeting;
    - (d) Nomination and Remuneration Committee;



- (e) Stakeholders Relationship Committee; and
  - (f) Corporate Social Responsibility Committee.
- v. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

#### **Opinion**

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, that, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

#### **Other matters and Restriction on Use**

9. This report 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.
10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report

For Navdeep Singh & CO.  
Chartered Accountants  
Firm Registration No. 008400N  
*Navdeep Singh Choudhary*  
Partner  
Membership No. 034979

Place : New Delhi  
Date : 14.08.2018



## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JCT LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **JCT Limited** (the "Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2017 under Section 133 of the Companies Act, 2013.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

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

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

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

### **Basis of Qualified Opinion**

The Company on completion of the compliance of the consent terms agreed to pay off the holders of Foreign Currency Convertible Bonds (FCCBs) their dues of US\$ 19.19 million towards principal and redemption premium of US\$ 15.00 million and defaulted interest of US\$ 4.19 million in 10 installments commencing from 5th October, 2015 to 5th December, 2017. The Company could not pay the balance dues of Rs. 10,079.06 lakhs (including interest of Rs. 3,293.74 lakhs) on 5th December, 2017, but subsequent to the Balance Sheet date, both the Company and Bondholders have agreed to settle the dues on certain mutually agreed terms subject to necessary approval from regulatory authorities and their banks. Further, interest of Rs. 3,488.60 lakhs as at 31st March, 2018 though crystallized and accrued on above, is being accounted for on payment basis instead of on accrual basis by the Company. As such, no provision for such interest aggregating Rs. 3,488.60 lakhs has been made in the financial statements by the Company. This treatment is not in line with the Indian Accounting Standards and the provisions of the Companies Act, 2013 and the relevant rules thereunder. Had the interest been accounted for on accrual basis as stated above, the Total Comprehensive Losses would have been Rs. 6,889.11 lakhs for the year as against reported Loss of Rs. 3,400.51 lakhs, Other Equity would have been in negative by Rs. 12,476.43 lakhs as against the reported negative Other Equity of Rs. 8,987.83 lakhs, and Other Current Financial Liabilities would have been Rs. 17,494.36 lakhs as against reported Other Current Financial Liabilities of Rs. 14,005.76 lakhs (Refer para 21.2 to the financial statements).

**Qualified Opinion**

In our opinion, and to the best of our information and according to the explanations given to us, except for the effects of the matter described in Basis of Qualified Opinion Paragraph above, the aforesaid financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the state of affairs of the Company as at 31<sup>st</sup> March, 2018, and its loss (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

**Emphasis of Matter**

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

Note No. 39.6: Accumulated losses have resulted in erosion of substantial networth of the Company. However, the financial statements have been prepared on going concern basis on the grounds as disclosed in the said note; Note No. 39.7: Non-confirmation/reconciliation of certain balances under trade receivables, advances, trade payables and other parties of the Company.

Our opinion is not modified in respect of the above matters.

**Other Matter**

The comparative financial information of the Company for the year ended 31<sup>st</sup> March, 2017 and the transition date opening Balance Sheet as at 1<sup>st</sup> April, 2016, included in these financial statements, are based on the previously issued statutory financials statements prepared in accordance with the Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014, which were audited by previous auditors, on which they expressed the qualified opinion dated 30<sup>th</sup> May, 2017 and 30<sup>th</sup> May, 2016 for the years ended 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2016 respectively. These previous financial statements have been considered in the financial statements for the current year after adjustment for the differences in the accounting principles adopted by the Company on transition to the Ind AS as detailed in Note No. 39.12 to the financial statements.

**Report on Other Legal and Regulatory Requirements**

1. As required by 'the Companies (Auditor's Report) Order, 2016' ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure-'A' a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our

knowledge and belief were necessary for the purposes of our audit;

- b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2017 under Section 133 of the Companies Act, 2013;
- e. the going concern matter described in sub-paragraph (i) under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the company;
- f. on the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- g. with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure-'B'; and
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 39.1 and 39.2 to the financial statements;
  - ii. The Company has not entered into any long-term contracts including derivative contracts.
  - iii. There has been no amount, required to be transferred, to the Investor Education and Protection Fund by the Company.

For NAVDEEP SINGH & CO.  
Chartered Accountants  
Firm Registration No.008400N

Navdeep Singh Choudhary  
Partner  
Membership No. 034979

Place : New Delhi  
Date : 30<sup>th</sup> May, 2018





## ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the independent auditors' report of even date on the financial statements of JCT Limited for the year ended 31<sup>st</sup> March, 2018)

- (i) In respect of its property, plant and equipments;
- The Company has maintained proper records showing full particulars including quantitative details and situation of the property, plant and equipments.
  - As explained to us, the property, plant and equipments are physically verified by the management once in a period of three years, which in our opinion is reasonable, having regard to the size of the Company and nature of its property, plant and equipments. No material discrepancies were noticed on such physical verification.
  - According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, as disclosed in Note 4 on property, plant and equipments to the financial statements, are held in the name of the Company.
- (ii) As explained to us, inventories except those lying with third parties, have been physically verified by the management at regular intervals during the year. The discrepancies noticed on such physical verification as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- (iii) The Company had not granted unsecured loans to companies covered in the Register maintained under Section 189 of the Companies Act, 2013, hence this clause is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company in respect of loans, investments, guarantees, and security has complied with the provisions of section 185 and 186 of the Act.
- (v) The Company has not accepted any deposits from the public within the meanings of Sections 73 to 76 of the Act and the rules framed thereunder to the extent notified.
- (vi) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under sub-section (1) of Section

148 of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

- According to the information and explanations given to us and the records of the Company examined by us, in our opinion the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales tax, Goods and Service Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues as applicable 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 31<sup>st</sup> March, 2018 for a period of more than six months from the date they became payable.
- The disputed statutory dues aggregating to Rs. 4,937.15 lakhs, that have not been deposited on account of matters pending in appeals before appropriate authorities are as under:

Name of the Statute	Nature of the dues	Forum where dispute is pending	Amount (Rs. in lakhs)
Central Excise Act, 1944	Excise Duty	Upto Commissioner level	225.45
		CESTAT	919.51
Central Sales Tax, VAT Act of various states	VAT/ Entry Tax	Dy. Commissioner level	1,867.61
		Assistant Commissioner Level	0.73
		Tribunal	1,737.80
Customs Duty Act, 1962	Customs Duty	Commissioner of Customs	186.05
		<b>TOTAL</b>	<b>4,937.15</b>

- (viii) Based on the audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to banks. The dues of Rs. 10,079.06 lacs to Foreign Currency Convertible Bonds (FCCBs)





holders, which had fallen due for repayment on 05.12.2017 were lying unpaid to that extent as on 31.03.2018. However subsequent to Balance sheet date, based on information and explanation given to us, the company and bond holders have entered into settlement subject to obtaining the necessary approvals.

- (ix) The Company, during the year has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans.
- (x) In our opinion and according to the information and explanations given to us, no fraud by the Company or material fraud on the Company by its officers / employees has been noticed or reported during the course of our audit.
- (xi) The managerial remuneration paid/provided is within the limit and in compliance of the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company hence the requirement of this clause is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties

are in compliance with section 177 and 188 of the Act where applicable. The details of such transactions have been disclosed in the financial statements, as required by the Ind AS 24 – Related Party Disclosures.

- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with Directors or persons connected with them.
- (xvi) As explained to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For NAVDEEP SINGH & CO.  
Chartered Accountants  
Firm Registration No.008400N  
*Navdeep Singh Choudhary*  
Partner  
Membership No. 034979

Place : New Delhi  
Date : 30<sup>th</sup> May, 2018

## **ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section of the independent auditors' report of even date on the financial statements of JCT Limited for the year ended 31<sup>st</sup> March, 2018))

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **JCT Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting" (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation

and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by



the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted

accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For NAVDEEP SINGH & CO.  
Chartered Accountants  
Firm Registration No.008400N

Navdeep Singh Choudhary  
Partner  
Membership No. 034979

Place : New Delhi  
Date : 30<sup>th</sup> May, 2018



**BALANCE SHEET**  
AS AT 31ST MARCH, 2018

						(Rs. In Lakhs)
Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016		
<b>ASSETS</b>						
<b>1 Non-Current Assets</b>						
Property, Plant and Equipment	4	31,999.77	34,792.83	36,854.42		
Capital work in progress	4	288.33	315.42	128.13		
Intangible Assets	4	184.71	13.46	28.54		
Financial Assets						
- Investments	5	155.63	155.63	146.21		
- Loans	6	397.76	333.23	439.66		
- Other non-current financial assets	7	44.79	27.81	48.38		
Non-current tax assets (net)	8	101.25	82.02	48.03		
Other non-current assets	9	103.46	104.98	341.74	38,035.11	
<b>2 Current assets</b>						
Inventories	10	16,458.38	16,321.19	16,330.90		
Financial Assets						
- Investments	11	10.64	10.64	54.96		
- Trade receivables	12	5,312.16	6,713.97	8,020.67		
- Cash and cash equivalents	13	261.05	484.54	807.02		
- Bank balances other than cash and cash equivalents	14	726.20	786.78	671.08		
- Loans	15	17.10	56.89	39.26		
- Other current financial assets	16	866.63	591.75	1,319.37		
Other current assets	17	3,031.36	1,582.90	1,376.47	28,619.73	
<b>3 Assets classified as held for sale</b>	18	108.27	111.27	149.88		
<b>TOTAL ASSETS</b>		<b>60,067.49</b>	<b>62,485.31</b>	<b>66,804.72</b>		
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Equity Share Capital	19A	14,953.15	14,953.15	14,619.82		
Preference Share Capital	19B	-	-	1,000.00		
Other Equity	20	(8,987.83)	(5,586.51)	(4,225.23)	11,394.59	
<b>Liabilities</b>						
<b>1 Non-current liabilities</b>						
Financial Liabilities						
- Borrowings	21	4,158.87	7,199.86	13,333.69		
- Other non-current financial liabilities	22	5,387.05	5,828.48	5,394.02		
Provisions	23	4,284.61	4,405.26	4,974.10		
Other non-current liabilities	24	19.04	44.91	70.78	23,772.59	
<b>2 Current liabilities</b>						
Financial Liabilities						
- Borrowings	25	9,757.14	8,923.62	8,917.33		
- Trade Payables	26	14,709.22	10,623.70	8,600.82		
- Other current financial liabilities	27	14,005.76	14,073.27	12,153.62		
Provisions	28	780.98	802.51	534.01		
Other current liabilities	29	999.50	1,217.06	1,431.76	31,637.54	
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>60,067.49</b>	<b>62,485.31</b>	<b>66,804.72</b>		
<b>Significant Accounting Policies</b>	1 to 3					
<b>Other Notes</b>	39					

V K Singhal  
Chief Financial Officer

Nidhi Goel  
Company Secretary  
(Membership No.26016)

**For and on behalf of the Board of Directors**  
Samir Thapar  
Chairman & Managing Director  
(DIN 00062287)

As per our Report of even date attached  
Navdeep Singh & Co.  
Chartered Accountants  
Firm Registration No. 008400N  
Navdeep Singh Choudhary  
Partner  
Membership No.034979

**Directors**

C M Bhanot (DIN 06462056)  
R S Samra (DIN 00375315)  
A K Doshi (DIN 02298644)  
A K Mohapatra (DIN 07811921)  
Priya Thapar (DIN 06742680)

Place : New Delhi  
Dated : 30<sup>th</sup> May, 2018


**STATEMENT OF PROFIT AND LOSS**  
**FOR THE YEAR ENDED 31ST MARCH, 2018**

(Rs. In Lakhs)			
Particulars	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>INCOME:</b>			
Revenue From Operations	30	76,488.41	83,939.90
Other Income	31	1,045.21	1,678.90
<b>Total Income</b>		<b>77,533.62</b>	<b>85,618.80</b>
<b>EXPENSES:</b>			
Cost of materials consumed	32	45,533.42	46,823.37
Excise Duty		726.65	3,550.64
Other manufacturing expenses	33	12,874.73	12,171.20
Changes in inventories of finished goods and stock-in-process	34	(620.21)	(257.79)
Employee benefits expense	35	11,978.25	12,983.95
Finance costs	36	3,550.01	3,732.94
Depreciation and amortization expense	37	3,049.36	3,108.99
Other expenses	38	4,029.74	5,232.09
<b>Total Expenses</b>		<b>81,121.95</b>	<b>87,345.39</b>
<b>Loss for the year before tax</b>		<b>(3,588.33)</b>	<b>(1,726.59)</b>
<b>Tax expense:</b>			
Income tax - adjustments relating to previous years		(16.00)	(1.74)
<b>Loss for the year after tax</b>		<b>(3,604.33)</b>	<b>(1,728.33)</b>
<b>Other Comprehensive Income :</b>			
Items that will not be reclassified to profit or loss			
- Re-measurements losses on defined benefit plans		203.82	(306.26)
Items that will be reclassified subsequently to profit or loss			
- Fair value of Investments through OCI		-	9.42
<b>Other Comprehensive Income / (Loss) for the year</b>		<b>203.82</b>	<b>(296.84)</b>
<b>Total Comprehensive (Loss) for the year</b>		<b>(3,400.51)</b>	<b>(2,025.17)</b>
<b>Earnings per share- Basic/Diluted in Rs.</b>	39.17	<b>(0.60)</b>	<b>(0.29)</b>
<b>Significant Accounting Policies</b>	1 to 3		
<b>Other Notes</b>	39		

V K Singhal  
Chief Financial Officer

Nidhi Goel  
Company Secretary  
(Membership No.26016)

For and on behalf of the Board of Directors  
Samir Thapar  
Chairman & Managing Director  
(DIN 00062287)

As per our Report of even date attached

Navdeep Singh & Co.  
Chartered Accountants  
Firm Registration No. 008400N  
Navdeep Singh Choudhary  
Partner  
Membership No.034979

**Directors**

C M Bhanot (DIN 06462056)  
R S Samria (DIN 00375315)  
A K Doshi (DIN 02298644)  
A K Mohapatra (DIN 07811921)  
Priya Thapar (DIN 06742680)

Place : New Delhi  
Dated : 30<sup>th</sup> May, 2018


**CASH FLOW STATEMENT**
**FOR THE PERIOD ENDED 31ST MARCH, 2018**

(Rs. in lakhs)

Particulars	Year Ended 31st March, 2018		Year Ended 31st March, 2017	
	Amount	Total	Amount	Total
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Loss before tax as per statement of profit and loss		(3,588.33)		(1,726.59)
Adjustments for:				
Depreciation and amortisation expense	3,049.36		3,108.99	
Finance costs (net)	3,550.01		3,732.94	
Bad debts written off (net of impairment allowance)	0.09		10.24	
Impairment loss for advances etc.	36.49		22.22	
Dividend from current investments	(0.04)		(0.04)	
Liabilities/provisions no longer required written back	(51.56)		(327.04)	
Interest income	(192.23)		(229.43)	
Property, plant and equipment written off	1.23		0.66	
Profit on sale of property, plant and equipment (net)	(562.95)		(906.40)	
		<b>5,830.40</b>		<b>5,412.14</b>
Operating profit before working capital changes		<b>2,242.07</b>		<b>3,685.55</b>
Adjustment for working capital changes:				
(Increase)/Decrease in Inventories	(137.19)		9.71	
Decrease in loans and trade receivables	1,340.49		1,363.02	
(Increase)/Decrease in other financial and non-financial assets	(1,750.12)		768.34	
Increase in trade payables	4,137.07		2,349.92	
(Decrease) in other financial liabilities, non-financial liabilities and provisions	(1,162.82)		(680.22)	
Cash Generated from Working Capital Changes		<b>2,427.43</b>		<b>3,810.77</b>
Cash generated from operations		<b>4,669.50</b>		<b>7,496.32</b>
Income Tax paid		(35.23)		(35.73)
Net Cash inflow from Operating Activities - A		<b>4,634.27</b>		<b>7,460.59</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment including capital work in progress		(608.91)		(1,449.20)
Sale/disposal of property, plant and equipment	773.18		1,173.94	
Deposits matured/made during the year	60.58		(115.70)	
Proceeds from Investments	-		44.32	
Dividend income	0.04		0.04	
Interest income	203.56		239.60	
Net Cash inflow/(outflow) from Investing Activities - B		<b>428.45</b>		<b>(107.00)</b>



(Rs. in lakhs)

Particulars	Year Ended 31st March, 2018		Year Ended 31st March, 2017	
	Amount	Total	Amount	Total
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Repayment of Secured Borrowings	(2,316.96)		(2,577.62)	
Proceeds/(Repayment) of Unsecured Borrowings	562.97		(1,345.24)	
Finance costs	(3,532.22)		(3,753.21)	
<b>Net Cash outflow from Financing Activities - C</b>		<b>(5,286.21)</b>		<b>(7,676.07)</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>		<b>(223.49)</b>		<b>(322.48)</b>
<b>Cash and cash equivalents (Opening Balance)</b>		<b>484.54</b>		<b>807.02</b>
<b>Cash and cash equivalents (Closing Balance)</b>		<b>261.05</b>		<b>484.54</b>

**Note to Statement of cash flows :****- Components of Cash and cash equivalents as under :**

- Balance with Banks - Current Accounts	154.10	232.70
- Cheques, draft on hand/ remittance in transit	81.63	190.05
- Cash in Hand	24.32	51.29
- Deposits with Banks with original maturity of less than 3 months	1.00	10.50
	<b>261.05</b>	<b>484.54</b>

- Figures in brackets indicate cash outflow.

- The above Statement of cash flows has been prepared under the indirect method set out in Ind AS 7 - Statement of Cash Flows

**Significant Accounting Policies****1 to 3****Other Notes****For and on behalf of the Board of Directors**

V K Singhal  
Chief Financial Officer

Nidhi Goel  
Company Secretary  
(Membership No.26016)

Samir Thapar  
Chairman & Managing Director  
(DIN 00062287)

As per our Report of even date attached

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

Navdeep Singh Choudhary  
Partner  
Membership No.034979

**Directors**

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R S Samra (DIN 00375315)  
A K Doshi (DIN 02298644)  
A K Mohapatra (DIN 07811921)  
Priya Thapar (DIN 06742680)

Place : New Delhi  
Dated : 30<sup>th</sup> May, 2018



**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2018**

**(A) EQUITY SHARE CAPITAL**

For the year ended 31st March, 2018

(Rs. In Lakhs)

Balance as at 01st April, 2017	Changes in equity share capital during the year	Balance as at 31st March, 2018
14,953.15	-	14,953.15

For the year ended 31st March, 2017

(Rs. In Lakhs)

Balance as at 01st April, 2016	Changes in equity share capital during the year	Balance as at 31st March, 2017
14,619.82	333.33	14,953.15

**(B) PREFERENCE SHARE CAPITAL**

For the year ended 31st March, 2018

Balance as at 01st April, 2017	Changes in equity share capital during the year	Balance as at 31st March, 2018
-	-	-

For the year ended 31st March, 2017

(Rs. In Lakhs)

Balance as at 01st April, 2016	Changes in equity share capital during the year	Balance as at 31st March, 2017
1,000.00	(1,000.00)	-

**(C) OTHER EQUITY**

For the year ended 31st March, 2018

(Rs. In Lakhs)

Particulars	Retained Earnings	Capital Re- demption Reserve	Share Premium Account	Capital Reserve	Fair Value of Investments through OCI	Total
Balance as at 1st April, 2017	(19,307.65)	165.44	8,684.76	4,861.52	9.42	(5,586.51)
Add: Loss for the year	(3,604.33)	-	-	-	-	(3,604.33)
Less: Exchange fluctuation on premium on outstanding FCCBs (Refer note 19.2)	-	-	(0.81)	-	-	(0.81)
Other Comprehensive Loss for the year						
- Fair Value of Investments through OCI	-	-	-	-	-	-
- Re-measurements gains on defined benefit plans	203.82	-	-	-	-	203.82
Balance as at 31st March, 2018	(22,708.16)	165.44	8,683.95	4,861.52	9.42	(8,987.83)





**For the year ended 31st March, 2017**

**(Rs. In Lakhs)**

Particulars	Retained Earnings	Capital Re-demption Reserve	Share Premium Account	Capital Reserve	Fair Value of Investments through OCI	Total
<b>Balance as at 1st April, 2016</b>	<b>(17,273.06)</b>	<b>165.44</b>	<b>8,020.87</b>	<b>4,861.52</b>	<b>-</b>	<b>(4,225.23)</b>
Add: Loss for the year	(1,728.33)	-	-	-	-	<b>(1,728.33)</b>
Add: Premium on conversion of Optionally Convertible Preference Shares (OCPS) (Refer note 19.1(d))	-	-	666.67	-	-	<b>666.67</b>
Less: Exchange fluctuation on premium on outstanding FCCBs (Refer note 20.2)	-	-	(2.78)	-	-	<b>(2.78)</b>
Other Comprehensive Loss for the year						
- Fair Value of Investments through OCI	-	-	-	-	9.42	<b>9.42</b>
- Re-measurements losses on defined benefit plans	(306.26)	-	-	-	-	<b>(306.26)</b>
<b>Balance as at 31st March, 2017</b>	<b>(19,307.65)</b>	<b>165.44</b>	<b>8,684.76</b>	<b>4,861.52</b>	<b>9.42</b>	<b>(5,586.51)</b>

Significant Accounting Policies'

Note 1 to 3

Other Notes

39

**For and on behalf of the Board of Directors**

*V K Singhal*  
Chief Financial Officer

*Nidhi Goel*  
Company Secretary  
(Membership No.26016)

*Samir Thapar*  
Chairman & Managing Director  
(DIN 00062287)

As per our Report of even date attached  
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Chartered Accountants  
Firm Registration No. 008400N  
*Navdeep Singh Choudhary*  
Partner  
Membership No.034979

**Directors**

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*R S Samria* (DIN 00375315)  
*A K Doshi* (DIN 02298644)  
*A K Mohapatra* (DIN 07811921)  
*Priya Thapar* (DIN 06742680)

Place : New Delhi  
Dated : 30<sup>th</sup> May, 2018



## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018**

### **1. COMPANY INFORMATION**

JCT Limited ('the Company') is a public limited Company incorporated in India, with its registered office in Hoshiarpur (Punjab) and Corporate Office in New Delhi. The Company is listed on the Bombay Stock Exchange (BSE).

The Company is primarily a manufacturer of cloth and nylon filament yarn, with its manufacturing facilities at Phagwara and Hoshiarpur in Punjab.

The financial statements for the year ended March 31, 2018 were approved by the Board of Directors and authorized for issue on 30<sup>th</sup> May, 2018.

### **2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

#### **a. Compliance with Indian Accounting Standards :**

The financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Companies (Indian Accounting Standards) Rules, 2015, as amended by Companies (Indian Accounting Standards) Rules, 2017 and the other relevant provisions of the Companies Act, 2013. For all the periods upto and including year ended March 31, 2017, the Company prepared, its financial statements in accordance with the Accounting Standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). These financial statements are the first financial statements which have been prepared in accordance with the Ind AS. Reconciliation and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit & Loss and Statement of Cash Flows are provided in Note 39.12.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at April 1, 2016 being the date of transition to Ind AS. All the assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria as set out in Division II of Schedule III to the Companies Act, 2013.

#### **b. Historical Cost Convention**

The financial statements have been prepared on historical cost basis, except for the followings:

- Certain financial assets and liabilities that are measured at fair value,
- Assets held for sale – measured at fair value less cost to sell,

#### **c. Functional and presentation currency**

The financial statements are prepared in Indian Rupees ('Rs.'), which is the Company's functional and presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest lakhs with two decimal places, unless stated otherwise.

#### **d. Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it is: -

- expected to be realized, or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within 12 months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.



A liability is classified as current when it is:

- expected to be settled in the normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within 12 months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

All other liabilities are classified as non-current.

Operating Cycle:

The operating cycle is the time between acquisition of assets for processing and their realization in cash and cash equivalent. The Company has identified twelve months as its operating cycle.

**e. Use of estimates and judgments**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosure and the disclosure of contingent liabilities. Uncertainty about these estimates and assumptions could result in outcomes that requires material adjustments to the carrying amount of the assets and liabilities in future period/s.

These estimates and assumptions are based on the facts and events, that existed as at the date of Statement of Financial Position, or that occurred after that date but provide additional evidence about conditions existing as at the Statement of Financial Position date.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

**i. Useful lives of Property Plant and Equipment**

The Property, Plant and Equipment are depreciated, on a straight-line basis in the case of Plant & Machinery, Buildings and Data Processing Equipment and on written down value basis in the case of other assets, over their respective useful lives. Management estimates the useful lives of these assets as detailed in Note 3.1. Changes in the expected level of usage, technological developments, level of wear and tear could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised and could have an impact on the profit/loss in future years.

**ii. Retirement benefit obligation**

The cost of retirement benefits and present value of the retirement benefit obligations in respect of Gratuity and Leave Encashment is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, these retirement benefit obligations are sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the these obligations. The mortality rate is based on publically available mortality table for the specific countries. Future salary increases and pension increases are based on expected future inflation rates for the respective countries. Further details about the assumptions used, including a sensitivity analysis are given in Note 39.11.

**iii. Fair value measurement of financial instrument**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair



values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**iv. Impairment of Financial assets**

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**v. Impairment of non-Financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An assets recoverable amount is the higher of an assets's fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Property, Plant & Equipment**

Upon first time adoption of Ind AS, the Company has elected to measure all its property, plant & equipment, at the Previous Indian GAAP's carrying amount as its deemed cost on the date of transition to Ind AS i.e. 1<sup>st</sup> April, 2016.

Property, Plant & Equipment except those revalued are accounted for on historical cost basis (inclusive of the cost of installation and other incidental costs till commencement of commercial production) net of recoverable taxes, less accumulated depreciation and impairment loss, if any. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are added to the existing asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

Depreciation on property, plant & equipment is provided on pro-rata basis, on straight line basis in the case of Plant & Machinery, Buildings and Data Processing Equipment and on written down value basis in the case of other assets, over the useful life of the assets estimated by the management, in the manner prescribed in Schedule II of the Companies Act, 2013. The asset's residual values, useful lives and method of depreciation are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The useful lives in the following cases are different from those prescribed in Schedule II of the Companies Act, 2013.

Asset	Useful life as per Schedule II of the Companies Act 2013 (No. of Years)	Useful life as assessed/ estimated by the Company (No. of Years)
Buildings :		
- Factory	30	28



<b>Asset</b>	<b>Useful life as per Schedule II of the Companies Act 2013 (No. of Years)</b>	<b>Useful life as assessed/ estimated by the Company (No. of Years)</b>
- Other than Factory (RCC Frame Structure)	60	58
Plant & Machinery :		
- Textile Unit	15	22
- Filament Unit (continuous process)	25	18
Date Processing Equipments :		
- Computer Equipments	3	6
Electric Installation including gadgets	10	20
Tools & Implements		
- Textile Unit	7.5	9
- Filament Unit (continuous process)	15	22
Furniture & Fixtures	10	15
Office Equipments	5	20
Vehicles –Cars	8	10

Based on usage pattern, internal assessment and technical evaluation carried out by the technicians, the management believes that the useful lives as given above best represent the period over which the management expects to use these assets. Hence the useful lives of these assets is different from the lives as prescribed in Schedule II of the Companies Act, 2013.

Depreciation on additions to assets or on sale/disposal of assets, is calculated pro rata from the month of such addition or upto the month prior to date of sale/disposal, as the case may.

Leasehold improvements are amortised over the primary period of lease.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as “Capital work-in-progress”.

### **3.2 Financial Instruments**

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **(i) Financial Assets**

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument.

#### **(a) Initial recognition and measurement**

At initial recognition, all financial assets are recognized at its fair value plus, in the case of a financial asset not carried at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### **(b) Classification and subsequent measurement**

For the purpose of subsequent measurement, financial assets are classified in the following categories:



- a. Financial assets measured at amortized cost;
- b. Financial assets measured at fair value through other comprehensive income (FVTOCI); and
- c. Financial assets measured at fair value through profit and loss (FVTPL)

Where financial assets are measured at fair value, gains and losses are either recognized entirely in the Statement of Profit and Loss (i.e. fair value through profit and loss), or recognized in other comprehensive income (i.e. fair value through Other Comprehensive Income).

The classification of financial assets depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.

(1) Financial assets measured at amortized cost:

A financial asset is measured at amortized cost if both the following conditions are met:

- Business Model Test: The objective of the business model is to hold financial asset in order to collect contractual cash flows (rather than to sell the asset prior to its financial maturity to realize its fair value changes); and
- Cash Flow Characteristics Test: Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most relevant to the Company. After initial measurement, such financial asset are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in interest income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit or loss. This category generally applies to trade receivables, deposits with banks, security deposits, investment in debt instruments, cash and cash equivalents and employee loans, etc.

(2) Financial instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI):

A financial instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- Business Model Test: The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and
- Cash Flow Characteristics Test: The Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

Financial instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value. Fair value movements are recognized in Other Comprehensive Income (OCI) except for the recognition of interest income, impairment gains and losses and foreign exchange gain and losses which are recognized in the Statement of Profit and Loss. This category generally applies to non-current investments in un-quoted equity instruments. .

(3) Financial instruments measured at Fair Value Through Profit and Loss (FVTPL)

Fair Value Through Profit and Loss is a residual category. Any financial instrument, which does not meet the criteria for categorization as at amortized cost or fair value through other comprehensive income is classified as FVTPL. Financial instruments included in FVTPL category are measured initially as well as at each reporting period at fair value. Fair value movements i.e. gain or loss and interest income are recorded in Statement of Comprehensive Income.

**(c) Impairment of financial assets**

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial Assets measured at amortized cost;
- Financial Assets measured at FVTOCI.

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible defaults events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Financial assets that are debt instruments, and are measured at amortized cost i.e. trade receivables, deposits with banks, security deposits and employee loans etc.
- Financial assets that are debt instruments, and are measured at FVTOCI. The Company as at the Balance Sheet date is not having any such instruments.

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The trade receivables are initially recognized at the sale/recoverable value and are assessed at each Balance Sheet date for collectability. Trade receivables are classified as current assets, if collection is expected within twelve months as at Balance Sheet date, if not, they are classified under non-current assets.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months (Expected Credit Loss) ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on timely basis.

**(d) Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's Balance Sheet date) when:

- a. The rights to receive cash flows from the asset have been expired/transferred, or
- b. The Company retains the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has substantially transferred all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. When the Company has not transferred substantially all the risks and rewards of ownership of a financial asset, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. When the entity retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.



**(ii) Financial Liabilities**

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

**(a) Initial recognition and measurement**

All financial liabilities are recognized initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include loans, borrowings, trade payables, security deposits and other payables etc..

**(b) Subsequent measurement**

All the financial liabilities after initial recognition at fair value, are subsequently measured at amortized cost using EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and costs or fee that is an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

**(c) Financial Guarantee Contract**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

**(d) Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

**(iii) Offsetting of financial instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**3.3 Inventories**

The Inventories are carried in the Balance Sheet as follows:

- a. Raw materials and stores & spares : At lower of cost, on weighted average basis and net realisable Value
- b. Finished goods and stock-in-process : At lower of cost, and net realizable value. Cost include cost of inputs, conversion costs and other costs incurred in bringing finished goods and stock-in-process, to their present location and condition.
- c. Obsolete, defective and unserviceable : Such stocks are duly provided for, and are valued at net realisable value.

The net-realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make sale.

**3.4 Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits with banks which are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.



### **3.5 Impairment of Non-Financial Assets**

The Company assesses, at each reporting date, using external and internal sources, whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous period/s. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying value of an asset exceeds its recoverable amount.

The recoverable amount is determined:

- in the case of an individual asset, at the higher of the asset's fair value less cost of sell and value in use; and
- in the case of cash generating unit (a group of assets that generates identified, independent cash flows) at the higher of the cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that effects current market assessments of the time value of money and the risks specific to that asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An impairment loss for an asset is reversed, if and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized, the carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss being recognized for the asset in prior year/s.

### **3.6 Provisions and Contingent Liabilities**

#### **a) Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation, at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### **b) Contingent Liabilities**

A disclosure for a contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation arising as a result of past event that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

### **3.7 Revenue Recognition**

- a) Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods are transferred to the buyer, there is no continuing managerial involvement nor effective control with the goods, the associated costs and the amount of revenue can be measured reliably and it is probable that the economic benefit associated with the transaction will flow to the Company.

It is measured at fair value of the consideration received or receivable, after deduction of sales returns, trade discount, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, goods and service tax etc.



- b) Revenue from rendering of services is recognized when the performance of agreed contractual task has been completed.
- c) Interest income is recognized on time proportion basis taking into account the amount outstanding and applicable interest rates.
- d) Sale of certificates under Renewable Energy Certificates (REC) mechanism is recognized on sale of certificates.
- e) Certified Emission Reduction (CER) is recognised as income on the generation of CER and as certified by the relevant authority.
- f) Export benefit entitlements under the duty entitlement pass book (DEPB) scheme are recognised in the Statement of Profit and Loss 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.

### **3.8 Government Grants / Subsidy**

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 grant received for a specific asset is recognised as income in equal amounts over the expected useful life of the related asset.

### **3.9 Employee Benefits**

#### **a. Short Term Employee Benefits**

All Employee benefits payable within twelve months of rendering the services are classified as short term benefits. Such benefits include salaries, wages, bonus, awards, ex-gratia etc. and the same are recognized in the period in which the employee renders the related services.

#### **b. Defined contribution plan:**

The Company's approved provident fund scheme, pension fund, employees' state insurance fund scheme, employees' pension scheme and employees' superannuation scheme are defined contribution plans. The Company has no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.

#### **c. Defined Benefit Plan**

The employees' Gratuity fund scheme is the Company's defined benefit plan and is managed by a Trust. The liability with respect to gratuity is determined based on the actuarial valuation on projected unit credit method as at the balance sheet date. The difference, if any, between the actuarial valuation and the balance of the funds maintained by the Trust, is provided for as liability / assets in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

#### **d. Other Long Term Benefit**

The liability towards encashment of the employees' long term compensated absences, which are partly encashable during the service period and balance at the time of retirement / separation of the employees is determined based on the actuarial valuation on projected unit credit method as at the balance sheet date. Re-measurement, comprising of actuarial gains and losses, are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

### **3.10 Operating leases**

Operating leases where the lessor effectively retains substantially all the risks and benefits of ownership over the leased term are classified as operating leases. Operating lease rentals are recognized as an expense in the statement of profit and loss on straight line basis over the lease term, unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor in expected inflationary cost increase.



### **3.11 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 year end exchange rates. Exchange rate differences arising on settlement of transaction and translation of monetary items are recognized as income or expenses in the year in which they arise.

Non- monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Premium or discount on forward exchange contract is amortised as income or expense over the life of the contract. Exchange difference on such contract is recognized in the Statement of Profit and Loss in the reporting period in which the exchange rate changes. Any profit or loss arising on cancellation or renewal of forward contract is recognized as income or expenditure during the period.

### **3.12 Taxation**

Tax expense for the year comprises of Current Tax and Deferred Tax.

#### **a. Current Tax**

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.

#### **b. Deferred Tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

### **3.13 Intangible Assets:**

Upon first time adoption of Ind AS, the Company has elected to measure its intangible assets at the Previous GAAP's carrying amount as its deemed cost on the date of transition to Ind AS i.e. 1st April, 2016.

Intangible assets which consist of computer software, are initially measured at cost and subsequently carried at cost less any accumulated amortization and accumulated impairment losses, if any. It is amortized over a period of 5 years or license period on straight line basis, whichever is lower.

### **3.14 Non-Current assets held for sale and discontinued operations**

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should



be expected to qualify for recognition as a completed sale within one year from the date of classification. In case said criteria is no longer met, the non-current assets and disposal groups classified as held for sale ceases to be held for sale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the Statement of Profit and Loss.

Assets and liabilities classified as held for distribution are presented separately from other assets and liabilities in the Balance Sheet.

A disposal group qualifies as discontinued operation if it is a component of the Company that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, Or
- is a subsidiary acquired exclusively with a view to resale.

No depreciation / amortization is charged once the non-current asset is classified as held for sale or while it is part of a disposal group classified as held for sale.

In case above criteria is no longer met, the non-current assets and disposal groups classified as held for sale ceases to be held for sale.

### **3.15 Earnings per Share:**

Basic earnings per share is calculated by dividing net profit or loss of the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### **3.16 Segment Accounting:**

The Operational Head monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated on profit or loss and is measured consistently with profit or loss in the financial statements.

The Operating Segments have been identified on the basis of the nature of products.

1. Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.
2. Expenses that are directly identifiable with / allocable to segments are considered for determining the segments result. Expenses which relate to the Company as a whole and not allocable to segments are included under un-allocable expenditure.
3. Income which relates to the Company as a whole and not allocable to segments is included in un-allocable income.
4. Segment result includes margins on inter – segment sales, which are adjusted while arriving at the results of the Company as a whole.
5. Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

#### **Inter-Segment transfer pricing**

Inter Segment transfers of goods, as marketable products produced by separate segments, for captive consumption are made as if sales were made to third parties at current market prices and are included in Turnover of the respective Segment.



(Rs. in lakhs)

**NOTE-4 - PROPERTY, PLANT AND EQUIPMENT (As at 31st March, 2018)**

Description	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at 01.04.2017	Additions during the year	Sales/ disposal/ transfers during the year	As at 31.03.2018	As at 01.04.2017	For the year	Sales/ disposal/ transfers during the year	As at 31.03.2018	As at 31.03.2017
<b>(I) Tangible Assets</b>									
Land freehold	14,832.24	-	72.38	14,759.86	-	-	-	14,759.86	14,832.24
Buildings	6,491.31	20.89	-	6,512.20	302.29	301.81	-	5,908.10	6,189.02
Plant and Machinery	15,937.29	372.53	142.59	16,067.23	2,651.29	2,622.05	18.66	10,812.55	13,186.00
Data processing equipment	110.21	8.01	3.55	114.67	22.98	20.93	1.18	71.94	87.23
Electric installation	184.14	1.30	7.77	177.67	14.66	13.49	0.55	150.07	169.48
Tools & implements	6.82	0.73	0.01	7.54	0.70	0.63	-	6.21	6.12
Furniture & fixtures	105.71	6.35	0.24	111.82	18.93	14.40	0.42	78.91	86.78
Office Equipments	9.88	0.16	-	10.04	1.42	1.19	-	7.43	8.46
Vehicles	295.99	46.28	8.10	334.17	71.21	60.68	2.42	204.70	224.78
Leasehold Improvements	6.12	-	-	6.12	3.40	2.72	-	-	2.72
<b>Sub Total</b>	<b>37,879.71</b>	<b>456.25</b>	<b>234.64</b>	<b>38,101.32</b>	<b>3,086.88</b>	<b>3,037.90</b>	<b>23.23</b>	<b>31,999.77</b>	<b>34,792.83</b>
Capital Work-in-progress (Refer note 4.2)	315.42	517.27	544.36	288.33	-	-	-	288.33	315.42
<b>Total</b>	<b>38,195.13</b>	<b>973.52</b>	<b>779.00</b>	<b>38,389.65</b>	<b>3,086.88</b>	<b>3,037.90</b>	<b>23.23</b>	<b>32,288.10</b>	<b>35,108.25</b>
<b>(II) Intangible Assets (other than internally generated)</b>									
Computer Software	30.28	182.71	-	212.99	16.92	11.46	-	184.71	13.46
<b>Total</b>	<b>30.28</b>	<b>182.71</b>	<b>-</b>	<b>212.99</b>	<b>16.92</b>	<b>11.46</b>	<b>-</b>	<b>184.71</b>	<b>13.46</b>



**PROPERTY, PLANT AND EQUIPMENT (As at 31st March, 2017)**

(Rs. in lakhs)

Description	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As at 01.04.2016	Additions during the year	Sales/disposal/ transfers during the year	As at 31.03.2017	As at 01.04.2016	For the year	Sales/ disposal/ transfers during the year	As at 31.03.2017	As at 01.04.2016
<b>(I) Tangible Assets</b>									
Land freehold	14,899.80	-	67.56	14,832.24	-	-	-	14,832.24	14,899.80
Buildings	6,437.52	65.72	11.93	6,491.31	-	302.29	-	6,189.02	6,437.52
Plant and Machinery (Refer note 4.3)	14,901.82	1,044.08	108.61	15,837.29	-	2,651.61	0.32	13,186.00	14,901.82
Data processing equipment	101.69	11.53	3.01	110.21	-	23.43	0.45	87.23	101.69
Electric installation	166.39	24.74	6.99	194.14	-	14.90	0.24	169.48	166.39
Tools & implements	4.64	2.20	0.02	6.82	-	0.70	-	6.12	4.64
Furniture & fixtures	99.51	9.75	3.55	105.71	-	19.21	0.28	86.78	99.51
Office Equipments	9.24	0.65	0.01	9.88	-	1.42	-	8.46	9.24
Vehicles	227.69	97.50	29.20	295.99	-	75.21	4.00	224.78	227.69
Leasehold Improvements	6.12	-	-	6.12	-	3.40	-	2.72	6.12
Scrap (value of Discarded assets)	-	4.00	4.00	-	-	-	-	-	-
<b>Subtotal</b>	<b>36,854.42</b>	<b>1,260.17</b>	<b>234.88</b>	<b>37,879.71</b>	-	<b>3,092.17</b>	<b>5.29</b>	<b>3,086.88</b>	<b>36,854.42</b>
Capital Work-in-progress (Refer note 4.2)	128.13	1,269.51	1,082.22	315.42	-	-	-	315.42	128.13
<b>Total</b>	<b>36,982.55</b>	<b>2,529.68</b>	<b>1,317.10</b>	<b>38,195.13</b>	-	<b>3,092.17</b>	<b>5.29</b>	<b>35,108.25</b>	<b>36,982.55</b>
<b>(II) Intangible Assets (other than internally generated)</b>									
Computer Software	28.54	1.74	-	30.28	-	16.82	-	13.46	28.54
<b>Total</b>	<b>28.54</b>	<b>1.74</b>	<b>-</b>	<b>30.28</b>	-	<b>16.82</b>	<b>-</b>	<b>13.46</b>	<b>28.54</b>

4.1 Refer 'Para-3.1' of Significant Accounting Policies' for depreciation on property, plant and equipment.

4.2 Capital Work-in-progress represents assets under construction / installation and includes under noted pre-operative expenditure pending allocation on commencement of commercial production:

Particulars	As at 01.04.2017 (Rs. in lakhs)	Additions (Rs. in lakhs)	Less: Capitalised/ Adjusted (Rs. in lakhs)	As at 31.03.2018 (Rs. in lakhs)	As at 01.04.2016 (Rs. in lakhs)	Additions (Rs. in lakhs)	Less: Capitalised/ Adjusted (Rs. in lakhs)	As at 31.03.2017 (Rs. in lakhs)
Legal & Professional fees	69.67	18.42	13.26	74.83	71.18	0.01	1.52	69.67
Miscellaneous	0.05	-	0.05	-	0.05	-	-	0.05
Travelling and conveyance	0.99	14.09	14.56	0.52	-	0.99	-	0.99
<b>Total</b>	<b>70.71</b>	<b>32.51</b>	<b>27.87</b>	<b>75.35</b>	<b>71.23</b>	<b>1.00</b>	<b>1.52</b>	<b>70.71</b>

4.3 The Company has continued to adjust the foreign currency exchange variation on amounts borrowed (FCCBs), for acquisition of property, plant and equipment, to the carrying cost of property, plant and equipment, since 2006 when the related borrowing originated, which is in accordance with para D13AA Ind AS 101. This has resulted in increase in property, plant and equipment by Rs. 3.33 lakhs (Previous year : decrease by Rs. 97.02 lakhs), with corresponding increase / decrease in FCCBs borrowing.





**5. NON CURRENT INVESTMENTS**

(Rs. in lakhs)

	<b>As at 31st March, 2018</b>		<b>As at 31st March, 2017</b>		<b>As at 1st April, 2016</b>	
	<b>Nos.</b>	<b>Amount</b>	<b>Nos.</b>	<b>Amount</b>	<b>Nos.</b>	<b>Amount</b>
<b>In Equity Shares - Unquoted, fully paid up</b>						
<u>Carried at fair value through other comprehensive income</u>						
- Preeti Vanijya (P) Ltd. of Rs. 10/- each	<b>52,312</b>	<b>117.68</b>	52,312	117.68	52,312	110.11
- Nimbua Greenfield (Punjab) Ltd. of Rs. 10/- each	<b>28,125</b>	<b>37.62</b>	28,125	37.62	28,125	35.77
- The New India Cooperative Bank Ltd. of Rs. 10/- each	<b>3,260</b>	<b>0.33</b>	3,260	0.33	3,260	0.33
<b>TOTAL</b>		<b>155.63</b>		<b>155.63</b>		<b>146.21</b>
<b>Aggregate amount of Unquoted investments</b>		<b>155.63</b>		<b>155.63</b>		<b>146.21</b>
Aggregate amount of impairment in value of investments		<b>300.82</b>		<b>300.82</b>		<b>308.39</b>

- 5.1** The above does not include the investment of 10,631,900 equity shares of face value of Re. 1 each of JCT Electronics Limited (an erstwhile Associate Company). The said investment though held by the Company has been fully impaired and written off in the financial statements of the earlier year/s. The Company has given an undertaking to a financial Institution and a bank of JCT Electronics Limited that the Company would not dispose off, pledge, charge, or create any lien, assign, 39,33,000 equity shares and also has pledged 42,87,000 equity share with a financial institution for financial facility availed by JCT Electronics Limited.

**6. LOANS**

(Rs. in lakhs)

	<b>As at 31st March, 2018</b>	<b>As at 31st March, 2017</b>	<b>As at 1st April, 2016</b>
(Unsecured, considered good)			
Loan to employees	<b>9.35</b>	23.00	78.61
Security Deposits	<b>388.41</b>	310.23	361.05
<b>TOTAL</b>	<b>397.76</b>	<b>333.23</b>	<b>439.66</b>

**7. OTHER NON-CURRENT FINANCIAL ASSETS**

(Rs. in lakhs)

	<b>As at 31st March, 2018</b>	<b>As at 31st March, 2017</b>	<b>As at 1st April, 2016</b>
Margin money deposits with Banks (refer note 7.1)	<b>44.79</b>	27.81	48.38
<b>TOTAL</b>	<b>44.79</b>	<b>27.81</b>	<b>48.38</b>

- 7.1** Under lien with banks for guarantee and letter of credit facilities.

**8. NON-CURRENT TAX ASSETS (NET)**

(Rs. in lakhs)

	<b>As at 31st March, 2018</b>	<b>As at 31st March, 2017</b>	<b>As at 1st April, 2016</b>
Advance income tax (Net of provisions)	<b>101.25</b>	82.02	48.03
<b>TOTAL</b>	<b>101.25</b>	<b>82.02</b>	<b>48.03</b>



**9 OTHER NON CURRENT ASSETS**

(Rs. in lakhs)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Unsecured, considered good)			
Capital Advances	68.95	65.34	307.88
Prepaid Expenses	34.51	39.64	33.86
<b>TOTAL</b>	<b>103.46</b>	<b>104.98</b>	<b>341.74</b>

**10 INVENTORIES**

(Rs. in lakhs)

	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Valued at lower of Cost and Net Realisable Value, Refer Note 3.3 for the Accounting Policy)				
Raw Materials	10.1	1,823.88	1,994.87	1,766.09
- in Transit		440.19	2,264.07	499.34
Stock-in-process		7,917.68	6,871.77	6,413.57
Finished Goods		4,406.38	4,840.17	5,033.45
- in Transit		51.28	4,457.66	43.19
Stores and Spares		1,766.96	1,979.38	2,264.77
- in Transit		52.01	1,818.97	92.47
<b>TOTAL</b>		<b>16,458.38</b>	<b>16,321.19</b>	<b>16,330.90</b>

10.1 Includes Rs.741.53 lakhs (Rs. 448.84 lakhs and Rs. 332.27 lakhs as at 31st March, 2017 and 1st April, 2016 respectively) lying with outside parties/creditors.

**11 CURRENT INVESTMENTS**

(Rs. in lakhs)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
	Nos. Amount	Nos. Amount	Nos. Amount
<b>In Debentures of Associate Company - Unquoted, fully paid up</b>			
<u>Carried at amortised cost</u>			
- Optionally Convertible Zero Rate Debentures of KCT Textiles Ltd. of Rs.70/- each (refer note 11.1)	15,200 10.64	15,200 10.64	78,512 54.96
<b>TOTAL</b>	<b>10.64</b>	<b>10.64</b>	<b>54.96</b>
<b>Aggregate amount of Unquoted investments</b>	<b>10.64</b>	<b>10.64</b>	<b>54.96</b>
Aggregate amount of impairment in value of investments	Nil	Nil	Nil

11.1 63,312 Debentures of Rs. 44.32 lakhs redeemed during the earlier year.



**12 TRADE RECEIVABLES**

(Rs. in lakhs)

	<b>As at 31st March, 2018</b>	<b>As at 31st March, 2017</b>	<b>As at 1st April, 2016</b>
Unsecured, considered good	<b>5,312.16</b>	6,713.97	8,020.67
Unsecured, considered doubtful	<b>208.94</b>	180.32	251.69
Gross	<b>5,521.10</b>	6,894.29	8,272.36
Less: Impairment allowance for trade receivables considered doubtful	<b>(208.94)</b>	<b>(180.32)</b>	<b>(251.69)</b>
<b>TOTAL</b>	<b><u>5,312.16</u></b>	<b><u>6,713.97</u></b>	<b><u>8,020.67</u></b>

12.1 Refer note 39.15 for information about credit and market risk of trade receivables.

12.2 Trade receivables are usually non-interest bearing and on the trade terms of 60 days.

**13 CASH AND CASH EQUIVALENTS**

(Rs. in lakhs)

	<b>Note No.</b>	<b>As at 31st March, 2018</b>	<b>As at 31st March, 2017</b>	<b>As at 1st April, 2016</b>
Balance with Banks - Current Accounts		<b>154.10</b>	232.70	656.34
Cheques, draft on hand/ remittance in transit		<b>81.63</b>	190.05	137.91
Cash in Hand		<b>24.32</b>	51.29	12.77
Deposits with Banks with original maturity of less than 3 months	<b>1.00</b>	<b>261.05</b>	10.50	484.54
<b>TOTAL</b>		<b><u>261.05</u></b>	<b><u>484.54</u></b>	<b><u>807.02</u></b>

13.1 There are no restriction with regard to cash and cash equivalents as at the end of reporting period and prior periods.

**14 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

(Rs. in lakhs)

	<b>Note No.</b>	<b>As at 31st March, 2018</b>	<b>As at 31st March, 2017</b>	<b>As at 1st April, 2016</b>
Balance with Banks	14.1	<b>0.35</b>	0.37	4.23
Fixed Deposits held as Margin Money	14.2	<b>725.66</b>	786.22	666.66
Post Office Savings Accounts (lodged as security)	14.3	<b>0.19</b>	0.19	786.78
<b>TOTAL</b>		<b><u>726.20</u></b>	<b><u>786.78</u></b>	<b><u>671.08</u></b>

14.1 Includes Rs.Nil (Rs. NIL and Rs. 3.85 lakhs as at 31st March, 2017 and 1st April, 2016 respectively) earmarked for redemption of preference shares and Rs. 0.35 lakhs (Rs. 0.37 lakhs and Rs. 0.38 lakhs as at 31st March, 2017 and 1st April, 2016 respectively) against employees' security deposits.

14.2 Under lien with banks for guarantee and letter of credit facilities.

14.3 Pledged as security against postal franking machine facility.

**15 LOANS**

(Rs. in lakhs)

	<b>As at 31st March, 2018</b>	<b>As at 31st March, 2017</b>	<b>As at 1st April, 2016</b>
(Unsecured, considered good)			
Loans to employees	<b>6.87</b>	9.55	30.65
Security Deposits	<b>10.23</b>	47.34	8.61
<b>TOTAL</b>	<b><u>17.10</u></b>	<b><u>56.89</u></b>	<b><u>39.26</u></b>



**16 OTHER CURRENT FINANCIAL ASSETS**

(Rs. in lakhs)

	<b>Note No.</b>	<b>As at 31st March, 2018</b>	<b>As at 31st March, 2017</b>	<b>As at 1st April, 2016</b>
(Unsecured, considered good, unless stated otherwise)				
Interest Subsidy under Technology Upgradation Fund Scheme				
- Unsecured, considered good		<b>377.42</b>	329.01	1,081.85
- Unsecured, considered doubtful		<b>783.25</b>	783.25	338.44
Less : Impairment allowance for considered doubtful		<b>(783.25)</b>	<b>(783.25)</b>	<b>(329.01)</b>
Interest accrued on deposits / loans		<b>67.78</b>	79.11	89.28
Others	16.1			
- Unsecured, considered good		<b>421.43</b>	183.63	148.24
- Unsecured, considered doubtful		<b>2.30</b>	2.30	2.30
Less: Impairment allowance for considered doubtful		<b>(2.30)</b>	<b>(2.30)</b>	<b>(2.30)</b>
<b>TOTAL</b>		<b>866.63</b>	<b>591.75</b>	<b>1,319.37</b>

16.1 Others comprise receivables on account of export incentives, CER receivable, DEPB receivable, interest receivable, rent receivable, claims etc.

**17 OTHER CURRENT ASSETS**

(Rs. in lakhs)

	<b>Note No.</b>	<b>As at 31st March, 2018</b>	<b>As at 31st March, 2017</b>	<b>As at 1st April, 2016</b>
Prepaid Expenses		<b>39.43</b>	35.44	96.36
Others				
- Unsecured, considered good	17.1	<b>2,991.93</b>	1,547.46	1,280.11
- Unsecured, considered doubtful		<b>342.99</b>	343.27	372.39
(Less): Provision for doubtful debts		<b>(342.99)</b>	<b>(343.27)</b>	<b>(372.39)</b>
<b>TOTAL</b>		<b>3,031.36</b>	<b>1,582.90</b>	<b>1,376.47</b>

17.1 Others comprise of advance against raw materials, stores and spares, excise duty recoverable, CENVAT recoverable etc.

**18 ASSETS CLASSIFIED AS HELD FOR SALE**

(Rs. in lakhs)

	<b>Note No.</b>	<b>As at 31st March, 2018</b>	<b>As at 31st March, 2017</b>	<b>As at 1st April, 2016</b>
<b>Assets</b>				
Land	18.1	<b>108.27</b>	111.27	149.88
<b>Total Assets</b>		<b>108.27</b>	<b>111.27</b>	<b>149.88</b>

18.1 In the earlier years, the operations of Textile Unit at Sriganganagar were discontinued, and the assets thereof have been disposed off/transferred, except the portion of land, which has been classified as held for sale and is being measured at the carrying amount, as expected net realisable value thereof is higher.



**19 SHARE CAPITAL**

(Rs. in lakhs)

	Note No.	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
		No.	Amount	No.	Amount	No.	Amount
<b>19A EQUITY SHARE CAPITAL</b>							
<b>Authorised:</b>							
Equity Shares of Rs. 2.50 each		70,00,00,000	17,500.00	70,00,00,000	17,500.00	70,00,00,000	17,500.00
			<u>17,500.00</u>		<u>17,500.00</u>		<u>17,500.00</u>
<b>Issued, Subscribed and Fully Paid up:</b>							
Equity Shares of Rs. 2.50 each	19.1-19.2	59,81,25,982	14,953.15	59,81,25,982	14,953.15	58,47,92,649	14,619.82
			<u>14,953.15</u>		<u>14,953.15</u>		<u>14,619.82</u>
<b>19B PREFERENCE SHARE CAPITAL</b>							
<b>Authorised:</b>							
Redeemable Preference Shares of Rs. 100 each		25,00,000	2,500.00	25,00,000	2,500.00	25,00,000	2,500.00
			<u>2,500.00</u>		<u>2,500.00</u>		<u>2,500.00</u>
<b>Issued, Subscribed and Fully Paid up:</b>							
Optionally Convertible Preference Shares (OCPS) of Rs. 100 each	19.1(d)	-	-	-	-	10,00,000	1,000.00
			-		-		1,000.00

19.1 Aggregate number of Equity Shares issued as fully paid without payment being received in cash during the period of five years immediately preceding the Balance Sheet date.

- 11,59,54,059 Equity Shares of Rs. 2.50 per share fully paid up at par aggregating Rs. 2,898.86 lakhs to Foreign Currency Convertible Bond (FCCBs) holders in settlement of their dues for FCCBs of US\$ 12.93 million on preferential basis.
- 4,08,80,000 Equity Shares of Rs. 2.50 per share fully paid up at par aggregating to Rs. 1,022 lakhs each to secured lenders and a promoter company on preferential basis in terms of the Corporate Debt Restructuring (CDR) Scheme approved on 21.09.2012.
- 2,80,00,000 Equity Shares of Rs. 2.50 per share fully paid up aggregating Rs. 700 lakhs at a premium of Rs. 2.50 per share aggregating to another Rs. 700 lakhs. These shares related to 14,00,000 Optionally Convertible Preference Shares (OCPS) of Rs. 100 each.
- 1,33,33,333 Equity Shares of Rs. 2.50 per share fully paid up aggregating Rs. 333.33 lakhs at a premium of Rs. 5.00 per share aggregating to another Rs. 666.67 lakhs. These shares have a lock in period upto 30.05.2019. These shares related to 10,00,000 Optionally Convertible Preference Shares (OCPS) of Rs. 100 each.

19.2 The rights, powers and preferences relating to equity share and the qualifications, limitations and restrictions thereof are contained in the Memorandum and Articles of Association of the Company. The Company has only one class of equity shares having a par value of Rs. 2.50 per share. The principle rights are as follows:

- Each holder of equity share is entitled to one vote per share.
- The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.



**19.3 Reconciliation of Shares Outstanding:**

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Nos.	Rs. in Lakhs	Nos.	Rs. in Lakhs	Nos.	Rs. in Lakhs
<b>Equity Shares</b>						
At the beginning of the year	598,125,982	14,953.15	584,792,649	14,619.82	584,792,649	14,619.82
Add: Issued, Subscribed and Fully paid up (Refer note no. 19.1 (d))	-	-	13,333,333	333.33	-	-
At the end of the year	598,125,982	14,953.15	598,125,982	14,953.15	584,792,649	14,619.82
<b>OCPS</b>						
At the beginning of the year	-	-	1,000,000	1,000.00	1,000,000	1,000.00
(Less): Converted into equity shares (Refer note no. 19.1 (d))	-	-	(1,000,000)	(1,000.00)	-	-
At the end of the year	-	-	-	-	1,000,000	1,000.00

**19.4 Details of Shareholders holding more than 5% shares:**

Name of the Shareholder	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
<b>Equity Shares</b>						
Provestment Securities Private Limited	14,54,27,667	24.31	14,54,27,667	24.31	13,20,94,334	22.59
KCT Textiles Limited	9,05,45,111	15.14	9,05,45,111	15.14	9,05,45,111	15.48
ELM Park Fund Limited, Mauritius	5,38,19,225	9.00	5,38,19,225	9.00	5,38,19,225	9.20
Musk Holdings Limited, Mauritius	4,41,95,092	7.39	4,41,95,092	7.39	4,41,95,092	7.56
<b>OCPS</b>						
Provestment Securities Private Limited (Refer note no. 19.1 (d))	-	-	-	-	1,000,000	100

**20 OTHER EQUITY**

(Rs. in lakhs)

	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Capital Redemption Reserve</b>	20.1(a)			
As per last account		165.44	165.44	165.44
<b>Share Premium Account</b>	20.1(b)			
As per last account		8,684.76	8,020.87	8,020.87
Add: Premium on issue of Equity Share on conversion of Optionally Convertible Preference Shares (OCPS)	19.1 (d)	-	666.67	-
(Less): Exchange fluctuation on premium on outstanding FCCBs	20.2	(0.81)	(2.78)	-
<b>Capital Reserve</b>	20.1(c)			
As per last account		4,861.52	4,861.52	4,861.52
<b>Retained Earnings</b>	20.1(d)			
<b>Debit balance in Statement of Profit and Loss</b>				
As per last account		(19,307.65)	(17,273.06)	(17,273.06)
Less/(Add): Re-measurements gain / (losses) on defined benefit plans		203.82	(306.26)	-
(Add): Loss for the year		(3,604.33)	(1,728.33)	(17,273.06)
<b>Items of Other Comprehensive Income</b>				
- Fair Value of Investments through OCI		9.42	9.42	-
<b>TOTAL</b>		<u>(8,987.83)</u>	<u>(5,586.50)</u>	<u>(4,225.23)</u>



**20.1 Nature and purpose of reserves**

- (a) Capital Redemption Reserve: The Capital Redemption Reserve has been created, by appropriation of profit on Redemption of Cumulative Preference Shares.
- (b) Share Premium Account: The amount received in excess of the face value of equity shares is recognized in Share Premium Account. This is net of amount appropriated against issue of Bonus Shares. Redemption premium payable to FCCB Holders at the time of maturity and gain/(loss) on such liability has also been adjusted against share premium account.
- (c) Capital Reserve: The Reserve has been created from Capital Gain earned on settlement of (FCCBs) by issue of Equity Shares of Rs.2.50 each as fully paid up.
- (d) Retained Earnings: Retained Earnings is net of the profits earned and losses suffered by the Company till date, less transfers to any Reserve, dividends or other distributions to shareholders.

20.2 Loss on exchange fluctuation of Rs 0.81 lakhs (Previous Year : Rs. 2.78 lakhs) on US\$ 2.01 million payable towards redemption premium on matured 2.5% FCCBs of US\$ 8.32 million has been adjusted against share premium account as the said premium had already been provided for and adjusted against share premium account in earlier years / periods.

**21 BORROWINGS**

(Rs. in lakhs)

	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
		Non Current	Current	Non Current
<b>(a) Secured</b>				
Term loans from:	21.4.a			
- Banks	21.1.1	3,651.27	2,923.62	6,363.39
- Others	21.1.2	27.60	33.69	59.37
<b>TOTAL (a)</b>		<b>3,678.87</b>	<b>2,957.31</b>	<b>6,422.76</b>
<b>(b) Unsecured</b>				
Foreign Currency Convertible Bonds (FCCBs) (including premium payable on redemption of Rs. 1,322.55 lakhs (Rs. 1,321.74 lakhs and Rs. 1,569.53 lakhs as at 31st March, 2017 and 1st April, 2016 respectively)	21.2	-	6,785.32	-
Fixed Deposits from Public	21.3	-	365.84	130.80
Loan from related parties	21.4.b	480.00	14.87	411.26
<b>TOTAL (b)</b>		<b>480.00</b>	<b>7,166.03</b>	<b>777.10</b>
<b>TOTAL (a+b)</b>		<b>4,158.87</b>	<b>10,123.34</b>	<b>7,199.86</b>
Less: Amount disclosed under the head "Other current financial liabilities"	27	-	(10,123.34)	(9,669.87)
<b>Net amount</b>		<b>4,158.87</b>	<b>-</b>	<b>13,333.69</b>

21.1	Nature of Security:	
21.1.1	Term Loans from Banks:	
a.	Rs.6,533.31.lakhs (Rs. 8,969.77 lakhs and Rs. 11,545.87 lakhs as at 31st March, 2017 and 1st April, 2016 respectively) and interest accrued & due of Rs. 80.01 lakhs (Rs. 107.79 lakhs and Rs. 143.74 lakhs as at 31st March, 2017 and 1st April, 2016 respectively)	(a) First Charge ranking pari-passu by way of hypothecation of entire movable assets of the Company including plant & machinery, machinery spares, tools and accessories etc. (both present & future) and equitable mortgage, by deposit of title deeds, of all the immoveable properties of the Company (both present & future) including land, buildings, and tenements constructed/to be constructed thereon. (b) Second Charge ranking pari-passu by way of hypothecation of entire current assets of the Company including book debts. (c) Personal guarantees of Chairman and Managing Director and Sh. M. M. Thapar. (d) Pledge of 236,101,790 Equity Shares of Rs.2.50 each of JCT Limited held by promoter and promoter companies.
b.	Rs.41.58 lakhs (Rs. 100.70 lakhs and Rs. 119.94 lakhs as at 31st March, 2017 & 1st April, 2016 respectively)	Secured against hypothecation of specific vehicles.





### 21.1.2 Term Loans from Others:

Rs. 61.29 lakhs (Rs. 97.51 lakhs and Rs. 41.91 lakhs as at 31st March, 2017 & 1st April, 2016 respectively) Secured against hypothecation of specific vehicles etc.

### 21.2 Foreign Currency Convertible Bonds (FCCBs).

- (a) The Company raised US\$ 30 million through issue of unsecured FCCBs on 08.04.2006 out of which FCCBs of US\$ 17.51 million were settled / converted into Equity Shares. The balance outstanding of US\$ 12.49 million alongwith 20.075% redemption premium became due for redemption on 08.04.2011. As the Company could not pay on due date, the Trustees of FCCB holders filed a winding up petition in Punjab & Haryana High Court at Chandigarh on 29.09.2012. The winding up petition filed by the trustees, The Bank of New York Mellon, of Foreign Currency Convertible Bond Holders (FCCBs), was disposed off by the Hon'ble High Court on 27.01.2015, against which appeal was filed by the trustees and the Company with Sr. Bench of High Court where in consent term were allowed by the Hon'ble High Court on 05.06.2015, pursuant to which the appeal is adjourned sine a die.
- (b) The Company complied with all the conditions of consent terms and accordingly it became effective. The Company as per consent terms with FCCB holders has to pay US\$ 19.19 million ( principal and redemption premium of US\$ 15.0 million and defaulted interest of US\$ 4.19 million) in 10 installments commencing from 05.10.2015 to 05.12.2017 alongwith interest @ 6% p.a. on reducing balance.
- (c) Dues of Rs. 10,079.06 lakhs (including interest of Rs. 3,293.74 lakhs) having fallen due on 05.12.2017 to the FCCBs holders and the Company was making efforts to settle the dues. The Hon'ble High Court issued a notice on 12.01.2018 and on the date of its hearing on 08.05.2018, the Company and bond holders informed the Court of their ongoing settlement. Subsequent to Balance Sheet date, the settlement was reached on certain mutually agreed terms, subject to obtaining necessary approvals from statutory authorities including bankers to the company. The Company intends to settle these dues through refinancing of its existing term loans and availing fresh funds and the negotiations are going on with a reputed organisation. The impact of the settlement shall be taken in the accounts after necessary approvals have been received.
- (d) As per the past practice, interest payable on FCCBs @ 6% p.a. for the period upto 31.03.2018 aggregating to US\$ 6.29 million equivalent Rs. 3,488.60 lakhs, will be accounted for when these unpaid amounts are paid by the Company, as such no provision has been made for interest in the accounts as on 31.03.2018.

### 21.3 Fixed Deposits from Public:

The Company discontinued the acceptance/renewal of public deposits from 29.09.2015 and is repaying the amounts as and when due.

### 21.4 Maturity profile of the long term borrowings

(Rs. in lakhs)

(a)	Term Loans from Banks	Year of maturity				Total	
	Name of Bank	Interest Rate %	2019-20	2020-21	2021-22		
	Allahabad Bank	BR+5.25	1,200.06	462.52	54.17	1,716.75	
	Punjab National Bank	BR+5.25	576.06	222.02	26.00	824.08	
	State Bank of India	BR+5.25	600.00	113.00	-	713.00	
	State Bank of Patiala	BR+5.25	336.05	60.93	-	396.98	
	ICICI Bank Ltd.-Car loans	Fixed EMI	0.46	-	-	0.46	
			2,712.63	858.47	80.17	3,651.27	
Term Loans from Others			2019-20	2020-21	2021-22	2022-23	Total
	Toyota Financial Services India-Car loans	Fixed EMI	1.66	-	-	-	1.66
	Kotak Mahindra Prime Limited.-Car loans	Fixed EMI	17.34	4.73	3.60	0.27	25.94
			19.00	4.73	3.60	0.27	27.60
(b)	Loans from related parties						
	i. From a Director of Rs. 27.18 lakhs :	Fixed EMI	8.91	10.04	8.23	-	27.18
	ii. From a Associate Company of Rs. 452.82 lakhs : Terms of repavment have not been stipulated.						



**22 OTHER NON-CURRENT FINANCIAL LIABILITIES**

(Rs. in lakhs)

	<b>Note No.</b>	<b>As at 31st March, 2018</b>	<b>As at 31st March, 2017</b>	<b>As at 1st April, 2016</b>
Interest accrued but not due on Public fixed deposits		-	43.60	30.15
Security Deposits	22.1	<b>2,307.05</b>	2,379.59	2,315.13
Payables to suppliers	26.1	<b>3,070.06</b>	3,399.58	3,037.73
Unearned Interest Income		<b>9.40</b>	5.71	11.01
Unearned Rental Income		<b>0.54</b>	-	-
<b>TOTAL</b>		<b><u>5,387.05</u></b>	<b><u>5,828.48</u></b>	<b><u>5,394.02</u></b>

**22.1** Security deposits include Rs. 1,948 lakhs (Rs. 1,948 lakhs and Rs. 1,948 lakhs as at 31st March, 2017 and 1st April, 2016 respectively) 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.

**23 PROVISIONS**

(Rs. in lakhs)

	<b>Note No.</b>	<b>As at 31st March, 2018</b>	<b>As at 31st March, 2017</b>	<b>As at 1st April, 2016</b>
Provision for employee benefits towards gratuity and leave-encashment		<b>4,059.61</b>	4,180.26	4,327.60
Provision against termination of agreements for sale of Land		<b>225.00</b>	225.00	646.50
<b>TOTAL</b>		<b><u>4,284.61</u></b>	<b><u>4,405.26</u></b>	<b><u>4,974.10</u></b>

**24 OTHER NON-CURRENT LIABILITIES**

(Rs. in lakhs)

	<b>Note No.</b>	<b>As at 31st March, 2018</b>	<b>As at 31st March, 2017</b>	<b>As at 1st April, 2016</b>
Government grant:	24.1			
Balance as at 1st April		<b>70.78</b>	96.65	96.65
- Less: Amortised during the year	31	<b><u>25.87</u></b>	<u>25.87</u>	-
Balance as at 31st March		<b>44.91</b>	70.78	96.65
- Less: Current portion	29	<b><u>25.87</u></b>	<u>25.87</u>	<u>25.87</u>
<b>TOTAL</b>		<b><u>19.04</u></b>	<b><u>44.91</u></b>	<b><u>70.78</u></b>

**24.1** Government grant had been received for the purchase of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to this grant as at the reporting date.

**25 BORROWINGS**

(Rs. in lakhs)

	<b>Note No.</b>	<b>As at 31st March, 2018</b>	<b>As at 31st March, 2017</b>	<b>As at 1st April, 2016</b>
<b>(a) Secured</b>				
- Working Capital Loans from Banks	25.1	<b>8,971.97</b>	8,757.14	8,795.02
<b>(b) Unsecured</b>				
- Book overdraft		<b>420.17</b>	166.48	122.31
- Inter-corporate deposit	25.2	<b>365.00</b>	-	-
<b>TOTAL</b>		<b><u>9,757.14</u></b>	<b><u>8,923.62</u></b>	<b><u>8,917.33</u></b>

**25.1** Secured Working Capital Loans availed from consortium of scheduled banks are secured by:

**25.1.1** First Charge ranking pari-passu by way of hypothecation of entire Current Assets of the Company, namely, stocks of raw materials, stock in process, semi-finished and finished goods, stores & spares, bills receivable and books debts and all other movables, (both present & future) whether now lying loose or in cases or which are now lying or



stored in or about or shall hereinafter from time to time during the continuance of the security of these presents be brought into or upon or be stored or be in or about of the Company's factories, premises and godowns pertaining to Textile Unit at Phagwara and Filament Unit at Hoshiarpur, both in the state of Punjab or wherever-else the same may be or be held by any party to the order or disposition of the Company or in the course of transit or on high seas or on order or delivery, howsoever and wherever in the possession of the Company and either by way of substitution or addition.

25.1.2 Second Charge ranking pari-passu by way of equitable mortgage of all the immovable properties of the Company (both present & future) including land, buildings and tenements constructed/to be constructed thereon and hypothecation of entire moveable fixed assets.

25.1.3 Personal guarantees of Chairman and Managing Director and Shri M M Thapar.

25.1.4 Pledge of 23,61,01,790 Equity Shares of Rs.2.50 each of JCT Limited held by promoter and promoter companies.

25.2 Interest bearing and terms of repayment have not been stipulated.

## **26 TRADE PAYABLES**

(Rs. in lakhs)

	<b>Note No.</b>	<b>As at 31st March, 2018</b>	<b>As at 31st March, 2017</b>	<b>As at 1st April, 2016</b>
Total outstanding dues of Micro, Small and Medium Enterprises	26.1	-	-	-
Others		<b>14,709.22</b>	10,623.70	8,600.82
<b>TOTAL</b>		<b><u>14,709.22</u></b>	<b><u>10,623.70</u></b>	<b><u>8,600.82</u></b>

26.1 There is no amount outstanding to suppliers under Micro, Small and Medium Enterprises Development Act, 2006 based on available information with the Company.

26.2 The trade payables are unsecured and usually non-interest bearing and are repayable within 60-90 days of its recognition.

## **27 OTHER CURRENT FINANCIAL LIABILITIES**

(Rs. in lakhs)

	<b>Note No.</b>	<b>As at 31st March, 2018</b>	<b>As at 31st March, 2017</b>	<b>As at 1st April, 2016</b>
Current maturities of Borrowings	21	<b>10,123.34</b>	9,669.87	7,465.18
Interest accrued but not due on Public fixed deposits		<b>74.00</b>	28.45	12.70
Interest accrued but not due on other borrowings		<b>0.50</b>	0.48	0.55
Interest accrued and due on secured borrowings		<b>80.01</b>	107.79	143.74
Payable to whole time directors		<b>18.88</b>	2.67	6.17
Unclaimed public fixed deposits and interest thereon		<b>142.57</b>	5.51	10.68
Unclaimed Preference shares		-	-	3.83
Unearned Interest Income		<b>9.32</b>	5.30	10.58
Unearned Rental Income		<b>0.17</b>	-	-
Security and other deposits		-	2.45	2.73
Accrued expenses		<b>3,274.46</b>	3,692.72	4,218.16
Other payables	27.2	<b>282.51</b>	558.03	279.30
<b>TOTAL</b>		<b><u>14,005.76</u></b>	<b><u>14,073.27</u></b>	<b><u>12,153.62</u></b>

27.1 There is no amount due and outstanding to be credited to Investors Education & Protection Fund.

27.2 Includes for machinery and civil works Rs.22.24 lakhs (Rs. 13.67 lakhs and Rs. 13.08 lakhs as at 31st March, 2017 and 1st April, 2016 respectively).

## **28 PROVISIONS**

(Rs. in lakhs)

	<b>Note No.</b>	<b>As at 31st March, 2018</b>	<b>As at 31st March, 2017</b>	<b>As at 1st April, 2016</b>
Provision for employee benefits towards gratuity, leave-encashment and superannuation		<b>780.98</b>	802.51	534.01
<b>TOTAL</b>		<b><u>780.98</u></b>	<b><u>802.51</u></b>	<b><u>534.01</u></b>


**29 OTHER CURRENT LIABILITIES** (Rs. in lakhs)

	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Statutory liabilities		253.81	355.13	504.11
Advance from Customers		719.82	836.06	901.78
Government grant (current portion)	24.1	25.87	25.87	25.87
<b>TOTAL</b>		<b>999.50</b>	<b>1,217.06</b>	<b>1,431.76</b>

**30 REVENUE FROM OPERATIONS** (Rs. in lakhs)

	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
Sale of Finished Goods (including excise duty)	30.1	74,858.82	82,010.44
Other operating revenues:			
- Export incentives / duty draw back		288.76	564.23
- Sale of process waste / scrap		1,126.78	1,160.16
- Sale of certified renewable energy certificates		214.05	205.07
<b>TOTAL</b>		<b>76,488.41</b>	<b>83,939.90</b>

**30.1 Particulars of Sale of Finished Goods:** (Rs. in lakhs)

	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>Manufactured</b>			
- Cloth		43,148.20	45,844.91
- Nylon filament Yarn		29,565.69	33,826.45
- Polyester/nylon chips		548.95	1,230.51
- Others		1,595.98	1,108.57
<b>TOTAL</b>		<b>74,858.82</b>	<b>82,010.44</b>

**31 OTHER INCOME** (Rs. in lakhs)

	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest Income from:			
- Bank deposits		57.06	55.37
- Income tax refund		-	1.58
- Customers and others		135.17	172.48
Dividend from current investments		0.04	0.04
Profit on sale of property, plant and equipment (net)	31.1	562.95	906.40
Liabilities/provisions no longer required written back		51.56	327.04
Profit on sale of raw materials / Stores (net)		0.62	0.21
Amortisation of Government grant	24	25.87	25.87
Exchange fluctuation gain (net)		49.87	35.56
Rent		84.21	60.40
Other Miscellaneous Income		77.86	93.95
<b>TOTAL</b>		<b>1,045.21</b>	<b>1,678.90</b>

31.1 Includes Rs. 550.20 lakhs (Previous Year: Rs. 931.18 lakhs) on sale of Surplus land.



**32 COST OF MATERIALS CONSUMED** (Rs. in lakhs)

	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>Raw material</b>			
Opening Stock		1,546.03	1,433.82
Add: Purchases		37,233.75	38,902.33
		38,779.78	40,336.15
Add/(Less) : Adjustments on account of Vat/ Modvat		300.59	(9.83)
(Less) : Closing Stock	10.1	(1,082.35)	(1,546.03)
		37,998.02	38,780.29
<b>Other materials (dyes, chemicals, sizing and packing materials)</b>			
Opening Stock		882.48	1,063.09
Purchases		7,345.71	8,190.68
		8,228.19	9,253.77
Add/(Less): Adjustments on account of Vat/ Modvat		73.96	(328.21)
(Less): Closing Stock		(766.75)	(882.48)
		7,535.40	8,043.08
<b>TOTAL</b>		<b>45,533.42</b>	<b>46,823.37</b>

**33 OTHER MANUFACTURING EXPENSES** (Rs. in lakhs)

	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
Stores & Spares Consumed		585.65	704.11
Power & fuel		10,066.61	9,223.56
Repairs to and maintenance of buildings		104.10	167.31
Repairs to and maintenance of plant & machinery		1,177.91	1,386.15
Processing charges		463.23	240.84
Material handling charges		477.23	422.22
Excise Duty	33.1	-	27.01
<b>TOTAL</b>		<b>12,874.73</b>	<b>12,171.20</b>

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

**34 CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-PROCESS** (Rs. in lakhs)

	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>Inventories at the end of the year</b>			
Finished Goods		4,406.38	4,840.17
Finished Goods-in transit		51.28	43.19
Stock-in-process		7,917.68	6,871.77
		12,375.34	11,755.13
<b>Inventories at the beginning of the year</b>			
Finished Goods		4,840.17	5,033.45
Finished Goods-in transit		43.19	50.32
Stock-in-process		6,871.77	6,413.57
		11,755.13	11,497.34
<b>TOTAL</b>		<b>(620.21)</b>	<b>(257.79)</b>



<b>35 EMPLOYEE BENEFITS EXPENSE</b>			(Rs. in lakhs)
	<b>Note No.</b>	<b>Year ended 31st March, 2018</b>	<b>Year ended 31st March, 2017</b>
Salaries, wages, bonus, gratuity, leave encashment, allowances etc.		<b>10,517.59</b>	11,427.02
Contribution to Provident, superannuation and other funds		<b>1,226.85</b>	1,308.89
Workmen & staff welfare expenses		<b>233.81</b>	248.04
<b>TOTAL</b>		<b><u>11,978.25</u></b>	<b><u>12,983.95</u></b>
<b>36 FINANCE COST</b>			(Rs. in lakhs)
	<b>Note No.</b>	<b>Year ended 31st March, 2018</b>	<b>Year ended 31st March, 2017</b>
Interest Expense on:			
- Foreign Currency Convertible Bonds (FCCBs)	21.2	-	57.52
- Term Loans		<b>1,076.51</b>	1,461.40
- Loan from related Companies		<b>48.51</b>	43.32
- Public fixed deposits and inter-corporate deposits		<b>67.53</b>	69.10
- Borrowing from banks for working capital		<b>983.06</b>	947.50
- Credit from vendors etc.		<b>968.84</b>	766.36
Other borrowing costs		<b>405.56</b>	387.74
<b>TOTAL</b>		<b><u>3,550.01</u></b>	<b><u>3,732.94</u></b>
<b>37 DEPRECIATION AND AMORTISATION EXPENSE</b>			(Rs. in lakhs)
	<b>Note No.</b>	<b>Year ended 31st March, 2018</b>	<b>Year ended 31st March, 2017</b>
Depreciation for the year	4	<b>3,037.90</b>	3,092.17
Amortisation for the year	4	<b>11.46</b>	16.82
<b>TOTAL</b>		<b><u>3,049.36</u></b>	<b><u>3,108.99</u></b>
<b>38 OTHER EXPENSES</b>			(Rs. in lakhs)
	<b>Note No.</b>	<b>Year ended 31st March, 2018</b>	<b>Year ended 31st March, 2017</b>
Rent	39.4	<b>277.68</b>	258.94
Insurance		<b>54.39</b>	101.73
Rates & taxes		<b>37.95</b>	67.87
Directors' fee		<b>23.00</b>	23.61
Directors' remuneration		<b>101.40</b>	105.39
Legal and professional fees		<b>581.16</b>	576.26
Travelling and conveyance		<b>198.61</b>	238.48
Payment to Statutory Auditors			
- For Audit fee		<b>16.00</b>	20.00
- For Certification work		<b>1.00</b>	1.00
- For Reimbursement of expenses		<b>1.52</b>	3.73
Bad debts written off (net of impairment allowance)		<b>0.09</b>	10.24
Impairment loss for advances etc.		<b>36.49</b>	22.22
Property, plant and equipment written off		<b>1.23</b>	0.66
Selling & publicity expenses		<b>210.14</b>	251.54
Commission to dealers/ canvassing agents		<b>395.40</b>	511.83
Freight & cartage (net of recovery)		<b>896.94</b>	761.52
Goods & Service Tax / Sales tax / Octroi		<b>286.32</b>	1,254.83
Miscellaneous expenses		<b>910.42</b>	1,022.24
<b>TOTAL</b>		<b><u>4,029.74</u></b>	<b><u>5,232.09</u></b>



**39 OTHER NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018**

**39.1 Contingencies and commitments:**

(Rs. in lakhs)

Sr. No.	Particulars	As at 31.03.2018	As at 31.03.2017
(I)	<b>Contingencies</b>		
(a)	Claims against the Company not acknowledged as debts	186.60	112.98
(b)	Guarantees given by the bankers on behalf of the Company	321.82	751.65
(c)	Unutilised letter of credit	26.14	41.56
(d)	Disputed liabilities not adjusted as expenses in the Accounts for various years being in appeals towards (Refer Note 39.1.a)		
	- Sales tax	1,738.53	1,671.08
	- Excise Duty	1,144.96	1,199.43
	- Stamp Duty	187.72	187.72
	- Custom Duty	186.05	186.05
	- Entry Tax	1,867.62	2,049.97
	- Others	424.44	438.85
	<b>Total</b>	<b>5,549.32</b>	<b>5,733.10</b>
(II)	<b>Commitments</b>		
(a)	Estimated amount of contracts remaining to be executed on Capital Account and not provided for in the accounts (net of advances)	213.31	238.66
(b)	Export obligation against import of machinery under EPCG Scheme	432.16	664.78

**39.1.a** The Company is contesting these demands and the management including its advisors are of the view that these demands may not be sustainable at the appellate level. The management believes that the ultimate outcome of these proceedings will not have any material adverse effect on the Company's financial position and results of its operations. The Company does not expect any reimbursement in respect of these contingent liabilities, and it is not practicable to estimate the timing of cash outflows, if any, in respect of these matters, pending resolution of the arbitration/appellant proceedings.

**39.2** The Company had executed a Corporate guarantee of Rs. 400 lakhs towards Equipment Credit Scheme on 01.09.1993 and another towards foreign currency loan of DM 166,566,406 equivalent to Rs.3,580 lakhs as on 27.03.1998 for the term loan availed by JCT Electronics Ltd. (an erstwhile Associate Company) from IFCI Ltd. Subsequently, IFCI Ltd. assigned their debt to Asset Reconstruction Company (India) Limited (ARCIL) who had issued notice to the Company on 07.11.2015 for winding up under the then existing sections of the Companies Act, 1956. The Company has disputed the notice with ARCIL, thereafter no response has been received from ARCIL. Further, the Company has been legally advised that the demand raised by them is not sustainable.

**39.3** The Company has not recorded cumulative deferred tax assets on account of timing differences as stipulated in Indian Accounting Standard 12 on "Income Taxes" issued by the Institute of Chartered Accountants of India in view of uncertainty of future taxable income.

**39.4 Leases:**

The Company has taken premises on lease under cancellable and non cancellable operating lease arrangements with 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. 219.52 lakhs (Previous year : Rs. 197.31 lakhs) and have been included in the Rent under Note 38 – Other Expenses. There is no future lease payments due in respect of the non-cancellable operating leases

**39.5 Disclosure of Derivative Instruments :**

- There are no outstanding forward exchange contracts used for hedge against currency exposures as at 31<sup>st</sup> March, 2018.
- Foreign currency exposures that have not been specifically hedged by a derivative instrument or otherwise as at 31<sup>st</sup> March, 2018 are given below:





Particulars	Currency Symbol	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
		Foreign Currency in millions	(Rs. in lakhs)	Foreign Currency in millions	(Rs. in lakhs)	Foreign Currency in millions	(Rs. in lakhs)
Trade Receivables	US\$	1.17	749.51	0.40	260.45	0.77	580.59
	EURO	0.04	29.60	0.16	111.41	0.04	28.81
Loans and Advances	US\$	0.08	47.37	0.06	42.19	0.44	29.20
	EURO	0.02	15.59	0.02	13.27	-	3.99
	YEN	0.01	4.07	0.01	3.76	-	-
Foreign Currency Convertible Bonds	US \$	(10.33)	(6,785.32)	(10.33)	(6,781.18)	(12.06)	(8,052.48)
Trade and other Payables	US \$	(0.16)	(102.57)	(1.11)	(616.39)	(0.47)	(314.04)
	EURO	(0.01)	(9.64)	(0.01)	(7.60)	(0.03)	(18.76)
	GBP	-	-	(0.01)	(0.95)	(0.01)	(0.95)
<b>Net Liability (in INR)</b>			<b>(6,051.39)</b>		<b>(6,975.04)</b>		<b>(7,743.64)</b>

### 39.6 Going Concern:

Accumulated losses have resulted in erosion of substantial net worth of the Company. However, the financial statements have been prepared on a going concern basis on the strength of continued support from promoters, bankers / other lenders. Further, the Company is in the process of disposing off some of its non-core fixed assets to reduce its debt and improve its liquidity. The management, considering the future plans for operations and support of the promoters, lenders, business associates and workmen, is hopeful of improvement in its financial position.

**39.7** The letters have been sent to most of the parties for confirmation of the balances under trade receivables, advances, trade payables and other parties. However, due to non receipt of the response from some of the parties, the balances from them are subject to confirmations / reconciliation. The impact, if any, subsequent to the confirmation / reconciliation, will be taken in the year of confirmation/ reconciliation, which in view of management, will be taken in the year of confirmation / reconciliation.

**39.8** The Official Liquidator (OL) of CNLT Malaysia, (Company under liquidation) has during the year filed a recovery case in the High Court of Malaysia at Kuala Lumpur for US\$ 1,250,000 towards alleged fraudulent payment by CNLT to the Company in 2006-07. The Company has filed objections for striking off the Case and asked for Security Cost. The Hon'ble High Court of Malaysia, has ordered OL to deposit security cost and the next date of hearing is fixed for 11<sup>th</sup> July, 2018. In view of the management, no liability will arise on this account to the Company.

### 39.9 Related Party Disclosures (IND AS-24) :

#### A List of Related Parties and relationships

##### (a) Key Management Personnel:

Mr. Samir Thapar : Chairman & Managing Director

Ms. Priya Thapar : Director – Strategic Business & Development

##### (b) Associates

: Provstment Securities Pvt. Ltd.

KCT Textiles Ltd.

##### (c) Relatives of Key management Personnel:

Mr. M. M. Thapar : Father of Mr. Samir Thapar & Ms. Priya Thapar

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

#### B. Transactions with related parties:

(Rs. in Lakhs)

	Transactions	Key Managerial Personnel	Associates	Relative of Key Managerial Personnel
(i)	Transactions during the year / (previous year) :			
a.	Proceeds from Redemption of Optionally Convertible Zero Rate Debentures - KCT Textiles Ltd	-- / (--)	-- / (44.32)	-- / (--)



	Transactions	Key Managerial Personnel	Associates	Relative of Key Managerial Personnel
b.	Unsecured Loan from Mr. Samir Thapar	37.00 / (--)	-- / (--)	-- / (--)
c.	Managerial Remuneration paid			
	- Mr. Samir Thapar			
	- Short-term employee benefits	78.00 / (81.98)	-- / (--)	-- / (--)
	- post-employment benefits	18.00 / (14.02)	-- / (--)	-- / (--)
	- other long-term benefits	10.36 / (10.36)	-- / (--)	-- / (--)
	- Ms. Priya Thapar			
	- Short-term employee benefits	23.40 / (23.40)	-- / (--)	-- / (--)
	- post-employment benefits	0.60 / (0.60)	-- / (--)	-- / (--)
	- other long-term benefits	3.16 / (3.16)	-- / (--)	-- / (--)
d.	Interest paid on loan			
	- Mr. Samir Thapar	2.93 / (3.19)	-- / (--)	-- / (--)
e.	Professional Fees paid			
	- Mr. M. M. Thapar	-- / (--)	-- / (--)	28.14 / (27.58)
(ii)	<b>Payables as at 31<sup>st</sup> March, 2018 / (31<sup>st</sup> March, 2017) :</b>			
a.	Provestment Securities Pvt. Ltd.	-- / (--)	447.39 / (399.46)	-- / (--)
b.	KCT Textiles Ltd.	-- / (--)	5.42 / (4.84)	-- / (--)
c.	Mr. M. M. Thapar	-- / (--)	-- / (--)	24.20 / (18.86)
d.	Unsecured Loan from Mr. Samir Thapar	42.06 / (19.63)	-- / (--)	-- / (--)
e.	Payables:			
	- Mr. Samir Thapar	18.25 / (0.80)	-- / (--)	-- / (--)
	- Ms. Priya Thapar	0.63 / (1.87)	-- / (--)	-- / (--)

### 39.10 Segment Reporting:

(a) Identification of segments

i) Primary Segment

Business segment: The Company's operating business is organized 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 and yarn. 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 Segment transfers of goods, as marketable products produced by separate Segments 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 of the respective Segment.

(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)**

Particulars	Textiles		Filament		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year
External Sales/ Income	<b>45,723.23</b>	48,285.11	<b>30,765.18</b>	35,654.79	<b>76,488.41</b>	83,939.90
Segment Revenue	<b>46,003.72</b>	48,624.21	<b>30,856.01</b>	36,131.48	<b>76,859.73</b>	84,755.69
Segment Results	<b>(479.69)</b>	(693.60)	<b>(36.99)</b>	1,838.64	<b>(516.68)</b>	1,145.04
Segment Assets	<b>39,655.19</b>	42,089.87	<b>18,118.37</b>	19,499.07	<b>57,773.56</b>	61,588.94
Segment Liabilities	<b>21,621.91</b>	19,725.62	<b>10,612.61</b>	10,429.86	<b>32,234.52</b>	30,155.48

**Reconciliation of reportable segment with the financial statements:**
**(Rs in lakhs)**

Particulars	Revenues		Net Profit/ (Loss)		Assets		Liabilities	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
Total of reportable segments	<b>76,859.73</b>	84,755.69	<b>(516.68)</b>	1,145.04	<b>57,773.56</b>	61,588.94	<b>32,234.52</b>	30,155.48
Add: Corporate Unallocated	<b>673.89</b>	863.11	<b>478.36</b>	861.31	<b>2,192.68</b>	814.35	<b>21,867.65</b>	22,963.19
Finance costs	--	--	<b>(3,550.01)</b>	(3,732.94)	--	--	--	--
Profit/(Loss) before taxes	--	--	<b>(3,588.53)</b>	(1,726.59)	--	--	--	--
Taxes	--	--	<b>(16.00)</b>	(1.74)	<b>101.25</b>	82.02	--	--
As per financial statements	<b>77,533.62</b>	85,618.80	<b>(3,604.33)</b>	(1,728.33)	<b>60,067.49</b>	62,485.31	<b>54,102.17</b>	53,118.67

**(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)**

Particulars	Current year	Previous year
Sales to domestic market	<b>69,314.55</b>	75,735.15
Sales to overseas market	<b>7,173.86</b>	8,204.75
<b>Total</b>	<b>76,488.41</b>	83,939.90

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

**39.11 Employee Benefits**
**(a) Defined Benefit plans:**

Gratuity : Payable on separation as per the Payment of Gratuity Act, 1972 as amended, @ 15 days pay, for each completed year of service to eligible employees who render continuous service of 5 years or more, subject to maximum limit of Rs. 20 lakhs.

**(b) Other Long Term Benefit:**

Leave Encashment : Employees of the Company are entitled to accumulate their earned / privilege leave, which is payable / encashable as per the Company's policy, while on service or on their separation.

**(c) Defined Contribution plan:**

Company's employees are covered by Provident Fund, Pension Fund, Employees State Insurance Scheme/Fund and Employees' Superannuation Scheme, to which the Company makes a defined contribution measured as a fixed percentage of salary. During the year, amount of Rs. 654.74 lakhs (Previous Year: Rs. 727.46 lakhs) has been charged to the Statement of Profit and Loss towards employer's contribution to these schemes/funds as under:



The Company's approved provident fund scheme, employees' state insurance fund scheme, employees' pension scheme and employees' superannuation scheme are defined contribution plans. The Company has no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.

	<b>Year ended 31<sup>st</sup> March, 2018 (Rs. In lakhs)</b>	<b>Year ended 31<sup>st</sup> March, 2017 (Rs. In lakhs)</b>
Employer's contribution towards Provident Fund	<b>306.53</b>	353.98
Employer's contribution towards Employees State Insurance	<b>247.84</b>	260.73
Employer's contribution towards Superannuation Fund	<b>100.37</b>	112.75

(d) Other disclosures of Defined Benefit plan is as under:-

**i) Reconciliation of the opening and closing balances of Defined Benefit Obligation: (Rs. in Lakhs)**

<b>Particulars</b>	<b>Gratuity (Funded)</b>		<b>Gratuity (Unfunded)</b>	
	<b>Year ended 31<sup>st</sup> March, 2018</b>	<b>Year ended 31<sup>st</sup> March, 2017</b>	<b>Year ended 31<sup>st</sup> March, 2018</b>	<b>Year ended 31<sup>st</sup> March, 2017</b>
Present Value of <b>Defined Benefit Obligation</b> at the beginning of year	<b>2951.19</b>	2828.53	<b>1158.37</b>	1095.66
Interest cost	<b>212.37</b>	224.36	<b>87.64</b>	87.62
Current Service Cost	<b>182.95</b>	191.66	<b>73.33</b>	72.97
Past Service Cost	<b>209.47</b>	-	<b>128.09</b>	-
Benefits Paid	<b>(591.07)</b>	(556.24)	<b>(154.43)</b>	(141.26)
Actuarial (Gain) / Loss arising from Change in Financial Assumptions	<b>(100.45)</b>	233.50	<b>(53.22)</b>	74.53
Actuarial (Gain) / Loss arising from Changes in Experience Adjustments	<b>2.73</b>	29.38	<b>(52.88)</b>	(31.15)
Present value of the <b>Defined Benefit Obligation</b> at the end of year	<b>2867.19</b>	2951.19	<b>1186.90</b>	1158.37

**ii) Net Defined Benefit recognized in the Statement of Profit and Loss. (Rs. in Lakhs)**

<b>Particulars</b>	<b>Gratuity (Funded)</b>		<b>Gratuity (Unfunded)</b>	
	<b>Year ended 31<sup>st</sup> March, 2018</b>	<b>Year ended 31<sup>st</sup> March, 2017</b>	<b>Year ended 31<sup>st</sup> March, 2018</b>	<b>Year ended 31<sup>st</sup> March, 2017</b>
Service Cost	<b>182.95</b>	191.66	<b>73.33</b>	72.97
Past Service Cost	<b>209.47</b>	-	<b>128.09</b>	-
Interest cost (net)	<b>212.37</b>	223.80	<b>87.64</b>	87.62
<b>Net Defined Benefit Cost</b> recognized in Statement of Profit and Loss	<b>604.79</b>	415.46	<b>289.06</b>	160.59



iii. **Recognized in Other Comprehensive Income.** (Rs. in Lakhs)

Particulars	Gratuity	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(153.67)	308.03
Actuarial (Gain)/Loss on arising from Changes in Demographic Assumptions	(29.89)	41.27
Actuarial (Gain)/Loss on arising from effect of Experience Adjustments	(20.26)	(43.05)
Return on plan assets (excluding interest)	-	-
Total remeasurements recognized in OCI	(203.82)	306.26

iv. **Change in fair value of plan assets** (Rs. in Lakhs)

Particulars	Gratuity	
	Year ended 31st March, 2018	Year ended 31st March, 2017
At the beginning of the year	2.50	17.94
Interest Income on Plan Assets	0.20	0.56
Benefits paid	--	(16.00)
At the end of the period	2.70	2.50

v. **Sensitivity Analysis\***

a) **Impact of the change in the discount rate** (Rs. in Lakhs)

Particulars	Gratuity	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Present value of the <b>Defined Benefit Obligation</b> at the end of year		
a) Impact due to increase of 100 basis points	(357.51)	(363.28)
b) Impact due to decrease of 100 basis points	374.40	379.53

b) **Impact of the change in the salary increase** (Rs. in Lakhs)

Particulars	Gratuity	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Present value of the <b>Defined Benefit Obligation</b> at the end of year		
a) Impact due to increase of 100 basis points	318.77	323.14
b) Impact due to decrease of 100 basis points	(293.58)	(297.60)

\* Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

\* Sensitivities as to rate of inflation, rate of increase of pension in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.


**vi. Maturity Profile.**
**(Rs. in Lakhs)**

Year	Gratuity	
	Year ended 31st March, 2018	Year ended 31st March, 2017
0 to 1 year	471.36	469.03
1 to 2 Year	602.05	443.59
2 to 3 Year	595.24	449.60
3 to 4 Year	485.67	426.78
4 to 5 Year	488.03	481.10
5 year onward	1927.62	2564.97

**vii. Expected contribution for the next Annual reporting period**
**(Rs. in Lakhs)**

Particulars	Gratuity	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Service Cost	244.23	256.28
Net Interest Cost	309.04	173.45
Expected Expense for the next annual reporting period	553.27	429.74

**viii. Actuarial Assumption**

Principal assumptions used for actuarial valuation are:

Particulars	Gratuity	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Method used	Projected unit credit method	
Discount rate (per annum)	7.84	7.35
Salary Escalation (per annum)	6.00	6.00
Mortality Rate	IALM (2006-08) Ult	
Withdrawal rate up to 30/44 and above 44 years – Phagwara (per annum)	10%/5%/9%	8%/3%/7%
Withdrawal rate up to 30/44 and above 44 years – Hoshiarpur (per annum)	6%/5.3%/8.3%	17%/9%/7%
Withdrawal rate up to 30/44 and above 44 years – Delhi – Corporate Office (per annum)	2%/2%/7%	0%/0%/10%
Expected Rate of return on plan assets (per annum)	7.84%	7.35%
Retirement age (in years)	58	58

**39.12 First-time adoption of Ind AS**

The Company w.e.f. 1st April, 2017 has adopted Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015, as amended by Companies (Indian Accounting Standards) Rules, 2017 and the other relevant provisions of the Companies Act, 2013, with a transition date of 1st April, 2016. For all the periods upto and including year ended March 31, 2017, the Company prepared, its financial statements in accordance with the Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

The adoption of Ind AS has been carried out in accordance with Ind AS 101 'First-time Adoption of Indian Accounting Standards'. Ind AS 101 requires that all Indian Accounting Standards (Ind AS) and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended 31st March, 2018, together with the comparative information as at and for the year ended 31st March, 2017 and the opening Ind AS Balance Sheet as at 1st April, 2016, the date of transition to Ind AS. The accounting policies as set out in Note 3 which are in accordance with Ind AS, have been applied in preparing these financial statements.



In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in Equity under Retained Earnings. This note explains the adjustments made by the Company in restating its financial statements prepared under Previous GAAP, including the Balance Sheet as at 1st April, 2016 and the financial statements as at and for the year ended 31st March, 2017.

#### **Exemptions availed and mandatory exceptions**

Ind AS 101 - First-time Adoption of Indian Accounting Standards permits first-time adopters certain exemptions from retrospective application of certain requirements under Ind AS. Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from Previous GAAP to Ind AS.

#### **A. Ind AS optional exemptions**

The Company has elected to apply the following optional exemptions from retrospective application:

- i) Deemed cost for Property, Plant and Equipment and Intangible Assets  
The Company has elected to measure all its property, plant and equipment and intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.
- ii) Ind AS 17 "Leases" requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS except where the effect is material. The Company has elected to apply this exemption for such contracts/arrangements.
- iii) Long Term Foreign Currency Monetary Items  
The Company has elected the option provided under Ind-AS 101 to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the Previous GAAP. Refer Note 4.3 and 21.2 regarding adjustment of the foreign currency exchange variation on amounts borrowed (FCCBs), for acquisition of property, plant and equipment, to the carrying cost of property, plant and equipment.

#### **B. Ind AS mandatory exceptions**

- i) Estimates  
On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company, wherever required for the relevant reporting dates reflecting conditions existing as at that date.
- ii) Classification and measurement of financial assets  
Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition, if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition to Ind AS.
- iii) De-recognition of financial assets and financial liabilities  
Ind AS 101 requires an entity to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. Accordingly the Company has applied the de-recognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

#### **C. Transition to Ind AS - Reconciliations**

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

- I. Reconciliation of Equity as at 1st April, 2016
- II. A. Reconciliation of Equity as at 31st March, 2017
- B. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017

There is no material impact on the Cash Flow Statements of the transition from Previous GAAP to Ind AS.

Previous GAAP figures have been reclassified / regrouped wherever necessary to conform to financial statements prepared under Ind AS.





**I. Reconciliation of Equity as at 1<sup>st</sup> April, 2016.**

(Rs. in lakhs)

Particulars	Sub Notes	As per Previous GAAP	Adjustments	As per Ind AS
<b>Assets</b>				
<b>1. Non-current assets</b>				
Property, Plant and Equipment	(a)	36,757.77	96.65	36,854.42
Capital work in progress		128.13	--	128.13
Intangible Assets		28.54	--	28.54
Financial Assets				
- Investments	(b)	421.64	(275.43)	146.21
- Loans	(c)	446.32	(6.66)	439.66
- Other non-current financial assets	(k)	--	48.38	48.38
Non-current tax assets (net)		48.03	--	48.03
Other non-current assets	(c)	339.93	1.81	341.74
<b>Total Non-current assets</b>		<b>38,170.36</b>	<b>(135.25)</b>	<b>38,035.11</b>
<b>2. Current assets</b>				
Inventories		16,330.90	--	16,330.90
Financial Assets				
- Investments		54.96	--	54.96
- Trade receivables		8,020.67	--	8,020.67
- Cash and cash equivalents		807.02	--	807.02
- Bank balances other than cash and cash equivalents	(k)	719.46	(48.38)	671.08
- Loans		39.26	--	39.26
- Other current financial assets		1,319.37	--	1,319.37
Other current assets	(c)	1,371.77	4.70	1,376.47
<b>Total Current assets</b>		<b>28,663.41</b>	<b>(43.68)</b>	<b>28,619.73</b>
<b>3. Assets classified as held for sale</b>		149.88	--	149.88
<b>Total Assets</b>		<b>66,983.65</b>	<b>(178.93)</b>	<b>66,804.72</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital		14,619.82	--	14,619.82
Preference Share Capital		1,000.00	--	1000.00
Other Equity	(a,b,c,d,e,f)	(4,174.21)	(51.02)	(4,225.23)
<b>Total Equity</b>		<b>11,445.61</b>	<b>(51.02)</b>	<b>11,394.59</b>
<b>LIABILITIES</b>				
<b>1. Non-current liabilities</b>				
Financial Liabilities				
- Borrowings	(e)	13,538.07	(204.38)	13,333.69
- Other non-current financial liabilities	(f)	5,405.14	(11.12)	5,394.02
Provisions		4,974.10	--	4,974.10
Other non-current liabilities	(a)	--	70.78	70.78
<b>Total non-current liabilities</b>		<b>23,917.31</b>	<b>(144.72)</b>	<b>23,772.59</b>
<b>2. Current liabilities</b>				
Financial Liabilities				
- Borrowings		8,917.33	--	8,917.33
- Trade Payables		8,600.82	--	8,600.82
- Other current financial liabilities	(f)	12,162.68	(9.06)	12,153.62
Provisions		534.01	--	534.01
Other current liabilities	(a)	1,405.89	25.87	1,431.76
<b>Total current liabilities</b>		<b>31,620.73</b>	<b>16.81</b>	<b>31,637.54</b>
<b>Total Equity and Liabilities</b>		<b>66,983.65</b>	<b>(178.93)</b>	<b>66,804.72</b>



**II.A Reconciliation of Equity as at 31<sup>st</sup> March, 2017.**

(Rs. in lakhs)

	Sub Notes	As per Previous GAAP	Adjustments	As per Ind AS
<b>Assets</b>				
<b>1. Non-current assets</b>				
Property, plant and equipment	(a)	34,722.05	70.78	34,792.83
Capital work in progress		315.42	--	315.42
Other Intangible Assets		13.46	--	13.46
Financial assets				
- Investments	(b)	421.64	(266.01)	155.63
- Loans	(c)	336.27	(3.04)	333.23
- Other non-current financial assets	(k)	--	27.81	27.81
Non-current tax assets (net)		82.02	--	82.02
Other non-current assets	(c)	104.29	0.69	104.98
<b>Total non-current assets</b>		<b>35,995.15</b>	<b>(169.77)</b>	<b>35,825.38</b>
<b>2. Current assets</b>				
Inventories		16,321.19	--	16,321.19
Financial assets				
- Investments		10.64	--	10.64
- Trade receivables		6,713.97	--	6,713.97
- Cash and cash equivalents		484.54	--	484.54
- Bank balances other than cash and cash equivalents	(k)	814.59	(27.81)	786.78
- Loans		56.89	--	56.89
- Other current financial assets		591.75	--	591.75
Other current assets	(c)	1,580.72	2.18	1,582.90
<b>Total Current assets</b>		<b>26,574.29</b>	<b>(25.63)</b>	<b>26,548.66</b>
<b>3. Assets classified as held for sale</b>		111.27	--	111.27
<b>Total Assets</b>		<b>62,680.71</b>	<b>(195.40)</b>	<b>62,485.31</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital		14,953.15	--	14,953.15
Other Equity	(a,b,c,d,e,f)	(5,501.81)	(84.70)	(5,586.51)
<b>Total Equity</b>		<b>9,451.34</b>	<b>(84.70)</b>	<b>9,366.64</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
- Borrowings	(e)	7,373.60	(173.74)	7,199.86
- Other non-current financial liabilities	(f)	5,834.56	(6.08)	5,828.48
Provisions		4,405.26	--	4,405.26
Other non-current liabilities	(a)	--	44.91	44.91
<b>Total Non-current liabilities</b>		<b>17,613.42</b>	<b>(134.91)</b>	<b>17,478.51</b>
<b>Current liabilities</b>				
Financial liabilities				
- Borrowings		8,923.62	--	8,923.62
- Trade payables		10,623.70	--	10,623.70
- Other current financial liabilities	(f)	14,074.93	(1.66)	14,073.27
Provisions		802.51	--	802.51
Other current liabilities	(a)	1,191.19	25.87	1,217.06
<b>Total current liabilities</b>		<b>35,615.95</b>	<b>24.21</b>	<b>35,640.16</b>
<b>Total equity and liabilities</b>		<b>62,680.71</b>	<b>(195.40)</b>	<b>62,485.31</b>



**II.B Reconciliation of Total Comprehensive Income for the year ended 31<sup>st</sup> March, 2017** (Rs. in lakhs)

	Sub Notes	For the year ended 31 <sup>st</sup> March, 2017			
		Previous GAAP	Re-Classifications	IND-AS Adjustments	IND-AS
<b>Income</b>					
Revenue From Operations	(g), (h)	80,755.21	3,184.69	--	83,939.90
Other Income	(a,c,d,e,k)	1,094.29	--	584.61	1,678.90
<b>Total Income</b>		<b>81,849.50</b>	<b>3,184.69</b>	<b>584.61</b>	<b>85,618.80</b>
<b>Expenses</b>					
Cost of materials consumed		46,823.37	--	--	46,823.37
Excise Duty	(g)	--	3,550.64	--	3,550.64
Other manufacturing expenses		12,171.20	--	--	12,171.20
Changes in inventories of finished goods and stock-in-process		(257.79)	--	--	(257.79)
Employee benefits expense	(i)	13,290.21	(306.26)	--	12,983.95
Finance costs	(e)	3,679.28	--	53.66	3,732.94
Depreciation and amortization expense	(a,k)	3,082.86	--	26.13	3,108.99
Other expenses	(c,h,k)	5,518.56	(365.95)	79.48	5,232.09
<b>Total Expenses</b>		<b>84,307.69</b>	<b>2,878.43</b>	<b>159.27</b>	<b>87,345.39</b>
<b>Loss for the year before tax</b>		<b>(2,458.19)</b>	<b>306.26</b>	<b>425.34</b>	<b>(1,726.59)</b>
<b>Tax expense:</b>					
Income tax - adjustment relating to previous years		(1.74)	--	--	(1.74)
<b>Loss for the year after tax</b>		<b>(2,459.93)</b>	<b>306.26</b>	<b>425.34</b>	<b>(1,728.33)</b>
<b>Other Comprehensive Income/(Loss):</b>					
Items that will not be reclassified to profit or loss					
- Re-measurements of the net defined benefit plans	(i)	--	(306.26)	--	(306.26)
Items that will be reclassified subsequently to profit or loss					
- Fair value of Investments through OCI	(b)	--	--	9.42	9.42
<b>Other Comprehensive (Loss) for the year</b>		<b>--</b>	<b>(306.26)</b>	<b>9.42</b>	<b>(296.84)</b>
<b>Total Comprehensive (Loss) for the year</b>		<b>(2,459.93)</b>	<b>--</b>	<b>434.76</b>	<b>(2,025.17)</b>

**Notes to the reconciliation of equity as at 1<sup>st</sup> April, 2016 and 31<sup>st</sup> March, 2017 and total comprehensive income for the year ended 31<sup>st</sup> March, 2017.**

**a) Government Grant**

The government grant related to assets was netted off with the cost of respective Property, Plant and Equipment under Previous GAAP. Under Ind AS, Property, Plant and Equipment has been recognised at gross cost and government grant has been recognised as liability. The income from amortisation is recognised as other income in the Statement of Profit and Loss on a systematic basis over the useful life of the assets for which it was received.

**b) Fair Valuation of Investments**

In accordance with Ind AS 109 "Financial Instruments", investments in unquoted equity shares recognised at fair value through the other comprehensive income at each reporting period.

**c) Under previous GAAP, security deposits (that are refundable in cash on completion of lease term) are recorded at their transaction value. Under Ind AS, at initial recognition all financial instruments are required to be recognised at fair value. Accordingly, the Company has fair valued the security deposits and the difference between the transaction value and fair value is recognised as "Prepaid Rent" at the reporting date.**

**d) Revaluation Reserve**

The Company has elected cost model for its Property, plant & Equipment and thus, the revaluation surplus existing as on the transition date under Indian GAAP has been transferred to the retained earnings on the date of transition.

Accordingly, the adjustment of proportionate share of revaluation surplus arising from adjustment on sale of assets and depreciation of revalued assets under previous GAAP have been reversed under Ind AS during the year ended 31st March, 2017.

e) Under Ind AS, at initial recognition all financial instruments are required to be recognised at fair value. Accordingly, the Company has fair valued the "Interest free Loan from promoters" which are in the nature of Promoter Equity resulting in increase in "Retained Earnings".

f) Under previous GAAP, security deposits from dealers/customers/vendors (that are refundable in cash on completion of contractual term) are recorded at their transaction value. Under Ind AS, at initial recognition all financial instruments are required to be recognised at fair value. Accordingly, the Company has fair valued the security deposits and the difference between the transaction value and fair value is recognised as "Unearned Interest Income" at the reporting date.

**g) Excise Duty**

Under the Previous Indian GAAP, revenue from sale to goods was presented exclusive of excise duty. Under Ind AS revenue from sales of goods is presented inclusive of excise duty. Excise duty paid is presented as expenditure under Statement of profit and loss.

**h) Revenue from Sale of Products**

Under Previous Indian GAAP, revenue was recognised net of trade discounts and inclusive of sales taxes / VAT and excise duties. Under Ind AS, revenue is recognised at the fair value of the consideration received or receivable, after deduction of any trade discounts, cash discounts, volume rebates, rate/weight difference and any taxes or duties collected on behalf of the government such as sales tax/VAT/GST except excise duty. Credit notes given to the consumer/dealer/distributor includes cash discounts, volume rebates and rate/weight differences which have been reclassified from other expenses under Previous GAAP are netted from revenue under Ind AS.

**i) Actuarial gain/(loss) on Defined Benefit Plans (Ind AS – 19)**

Both under Previous Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous Indian GAAP, the entire cost, including actuarial gains and losses, are charged to statement of profit or loss. Under Ind AS, re-measurements i.e. actuarial gains and losses are recognised in balance sheet through other comprehensive income. Thus, employee benefits expense is reduced with the corresponding impact under other comprehensive income.

**j) Other comprehensive Income**

Under Previous Indian GAAP, the Company has not presented Other Comprehensive Income (OCI) separately. Hence, it has reconciled Previous Indian GAAP profit to profit as per Ind AS. Further, Previous Indian GAAP profit is reconciled to Total Comprehensive Income as per Ind AS.

k) Previous Indian GAAP figures have been reclassified / regrouped wherever necessary to confirm to financial statements prepared under Ind AS.

**D. Standard issued but not yet effective**

The standard issued, but not yet effective (considering the applicability to the Company) upto the date of the issuance of the Company's financial statements is disclosed below. The Company intends to adopt this standard when it becomes effective.

**Ind AS 115 Revenue from Contracts with Customers**

Ind AS 115 was issued in February, 2015 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This standard will come into force from accounting period commencing on or after April 01, 2018. The Company will adopt the new standard on the required effective date. During the current year, the Company performed a preliminary assessment of Ind AS 115, which is subject to changes arising from a more detailed ongoing analysis.



### 39.13 Fair Value Measurements

The carrying amounts and fair values of the financial instruments by class are as follows:

(in Rs. Lakhs)

Particulars	Carrying amount/Fair value		
	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Financial assets</b>			
<b>Carrying amounts/fair value:</b>			
a) <u>Measured at fair value through profit and loss</u>	--	--	--
b) <u>Measured at fair value through other comprehensive income</u>			
<b>Non-current assets</b>			
- Investments	155.63	155.63	146.21
c) <u>Measured at amortised cost</u>			
<b>Non-current assets</b>			
- Loans	397.76	333.23	439.66
- Other non-current financial assets	44.79	27.81	48.38
<b>Current assets</b>			
- Investments	10.64	10.64	54.96
- Trade receivables	5,312.16	6,713.97	8,020.67
- Cash and cash equivalents	261.05	484.54	807.02
- Bank balances other than cash and cash equivalents	726.20	786.78	671.08
- Loans	17.10	56.89	39.26
- Other current financial assets	866.63	591.75	1,319.37
<b>Total</b>	<b>7,791.96</b>	<b>9,161.24</b>	<b>11,546.61</b>
<b>Financial liabilities</b>			
<b>Carrying amounts/fair value:</b>			
a) <u>Measured at fair value through profit and loss</u>	--	--	--
b) <u>Measured at fair value through other comprehensive income</u>	--	--	--
c) <u>Measured at amortised cost</u>			
<b>Non-current liabilities</b>			
- Borrowings	4,158.87	7,199.86	13,333.69
- Other non-current financial liabilities	5,387.05	5,828.48	5,394.02
<b>Current liabilities</b>			
- Borrowings	9,757.14	8,923.62	8,917.33
- Trade payables	14,709.22	10,623.70	8,600.82
- Other current financial liabilities	14,005.76	14,073.27	12,153.62
<b>Total</b>	<b>48,018.04</b>	<b>46,648.93</b>	<b>48,399.48</b>

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. The Company has disclosed financial instruments such as trade receivables, current investments, cash and cash equivalents, other bank balances, trade payables, other financial assets and liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to the account for the expected losses of these receivables.

#### Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data



Disclosures of fair value measurement hierarchy for financial instruments are given below: (Rs. in lakhs)

Particulars	Carrying amount/Fair Value								
	As at 31st March, 2018			As at 31st March, 2017			As at 31st March, 2016		
	L-1	L-2	L-3	L-1	L-2	L-3	L-1	L-2	L-3
<b>Financial Assets</b>									
<b>Carrying amount/fairvalue:</b>									
<b>a) Measured at fair value through profit and loss</b>	-	-	-	-	-	-	-	-	-
<b>b) Measured at fair value through other comprehensive income</b>									
<b>Non-current assets</b>									
Investment	-	-	155.63	-	-	155.63	-	-	146.21
<b>c) Measured at amortised cost</b>									
<b>Non Current Assets</b>									
Loans	-	-	397.76	-	-	333.23	-	-	439.66
Other non current financial assets	-	-	44.79	-	-	27.81	-	-	48.38
<b>Current Assets</b>									
Investment	-	-	10.64	-	-	10.64	-	-	54.96
Trade Receivables	-	-	5312.16	-	-	6713.97	-	-	8020.67
Cash and Cash equivalents	-	-	261.05	-	-	484.54	-	-	807.02
Bank balances other than cash equivalents	-	-	726.2	-	-	786.78	-	-	671.08
Loans	-	-	17.1	-	-	56.89	-	-	39.26
Other current financial assets	-	-	866.63	-	-	591.24	-	-	1319.37
<b>Total</b>	-	-	7791.96	-	-	9161.24	-	-	11546.61
<b>Financial Liabilities</b>									
<b>Carrying amount/fairvalue:</b>									
<b>a) Measured at fair value through profit and loss</b>	-	-	-	-	-	-	-	-	-
<b>b) Measured at fair value through other comprehensive income</b>	-	-	-	-	-	-	-	-	-
<b>c) Measured at amortised cost</b>									
<b>Non Current Liabilities</b>									
Borrowing	-	-	4158.87	-	-	7199.86	-	-	13333.69
Other Non Current Financial Liabilities	-	-	5387.05	-	-	5828.48	-	-	5394.02
<b>Current Liabilities</b>									
Borrowings	-	-	9757.14	-	-	8923.62	-	-	8917.33
Trade Payables	-	-	14709.22	-	-	10623.7	-	-	8600.82
Other Current Financial Liabilities	-	-	14005.76	-	-	14073.27	-	-	12153.62
<b>Total</b>	-	-	48018.04	-	-	46648.93	-	-	48399.48

### 39.14 Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long term and short term bank borrowings and issue of securities.

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances (including non-current earmarked balances) and current investments.



The table below summarises the capital, net debt and net debt to equity ratio of the Company (Rs. in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Equity share capital	14,953.15	14,953.15	14,619.82
Preference share capital	--	--	1,000.00
Other Equity	(8,987.83)	(5,586.51)	(4,225.23)
<b>Total Equity (A)</b>	<b>5,965.32</b>	9,366.64	11,394.59
Non-current borrowings	4,158.87	7,199.86	13,333.69
Short term borrowings	9,757.14	8,923.62	8,917.33
Current maturities of long term borrowings	10,123.34	9,669.87	7,465.18
<b>Gross Debt</b>	<b>24,039.35</b>	25,793.35	29,716.20
<b>Less:</b> Cash & Cash Equivalents	<b>261.05</b>	484.54	807.02
<b>Less:</b> Bank balances (other than cash and cash equivalents)	<b>726.20</b>	786.78	671.08
<b>Less:</b> Current investments	<b>10.64</b>	10.64	54.96
<b>Net Debt (B)</b>	<b>23,041.46</b>	24,511.39	28,183.14
<b>Total Capital and Net Debt</b>	<b>29,006.78</b>	33,878.03	39,577.73
<b>Gearing Ratio (Net Debt/ Total Capital &amp; Net Debt)</b>	<b>79.43%</b>	72.35%	71.21%

### 39.15 Financial risk management objectives and policies

The Company's principal financial liabilities, comprise of borrowings, security deposits and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents and other bank balances that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

The management reviews and agrees policies for managing each of these risks which are summarized as below:

#### (a) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include borrowings, security deposits and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at March 31, 2018. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2018.

#### (i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency) and outstanding FCCBs.

#### Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EURO and others currency exchange rates, with all other variables held constant. The impact on the Company profit before tax is due to changes in the fair value of monetary assets and liabilities. Foreign currency exposures recognised by the Company that have not been hedged by a derivative instrument or otherwise are as under:





(Rs. in lakhs)

Particulars	Currency Symbol	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
		FC (in Million)	INR (Rs. in lakhs)	FC (in Million)	INR (Rs. in lakhs)	FC (in Million)	INR (Rs. in lakhs)
Trade Receivables	US\$	1.17	749.51	0.40	260.45	0.77	580.59
	EURO	0.04	29.60	0.16	111.41	0.04	28.81
Loans and Advances	US\$	0.08	47.37	0.06	42.19	0.44	29.20
	EURO	0.02	15.59	0.02	13.27	-	3.99
	YEN	0.01	4.07	0.01	3.76		-
Foreign Currency Convertible Bonds	US \$	(10.33)	(6,785.32)	(10.33)	(6,781.18)	(12.06)	(8,052.48)
Trade and other Payables	US \$	(0.16)	(102.57)	(1.11)	(616.39)	(0.47)	(314.04)
	EURO	(0.01)	(9.64)	(0.01)	(7.60)	(0.03)	(18.76)
	GBP	-	-	(0.01)	(0.95)	(0.01)	(0.95)
<b>Net Liability (in INR)</b>			<b>(6,051.39)</b>		<b>(6,975.04)</b>		<b>(7,743.64)</b>
<b>Impact on profit before tax and equity</b>			<b>As at 31.03.2018</b>		<b>As at 31.03.2017</b>		<b>As at 01.04.2016</b>
<b>5% Increase</b>			<b>(302.57)</b>		<b>(348.75)</b>		<b>(387.18)</b>
<b>5% Decrease</b>			<b>302.57</b>		<b>348.75</b>		<b>387.18</b>

Note: Figures in bracket represents payables

**(i) Interest Rate Risk**

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company's financial liabilities comprises of interest bearing vehicle loans, loan and advance from related party and security deposits; however these are not exposed to risk of fluctuation in market interest rate as the rates are fixed at the time of contract/agreement and do not change for any market fluctuation.

**(ii) Commodity Price Risk**

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of yarn, fabric and garments therefore require a continuous supply of raw materials i.e. Caprolactum, Cotton and Dyes & Chemicals being the major input used in the manufacturing. Due to the significantly increased volatility of the price of the Caprolactum, Cotton and Dyes & Chemicals, the Company has entered into various purchase contracts for these material for which there is an active market. The Company's management has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Company partly mitigated the risk of price volatility by entering into the contract for the purchase of some of these materials and further the Company increases prices of its products as and when appropriate to minimize the impact of increase in raw material prices.

**(b) Credit Risk**

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

**i) Trade Receivables**

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating review and individual credit limits are defined in accordance with this assessment. The Company regularly monitors its outstanding customer receivables.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.



**ii) Financial instruments and cash & bank deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's management in accordance with the Company's policy.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2018 is the carrying amounts which are given below. Trade Receivables and other financial assets are written off when there is no chance of recovery, such as debtor failing to engage in the repayment plan with the Company.

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Non-current assets</b>			
- Investments	155.63	155.63	146.21
<b>Non-current assets</b>			
- Loans	397.76	333.23	439.66
- Other non-current financial assets	44.79	27.81	48.38
<b>Current assets</b>			
- Investments	10.64	10.64	54.96
- Trade receivables	5,312.16	6,713.97	8,020.67
- Cash and cash equivalents	261.05	484.54	807.02
- Bank balances other than cash and cash equivalents	726.20	786.78	671.08
- Loans	17.10	56.89	39.26
- Other current financial assets	866.63	591.75	1,319.37
<b>Total</b>	<b>7,791.96</b>	<b>9,161.24</b>	<b>11,546.61</b>

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

The ageing analysis and loss allowance of trade receivables given below has been considered from the date the invoice falls due:

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Due from 0 to 180 days	4,624.33	4,981.33	6,787.16
Due from more than 180 days	896.77	1,912.96	1,485.20
Less: Loss Allowance	(208.94)	(180.32)	(251.69)
<b>Total</b>	<b>5,312.16</b>	<b>6,713.97</b>	<b>8,020.67</b>

**(c) Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits, short term investments and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

**Maturity profile of financial liabilities**

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date:

(Rs. in lakhs)

Particulars	Carrying Value	Less than 1 year	1 to 5 years
<b>As at 31<sup>st</sup> March, 2018</b>			
Borrowings	24,039.35	19,880.48	4,158.87
Trade payables	14,709.22	14,709.22	--
Other non-current financial liabilities	5,387.05	--	5,387.05
Other current financial liabilities	3,882.42	3,882.42	--
<b>Total</b>	<b>48,018.04</b>	<b>38,471.12</b>	<b>9,545.92</b>



Particulars	Carrying Value	Less than 1 year	1 to 5 years
<b>As at 31<sup>st</sup> March, 2017</b>			
Borrowings	25,793.35	18,593.49	7,199.86
Trade payables	10,623.70	10,623.70	--
Other non-current financial liabilities	5,828.48	--	5,828.48
Other current financial liabilities	4,403.40	4,403.40	--
<b>Total</b>	<b>46,648.93</b>	<b>33,620.59</b>	<b>13,028.34</b>

  

Particulars	Carrying Value	Less than 1 year	1 to 5 years
<b>As at 1<sup>st</sup> April, 2016</b>			
Borrowings	29,716.20	16,382.51	13,333.69
Trade payables	8,600.82	8,600.82	--
Other non-current financial liabilities	5,394.02	--	5,394.02
Other current financial liabilities	4,688.44	4,688.44	--
<b>Total</b>	<b>48,399.48</b>	<b>29,671.77</b>	<b>18,727.71</b>

**39.16 Disclosure required under Section 186 (4) of the Companies Act, 2013.**

Particulars of transaction made during the year and outstanding balance as at the end of the year:

(Rs. in Lakhs)

Sr. No.	Name of the Investee	Nature of Transaction	2017-18		2016-17	
			During the year	Outstanding Balance	During the Year	Outstanding Balance
1.	KCT Textiles Ltd..	Investment	--	10.64	(44.32)	10.64

**39.17 Earning per share:**

Particulars	Current Year	Previous Year
Net Loss as per Statement of Profit and Loss (Rs. in lakhs)	3,604.33	1,728.33
Weighted average number of equity shares	59,81,25,982	59,70,14,871
Nominal value of Equity Share (Rs.)	2.50	2.50
Basic Earning per share (Rs.)	(0.60)	(0.29)
Diluted Earning per share (Rs.)	(0.60)	(0.29)

**39.18** Figures of the previous year/s have been rearranged and regrouped, wherever necessary, to conform to current year classification.

**Signatures to 'Notes 1 to 39'**

V K Singhal  
Chief Financial Officer

Nidhi Goel  
Company Secretary  
(Membership No.26016)

**For and on behalf of the Board of Directors**  
Samir Thapar  
Chairman & Managing Director  
(DIN 00062287)

As per our Report of even date attached  
Navdeep Singh & Co.  
Chartered Accountants  
Firm Registration No. 008400N  
Navdeep Singh Choudhary  
Partner  
Membership No.034979

**Directors**

C M Bhanot (DIN 06462056)  
R S Samria (DIN 00375315)  
A K Doshi (DIN 02298644)  
A K Mohapatra (DIN 07811921)  
Priya Thapar (DIN 06742680)

Place : New Delhi  
Dated : 30<sup>th</sup> May, 2018



**JCT LIMITED****[CIN – L17117PB1946PLC004565]****Registered Office: Village Chohal, District Hoshiarpur 146 024 (Punjab)****Tel: 01882-258780; FAX: 01882-258059****Website: [www.jct.co.in](http://www.jct.co.in); Email ID: [jctsecretarial@jctltd.com](mailto:jctsecretarial@jctltd.com)****PROXY FORM***[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

Name of the member (s):	
Registered address:	
E-mail Id:	
Folio No/ Client Id:	
DP ID:	

I/We, being the member (s) of ..... shares of JCT Limited, hereby appoint the following as my/our Proxy to attend vote(for me/us and on my/our behalf at the 69th Annual General Meeting of the Company to be held on Friday, the 14th day of September, 2018 at 11:30 a.m. and at any adjournment thereof.

1. Mr./Mrs. .... (Name & signature of the Proxy) or failing him/her
2. Mr./Mrs. .... (Name & signature of the Proxy) or failing him/her
3. Mr./Mrs. .... (Name & signature of the Proxy)

Resolution No.	Description of Resolution	Optional	
		For	Against
Ordinary Business			
1	Adoption of audited financial statements for the year ended 31.03.2018 and report of the Board of Directors and Auditors thereon		
2	Re-appointment of Ms. Priya Thapar, who retires by rotation		
3	Ratification of appointment of M/s Navdeep Singh & Co. Chartered Accountants as Statutory Auditors		
Special Business			
4	Approval of Cost Auditor's remuneration		
5	Appointment of Mr Ramswaroop Samaria as an Independent Director		
6	Re-appointment and payment of remuneration to Mr. Samir Thapar, Chairman and Managing Director for the period from 1.10.2018 to 30.09.2021		
7	Re-appointment and payment of remuneration to Ms. Priya Thapar as Whole-time Director for the period from 1.12.2018 to 30.11.2021		
8	Increase of Share Capital and Alteration of Memorandum of Association		
9	Issue of Fresh Equity Shares to Foreign Currency Convertible Bondholders (Non-Promoter's)		
10	Creation of Charge(s) / Mortgage / Hypothecation		

Signed this.....day of.....20....

Signature of shareholder

Signature of Proxy holder(s)

Affix Revenue Stamp
---------------------------

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**





**JCT LIMITED**

**[CIN – L17117PB1946PLC004565]**

**Registered Office: Village Chohal, District Hoshiarpur 146 024 (Punjab)**

**Tel: 01882-258780; FAX: 01882-258059**

**Website: [www.jct.co.in](http://www.jct.co.in); Email ID: [jctsecretarial@jctltd.com](mailto:jctsecretarial@jctltd.com)**

**ATTENDANCE SLIP**

**69th Annual General Meeting, Friday, the 14th day of September, 2018 at 11:30 a.m. at Registered Office of the Company at Village Chohal , District Hoshiarpur-146024, Punjab**

Name	
Address	
DP ID/Client ID*	
Folio No.	
No. of shares held	

\* Applicable for investor holding shares in Electronic Form

I certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the 69th Annual General Meeting of the Company on Friday, the 14th day of September, 2018 at 11:30 a.m. at Village Chohal, District Hoshiarpur-146024, Punjab.

.....  
Signature of Member/Proxy

**Note: Please fill this attendance slip and hand it over at the entrance of the hall.**





**PAN No AND ELECTRONIC CLEARING SERVICE (CREDIT CLEARING) MANDATE FORM****\*\*\* (Only for the shareholders holding shares in physical form)**

M/s. RCMC Share Registry Pvt. Ltd  
Unit: JCT Limited  
B-25/1, First Floor, Okhla Industrial Area,  
Phase – II, New Delhi – 110 020

<b>Folio Number</b>	
---------------------	--

	<b>Name</b>	<b>PAN NO#</b>
<b>First /Sole Holder</b>		
<b>Second Joint Holder</b>		
<b>Third Joint Holder</b>		

# please attached self attested copies of PAN Card.

<b>E-mail ID for Communication</b>	
------------------------------------	--

**Bank Details**

<b>Bank Name.</b>	
<b>Branch Address</b>	
<b>Bank Account No. (15 digits)</b>	
<b>Account type</b>	Saving/Current/Cash Credit
<b>Micr Code (9 digits)</b>	
<b>IFSC Code (11 digits)</b>	

\*It is mandatory to enclose a cancelled cheque bearing name of first holder, in case cancelled cheque has no such name of first holder it is mandatory to enclose a copy of passbook/bank statement duly attested by bank.

Enclosed please find CanelledCheque Leaf/photocopy of a cheque leaf containing my name pre-printed..

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information or the said facility is not available at my location, I would not hold JCT Limited responsible.

**Place :**

**Date :** \_\_\_\_\_ **Signature of First/Sole Holder**

\_\_\_\_\_ **Signature(s) of joint Holder(s)**

\*\*\*This form need to be submitted by shareholders holding shares in physical form. Shareholders holding shares in electronic form (in demat account) are advised to update their PAN No, bank details and mail id with their respect DP. Post updation with DP no further action is required from shareholders' side as Company will get these details automatically through depositories.





**Date : 14.08.2018**

Dear Sir/ Madam,

**SUB: Requirement of PAN/Bank Details pursuant to SEBI's Circular Dated April 20, 2018 & Transfer of Securities in Demat Form only w.e.f. 05.12.2018 vide SEBI Circular July 05, 2018**

With has reference to the above you are required to provide the details of your PAN NO, Bank Details etc.

By using this facility all the communication by the company to its shareholders can be seen on the email Id provided by the shareholders and also they can get the direct credit of Dividend amount to the respective Bank account of the shareholder.

To complete the procedure, the shareholders are requested to kindly provide dully completed ECS mandate form provided below, sign the same, tear it from the partition and dispatch the same along with a cancelled cheque to the address provided.

The shareholders are also requested to provide the correct email Id and the demat account details to avoid errors while sending communications/dividend electronically.

**Further this is to inform you that with effect of SEBI Circular dated July 05, 2018, the transfer of securities in physical forms will be entertained by the company latest by December 05, 2018. After 05.12.2018 only transfer in Demat form will be executed. Therefore all are requested to kindly Demat the share certificates or in case of physical share transfer, same should be send with the company or RTA within the specified time.**

Thanking you,

Yours truly,  
For **RCMC Share Registry Pvt Ltd**

**sd/-**  
**AuthorisedSignaory**

(This is being a computer generated letter, signature not required)



## This image shows a full page of blank white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page, providing a template for writing or drawing. There are no margins, text, or other markings present.

## This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



# Hoshiarpur Railway Station to JCT Limited

