



JCT LIMITED

ANNUAL REPORT
2022-23



Board of Directors

Mr. Samir Thapar

Ms. Priya Thapar

Dr. Ajit Kumar Doshi

Mr. Rakesh Agarwal

(Ceased to be a director on 29.11.2022)

Ms. Mamta Kumari

(Appointed on 29.11.2022)

Mr. Ram Swaroop Samria

Mr. Surendra Mal Daga

Chairman and Managing Director

Director (Strategic Business Development)

Indian Bank Nominee

Indian Bank Nominee

Chief Financial Officer

Mr. Kapil Raj Luthra

Company Secretary

Mr. Kanwar Nitin Singh

Auditors:

S.P. Chopra & Co.

Chartered Accountants

31-F, Connaught Place,

New Delhi - 110 001

Registered Office:

Village Chohal

Distt. Hoshiarpur

Punjab: 146024

Ph. No.: 01882-258780; Fax: 01882-258059

Email: jctsecretarial@jctltd.com

Website: www.jct.co.in

CIN: L17117PB1946PLC004565

Units:

Textiles : Phagwara (Punjab)

Nylon Filament Yarn : Hoshiarpur (Punjab)

Corporate Office:

601, Prabhat Kiran, 17th Rajendra Place,

New Delhi-110008

Registrar & Share Transfer Agents

RCMC Share Registry Private Limited

B-25/1, 1st Floor, Okhla Industrial Area

Phase II, New Delhi-110020

Tel: 011-35020465, 35020466

Email: investor.services@rcmcdelhi.com

Bankers:

Indian Bank

State Bank of India

Punjab National Bank

Bank of Baroda

Punjab & Sind Bank

CONTENTS

Notice to Members	1
Directors Report & Management	11
Discussion and Analysis and Annexures	
Corporate Governance Report	28
Auditor's Report	43
Balance Sheet	51
Profit & Loss Account	52
Cash Flow Statement	53
Statement of Changes in Equity	55
Notes to Financial Statement	57



JCT LIMITED

[CIN – L17117PB1946PLC004565]

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

Tel: 01882-258780; FAX: 01882-258059

Website: www.jct.co.in; Email ID: jctsecretarial@jctltd.com

NOTICE

NOTICE is hereby given that the 74th Annual General Meeting of the Members of the Company will be held on Monday, the 21st day of August, 2023 at 11:30 AM through Video Conferencing/ Other Audio Visual Means (“VC/OAVM”) Facility to transact following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the financial statements of the Company including the Audited Balance Sheet as at 31st March, 2023, the statement of Profit & Loss a/c and Cash Flow Statement 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-appointment.

SPECIAL BUSINESS

3. 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 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s Goyal, Goyal & Associates, Cost Accountants (Firm Registration No. 000100), appointed as the Cost Auditors by the Board of Directors of the Company to conduct the audit of the cost accounting records of the Company’s Textile and Filament Units for the Financial Year ending 31st March, 2024, amounting to Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand Only) plus taxes as may be applicable and reimbursement of such other out of pocket expenses, as may be incurred by them during the course of Audit.”

4. Re-appointment of Mr. Ramswaroop Samria as an Independent Director for Second Term

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 the Board of Directors in the respective meetings held on 29th May, 2023 and pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and Rules thereunder and the applicable provisions of SEBI (LODR) Regulations, 2015, the approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. Ramswaroop Samria (DIN: 00375315) whose current period of office is expiring on 29th May, 2023 and he has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Act read with SEBI (LODR) Regulations, 2015 and who is eligible for re-appointment for a second term under the provisions of the Act, Rules thereunder and SEBI (LODR) Regulations, 2015 and in respect of whom the Company has received a notice in writing from one of the Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as an Independent Director of the Company, to hold office for a term of five consecutive years on the Board of the Company with effect from 30th May, 2023 to 29th May, 2028 and whose term shall not be subject to retirement by rotation.”

Place: Hoshiarpur
Dated: 30.06.2023

By order of the Board
For JCT Limited
Kanwar Nitin Singh
(Company Secretary)



NOTES FOR MEMBERS' ATTENTION:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out material facts concerning the business under Item No. 3 and 4 of the accompanying Notice, is annexed hereto. The Board of Directors of the Company at its meetings held on 29.05.2023 and 30.06.2023 considered that the special businesses under Item No. 3 and 4, being considered unavoidable, be transacted at the 74th AGM of the Company.
2. **General instructions for accessing and participating in the 74th AGM through VC/OAVM facility and voting through electronic means including remote e-Voting**
 - a. The MCA by Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021, 02/2022 and 10/2022 dated 8th April 2020, 13th April 2020, 5th May 2020, 13th January 2021, 8th December 2021, 14th December 2021, 5th May 2022 and 28th December 2022 respectively ("MCA Circulars") and SEBI by Circular No. SEBI/HO / CFD/CMD1/CIR/P/2020/79 dated 12th May 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January 2021 and Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 05th January 2023 respectively ("SEBI Circulars") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 74th AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of members at a common venue. The deemed venue for the 74th AGM shall be the registered office of the Company.
 - b. In terms of the MCA Circulars since the physical attendance of Members has been dispensed with, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
 - c. The Members can join the EGM/AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
 - d. The attendance of the Members attending the 74th AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
 - e. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations read with MCA Circulars and SEBI Circular, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the 74th AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the EGM/AGM will be provided by NSDL.
 - f. In line with the MCA Circulars and SEBI Circular, the Notice of the 74th AGM will be available on the website of the Company at www.jct.co.in, on the website of BSE Limited at www.bseindia.com and AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
 - g. The 74th AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020, MCA Circular No. 2/2021 dated January 13, 2021, MCA Circular No. 02/2022 dated 05th May, 2022 and MCA Circular No. 10/2022 dated December 28th, 2022.
 - h. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.
3. **Instructions for Members for Remote e-Voting are as under and joining General meeting are as under:-**

The remote e-voting period begins on 18th August, 2023 at (9:00 A.M IST) and ends on 20th August, 2023 (5:00 P.M IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 14th August, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 14th August, 2023.

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting System**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none">1. Existing IDeAS user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.



Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at [abovementioned website](http://www.cdslindia.com).

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.****How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP 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 are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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. Password details for shareholders other than Individual shareholders 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 to 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, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
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.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on 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 mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
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 and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to seemakassociates154@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney /Authority Letter etc. by clicking on “Upload Board Resolution/ Authority Letter” displayed under “e-Voting” tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to (Mr. Aman Goyal) at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to (jctsecretarial@jctltd.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to (jctsecretarial@jctltd.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**



3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (jctsecretarial@jctltd.com). The same will be replied by the company suitably.

4. Other Guidelines for Members

- a. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- b. The voting rights of Members shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date of 14th August, 2023.
- c. Any person, who acquires shares of the Company and becomes Member of the Company after the Company sends the Notice of the 74th AGM by email and holds shares as on the cut-off date i.e. 14th August, 2023 may obtain the User ID and password by sending a request to the Company's email address: jctsecretarial@jctltd.com. However, if you are already registered with NSDL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.



- d. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the meeting.
 - e. Ms. Seema Khanna, Practicing Company Secretary and Proprietor of Seema K & Associates, has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and casting vote through the e-Voting system during the meeting in a fair and transparent manner.
 - f. During the 74th AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the 74th AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the 74th AGM and announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be closed with the formal announcement of closure of the 74th AGM.
 - g. The Scrutinizer shall after the conclusion of e-Voting at the 74th AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, within 48 (forty eight) hours from the conclusion of the 74th AGM, who shall then countersign and declare the result of the voting forthwith.
 - h. The declared Results, along with the Scrutinizer's Report, will be available forthwith on the Company's corporate website 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.
 - i. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to seemakassociates154@gmail.com.
5. Pursuant to the MCA Circulars and SEBI Circular, in view of the prevailing situation, owing to the difficulties involved in dispatching of physical copies of the Notice of the 74th AGM and the Annual Report for the year 2022-23 including therein the Audited Financial Statements for Financial Year 2022-23, are being sent only by email to the Members. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 74th AGM and the Annual Report for the year 2022-23 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-
- a. For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company's email address jctsecretarial@jctltd.com.
 - b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
6. The Notice of the 74th AGM and the Annual Report for the year 2022-23 including therein the Audited Financial Statements for the year 2022-23, will be available on the website of the Company at www.jct.co.in and the website of BSE Limited at www.bseindia.com.
7. The Register of Members and the Share Transfer books of the Company will remain closed from 15th August, 2023 to 21st August, 2023 both days inclusive, for annual closing.
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 the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
9. In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialised form with effect from 1st April, 2019. In view of the above, Members are advised to dematerialize shares held by them in physical form.



10. Electronic copy of all the documents referred to in the accompanying Notice of the 74th AGM and the Explanatory statement shall be available for inspection in the Investor Section of the website of the Company at www.jct.co.in.
11. During the 74th AGM, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, and all other documents referred to in the Notice will be available for inspection in electronic mode.
Members can inspect the same by sending an email to jctsecretarial@jctltd.com.
12. Details as required in sub-regulation (3) of Regulation 36 of the Listing Regulations and Secretarial Standard on General Meeting (SS-2) of ICSI, in respect of the Directors seeking appointment/re-appointment at the 74th AGM, forms integral part of the Notice of the 74th AGM. Requisite declaration has been received from the Director for seeking re-appointment.

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

Item No. 3

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 31st March, 2024 at a remuneration of Rs. 1,50,000/- plus GST 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, 2024, 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 concerned or interested, financial or otherwise, in the said resolution.

The Board of Directors recommends the Ordinary Resolution set out in Item No 3 of the Notice for approval by the members.

Item No. 4

The Members of the Company in the 69th Annual General Meeting had appointed Mr. Ramswaroop Samria as Independent Director of the Company for a period of five consecutive years effective from 30th May, 2018.

The Company has received notice in writing pursuant to Section 160 of the Act, from members proposing the candidature of Mr. Ramswaroop Samria for the office of Independent Director, to be re-appointed as such under the provisions of Section 149 of the Act.

The Company has received from Mr. Ramswaroop Samria, (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that they are not disqualified under Section 164(2) of the Companies Act, 2013, confirming their eligibility for such appointment and a declaration to the effect that they meet the criteria of independence as provided in Section 149(6) of the Act and SEBI (LODR), 2015.

The Board upon recommendation of the Nomination and Remuneration Committee, based on the skills, rich experience, knowledge, continued valuable guidance of above said Directors to the management and based on the outcome of performance evaluation, has in the meetings held on 29th May, 2023 recommended re-appointment of the said Directors as Independent Directors of the Company for second consecutive term of 5 years subject to approval of members, pursuant to Section 149 of the Companies Act, 2013. Further, Mr. Ramswaroop Samria is a Chartered Accountant and is currently working as a Sr. founding partner in a practicing firm of Chartered Accountants, Samria & Co. for the past 42 years. He is having 16 years of experience in Textiles Industry. His rich experience guides the company to move forward with good corporate governance and helps in better decision making. Approval of members through Special resolution is sought for his reappointment as Independent Directors, pursuant to Section 149 and other applicable provisions of the Act and Rules there under and that the said Directors shall not be liable to retire by rotation. Copies of the draft letters for their appointment as Independent Directors setting out the terms and conditions would be available for inspection without any fee by the members at the registered office of the Company during normal business hours on all the working days.



In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a person who has attained the age of seventy five years can continue as a Non-executive Director in a listed Company, provided that approval of its members by way of a special resolution is obtained. Mr. Ramswaroop Samria is above the age of seventy five years. Special resolution as set out in business no. 4 seeks approval of shareholders for continuation of Directorship of Mr. Ramswaroop Samria as Independent Director of the Company for second consecutive term effective from 30th May, 2023.

A brief profile of Mr. Ramswaroop Samria as required under Secretarial Standards on General Meeting (SS - II) and Regulations 36(3) of the SEBI (LODR) Regulations, 2015 is provided in the annexure to this Notice.

The Directors recommend the resolution as set out in business 4 for approval.

None of the Directors and Key Managerial Personnel including their respective relatives other than those mentioned in the respective resolutions and their relatives is in any way concerned or interested, financially or otherwise, in the said resolution.

Profile of Directors seeking appointment/re-appointment at the 74th 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. Ramswaroop Samria		Ms. Priya Thapar	
DIN	00375315		06742680	
Date of Birth	14.06.1943		10.05.1968	
Date of First Appointment	30.05.2018		26.11.2013	
Expertise in specific General Functional area	Tax Consultancy		Managerial and Administrative Experience	
Qualification	Bachelor of Commerce, Chartered Accountant		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 Sotheby's London with consistent good academic record.	
Shareholding in the Company	Nil		2,60,000	
Relationship with other KMPs	Not Applicable		Sister of Mr. Samir Thapar – Chairman & Managing Director	
No. of Board Meetings attended by the Director during the FY 2022-23	4		4	
Board Membership of other listed Companies as on March 31, 2023	Nil		Nil	
Chairman/Member of the Committee of the Board of Directors of the Company	Member	Audit Committee	Member	Stakeholder Relationship Committee
		Nomination and Remuneration Committee		Corporate Social Responsibility
		Board of Directors		Board of Directors
Chairman/Member of the Committee of Directors of other Public Limited Company in which he/she is a Director	NA		NA	

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

Your Directors present the 74th Annual Report on the affairs of the Company together with Audited Financial Statements for the financial year ended 31st March, 2023. The Management Discussion and Analysis is also included in this Report.

1. FINANCIAL HIGHLIGHTS (Rs. in Lakhs)

	2022-23	2021-22
Revenue from operations	63887.55	80411.79
Other Income	1420.42	4480.62
Profit before Finance Cost, Depreciation and Amortization Expense and Tax	(2981.24)	7445.74
Finance Cost	4387.63	5149.40
Depreciation and amortization Expense	1166.68	1333.87
Profit / (Loss) for the year before tax	(8535.55)	962.47
Profit / (Loss) for the year after tax	(8535.55)	962.47
Other Comprehensive Income/(Loss)	364.21	191.10
Total Comprehensive Profit / (Loss)	(8171.34)	1153.57

2. DIVIDEND

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

3. INDUSTRY STRUCTURE & DEVELOPMENT

The Indian textile industry is one of the largest in the world with a massive raw material and textiles manufacturing base. Our economy is largely dependent on the textile manufacturing and trade in addition to other major industries. About 27% of the foreign exchange earnings are on account of export of textiles and clothing alone. The textiles and clothing sector contributes about 14% to the industrial production and 3% to the gross domestic product of the country. Around 8% of the total excise revenue collection is contributed by the textile industry. The textile industry accounts for as large as 21% of the total employment generated in the economy. In 2000/01, the textile and garment industries accounted for about 4 percent of GDP, 14 percent of industrial output, 18 percent of industrial employment, and 27

percent of export earnings. India's textile industry is also significant in a global context, ranking second to China in the production of both cotton yarn and fabric and fifth in the production of synthetic fibers and yarns. The Indian textile industry continues to be predominantly based on cotton, with about 65% of raw materials consumed being cotton. The yearly output of cotton cloth was about 12.8 billion m (about 42 billion ft). This Industry is providing one of the most basic needs of people and this holds importance; maintaining sustained growth for improving quality of life. (Source: fibre2fashion.com)

4. OUT LOOK OF ECONOMY**GLOBAL ECONOMY**

Global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook. Global growth is forecast to slow from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic.

Rising interest rates and the war in Ukraine continue to weigh on economic activity. China's recent reopening has paved the way for a faster-than-expected recovery. Global inflation is expected to fall to 6.6 percent in 2023 and 4.3 percent in 2024, still above pre-pandemic levels.

Monetary policy should stay the course to restore price stability, and fiscal policy should aim to alleviate the cost-of-living pressures while maintaining a sufficiently tight stance aligned with monetary policy. Structural reforms can further support the fight against inflation by improving productivity and easing supply constraints, while multilateral cooperation is necessary for fast-tracking the green energy transition and preventing fragmentation. (Source: www.imf.org)

GLOBAL TEXTILE AND APPAREL INDUSTRY

The global textile market size was valued at USD 1032.1 billion in 2022 and is anticipated to grow at a compound annual growth rate (CAGR) of 4.0% from 2022 to 2030. The global athleisure market size is anticipated to reach USD 330.97 billion by 2022 and grow at a compound annual growth rate (CAGR) of 9.1% from 2023 to 2030. Over the projection period, increased passion for sports and outdoor recreational



activities among the country's young population is predicted to fuel demand for athleisure gear.

One of the primary aspects driving this trend is a rise in consumer fitness and health consciousness, which is generating the demand for comfortable and fashionable clothes. The COVID-19 pandemic has drastically altered the yoga landscape around the world. Yoga studios, gyms, health clubs, and other locations where in-person group yoga lessons were held were shut down or temporarily closed on a global scale as a result of the lockdown measures. However, the shift from in-person sessions to online platforms supported the market growth.

Furthermore, several businesses concentrate on specific active wear product categories and prioritize customer satisfaction. Several businesses also offer tailored gear that is best suited to different types of customers, as well as professional advice to help customers choose the right product. Sustainability, a long-standing fashion trend, has made its way into the athleisure sector. Consumers continue to find and invest in new items made of sustainable, durable, and high-quality materials, according to Forbes, and many firms are attempting to bridge the gap between fashion and innovative-functional designs. Gap, which owns both Old Navy and Athleta, is far from the only shop reaping the benefits of athleisure, which is more properly described as a category of clothes that can be worn for both sports activities and casual wear.

During the pandemic, customers were drawn to loungewear like leggings, pajama sets, and other comforting alternatives. The Old Navy store reshuffled its store layout to accommodate this trend, placing those items right at the door. Major companies are introducing new goods with stretchy fabric that can be worn on a run or to the supermarket to gain a higher market share. Kohl's unveiled its own active wear brand, FLX, in early 2021, while Target debuted All in Motion, a new workout label, earlier in 2020. People between the age group of 16 and 30 years are the most active athleisure consumers. As fitness is becoming more essential, a slightly older age group also forms a part of the target consumer base. The women's athleisure products, in particular, have witnessed the most rapid growth. (Source: www.grandviewresearch.com)

INDIAN ECONOMY

The overall growth remains robust and is estimated to be 6.9 percent for the full year with real GDP growing 7.7 percent year-on-year during the first three quarters

of fiscal year 2022/23. There were some signs of moderation in the second half of FY 22/23. Growth was underpinned by strong investment activity bolstered by the government's capex push and buoyant private consumption, particularly among higher income earners. Inflation remained high, averaging around 6.7 percent in FY22/23 but the current-account deficit narrowed in Q3 on the back of strong growth in service exports and easing global commodity prices.

The World Bank has revised its FY 23/24 GDP forecast to 6.3 percent from 6.6 percent (December 2022). Growth is expected to be constrained by slower consumption growth and challenging external conditions. Rising borrowing costs and slower income growth will weigh on private consumption growth, and government consumption is projected to grow at a slower pace due to the withdrawal of pandemic-related fiscal support measures.

Although headline inflation is elevated, it is projected to decline to an average of 5.2 percent in FY 23/24, amid easing global commodity prices and some moderation in domestic demand. The Reserve Bank of India's has withdrawn accommodative measures to rein in inflation by hiking the policy interest rate. India's financial sector also remains strong, buoyed by improvements in asset quality and robust private-sector credit growth.

The central government is likely to meet its fiscal deficit target of 5.9 percent of GDP in FY 23/24 and combined with consolidation in state government deficits, the general government deficit is also projected to decline. As a result, the debt-to-GDP ratio is projected to stabilize. On the external front, the current account deficit is projected to narrow to 2.1 percent of GDP from an estimated 3 percent in FY 22/23 on the back of robust service exports and a narrowing merchandise trade deficit. (Source: www.worldbank.org)

INDIAN TEXTILE INDUSTRY

India's textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, with the capital-intensive sophisticated mills sector at the other end. The fundamental strength of the textile industry in India is its strong production base of a wide range of fibre/yarns from natural fibres like cotton, jute, silk and wool, to synthetic/man-made fibres like polyester, viscose, nylon and acrylic.



The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of textiles industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other industries in the country. India's textiles industry has a capacity to produce a wide variety of products suitable for different market segments, both within India and across the world.

In order to attract private equity and employee more people, the government introduced various schemes such as the Scheme for Integrated Textile Parks (SITP), Technology Upgradation Fund Scheme (TUFS) and Mega Integrated Textile Region and Apparel (MITRA) Park scheme.

The Indian textile and apparel industry is expected to grow at 10% CAGR from 2019-20 to reach US\$ 190 billion by 2025-26. India has a 4% share of the global trade in textiles and apparel.

India is the world's largest producer of cotton. Estimated production stood at 362.18 lakh bales during cotton season 2021-22. Domestic consumption for the 2021-22 cotton season is estimated to be at 338 lakh bales. Cotton production in India is projected to reach 7.2 million tonnes (43 million bales of 170 kg each) by 2030, driven by increasing demand from consumers.

Production of fibre in India reached 2.40 MT in FY21 (till January 2021), while for yarn, the production stood at 4,762 million kgs during the same period. India's textile and apparel exports (including handicrafts) stood at US\$ 44.4 billion in FY22, a 41% increase YoY. India's textile and apparel exports to the US, its single largest market, stood at 27% of the total export value in FY 22. Exports of readymade garments including cotton accessories stood at US\$ 6.19 billion in FY 22.

India's textiles industry has around 4.5 crores employed workers including 35.22 lakhs handloom workers across the country. (Source: www.ibef.org)

5. BUSINESS STRATEGY

TEXTILE UNIT:

The business strategy is to come forward and contribute for Eco friendly environment and mission GO GREEN. As climate concerns continue to grow, people are making an effort to live more sustainable lifestyles and businesses are taking steps to reduce the negative impact they have on the environment.

Sustainable fabric has been a growing trend in the fashion industry for some time, but there are far more widespread applications coming into play now including transportation, military and medical use.

To full fill today industry requirement JCT is taking initiative to optimize its product mix for sustainable textiles and materials derived from eco-friendly resources like natural fibers, and recycled materials. Fabrics and textiles are produced by taking into consideration each step from cultivation to printing and finishing processes. Lesser the chemicals and effluents, better the environment.

The company's focus is provide turnkey solutions to Institutional buyers, getting nominated by major global brands and produce more value added fabrics to provide one stop solution to customers by offering garments to benefits the customer with competitive price and shorter lead time.

The strategy of the unit is to optimize its product mix in order to have better profitability in existing business. The company has increased Garment capacities and planning to further upgrade the facility by enhance the capacity of spinning/weaving/processing and Garmenting.

FILAMENT UNIT

The focus is on to develop new products for catering different end-users, more production of conventional dyed and dope dyed yarn for domestic and export markets. The Unit is also focusing on increasing Production capacity of Mono, HOY/IDY/FDY & CRIMP/DYED to increase market share in domestic and international market.

6. OPERATIONS

TEXTILES:

The textile unit at Phagwara, despite challenging business environment, the unit produced and sold 249.34 lakhs and 233.63 lakhs meters of fabrics respectively. The capacities are underutilized due to tight liquidity and margins were also under strain on account of high fixed cost in comparison of the production. However the Company has been taking cost cutting measures without affecting quality parameters in line with the business requirements.

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 manufactured 8715 MT of filament yarn and 66.37 MT of Chips during 2022-23 and sold 8865.50 MT & 68.35 MT during 2022-23. Capacity utilization is lower mainly on account of dearth of working capital.

7. OPPORTUNITIES AND THREATS

The global textile market is currently worth \$530.97 billion and it is expected to grow at 8.3 per cent CAGR to reach \$575.06 billion in 2022. The sector's market share is expected to grow at 7.2 per cent CAGR and be worth \$760.21 billion in 2026. Growth will be dominated by the Asia-Pacific market valued at \$234.2 billion in 2021. The market accounted for 0.69 per cent of the region's GDP during the year. The Indian textile and clothing industry is very old and plays a very important part in the Indian economy and is one of the biggest in the world. Except China, no other nation can match the size, spread, depth and competitiveness of the Indian textile and clothing industry.

The Indian textile industry has various opportunities like technical textiles, product development and diversification, FDI and brand recognition. Technical textiles offer the opportunity to the Indian textile industry to maintain the present current growth and flourish in near future. India is not using technical textiles much. Both nonwoven and woven technical textiles will thrive in India in coming years. Another opportunity for the Indian textile industry is elimination of quotas. Emerging Retail Industry and malls provide huge opportunities for the apparel, handicraft and other segments of the industry.

Some of the new challenges are safety, lack of supply and demand in addition to liquidity crunch, Lack of balance between price and quality and International Labor and Environmental Laws.

8. RISK AND CONCERN THE MANAGEMENT PRECIEVES

The textile industry faces various financial risks, from having lenient payment terms to negotiating weak contracts. No industry is free from normal business risk and concerns. Textile Industry continues to face stiff competition from China, other Asian/emerging economies. Competitiveness of Industry is dependent upon factors like availability of domestic raw materials (particularly in case of cotton, dyes and chemicals (energy cost), fuel cost, husk and LPG0029 and prevalent interest rates in the regime. The industry being more capital intensive requires huge funds, long term as well as short term in the form of working capital for its running.

The Government through its Industrial Policies should support the industry so that Industry be able to enhance its competitive advantage to achieve sustained growth in Exports as well as domestic markets.

9. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL EFFECENCY

The plants of the company operated at sub-optimum levels due to tight liquidity and non-availability of raw-materials and incurred a net loss of Rs. 81.71 Crores. The margins have been under strain due to tight liquidity, high interest and input cost compared to other countries. The company incurred higher finance cost of Rs. 43.88 Crores during the current financial year.

The company earned Operational EBITDA of Rs. -26.17 Crores before OCI during the current financial year against Rs. 76.37 Crores of last year.

10. Key Financial Ratios

As per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the key financial ratios are given below:-

Sr. no	PARTICULAR	Current year	Last Year	Change	Explanation for significant change in Accounting Ratios
1	Debtors Turnover Ratio	13.80	14.42	-4%	No significant Change
2	Inventory Turnover	4.05	5.04	-20%	No significant Change
3	Interest Coverage Ratio	(0.95)	1.19	-180%	Substantial Losses and decrease in turnover
4	Current Ratio	0.54	0.75	-29%	Increase in current maturities of long term borrowing
5	Debt Equity Ratio	0.73	0.49	40%	Erosion in net worth due to heavy accumulated losses
6	Operating Profit Margin	(6.49)	7.63	-170%	Substantial Losses and decrease in turnover
7	Net Profit Margin (Before OCI)	-13.36	1.23	-1186%	Substantial Losses and decrease in turnover

11. DETAILS OF ANY CHANGE IN RETURN ON NETWORK

The net profit of the company for the year has impacted the return on net worth.

12. PERFORMANCE OF SUBSIDIARIES /ASSOCIATES

There are no subsidiaries or associates of the company.



13. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

Attracting, enabling and retaining talent have been the cornerstone of the Human Resource function and the results underscore the important role that human capital plays in critical strategic activities such as growth. A robust Talent Acquisition system enables the Company to balance unpredictable business demands with a predictable resource supply through organic and inorganic growth. The total employee's strength of the Company was 2994 as on 31st March, 2023. The industrial relation continued to remain cordial during the year.

14. FINANCE AND ACCOUNTS

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended 31st March 2023 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 2023.

15. ANNUAL RETURN

In terms of Section 92(3) and 134(3)(a) of the Companies Act, 2013, the Annual Return of the Company is placed on the website of the Company at <https://www.jct.co.in/balance-sheet.asp>.

16. 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.

17. DECLARATION BY INDEPENDENT DIRECTORS AND RE-APPOINTMENT, IF ANY

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the Listing Regulations.

18. 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.

19. AUDITORS

STATUTORY AUDITORS

In terms of Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, Members of the Company in 73rd Annual General Meeting held on 28th September, 2023 approved the appointment of M/s S.P. Chopra & Company, Chartered Accountants (Registration No. 000346N), as the Statutory Auditors of the Company for an initial term of 5 years i.e. from the conclusion of 73rd Annual General Meeting till the conclusion of 78th Annual General Meeting of the Company.

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 2023-24.

Cost records are made and maintained as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

The Cost Audit Report for the financial year 2022-23 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 there under, the Board has appointed Ms. Seema K & Associates, Company Secretaries (C.P. No. 4397 and FCS No. 8054) 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.

20. 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 forming a part of this annual report.

21. 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 mentioned in the notes to the accounts. All Related Party Transactions are placed before the Audit Committee as also before the Board for approval.

None of the Directors has any pecuniary relationship or transactions vis-à-vis the company except remuneration / sitting fee or stated in the annual report.

22. 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.

23. 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.

The statement containing particulars of top 10 employees and the employees drawing remuneration in excess of limits prescribed under Section 197 (12) of the Act read with Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a separate Annexure forming part of the Report. In terms of proviso to Section 136(1) of the Act, the Report along with Accounts are being sent to the shareholders excluding the aforesaid Annexure. The said Annexure is open for inspection at the Registered Office of the Company. Any member interested in obtaining a copy of the same may write to the Company Secretary at the Registered Office of the company, 21 days before and upto 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.

24. DIRECTORS

CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with 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.

Mr. Ramswaroop Samria's tenure as Independent Director has expired on 29.05.2023. On the



recommendation of Nomination and Remuneration Committee, the Board in its meeting held on 29.05.2023, has recommended the re-appointment of Mr. Ramswaroop Samria as Independent Director of the Company for a further term of five years effective from 30th May, 2023 subject to the approval of shareholders by special resolution.

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.

During the year, Mr. Sandeep Sachdeva has resigned from the post of Chief Financial Officer w.e.f. 08.12.2022. The Board on the recommendation of Audit Committee has appointed Mr. Rajnish Kumar Sood as Chief Financial Officer of the company w.e.f. 09.12.2022 who resigned from the post w.e.f. 14.02.2023 due to his health constraints. Further the Board approved the appointment of Mr. Kapil Raj Luthra as Chief Financial Officer of the company w.e.f. 23.02.2023.

25. FORMAL ANNUAL EVALUATION

The Board of Directors has carried out an annual valuation of its own performance, board committees and individual directors pursuant to the provisions of the Companies Act and SEBI Listing Regulations.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. or by some external source.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

In a separate meeting of independent directors, performance of non-independent directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board

and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

26. NUMBER OF MEETINGS OF BOARD AND ITS COMMITTEES

Four meetings of the Board were held during the year under review. For details of meetings of the Board, please refer to the Corporate Governance Report.

27. INTERNAL CONTROL SYSTEMS

Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. 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 main thrust of internal audit is to test and review controls, appraisal of risks and business processes. The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee. The Audit Committee is headed by an Independent Director which ensures independence of functions, and transparency of the process of supervision. The Committee meets on regular basis to review the progress of the internal audit initiatives, significant audit observations, planning and implementation of the 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 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.

28. SHARE CAPITAL

The paid up Equity Share Capital as at March 31, 2023 stood at Rs. 217.08 Crores and during the year under review, the Company has not issued shares with differential voting rights.

29. CORPORATE GOVERNANCE

Company is fully committed to the philosophy of transparency and believes in conducting its business with due compliance of all the applicable laws, rules and regulations. In compliance with the Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has duly implemented the system of Corporate Governance and 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.

30. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to Section 177 of the Companies Act, 2013 & rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established 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. During the year under review no complaint was received by your company.

31. TRANSFER TO RESERVES

During the year under review, the Company has not transferred any amount to the 'General Reserve'.

32. RISK MANAGEMENT

The Risk Management Policy required to be formulated under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been duly formulated and approved by the Board of Directors of the Company. The aim of risk management policy is to maximize opportunities in all activities and to minimize adversity. The policy includes identifying types of risks and its assessment, risk handling, monitoring and reporting, which in the opinion of the Board may threaten the existence 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.

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of this regulation are applicable on top 1000 listed entities, determined on the basis of market capitalization, as at the end of the immediate previous financial year.

33. 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. As per the policy the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial year, or where the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years and the preference will be given to the local area and areas around it where the company operates, for spending the amount earmarked for Corporate Social Responsibility activities. As there is net average loss incurred by the Company during the three preceding financial years, the company need not to spend any amount towards Corporate Social Responsibility activities during the year ended 31.03.2023. The CSR Committee comprises of three members. One member of the Committee is an Independent Director.

34. 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, minimize waste by encouraging "Green Initiative" practices and use of renewable resources. All employees are required to ensure that they fully understand all policies and comply with the requirements.

The Company requests its shareholders to join in its endeavor to conserve resources by updating relevant information for receiving online communication. Shareholders holding shares in dematerialized mode are requested to register their email address and mobile number with their depository participants. Those holding shares in physical mode have been requested to furnish their email address and mobile number with



the Company's RTA, at investor.services@rcmc Delhi. com. Updating all the relevant information will enable shareholders to receive communications and dividends on time. Besides, every year, the Company ensures that electronic copies of the Annual Report and the Notice of the Annual General Meeting are sent to all members whose email addresses are registered with the Company /depository participant(s).

35. PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORK PLACE

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at the workplace with a mechanism of lodging complaints. 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.

The company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

36. PROCEEDINGS UNDER IBC, 2016

No application or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the current year 2022-23 as at the end of the financial year.

37. Valuation Under One Time Settlement

No one time settlement occurred during the year 2022-23. Thus, there is no requirement of stating

the difference between valuation at time of one time settlement and while taking loans from Bank or Financial Institutions.

38. 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 may 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.

39. APPRECIATION & ACKNOWLEDGEMENTS

The Board of Directors wish to place on record their appreciation, for the contribution made by the employees at all levels but for whose hard work, and support, your Company's achievements would not have been possible. Your Directors also wish to thank its customers, dealers, agents, suppliers, investors and bankers for their continued support and faith reposed in the Company.

For & on behalf of the Board

(SAMIR THAPAR)

Chairman and Managing Director

DIN: 00062287

Place: Hoshiarpur

Date: 30.06.2023



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

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 31st March 2023 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. Installation of 6" steam Line from 35 TPH boiler to connect Taffeta plant and to stop 12 TPH boiler for saving husk 5 Ton/day and 650 electrical units.
2. Replaced 200 LED tube lights IPO electronic choke in cotton & taffeta plant
3. Replaced 10 nos 50 watt LED Lamps with 85 watt CFL.
4. Replaced 5 nos 35 watt LED Lamps with 85 watt CFL.
5. Replaced 1 nos Energy efficient Submersible tubewell motors IPO old motors
6. Stopping inefficient textile/utility machines from plant and planned to run plant at maximum efficiency. (Procurement of outside yarn and fabric)

Filament Division

1. POY Takeup Ext 14/15- 6 Nos of New Godet motors Installed by replacing the Old Motors. Yearly Saving 34.8 MW
2. Old LOY Spinning AHU RAF- VFD Installed. Yearly Saving 115.9 MW

(b) Impact of Measures:

Textile Unit: Impact of Energy Conservation Projects by implementing them in various steps is downward trend in Power Cost.

Filament Unit: Impact of Energy projects by implementing them in various steps is substantial downward trend in power cost. Power purchasing from State electricity board has reduced.

- (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:

- Development of Cotton/Jute blended fabrics with Flame Retardant Finish, in co-ordination with Northern India Textile Research Association (NITRA).

Filament Unit:

- Successful performance of HIGH R.V chips after increasing R.V in Batch Poly & minimizing % moisture.
- Successfully launched CRIMP DOPE DYED products through POLY-2 BRT route.
- Successfully launched HIGH TPM products.
- Successfully launched IDY products.

(b) Benefits Derived.

Textile Division:

- We foresee potential business in the coming years from Steel/Metal Industries, where in the garments made from these fabrics will be offered by NITRA for field trials. The encouraging feedback of field trials will help in fetching business for our mills.

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 and dope dyed segment.

**(c) Future plan of action:****Textile Division**

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

Filament Division

- Plant to further increase capacity of Mono, IDY, HOY/FDY & CRIMP/DYED yarn production to increase market share in domestic and international market.
- Development 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.
- Plan to commission new DT machine.

III. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

To meet the challenges of the world, the new latest technology state of the art machines have been installed in the Mills to produce as well as to reduce and optimize the cost of the fabric and 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 results into wide range of products with improved quality, designs and reduction in cost.

(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 lakhs)

	Current Year	Previous Year
Used	2490.75	1788.33
Earned	5337.39	6836.72



TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION

FORM 'A'

A. POWER AND FUEL CONSUMPTION

		Current Year	Previous Year
1	Electricity		
	(a) Purchased:		
	Units	66875130.00	59614306.00
	Total Cost (Rs./ LAKHS)	4463	4014
	Rate/Unit(Rs.)	6.67	6.73
	Merchant Power		
	Units (Kwh)	-	-
	Total Cost (Rs./ LAKHS)	-	-
	Rate/Unit(Rs.)	-	-
	(b) Own Generation:		
	(i) Through Diesel Generators		
	Units	56556	86078
	Total Cost (Rs./ LAKHS)	18.60	22.53
	Unit per Ltr of Diesel Oil	2.60	3.09
	Cost/unit (Rs.)	32.90	26.17
	(ii) Through Steam Turbine Generators		
	Units	27856278	55105920
	Total cost of Coal / Rice Husk (Rs. In Lakhs)	2228.99	3451.30
	Cost/unit (Rs)	8.00	6.26
2	Coal / Husk (Boilers)		
	Quantity(tonnes)	109961.08	142805.99
	Total Cost (Rs./Lacs)	8897.57	8573.04
	Average Rate (Rs)	8091.57	6003.28

3	Furnace Oil (Boilers)		
	Quantity (K.Ltrs)	46280.00	28762.00
	Total Cost (Rs. In Lacs)	10	9.43
	Average Rate./Ltr (Rs)	22.14	32.79
4	LDO/HSD (Furnaces / DG sets)		
	Quantity (Ltrs)	21769.00	27832.00
	Total Cost (Rs./ Lacs)	18.60	22.53
	Average Rate/ltr (Rs)	85.46	80.94
5	Pet Coke		
	Quantity (Kgs)	1170327.00	2057761.00
	Total Cost (Rs./Lacs)	256.52	326.50
	Average Rate./Ltr (Rs)	21.92	15.87
6	Other/Internal Generation		
	Steam		
	Quantity(tonnes)	398133.00	530458.00
	Total Cost (Rs. Lakhs)	8907.82	8582.47
	Average Rate (Rs)	2237	1618

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	35.58	22.18	31.41	12.92
Cloth	12.963	20.409	12.022	14.430



Disclosure as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Ratio of the remuneration of each Director and Key Managerial Personnel (KMP) to the median remuneration of the employees of the Company and percentage increase in remuneration of the Directors and KMPs in the Financial Year.

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	213X
		Priya Thapar	49X
		The median Remuneration of employee of the Company was Rs. 1,69,368/-.	
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. Sandeep Sachdeva (CFO)	*
		Mr. Rajnish Kumar Sood (CFO)	#
		Mr. Kapil Raj Luthra (CFO)	\$
		Mr. Kanwar Nitin Singh(CS)	5%
3.	The percentage increase in the median remuneration of employees in the financial year;	17%	
4.	The number of permanent employees on the rolls of company.	2994	
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 percentage: Non-Managerial : 13% Average percentage: Managerial : 4%	
6.	Affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration paid during the year ended March 31, 2023 is as per the Remuneration Policy of the Company.	

* Mr. Sandeep Sachdeva resigned during the year as Chief Financial Officer of the Company accordingly not comparable

Mr. Rajnish Kumar Sood appointed as Chief Financial Officer and also resigned during the year as Chief Financial Officer of the Company accordingly not comparable

\$ Mr. Kapil Raj Luthra appointed during the year as Chief Financial Officer of the company accordingly not comparable



Form no. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

[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 31st March, 2023 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 31st March, 2023 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;

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

- (a) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021
- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021
- (e) 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;
- (f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

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 generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

(vi) Other laws applicable to the Company.

I have examined the relevant documents and records on test check basis and relied on the representation made by the Company, its Officers and on the reports given by designated professionals for systems and processes formed by the Company to monitor and ensure compliances of Environmental Laws, Labour Laws, General Laws and other Laws and Regulations applicable specifically to the Company.

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 (ID). One Nominee director was changed/appointed on 29th November, 2022 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.

None of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Board/Ministry of Corporate Affairs or any such authority as per the declaration provided by respective directors.

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 further communication received from Asset Reconstruction Company India Limited (ARCIL) to Company's previous letter dated 11.2.2016 in reply to their Notice received from in respect of Corporate Guarantees issued to IFCI for financial facilities availed by JCT Electronics Limited.
- II. The Official Liquidator (OL) of CNLT Malaysia, (an erstwhile Associate of the Company, now under liquidation) had filed a recovery case in the Hon'ble High Court of Malaysia (Commercial Division) at Kuala Lumpur for recovery of US\$ 1,250,000 towards alleged fraudulent payment by CNLT to the Company in 2006-07. The Hon'ble Court has since allowed the suit filed against the Company by certain creditors/contributors on behalf of OL, against which the Company has filed Appeal before the Hon'ble Court of Appeals of Malaysia, which is pending decision. The matter is sub-judice and the impact thereof will be taken in the period of final decision / outcome, which in view of the management will not result in any cash outflow / reimbursement.
- III. The company had settled entire dues of FCCBs by way of upfront payment of Rs 40 Crs and issuance of 240300606 equity shares of Rs 2.50 each as a premium of Rs 0.15 per shares to the FCCB holders in 2018-19. The High Court of Punjab & Haryana in the hearing dated 12.12.2019 mentioned that the 'compromise is being done' instead of 'compromise has been done'. An application was filed in the Hon'ble High Court of Punjab & Haryana, Chandigarh for the necessary amendment. Hon'ble High Court of Punjab & Haryana, Chandigarh decided that since matter was comprised between parties and settlement terms were completed. Therefore, application filed by the applicant is accordingly dismissed.



IV. The Company has defaulted in the repayment of the principal and interest in the case of certain 'Term Loans from Other parties', included in the 'Current maturities of Long-term Borrowings'. The period and amount of continuing defaults is provided in the Balance sheet as on 31/03/2023. In case of defaults in the repayment of the principal and/or interest on the Secured Term Loans from Others, the penal interest has to be paid at the rates stipulated in the agreements with the lenders. There are defaults in the repayment of these loans since earlier year/s, and the Company had taken up the matter of waiver of the said penal interest on these defaults with the lenders considering the situation arose on account of the eruption of the business due to COVID 19. However, to be prudent, the Company has created the provision of contingency of Rs. 1,949.57 lakhs (Rs. 1,316.50 lakhs as at 31 March, 2022) as at the yearend towards the said potential penal interest liability (excluding the penal interest pertaining to the period of Covid moratorium from March to August, 2020, in terms of the order dated 24 March, 2021 of the Hon'ble Supreme Court of India).

V. The accumulated losses of the earlier years and the substantial losses during the current year which are mainly owing to high finance cost and weak sale / operations have resulted in negative net worth and the significant financial crunch and cash flow mismatch, and there are continuous delays and defaults in repayment of certain debt obligations, and unpaid substantial liabilities including employees and statutory dues, etc. These events/conditions indicate the existence of uncertainty on the Company's ability to continue as a going concern.

However, to improve its liquidity / cash flow, and to revive its financial position by reducing its debts and other liabilities, the Company is in the process of disposing off some of its non-core property, and has been successful in the sale of some of such properties in the earlier year and though during the current year it has not been successful in this regard, however subsequent to the yearend, in June, 2023 it has been able to enter into an agreement with a buyer for sale of part its non-core land at Hoshiarpur, and is in advanced talks with some other parties for the sale of other portion of land. The proceeds of these sale of lands will improve its financial position / performance significantly, and once its financial position is improved, the Company is hopeful of gradually improving its operations and take the other strategic initiatives to improve its cost of operations, and therefore, the management is strongly hopeful that the Company would have ability and adequate resources to continue its operational existence for the foreseeable future.

VI. The Income tax authorities had carried out a search and seizure action under Section 132 of the Income tax Act, 1961 at the premises of the Company, its managerial personnel, and some of its executives in the year 2021-22. During the search proceeding various documents / information were seized and thereafter the investigation is going on and the information and details / documents as sought by the authorities from time to time are being provided by the Company. The said matter is under investigation and so far the department has reassessed the income for the assessment year 2021-22, and raised the demand of Rs. 62.63 lakhs considering certain income as unaccounted based on the documents seized during search. The said demand raised by the department has been contested by the Company by filing the appeal before CIT(Appeals). The Company and its advisors are of the view that the ultimate outcome of the said investigation will not have any material adverse impact, and presently no cash outlays / reimbursement / payout are expected in respect of the said matter. As such, the impact thereof, if any required, will be taken in the year of its final outcome/decision.

SEEMA KHANNA

Proprietor – SEEMA K & ASSOCIATES

FCS No. 8054/C P No.: 4397

UDIN No. F008054E000536186

Place: Delhi

Dated: 30.06.2023

This Report is to be read with our letter of even date which is annexed as Annexure A to this Report and forms an integral part of this Report.



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

Our Secretarial Audit Report of even date, for the financial year ended 31st March, 2023 is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis of our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

Place: Delhi
Date: 30.06.2023

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



CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended 31st March 2023, 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.

1. 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.

2. 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) The Chairman of the Board is Mr. Samir Thapar.

b) Composition and Category of the Board of Directors

As on 31.03.2023, Board of Directors of Company had six directors consisting of 2 Executive Directors including one Women Director, 3 as Independent Directors and 1 Nominee Director. The Chairman of the Board is an Executive Director. 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 31.03.2023 have been made by Directors.

c) 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 is given below as per Annexure-1.

d) Number of other board of directors or committees in which a director is a member or including separately the names of the listed entities where the person is a director and the category of directorship is given below as per Annexure-1.

Annexure-1

Name of Director	Category	Attendance in Board Meeting		Whether attended last AGM held on 28.09.2022	Number of Directorships in other Public Companies			Directorship in other listed entity
		Held	Attended		No of other Directorships	No of committees in which a member	No of committees in which a chairman	
Mr. Samir Thapar <i>Chairman & Managing Director</i>	Executive	4	4	Yes	1	-	-	-
Ms. Priya Thapar	Executive	4	4	Yes	-	-	-	-
Dr. Ajit Kumar Doshi	Non-Executive – Independent	4	4	Yes	-	-	-	-
Mr. Surendra Mal Daga	Non-Executive – Independent	4	4	Yes	-	-	-	-
Mr. Ram Swaroop Samaria	Non-Executive – Independent	4	4	Yes	1	-	-	-
Mr. Rakesh Kumar Agarwal*	Non-Executive – Nominee (Indian Bank)	2	2	Yes	-	-	-	-
Ms. Mamta Kumari**	Non-Executive – Nominee (Indian Bank)	2	2	No	-	-	-	-

* Ceased to be Director w.e.f 29.11.2022

**Co opted on 29.11.2022

**e) Board Meetings**

During the financial year 2022-23, the Board of the Company met 4 times on 28.05.2022, 12.08.2022, 29.11.2022 and 14.02.2023. 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.

- f) Ms. Priya Thapar- Director (Strategic Business Development) is sister of Mr. Samir Thapar- Chairman and Managing Director.
- g) Dr. Ajit Kumar Doshi, Mr. Surendra Mal Daga, Mr. Ramswaroop Samaria and Ms. Mamta Kumari do not have any shareholding in the Company.
- h) **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.

i) Key Board qualifications, expertise and attributes

The table below summarizes the key qualifications, skills, and attributes which are taken into consideration while nominating candidates to serve on the Board. The qualifications of each director are provided separately in the details of the Board of Directors.

Sr. No	Name of the Director	Qualification	Area of skill/Expertise/ Competencies
1.	Mr. Samir Thapar	Graduate in Business Administration from California State University Bakersfield, USA with a total experience of more than 35 years	He is having vast experience in the field of industry, Business and corporate Management.
2.	Ms. Priya Thapar	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 Sotheby's London with consistent good academic record	She is having vast Experience in HR, Marketing Administration and Apparel Industry.
3.	Dr. Ajit Kumar Doshi	PHD In law (Amalgamation and Merger) and Chartered Accountant.	Having Expertise in Finance, Corporate and other laws. He was also Visiting professor of Calcutta Business School and Indian Institute of Corporate Affairs of the Ministry of Corporate Affairs. He retired as Member (Technical) of CLB.



Sr. No	Name of the Director	Qualification	Area of skill/Expertise/ Competencies
4.	Mr. Surendra Mal Daga	Chartered Accountant in Practice	He is Senior partner of practicing firm of Chartered Accountants having 42 years of experience. He is also having more than 42 years of experience in Income Tax Law.
5.	Mr. Ramswaroop Samaria	Chartered Accountant in Practice	He is Senior partner of practicing firm of Chartered Accountants having 42 years of experience. He is also having 16 years of experience of Textile Industry.
6.	Mr. Rakesh Agarwal (Ceased to be a Director on 29.11.2022)	Post Graduate	He is Deputy General Manager of Indian Bank and Nominee Director.
7.	Ms. Mamta Kumari (Appointed on 29.11.2022)	B.Sc., MBA	She is Deputy General Manager of Indian Bank and Nominee Director.

- j) The Board of Directors of the Company confirms that the Independent Directors of the Company fulfils the conditions as specified in the SEBI (LODR) Regulations, 2015 and are independent of the management.
- k) No Independent Director of the Company has resigned during the Financial Year 2022-23.

3. 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 31.03.2023 the Audit Committee consists of three Non-Executive Directors out of which two are Independent namely Dr. Ajit Kumar Doshi and Mr. Ramswaroop Bhuralal Samria whereas the other one Mr. Rakesh Agarwal/Ms. Mamta Kumari is a Nominee Director from Indian 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 2022-23 on 28.05.2022, 12.08.2022, 29.11.2022 and 14.02.2023. 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.

Name of the Members	Position	Category	No. of Meetings held	No. of Meetings attended
Dr. Ajit Kumar Doshi	Chairman	Non-Executive Independent	4	4
Mr. Ramswaroop Bhuralal Samria	Member	Non-Executive Independent	4	4
Mr. Rakesh Agarwal*	Member	Nominee-Indian Bank	3	2
Ms. Mamta Kumari**	Member	Nominee-Indian Bank	1	1

* Ceased to be Director w.e.f 29.11.2022

**Co opted on 29.11.2022

4. NOMINATION AND REMUNERATION COMMITTEE

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 at least 3 Directors all of whom shall be non-executive and at least 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 Chairman of the Committee is Dr. Ajit Kumar Doshi.

The Committee at present comprises of three non-executive Directors which includes Dr. Ajit Kumar Doshi and Mr. Ram Swaroop Samaria – Independent Directors and Mr. Rakesh Agarwal/Ms. Mamta Kumari – Nominee Director from Indian Bank. During the financial year ended 2022-23, one meeting of the Committee was held on 28.05.2022.

Name of the Members	Position	Category	No. of Meetings held	No. of Meetings attended
Dr. Ajit Kumar Doshi	Chairman	Non-Executive Independent	1	1
Mr. Ramswaroop Samaria	Member	Non-Executive Independent	1	1
Mr. Rakesh Agarwal*	Member	Nominee-Indian Bank	1	1
Ms. Mamta Kumari**	Member	Nominee-Indian Bank	0	0

* Ceased to be Director w.e.f. 29.11.2022

**Co-opted on 29.11.2022

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.



5. REMUNERATION OF DIRECTORS

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.

a) **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 31st March, 2023 was Rs. 29.05 Lakhs.

Rs. In Lakhs

Sr. No.	Particulars of Remuneration	Name of the Directors					Total Amount
		Dr. Ajit Kumar Doshi	Mr. Surendra Mal Daga	Mr. Rakesh Agarwal*	Ms. Mamta Kumari*	Mr. Ramswaroop Samria	
1.	Fee for attending board & committee meetings	10.50	3.75	3.75	2.25	7.50	27.75
2.	Commission	-	-	-	-	-	-
3.	Others, Travelling	0.68	0.26	-	-	0.36	1.30
	Total	11.18	4.01	3.75	2.25	7.86	29.05

*Paid to Indian Bank

b) **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 31st March 2023 under review is given below.

(Rs. in lakhs)

	Mr. Samir Thapar		Ms. Priya Thapar	
	Current Year	Previous Year	Current Year	Previous Year
Salary including allowance	96.00	96.00	30.00	30.00
Contribution to Provident & Superannuation Funds	13.02	13.02	5.10	5.10
Perquisites, Allowances & Reimbursements	263.71	263.13	53.19	53.19
Total*	372.73	372.15	88.29	88.29

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

The service contracts, Notice Period and severance fees of the directors are as follows:

Directors	Mr. Samir Thapar	Ms. Priya Thapar	Dr. A.K. Doshi	Mr. RS Samria	Mr. Surendra Mal Daga	Ms. Mamta Kumari
Service Contracts	01.10.2021-30.09.2024	01.12.2021-30.11.2024	25.09.2019 – 24.09.2024	30.05.2023 – 29.05.2028 (Subject to the approval of shareholders)	11.06.2021 – 10.06.2026	NA
Notice Period	NA	NA	NA	NA	NA	NA
Severance Fees	NA	NA	NA	NA	NA	NA

**6. STAKEHOLDERS RELATIONSHIP COMMITTEE****a) Composition and Attendance**

The Stakeholders Relationship Committee comprises of three 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.

Sr. No.	Name of Director	Positions	Category	No. of Meetings Attended
1.	Dr. Ajit Kumar Doshi	Chairman	Independent Director	4
2.	Mr. Samir Thapar	Member	Executive Director	4
3.	Ms. Priya Thapar	Member	Executive Director	4

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. Kapil Raj Luthra – Chief Financial Officer and Mr. Kanwar Nitin Singh - Company Secretary, who have been authorized by the Committee for the same.

The Committee met 4 times during the year on 28.05.2022, 12.08.2022, 29.11.2022 and 14.02.2023.

b) Name and Designation of the Compliance Officer

Mr. Kanwar Nitin Singh, Company Secretary & Compliance Officer.

c) Number of complaints received, not solved & pending

The total number of complaints received and resolved during the year ended 31st March 2023 was Nil. There were no complaints outstanding as on 31st March 2023. 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 31st March, 2023.

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.

7. 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.

c) Meeting

No meeting was held during the financial year ended 31st March, 2023.

**8. GENERAL BODY MEETINGS****Details of last 3 Annual General Meetings (AGM/EGM) Held**

Sr. No.	Financial Year/ Period	Type of Meeting	Date and Time	Location	Whether any Special Resolution passed
1	2021-22	AGM	28.09.2022 at 11:30 am	AC/VC	No
2	2020-21	AGM	31.08.2021 at 11:30 am	AC/VC	Yes
3	2019-20	AGM	10.09.2020 at 11:30 am	AC/VC	No

Postal Ballot: There was no special or ordinary resolution passed by the Company through Postal Ballot during the Financial year 2022-23

9. 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 and 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

10. GENERAL SHAREHOLDER INFORMATION

- a) Annual General Meeting Time, Day, Date & Venue for FY 2022-23 : 21st August, 2023 at 11:30 a.m. via Video Conferencing
- b) Financial Calendar
- Unaudited results for QE 30.06.2022 : Published on 12.08.2022
- Unaudited results for QE 30.09.2022 : Published on 29.11.2022
- Unaudited results for QE 31.12.2022 : Published on 14.02.2023
- Audited results YE 31.03.2023 : Published on 30.06.2023
- 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 2022-23 has been paid.
- f) Stock Code : 500223
- g) Market Price Data

(In Rs)

Month/Year	High	Low
Apr-22	4.98	4.03
May-22	4.58	2.92
June-22	4.10	2.97
July-22	3.29	2.95



Month/Year	High	Low
Aug-22	4.02	2.98
Sep-22	3.81	3.05
Oct-22	3.34	2.95
Nov-22	3.58	2.97
Dec-22	3.77	3.00
Jan-23	3.32	2.87
Feb-23	3.03	2.20
Mar-23	2.50	1.52

h) Performance in comparison to broad base indices : 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 2022-23.

j) Registrar & Transfer Agents

: RCMC Share Registry Private Ltd,
B--25/1, 1st Floor, Okhla Industrial Area Ph II,
New Delhi 110020
Tel: 011-35020465, 35020466
Email: investor.services@rcmcdelhi.com

k) Share Transfer System : In terms of the Listing Regulations, effective from 1st April, 2019, securities of listed companies can only be transferred in dematerialized form except where the claim is lodged for transmission or transposition of shares or where the transfer deed(s) was lodged prior 1st April, 2019 and returned due to deficiency in the document. Shareholders are advised to dematerialize their shares held by them in physical form. Requests for dematerialization of shares are processed and confirmation thereof is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) within the statutory time limit from the date of receipt of share certificates provided the documents are complete in all respects.

l) Distribution of shareholding as on 31.03.2023

No of Equity Shares held		No of shareholders	%age of shareholders	No of shares held	Amount	%age of Shareholding
From	To					
Up to	5,000	131210	84.44	52881892	132204730.00	6.09
5,001	10,000	8386	5.40	25108281	62770702.50	2.89
10,001	20,000	7046	4.53	39249946	98124865.00	4.52
20,001	30,000	3327	2.14	33366016	83415040.00	3.84
30,001	40,000	1197	0.77	17079806	42699515.00	1.97
40,001	50,000	973	0.63	18494567	46236417.50	2.13
5,0001	1,00,000	1620	1.04	45852784	114631960.00	5.28
1,00,001 and Above		1637	1.05	636299322	1590748305.00	73.28
Grand Total		155396	100	868332614	2170831535.00	100

**m) Dematerialization of shares and liquidity**

As on 31.03.2023, 99.10% of equity shares have been dematerialized.

-	National Securities Depositories Limited (NSDL)	:	624490866
-	Central Depositories Services Limited (CDSL)	:	236020693

n) Commodity price or foreign exchange risk and hedging activities

Company's business activities inter-alia include import of materials like Caprolactum, Yarn and Dyes & Chemicals etc which are linked to international prices and major international currencies. As a result the Company is exposed to exchange rate fluctuations on its imports and exports. The impact of these fluctuations on the Company's profitability and finances is considered material. Company manages and mitigates its risk through Currency Risk Management Policy as approved by the Board of Directors of the Company.

The Company has adequate risk assessment and minimization system in place including for commodities. Company 's risk 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 have material exposure of any commodity and accordingly, no hedging activities for the same are carried out.

- 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
601, Prabhat Kiran, 17th Rajendra Place New Delhi 110008
- q) Credit Rating Obtained** : CARE D for Long term facilities and CARE D for Short term Facilities

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

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and SEBI (LODR) Regulations, 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 IND-AS -24 "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 31.03.2023. There were no material significant Related Party Transactions that may have potential conflict with the interest of the Company at large.

b) Disclosure of Accounting Treatment

In the financial statement for the year ended 31st March 2023, the Company has followed the treatment as prescribed in the applicable Indian Accounting Standard.

c) 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.

During the financial year 2022-23, BSE imposed a penalty of Rs. 88,500/- (inclusive of GST) on the company due to delay of 15 days in submission of Unaudited Financial Results by the company for quarter and half year ending September 2022. The company has paid the penalty within the time period specified by SEBI. Further, no other penalty levied by SEBI or SE on the company.

d) 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 Whistleblower Policy is overseen by the Audit Committee of the Board and Mr. Kanwar Nitin Singh – Company Secretary 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.

e) 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.

f) Subsidiary Companies:

Company does not have any Subsidiary Company.

g) Related party transaction policy:

As required under the SEBI (LODR) Regulations, 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.

h) Details of Utilization of Funds raised through preferential allotment/ Qualified Institution placement as specified under Regulation 32(7A)

During the year, the Company has not made preferential allotment or private placement of shares or any qualified institutional placement.

i) Total Fees paid to Statutory Auditor of the Company during the FY 2022-23

The total fee paid to Statutory Auditor during the year 2022-23 is given below:-

Particulars	Amount (Rs. In lakhs)
For Audit Fees	22.00
For Certification work	-
For Reimbursement of Expenses	1.26
Total	23.26

j) Sexual Harassment Complaints

The Company has in place Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, Redressal) Act, 2013 and the Rules made thereunder. The Company has zero tolerance on Sexual Harassment at workplace. In compliance with the provisions of Companies Accounts Rules, 2014, as amended, the Internal Complaints Committee is set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees and other stakeholders) are covered under this policy. The following is the summary of sexual harassment complaints received and disposed of during the 2022-23.

Number of complaints filed during the year	Nil
Number of Complaints disposed	Nil
Number of Complaints pending as on end of the Financial Year	Nil

12. 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.

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

- The Board: The Chairman of the Company is Executive Chairman and hence this provision 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.

**14. Disclosures with respect to Demat Suspense Account**

In accordance with the requirement of Regulation 34(3) and Schedule V of SEBI Listing Regulations, details of equity shares in the suspense account are as follows:

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2022	0	0
Number of Shareholders who approached the Company for transfer of shares from suspense account during the year	0	0
Number of shareholders to whom shares were transferred from suspense account during the year	0	0
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31 March 2023	2	507

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

15. 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. 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 2022-23, our Company does not qualify to be in Top 1000 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.

During the year under review, the Independent Directors met on 28.09.2022 inter alia, to

- Review the performance of non-independent directors and the board of directors as a whole;
- Review the performance of the chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- 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.

Independent director data bank registration

Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all directors have completed the registration with the Independent Directors Data bank. Requisite disclosures have been received from the directors in this regard.

e) Insider Trading Code

As per SEBI (Prohibition of Insider Trading) Regulations 2018, the Company has adopted Code of Conduct for Fair Disclosures of Un-published Price Sensitive Information and Regulating, Monitoring and Reporting of Trading by Designated Persons to deter the insider trading in the securities of the Company based on the Un-published Price Sensitive Information. The Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations and has laid down an effective monitory system for the said purposes.



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
[pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of JCT Limited
VPO Chohal, Dist. Hoshiarpur
Punjab 146024

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of JCT Limited having CIN: L17117PB1946PLC004565 and having its registered office at VPO Chohal, Dist. Hoshiarpur, Punjab 146024 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) and certificate received from the directors) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No	Name of Directors	DIN	Date of Appointment in the Company
1	Mr. Samir Thapar	00062287	02.06.1994
2	Ms. Priya Thapar	06742680	26.11.2013
3	Dr. Ajit Kumar Doshi	02298644	26.10.2012
4	Mr. Surendra Mal Daga	03575623	11.06.2021
5	Mr. Ramswaroop Samria	00375315	30.05.2018
6	Ms. Mamta Kumari	08968141	29.11.2022

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Seema K & Associates

Place: New Delhi
Dated: 30.06.2023

Seema Khanna
FCS No. 8054
CP No: 4397
UDIN: F008054E000536131



CEO/CFO CERTIFICATION

- A. We have reviewed financial statements and the cash flow statement for the year 2022-23 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 Indian 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 2022-23 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, 2022-23;
 - (2) Significant changes in accounting policies during the year, 2022-23, if any, 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 : Hoshiarpur
Dated : 30.06.2023

(Kapil Raj Luthra)
Chief Financial Officer

(SAMIR THAPAR)
Chairman & Managing Director

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 31.03.2023.

Place : Hoshiarpur
Dated : 30.06.2023

(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 and E 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 and E 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, 2023. 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, 2023 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, 2022 to March 31, 2023:
 - (a) Board of Directors Meeting;
 - (b) Audit Committee;



- (c) Annual General Meeting;
 - (d) Nomination and Remuneration Committee;
 - (e) Stakeholders Relationship Committee; and
 - (f) Independent Director Meeting
- 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, as applicable for the year ended March 31, 2023, referred to in paragraph 1 above.

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 SP Chopra & Co.
Chartered Accountants
Firm Regn. No. 000346N**

**(Pawan K. Gupta)
Partner
M. No. 092529**

UDIN: 23092529BGPGETT8014

Place: New Delhi
Date : 30.06.2023

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 'JCT LIMITED'****Opinion**

We have audited the accompanying financial statements of **JCT Limited** (the "Company"), which comprise the Balance Sheet as at 31 March, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2023 and its loss (including Other Comprehensive Income), its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical

responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

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

Note 39.6 : regarding, preparation of the financial statements on going concern basis in the presence of certain events/ conditions indicating the existence of uncertainty on the Company's ability to continue as a going concern, on the grounds as fully described in the said Note.

Note 39.21 : regarding the adjustment, if any required due to non-confirmation / reconciliation of balances in the accounts of the parties, which in view of the management will not have a material impact, and will be accounted for in the period of confirmation / reconciliation.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Response of the Auditor
<p><u>Fair Value measurement of Financial Instruments</u></p> <p>(Refer to Note 39.11 to the financial statements)</p> <p>Fair values of financial assets and financial liabilities have been measured using valuation techniques where the financial instruments are not quoted in active market. The inputs to these techniques / 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, which involve high degree of the estimation and judgement and could affect the reported fair value of financial instruments</p>	<p><u>Our Audit Procedure:</u></p> <p>The Company has carried out the valuation of the financial instruments after applying judgments and estimates. We have conducted the verification of the data provided to us by the Company with respect to its correctness and completeness vis-à-vis the financial accounts / records of the Company and held interaction with the management to understand their process and results and the implementation and usage of valuation techniques / models. This included the review of the controls over adjustments to mitigate model limitations and assumptions.</p> <p><u>Our Results:</u></p> <p>The results of our testing were satisfactory and we considered the fair value of the financial instruments assets and liabilities recognised to be acceptable.</p>



Key Audit Matters	Response of the Auditor
<p><u>Preparation of the financial statements on Going Concern basis</u></p> <p>(Refer to Note No. 39.6 to the financial statements)</p> <p>The accumulated losses of the earlier years and the substantial losses during the current year which are mainly owing to high finance cost and weak sale / operations have resulted in negative net worth and the significant financial crunch and cash flow mismatch, and there are continuous delays and defaults in repayment of certain debt obligations, and unpaid substantial liabilities including employees and statutory dues, etc. These events / conditions indicate the existence of uncertainty on the Company's ability to continue as a going concern. However, the financial statements have been prepared on a going concern basis, considering the grounds as fully described in the Note 39.6 to the financial statements.</p> <p>The said management assessment involves making a judgement at a particular point in time, about inherently uncertain future outcomes of events or conditions and the factors relevant to this judgement involves high degree of uncertainty and subsequent events may result in outcomes that are inconsistent with the judgments that were reasonable at the time they were made. As Auditor, our responsibilities are to obtain sufficient appropriate audit evidence regarding, and conclude on, the appropriateness of managements's use of the going concern basis, however, as the potential effects of inherent limitations on the auditor's ability to detect material misstatements are greater than for future events or conditions that may cause an entity to cease to continue as a going concern, the Auditor cannot predict such future events or conditions and therefore the evaluation and assessment of the going concern basis of accounting as assessed by the management involved signifcant level of subjectivity, judgment and estimation, as detailed above, and therefore the same has been considered as Key Audit Matter by us during our audit.</p>	<p><u>Or Audit Procedure:</u></p> <p>We obtained an understanding of the management's process of assessment and evaluation of the going concern basis of accounting and enquired the management as to its knowledge of events or conditions and related business risks beyond the period of assessment used by management that may cast doubts on the Company's ability to continue as going concern. We obtained the information about management's plans to consider whether it is likely that the adverse effects will be mitigated for the foreseeable future, and evaluated the likelihood of effective implementation of such plans. We also reviewed the documentations / evidence / facts in support of the financial information / projections of the management in this regard.</p> <p><u>Our Results:</u></p> <p>The results of our testing were found satisfactory and the preparation of the financial statements on a going concern basis was found to be appropriate.</p>

Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance Report and Directors' Report, including annexures, if any, thereon, (but does not include the financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this Auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Corporate Governance Report and Directors' Report, including annexures, if any, thereon, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of 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 Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

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.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We draw attention to the fact that corresponding figures for the year ended 31 March, 2022 are based on previously issued



financial statements of the Company that were audited by the predecessor auditor who expressed an unmodified opinion on those financial statements dated 28 May, 2022.

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

Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order, 2020' ("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 Statement of Cash Flows 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 Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.
 - e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. 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'**;
 - g. in our opinion, the remuneration paid by the Company to its Director is in accordance with the provisions of Section 197 read with Schedule V of the Act; 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, as amended, 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 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.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. No dividend was declared or paid during the year; hence, the said clause is not applicable.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining the books of accounts using accounting software which has the feature of recording audit trail (edit log) facility is applicable to the Company with effect from 01 April, 2023, therefore, reporting under rule 11(g) is not applicable for the financial year ended 31 March, 2023.

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

(Pawan K. Gupta)
Partner

M. No. 092529

UDIN: 23092529BGP GTM8759

Place: Hoshiarpur
Dated: 30th June, 2023



ANNEXURE-‘A’ TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of the independent auditor’s report of even date on the financial statements of ‘JCT Limited for the year ended 31 March, 2023)

- (i) In respect of the Company’s Property, plant and equipments, Intangible assets, and Right-of-use assets;
- a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment and relevant details of Right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of the Intangible assets.
- b. As explained to us, the Property, plant and equipments and Right-of-use assets are physically verified by the management at reasonable intervals, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c. 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 in respect of the land and buildings included in the financial statements under Property, plant and equipments (other than buildings where the Company is the lessee and the lease agreement is duly executed in its favour) are held in the name of the Company.
- d. The Company during the year has not revalued any of its Property, plant and equipment and Right-of-use assets, except the land which has been valued at its fair value based on the valuation reports of the external registered valuers. Further, the change in the value of the land on its fair valuation is not material as compared to its carrying amount.
- e. According to the information and explanations given to us and based on our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, as amended.
- (ii) (a) As explained to us, inventories have been physically verified by the management at regular intervals during the year and in our opinion, the coverage and procedure of such verification by the management is appropriate, having regard to the volume and nature of the inventories held by the Company. 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.
- (b) The Company has been sanctioned working capital limits / facilities from banks and financial institutions on the basis of security of current assets. The statements filed by the Company with the banks / financial institutions were generally found to be in agreement with the books of accounts as per our examination of the records.
- (iii) (a) and (b) According to the information and explanations given to us and based on our examination of the records of the Company, during the year the Company has not made any investment, or has not provided any loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity. However, the Company is having the investments since earlier year/s. Further Corporate guarantee of Rs. 400 lakhs (given in 1993) towards Equipment Credit Scheme and another of Rs. 3,580 lakhs (given in 1998) for the term loan availed by JCT Electronics Ltd. (an erstwhile Associate Company), are outstanding since earlier years, as detailed in note 39.2 to the financial statements. The Company has been legally advised that these guarantees are not sustainable, as described in the said note.
- (c), (d), (e) and (f) As the Company has not granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, nor such loans or advances were outstanding since earlier year/s, reporting under these clauses is not applicable.
- (iv) According to the information and explanations given to us, and on the basis of our examination of the records, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of the loans granted, investment made and guarantees and security provided, as applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence reporting under this clause is not applicable.
- (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:
- a. According to the information and explanations given to us and the records of the Company examined



by us, in our opinion, the Company is not regular in depositing undisputed statutory dues including Goods and Service Tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues as applicable with the appropriate authorities, and there have been delay in deposit of these dues during the year. According to the information and explanations given to us, though there were unpaid overdue amounts towards the aforesaid dues as at the yearend, however, no undisputed amounts payable in respect of the same were outstanding as at 31 March, 2023 for a period of more than six months from the date they became payable.

- b. According to the information and explanations given to us, and the records of the Company examined by us, the disputed statutory dues aggregating to Rs. 3,469.93 lakhs, have not been deposited on account of matters pending in appeals before appropriate authorities as under:

Name of the Statute	Nature of the dues	Forum where dispute is pending	Amount (Rs. in lakhs)
Central Excise Act, 1944 and Service Tax	Excise Duty/ Service Tax	Upto Commissioner Level	20.65
		CESTAT/ Tribunal	1,152.81
Central Sales Tax, VAT Act of various states	Sales tax / VAT	Tribunal	304.61
Punjab Tax on Entry of Goods into Local Areas Act, 2000	Entry Tax	Asstt. Commissioner	158.78
		Tribunal	1,580.08
Goods and Service Tax	GST	Hon'ble Punjab & Haryana High Court	190.37
Income Tax Act, 1961	Income Tax	Commissioner Income Tax (Appeals)	62.63
TOTAL			3,469.93

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). However, a demand of Rs. 62.63 lakhs has been raised by the Income Tax Authorities for the assessment year 2021-22 considering certain income as unaccounted based on the documents seized during the income tax search conducted during the year 2021-22, which has been contested by the Company by filing the appeal before CIT(Appeals) as detailed in Note 39.7 to the financial statements.

- (ix) (a) Based on the audit procedures and according to the information and explanations given to us, the Company has defaulted in the repayment of the principal and interest in the case of certain term loans. The period and amount of continuing defaults as on the balance sheet date are as under:

Nature of Borrowing	Name of lender	Amount not paid on due date and outstanding as at 31 March, 2023 (Rs. in lakhs)	Whether principal or interest	No. of days delay or unpaid	Remarks, if any
Term Loan - Secured	Phoenix Trust FY 19.5 Scheme G	2,630.59	Principal	From June, 2022 to March, 2023	-
		1,442.30	Interest	From September, 2021 to March, 2023	-
		1,949.57	Penal Interest	Since 2020-21	Considering the eruption of business due to COVID 19, the matter of waiver of said interest has been taken with the lenders.
	Phoenix ARC Pvt. Limited	305.00	Principal	From June, 2022 to March, 2023	-
		68.87	Interest	From November, 2022 to March, 2023	-

- (b) Based on the audit procedures and according to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) During the year, the Company has availed the term loans of Rs. 900 lakhs from certain existing banks under GECLS 2.0 Extension Loan scheme. On an overall examination of the records of the Company, the same have been found to be applied for the purpose for which the same were availed.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) & (f) The Company has no subsidiary, associate or joint venture, hence reporting under these clauses is not applicable.



- (x) (a) The Company has neither raised funds by way of initial public offer nor further public offer (including debt instruments) during the year, hence reporting under this clause is not applicable.
- (b) 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 convertible debentures (fully, partially or optionally convertible) during the year, hence reporting under this clause is not applicable.
- (xi) (a) Based on the audit procedures and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, as amended, with the Central Government, during the year and upto the date of this report.
- (c) According to the information and explanations given to us and based on our examination of the records of the Company, no whistle blower complaint was received by the Company during the year.
- (xii) The Company is not a Nidhi Company, hence reporting under clauses 3(xii)(a) to 3(xii)(c) 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 Ind AS 24 – Related Party Disclosures.
- (xiv) (a) In our opinion and based on our examination, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year, in determining the nature, timing and extent of our audit procedures.
- (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) (a), (b) and (c) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under these clauses is not applicable.
- (d) In our opinion, there is no Core Investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under this clause is not applicable.
- (xvii) The Company has incurred cash losses during the current financial year covered by our audit, however, no such losses were incurred in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year, however, there is change of statutory auditors during the year due to retirement of the existing auditor on completion of their term.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, and considering the Company's action / plan to improve its liquidity/cash flow by disposing off its non-core properties as described in Note 39.6 to the financial statements, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) & (b) During the year, no amount was required to be spent towards the Corporate Social Responsibility as Company has not made average net profits during the three immediately preceding financial years. Hence reporting under this clause is not applicable.

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

(Pawan K. Gupta)
Partner

M. No. 092529
UDIN: 23092529BGPMTM8759

Place: Hoshiarpur
Dated: 30th June, 2023



ANNEXURE-‘B’ TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 2(f) 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 March, 2023)

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 31 March, 2023 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, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March, 2023, 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 **S. P. Chopra & Co.**
Chartered Accountants
Firm Regn. No. 000346N

(Pawan K. Gupta)
Partner

M. No. 092529

Place: Hoshiarpur
Dated: 30th June, 2023

UDIN: 23092529BGP G TM 8759



BALANCE SHEET AS AT 31ST MARCH, 2023

(Amount in INR lakhs, unless otherwise stated)

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
1 Non-Current Assets			
Property, Plant and Equipment	4	55,988.79	56,781.28
Capital work in progress	4	153.29	114.58
Intangible Assets	4	11.18	35.78
Right of use Assets	5	123.76	86.04
Financial Assets			
- Investments	6	187.26	147.46
- Loans	7	0.07	1.15
- Other non-current financial assets	8	364.69	350.50
Non-current tax assets (net)	9	156.70	100.79
Other non-current assets	10	97.68	217.51
2 Current assets			
Inventories	11	15,044.39	16,503.30
Financial Assets			
- Investments	12	10.64	10.64
- Trade receivables	13	3,277.58	5,979.66
- Cash and cash equivalents	14	17.66	79.49
- Bank balances other than cash and cash equivalents	15	881.10	1,072.62
- Loans	16	0.12	0.12
- Other current financial assets	17	516.09	725.12
Other current assets	18	3,932.54	3,804.69
Assets classified as held for sale	19	-	-
TOTAL ASSETS		80,763.54	86,010.73
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	20	21,708.32	21,708.32
Other Equity	21	5,313.97	13,485.30
Liabilities			
1 Non-current liabilities			
Financial Liabilities			
- Borrowings	22	2,893.32	5,353.52
- Lease Liabilities	39.4	72.78	45.87
- Other non-current financial liabilities	23	3,285.21	4,514.32
Provisions	24	3,253.31	3,420.59
2 Current liabilities			
Financial Liabilities			
- Borrowings	25	16,758.30	12,787.72
- Lease Liabilities	39.4	58.06	45.85
- Trade Payables	26		
a. total outstanding dues of micro enterprises and small enterprises		3,996.52	3,086.68
b. total outstanding dues of creditors other than micro enterprises and small enterprises		9,193.08	10,855.94
- Other current financial liabilities	27	11,548.25	8,942.18
Other current liabilities	28	2,099.84	1,175.63
Provisions	29	582.58	588.81
TOTAL EQUITY AND LIABILITIES		80,763.54	86,010.73
Corporate Information and Significant Accounting Policies	1 to 3		
Other Notes	39		

(Kapil Raj Luthra)
Chief Financial Officer

(Kanwar Nitin Singh)
Company Secretary
(Membership No. 27892)

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

This is the Balance Sheet referred to our Report of even date

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

Place : Phagwara / New Delhi
Dated : 30 June, 2023

(Pawan K. Gupta)
Partner
Membership No. 092529

Directors

Priya Thapar (DIN 06742680)
A K Doshi (DIN 02298644)
R S Samria (DIN 00375315)
Surendra Mal Daga (DIN 03575623)
Mamta Kumari (DIN 08968141)

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023**

(Amount in INR lakhs, unless otherwise stated)

Particulars	Note No.	Year ended 31 March, 2023	Year ended 31 March, 2022
INCOME:			
Revenue from Operations	30	63,887.55	80,411.79
Other Income	31	1,420.42	4,480.62
Total Income		65,307.97	84,892.41
EXPENSES:			
Cost of materials consumed	32	39,516.43	49,786.82
Other manufacturing expenses	33	16,106.04	16,077.32
Changes in inventories of finished goods and stock-in-process	34	365.21	(2,122.11)
Employee benefits expense	35	9,103.44	9,691.79
Finance costs	36	4,387.63	5,149.40
Depreciation and amortization expense	37	1,166.68	1,333.87
Other expenses	38	3,198.09	4,012.85
Total Expenses		73,843.52	83,929.94
Profit / (Loss) for the year before / after tax		(8,535.55)	962.47
Other Comprehensive Income :			
Items that will not be reclassified to profit or loss			
- Re-measurements gains on defined benefit plans		300.74	185.64
- Fair value of Investments through OCI		39.80	5.46
- Fair value of Land through OCI		23.67	-
Other Comprehensive Income for the year		364.21	191.10
Total Comprehensive (Loss) / Income for the year		(8,171.34)	1,153.57
Earnings per share - in Rs.	39.15		
- Basic		(0.98)	0.11
- Diluted		(0.98)	0.11
Corporate Information and Significant Accounting Policies	1 to 3		
Other Notes	39		

(Kapil Raj Luthra)
Chief Financial Officer

(Kanwar Nitin Singh)
Company Secretary
(Membership No. 27892)

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

This is the Balance Sheet referred to our Report of even date

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

(Pawan K. Gupta)
Partner
Membership No. 092529

Directors

Priya Thapar (DIN 06742680)
A K Doshi (DIN 02298644)
R S Samria (DIN 00375315)
Surendra Mal Daga (DIN 03575623)
Mamta Kumari (DIN 08968141)

Place : Phagwara / New Delhi
Dated : 30 June, 2023



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2023

(Amount in INR lakhs, unless otherwise stated)

Particulars	Year Ended 31 March, 2023		Year Ended 31 March, 2022	
	Total	Amount	Total	Amount
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net (Loss) / Profit before tax as per Statement of Profit and Loss		(8,535.55)		962.47
Adjustments for:				
Depreciation and amortisation expense	1,166.68		1,333.87	
Finance costs	4,387.63		5,149.40	
Bad debts written off (net of impairment allowance)	-		23.01	
Impairment loss for advances etc.	28.40		0.05	
Liabilities/provisions no longer required written back	(115.98)		(45.60)	
Interest income	(111.63)		(118.67)	
Property, plant and equipment written off	2.54		221.04	
Impairment loss on Asset (land) classified as held for sale	-		23.21	
Profit on sale of property, plant and equipment (net)	(791.96)		(4,030.31)	
		<u>4,565.68</u>		<u>2,556.00</u>
Operating (loss) / profit before working capital changes		(3,969.86)		3,518.47
Adjustment for working capital changes:				
(Increase)/Decrease in Inventories	1,458.91		(1,085.98)	
(Increase)/Decrease in loans and trade receivables	2,702.08		(828.02)	
(Increase)/Decrease in other financial and non-financial assets	160.19		(871.39)	
Increase/(Decrease) in trade payables	(753.00)		696.96	
Increase/(Decrease) in other financial liabilities, non-financial liabilities and provisions	2,253.54		1,935.26	
Cash Generated from / (Used in) Working Capital Changes		<u>5,821.72</u>		<u>(153.17)</u>
Cash Generated from operations		1,851.86		3,365.30
Income Taxes (paid) / refund (net)		(55.91)		(52.60)
Net Cash generated from Operating Activities - A		<u>1,795.95</u>		<u>3,312.70</u>
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment including capital work in progress	(382.10)		(263.13)	
Sale/disposal of property, plant and equipment	856.35		4,074.12	
Sale of Assets Held for Sale	-		81.81	
Sale of Investments	-		0.33	
Fixed Deposits matured/made during the year	191.53		(104.10)	
Interest income	110.96		112.65	
Net Cash inflow from Investing Activities - B		<u>776.74</u>		<u>3,901.68</u>



Particulars	Year Ended 31 March, 2023		Year Ended 31 March, 2022	
	Total	Amount	Total	Amount
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds / (Repayment) of Secured Borrowings	898.88		(1,734.80)	
Proceeds / (Repayment) of Unsecured Borrowings	85.00		(103.50)	
Payments for the interest portion of the lease liabilities	(16.44)		(15.82)	
Payments for the principal portion of the lease liabilities	(48.07)		(43.43)	
Finance costs	(3,553.89)		(5,384.80)	
Net Cash outflow from Financing Activities - C		(2,634.52)		(7,282.35)
Net (decrease) in cash and cash equivalents (A+B+C)		(61.83)		(67.97)
Cash and cash equivalents (Opening Balance)		79.49		147.46
Cash and cash equivalents (Closing Balance)		17.66		79.49

Note to Statement of cash flows :

- Components of Cash and cash equivalents as under :

- Balance with Banks - Current Accounts	5.35	69.52
- Cash in Hand	12.31	9.97
	17.66	79.49

- 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 **39**

(Kapil Raj Luthra)
Chief Financial Officer

(Kanwar Nitin Singh)
Company Secretary
(Membership No. 27892)

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

This is the Balance Sheet referred to our Report of even date

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

(Pawan K. Gupta)
Partner
Membership No. 092529

Directors

Priya Thapar (DIN 06742680)
A K Doshi (DIN 02298644)
R S Samria (DIN 00375315)
Surendra Mal Daga (DIN 03575623)
Mamta Kumari (DIN 08968141)

Place : Phagwara / New Delhi
Dated : 30 June, 2023



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2023

(A) EQUITY SHARE CAPITAL

For the year ended 31st March, 2023

(Amount in INR lakhs, unless otherwise stated)

Balance as at 01st April, 2022	Changes in equity share capital during the year	Balance as at 31st March, 2023
21,708.32	-	21,708.32

For the year ended 31st March, 2022

(Rs. In Lakhs)

Balance as at 01st April, 2021	Changes in equity share capital during the year	Balance as at 31st March, 2022
20,960.66	747.66	21,708.32

(B) OTHER EQUITY

For the year ended 31st March, 2023

(Amount in INR lakhs, unless otherwise stated)

Particulars	Retained Earnings	Capital Redemption Reserve	Securities Premium	Revaluation Surplus	Other Comprehensive Income		Total
					Fair Value of Investments through OCI	Re- measurements gain on defined benefit plans	
Balance as at 01 April, 2022	(25,645.29)	165.44	9,027.07	29,653.09	1.58	283.42	13,485.30
Loss for the year	(8,535.55)	-	-	-	-	-	(8,535.55)
Gain on Fair Value of Investments	-	-	-	-	39.80	-	39.80
Gain on Fair Value of Land	-	-	-	23.67	-	-	23.67
Re-measurements gains on defined benefit plans	-	-	-	-	-	300.74	300.74
Balance as at 31 March, 2023	(34,180.84)	165.44	9,027.07	29,676.76	41.38	584.16	5,313.97



For the year ended 31st March, 2022

(Amount in INR lakhs, unless otherwise stated)

Particulars	Retained Earnings	Capital Redemption Reserve	Share Premium Account	Revaluation Surplus	Other Comprehensive Income		Total
					Fair Value of Investments through OCI	Re-measurements gain on defined benefit plans	
Balance as at 01 April, 2021	(26,607.76)	165.44	9,027.07	29,653.09	(3.88)	97.78	12,331.73
Profit for the year	962.47	-	-	-	-	-	962.47
Gain on Fair Value of Investments	-	-	-	-	5.46	-	5.46
Re-measurements gains on defined benefit plans	-	-	-	-	-	185.64	185.64
Balance as at 31 March, 2022	(25,645.29)	165.44	9,027.07	29,653.09	1.58	283.42	13,485.30

Significant Accounting Policies

Note 1 to 3

Other Notes

39

(Kapil Raj Luthra)
Chief Financial Officer

(Kanwar Nitin Singh)
Company Secretary
(Membership No. 27892)

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

This is the Balance Sheet referred to our Report of even date

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

(Pawan K. Gupta)
Partner
Membership No. 092529

Directors

Priya Thapar (DIN 06742680)
A K Doshi (DIN 02298644)
R S Samra (DIN 00375315)
Surendra Mal Daga (DIN 03575623)
Mamta Kumari (DIN 08968141)

Place : Phagwara / New Delhi
Dated : 30 June, 2023



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023

1. CORPORATE 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 31st March, 2023 were approved by the Board of Directors and authorized for issue on 30th June, 2023.

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 Section 133 of the Companies Act, 2013 (the 'Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and the other relevant provisions of the Companies Act, 2013.

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. 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,
- Land and 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 39.10.

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' 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**

Property, Plant & Equipment, except the land, which is carried at its fair value, 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
- Other than Factory (RCC Frame Structure)	60	58
Plant & Machinery :		
- Textile Unit	15	22
- Filament Unit (continuous process)	25	18
Data 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 and internal assessment, 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. However, trade receivables that do not contain a significant financing component are measured at transaction price.

(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 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-realisable 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 towards satisfaction of a performance obligation is measured at the amount of the transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered, is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.
- b) Interest income is recognized on time proportion basis taking into account the amount outstanding and applicable interest rates.
- c) Other income is recognized to the extent that it is probable that the economic benefit will flow to the Company and it can be reliably measured.
- d) 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 scheme, employees' state insurance 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 partly funded / 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 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, for a period of time in exchange for consideration even if that right is not explicitly specified in an arrangement.

Company as a lessee

The Company has taken certain assets on Operating Lease. Operating Lease is a contract, which conveys the right to Lessee, to control the use of an identified asset for a period of time, the lease term, in exchange for consideration. The Company assesses whether a contract is, or contains, a lease on inception.

The lease term is either the non-cancellable period of the lease and any additional periods when there is an enforceable option to extend the lease and it is reasonably certain that the Company will extend the term, or a lease period in which it is reasonably certain that the Company will not exercise a right to terminate. The lease term is reassessed if there is a significant change in circumstances.

At commencement, or on the modification, of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is amortised / depreciated using straight-line / written down value method from the commencement date to the end of the lease term. If the lessor transfers ownership of the underlying asset to the Company by the end of the lease term or if the Company expects to exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as the Company's other property, plant and equipment. Right-of-use assets are reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the total lease payments due on the commencement date, discounted using either the interest rate implicit in the lease, if readily determinable, or more usually, an estimate of the Company's incremental borrowing rate on the inception date for a loan with similar terms to the lease. The incremental borrowing rate is estimated by obtaining interest rates from various external financing sources.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.



In accordance with Ind AS 116, the Company does not recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases i.e. leases with a lease term of 12 months or less and containing no purchase options. Payments associated with these leases are recognised as an expense on a straight-line basis over the lease term

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as Operating Leases. Rental income from Operating Lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an Operating Lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as Finance Leases when substantially all of the risks and rewards of ownership are transferred from the Company to the lessee. Amounts due from lessees under Finance Leases are recorded as receivables at the Company's net investment in the leases. Finance Lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease

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. The long term foreign currency monetary items are carried at the exchange rate prevailing on the date of initial transaction.

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 tax regime inserted by the Taxation Laws (Amendment) Act, 2019 in 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:

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 to 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 to 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.



NOTE-4 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS
(As at 31st March, 2023)

(Amount in INR lakhs, unless otherwise stated)

Description	GROSS BLOCK			As at 31 March, 2023	DEPRECIATION			NET BLOCK	
	As at 01 April, 2022	Additions during the year	Sales/ disposal/ transfers / adjustments during the year		As at 01 April, 2022	Depreciation during the year	Sales/ disposal/ transfers during the year	As at 31 March, 2023	As at 31 March, 2022
(I) Property, plant and equipment									
Land freehold	44,368.80	23.67	-	44,392.47	-	-	-	44,392.47	44,368.80
Buildings	6,673.32	41.95	4.63	6,710.64	1,798.21	326.85	3.98	2,121.08	4,589.56
Plant and Machinery	13,648.59	224.53	1,989.25	11,883.87	6,410.05	712.70	1,935.52	5,187.23	6,696.64
Data processing equipment	96.27	4.62	9.49	91.40	64.76	3.85	9.01	59.60	31.80
Electric installation	185.99	10.06	6.40	169.65	65.92	10.14	5.05	71.02	98.63
Tools & implements	8.55	0.03	0.08	8.50	2.99	0.57	0.08	3.49	5.01
Furniture & fixtures	139.05	12.57	1.45	150.17	56.56	12.16	1.39	67.33	82.84
Office Equipments	6.15	0.65	0.57	6.23	3.63	0.40	0.40	3.63	2.60
Vehicles	259.62	48.97	93.66	214.93	182.96	25.92	83.18	125.70	89.23
Sub Total	65,366.34	367.05	2,105.52	63,627.87	8,585.08	1,092.59	2,038.59	55,988.79	56,781.28
Capital Work-in-progress (refer notes 4.2 and 39.18)	114.58	148.22	109.51	153.29	-	-	-	153.29	114.58
Total	65,480.92	515.27	2,215.03	63,781.16	8,585.08	1,092.59	2,038.59	56,142.08	56,895.86
(II) Intangible Assets (other than internally generated)									
Computer Software	214.95	-	-	214.95	179.17	24.60		203.77	35.78
Total	214.95	-	-	214.95	179.17	24.60	-	203.77	35.78
Total	65,695.87	515.27	2,215.03	63,996.11	8,764.25	1,117.19	2,038.59	56,153.26	56,931.63



b. As at 31 March, 2022 (Amount in INR lakhs, unless otherwise stated)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01 April, 2021	Additions during the year	Sales/ disposal/ transfers / adjustments during the year	As at 31 March, 2022	As at 01 April, 2021	Depreciation during the year	Sales/ disposal/ transfers during the year	As at 31 March, 2022	As at 31 March, 2022	As at 31 March, 2021
(I) Tangible Assets										
Land freehold	44,402.29	-	33.49	44,368.80	-	-	-	-	44,368.80	44,402.29
Buildings	6,690.47	-	17.15	6,673.32	1,490.09	310.53	2.41	1,798.21	4,875.11	5,200.38
Plant and Machinery	13,950.78	239.25	541.43	13,648.59	5,857.70	888.72	336.37	6,410.05	7,238.55	8,093.08
Data processing equipment	96.81	7.31	7.85	96.27	65.13	5.75	6.12	64.76	31.51	31.68
Electric installation	165.53	2.11	1.65	165.99	56.45	10.50	1.03	65.92	100.07	109.08
Tools & implements	8.41	0.45	0.32	8.55	2.72	0.57	0.30	2.99	5.55	5.69
Furniture & fixtures	153.40	0.29	14.64	139.05	52.69	12.92	9.05	56.56	82.49	100.71
Office Equipments	10.02	-	3.87	6.15	5.28	0.39	2.04	3.63	2.51	4.74
Vehicles	240.99	28.73	10.10	259.62	170.34	20.93	8.32	182.96	76.67	70.64
Sub Total	65,718.70	278.14	630.50	65,366.34	7,700.42	1,250.31	365.65	8,585.08	56,781.28	58,018.29
Capital Work-in-progress (refer notes 4.2 and 39.18)	129.77	229.27	244.46	114.58	-	-	-	-	114.58	129.77
Total	65,848.47	507.42	874.96	65,480.92	7,700.42	1,250.31	365.65	8,585.08	56,895.86	58,148.06
(II) Intangible Assets (other than internally generated)										
Computer Software	214.77	0.18	-	214.95	142.30	36.87	-	179.17	35.78	72.47
Total	214.77	0.18	-	214.95	142.30	36.87	-	179.17	35.78	72.47
Total	66,063.24	507.60	874.96	65,695.87	7,842.72	1,287.18	365.65	8,764.25	56,931.63	58,220.53

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

Particulars	As at 01 April, 2022	Additions	Less: Capitalised/ Adjusted	As at 31 March, 2023	As at 01 April, 2021	Additions	Less: Capitalised/ Adjusted	As at 31 March, 2022
Travelling and conveyance	0.35	-	-	0.35	0.06	0.40	0.11	0.35
Total	0.35	-	-	0.35	0.06	0.40	0.11	0.35



NOTE-5 - RIGHT OF USE ASSETS]

(Amount in INR lakhs, unless otherwise stated)

a. (As at 31st March, 2023)

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01 April, 2022	Additions during the year	Sales/ disposal/ adjustments during the year	As at 31 March, 2023	As at 01 April, 2022	For the year	As at 31 March, 2023	As at 31 March, 2022
Buildings	160.31	130.06	102.21	188.16	74.27	49.49	123.76	86.04
Total	160.31	130.06	102.21	188.16	74.27	49.49	123.76	86.04

b. (As at 31st March, 2022)

(Rs. in Lakhs)

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01 April, 2021	Additions during the year	Sales/ disposal/ adjustments during the year	As at 31 March, 2022	As at 01 April, 2021	For the year	As at 31 March, 2022	As at 31 March, 2021
Buildings	137.47	40.81	17.97	160.31	45.55	46.69	86.04	91.92
Total	137.47	40.81	17.97	160.31	45.55	46.69	86.04	91.92

5.1 Refer 'Para-3.10' of Significant Accounting Policies' for depreciation on right-of-use assets.



(Amount in INR lakhs, unless otherwise stated)

6. NON CURRENT INVESTMENTS

	As at 31st March, 2023		As at 31st March, 2022	
	Nos.	Amount	Nos.	Amount
In Equity Shares - Unquoted, fully paid up				
Carried at fair value through other comprehensive income				
- Preeti Vanijya (P) Ltd. of Rs. 10/- each	52,312	143.69	52,312	105.34
- Nimbua Greenfield (Punjab) Ltd. of Rs. 10/- each	28,125	43.57	28,125	42.12
TOTAL		187.26		147.46
Aggregate amount of Unquoted investments		187.26		147.46
Aggregate amount of impairment in value of Unquoted investments		Nil		Nil

- 6.1 The above does not include the investment of 1,06,31,900 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, or 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.

7. LOANS

	As at 31st March, 2023	As at 31st March, 2022
(Unsecured, considered good)		
Loan to employees	0.07	1.15
TOTAL	0.07	1.15

8. OTHER NON-CURRENT FINANCIAL ASSETS

	As at 31st March, 2023	As at 31st March, 2022
(Unsecured, considered good)		
Fixed deposits with Banks having original maturity of more than 12 months	8.58	6.95
Interest accrued on fixed deposits	0.23	0.01
Security Deposits	355.88	343.54
	364.69	350.50

9. NON-CURRENT TAX ASSETS (NET)

	As at 31st March, 2023	As at 31st March, 2022
Income Tax Deducted / Collected at Source	156.70	100.79
TOTAL	156.70	100.79



(Amount in INR lakhs, unless otherwise stated)

10. OTHER NON CURRENT ASSETS

	As at 31st March, 2023	As at 31st March, 2022
Capital Advances - Unsecured, considered good	75.47	104.70
Prepaid Expenses	22.21	112.81
TOTAL	97.68	217.51

11. INVENTORIES

	Note No.	As at 31st March, 2023	As at 31st March, 2022
Raw Materials	11.1	867.04	1,740.47
- in Transit		<u>457.97</u>	<u>392.24</u>
Stock-in-process		8,783.04	8,395.06
Finished Goods		3,748.72	4,501.91
Stores and Spares		1,108.16	1,350.63
- in Transit		<u>79.46</u>	<u>122.99</u>
TOTAL		15,044.39	16,503.30

11.1 Includes Rs. Nil (Rs. 906.35 lakhs as at 31 March, 2022) lying with outside parties/creditors.

11.2 Refer 'Para-3.3' of 'Significant Accounting Policies' for valuation of inventory.

12. CURRENT INVESTMENTS

	Note No.	As at 31st March, 2023		As at 31st March, 2022	
		Nos.	Amount	Nos.	Amount
Debentures - Unquoted, fully paid up					
<u>Carried at amortised cost</u>					
- KCT Textiles Ltd. - Optionally Convertible Zero Rate Debentures of Rs. 70/- each	39.14	15,200	10.64	15,200	10.64
TOTAL			10.64		10.64
Aggregate amount of Unquoted investments			10.64		10.64
Aggregate amount of impairment in value of Unquoted investments			Nil		Nil



(Amount in INR lakhs, unless otherwise stated)

13. TRADE RECEIVABLES

	As at 31st March, 2023	As at 31st March, 2022
From Others - Unsecured, considered good	3,277.58	5,979.66
From Others - Unsecured, considered doubtful	141.24	141.24
Gross	3,418.82	6,120.90
Less: Allowance for trade receivables considered doubtful	(141.24) 3,277.58	(141.24) 5,979.66
TOTAL	3,277.58	5,979.66

13.1 Refer note 39.13 for information about credit and market risk of trade receivables.

13.2 Refer note 39.16 for ageing of Trade Receivables.

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

14. CASH AND CASH EQUIVALENTS

	As at 31st March, 2023	As at 31st March, 2022
Balance with Banks - Current Accounts	5.35	69.52
Cash in Hand	12.31	9.97
TOTAL	17.66	79.49

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

15. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	Note No.	As at 31st March, 2023	As at 31st March, 2022
Balance with Banks:			
- Fixed Deposits (held as Margin Money)	15.1	881.10	1,072.62
TOTAL		881.10	1,072.62

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

16. LOANS

	As at 31st March, 2023	As at 31st March, 2022
(Unsecured, considered good)		
Loans to employees	0.12	0.12
TOTAL	0.12	0.12



(Amount in INR lakhs, unless otherwise stated)

17. OTHER CURRENT FINANCIAL ASSETS

	Note No.	As at 31st March, 2023	As at 31st March, 2022
(Unsecured, considered good, unless stated otherwise)			
Security Deposits		13.01	13.21
Interest Subsidy under Technology Upgradation Fund Scheme			
- Unsecured, considered good		279.18	279.18
- Unsecured, considered doubtful		812.80	812.80
Gross		1,091.98	1,091.98
Less : Allowance for considered doubtful		(812.80)	(812.80)
Interest accrued on fixed deposits / others		27.51	25.07
Others	17.1		
- Unsecured, considered good		196.39	407.66
- Unsecured, considered doubtful		2.30	2.30
Gross		198.69	409.96
Less: Allowance for considered doubtful		(2.30)	(2.30)
TOTAL		516.09	725.12

17.1 Others comprise receivables on account of export incentives, CER receivable, Duty Drawback/MEIS receivable, interest receivable, rent receivable, claims etc.

18. OTHER CURRENT ASSETS

	Note No.	As at 31st March, 2023	As at 31st March, 2022
Prepaid Expenses	21.1.b	157.71	174.08
Goods and Service Tax and Srevice Tax ITC etc.		1,363.96	1,202.36
Advances for purchase of raw materials and stores & spares		1,936.01	1,893.22
Others			
- Unsecured, considered good	18.1	474.85	535.04
- Unsecured, considered doubtful		353.19	324.80
Gross		828.04	859.84
(Less): Allowance for doubtful debts		(353.19)	(324.80)
TOTAL		3,932.54	3,804.69

18.1 Others comprise excise duty recoverable, GST and ITC Recoverable etc.

19. ASSETS CLASSIFIED AS HELD FOR SALE

	Note No.	As at 31st March, 2023	As at 31st March, 2022
Assets			
As per last account	19.1	23.21	105.02
Less: Sold during the year		-	(81.81)
As at year end		23.21	23.21
Less: Impairment allowance		(23.21)	(23.21)
Total Assets		-	-

19.1 In the earlier years, the operations of Textile Unit at Sriganganagar were discontinued, and the assets thereof had been disposed off/transferred, except the portion of land, which had been classified as held for sale. During the earlier year, a part of the said land having carrying value of Rs. 81.81 lakhs had been sold at the sale proceeds of Rs. 3246.42 lakhs (net of expenses on sale) resulting in profit of Rs. 3,164.61 lakhs. Further, as the balance land having carrying value of Rs. 23.21 lakhs, is not in the possession of the Company and for the same legal suits have been filed, there is uncertainty relating to its sale, and therefore, considering the principle of prudence, the same has been fully impaired.



(Amount in INR lakhs, unless otherwise stated)

20. SHARE CAPITAL

	Note No.	As at 31st March, 2023		As at 31st March, 2022	
		No.	Amount	No.	Amount
20A EQUITY SHARE CAPITAL					
Authorised:					
Equity Shares of Rs. 2.50 each		90,00,00,000	22,500.00	90,00,00,000	22,500.00
			<u>22,500.00</u>		<u>22,500.00</u>
Issued, Subscribed and Fully Paid up:					
Equity Shares of Rs. 2.50 each	20.1 to 20.3	86,83,32,614	21,708.32	86,83,32,614	21,708.32
			<u>21,708.32</u>		<u>21,708.32</u>
20B PREFERENCE SHARE CAPITAL					
Authorised:					
Redeemable Preference Shares of Rs. 100 each		25,00,000	2,500.00	25,00,000	2,500.00
			<u>2,500.00</u>		<u>2,500.00</u>

20.1 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.

- 24,03,00,606 equity shares of Rs. 2.50 each fully paid up at a premium of Rs. 0.15 per share aggregating to Rs. 6,367.97 lakhs including premium of Rs. 360.45 lakhs to Foreign Currency Convertible Bond holders in terms of settlement of their dues of Foreign Currency Convertible Bonds (FCCBs) of US\$ 12.49 million on preferential basis.
- 2,99,06,026 equity shares of Rs 2.50 each fully paid up aggregating to Rs. 747.65 lakhs to Term Lenders (Phoenix ARC Pvt. Ltd and Phoenix Trust) in lieu of 3% differential interest on NPV basis being non- cash consideration on preferential basis. (refer note 22.1.b).

20.2 The Company has only one class of equity shares having par value of Rs. 2.50 per share. All shares rank pari passu with respect to dividend, voting rights and other terms. Each shareholder is entitled to one vote per share. The equity shareholders are entitled to dividend rights according to their paid up portion of the share capital. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

20.3 Reconciliation of Shares Outstanding:

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Nos.	Rs. in Lakhs	Nos.	Rs. in Lakhs
Equity Shares				
At the beginning of the year	86,83,32,614	21,708.32	83,84,26,588	20,960.66
Add: Shares issued during the year (refer note 20.1.b)	-	-	2,99,06,026	747.66
At the end of the year	86,83,32,614	21,708.32	86,83,32,614	21,708.32



(Amount in INR lakhs, unless otherwise stated)

20.4 Details of Shareholders holding more than 5% shares:

Name of the Shareholder	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	% held	No. of Shares	% held
Equity Shares				
Provestment Securities Private Limited	14,54,27,667	16.75	14,54,27,667	16.75
KCT Textiles Limited	9,05,45,111	10.43	9,05,45,111	10.43
ELM Park Fund Limited, Mauritius	5,38,19,225	6.20	5,38,19,225	6.20
Musk Holdings Limited, Mauritius	4,41,95,092	5.09	4,41,95,092	5.09

20.5 Promoter Shareholdings

Name of the Shareholder	As at 31st March, 2023		As at 31st March, 2022		% change during the year
	No. of Shares	% held	No. of Shares	% held	
Equity Shares					
Provestment Securities Private Limited	14,54,27,667	16.75	14,54,27,667	16.75	No change
KCT Textiles Limited	9,05,45,111	10.43	9,05,45,111	10.43	
Samir Thapar	2,71,356	0.03	2,71,356	0.03	
Priya Thapar	2,60,000	0.03	2,60,000	0.03	
M. M. Thapar	59,500	0.01	59,500	0.01	-100%
Tiny Kesang Thapar	-	-	45,573	0.01	

21. OTHER EQUITY

	Note No.	As at 31st March, 2023	As at 31st March, 2022
Capital Redemption Reserve	21.1(a)		
As per last account		165.44	165.44
Share Premium Account	21.1(b)		
As per last account		9,027.07	9,027.07
Revaluation Surplus	21.1(d)		
As per last account		29,653.09	29,653.09
Add: On fair valuation of land during the year		23.67	-
		29,676.76	29,653.09
Retained Earnings	21.1(c)		
Debit balance in Statement of Profit and Loss :			
As per last account		(25,645.29)	(26,607.76)
Add / Less: (Loss) / Profit for the year		(8,535.55)	962.47
		(34,180.84)	(25,645.29)
Items of Other Comprehensive Income			
- Fair Value of Investments through OCI			
As per last account		1.58	(3.88)
Add : Gain during the year		39.80	5.46
		41.38	1.58
- Re-measurements gain on defined benefit plans			
As per last account		283.42	97.78
Add: Gain during the year		300.74	185.64
		584.16	283.42
TOTAL		5,313.97	13,485.30



21.1 Nature and purpose of reserves

- (a) **Capital Redemption Reserve:** The reserve created by appropriation of profit on redemption of Cumulative Preference Shares.
- (b) **Securities Premium:** The amount received in excess of the face value of equity shares is recognized as Securities Premium. This is net of amount appropriated against issue of Bonus Shares.
- (c) **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.
- (d) **Revaluation Surplus:** The surplus created on revaluation of lands situated at the units of the Company at Phagwara and Hoshiarpur.

(Amount in INR lakhs, unless otherwise stated)

22. BORROWINGS

	Note No.	As at 31st March, 2023		As at 31st March, 2022	
		Non Current	Current	Non Current	Current
(a) Secured					
Term loans from:					
- Banks	22.2, 22.3.a & 22.6	2,079.17	324.36	1,502.37	205.73
- Others	22.1, 22.4 & 22.5	-	7,483.77	3,037.01	4,068.16
TOTAL (a)		<u>2,079.17</u>	<u>7,808.13</u>	<u>4,539.38</u>	<u>4,273.89</u>
(b) Unsecured					
Loan from related parties	22.3.b	814.14	-	814.14	-
TOTAL (b)		<u>814.14</u>	<u>-</u>	<u>814.14</u>	<u>-</u>
TOTAL (a+b)		<u>2,893.32</u>	<u>7,808.13</u>	<u>5,353.52</u>	<u>4,273.89</u>
Less: Disclosed under "Current maturities of Long-term Borrowings"	25	-	(7,808.13)	-	(4,273.89)
Net amount		<u>2,893.32</u>	<u>-</u>	<u>5,353.52</u>	<u>-</u>

22.1	Terms and Nature of Security: Term Loans from Other parties:		
a.	Principal of Rs. 5,972.60 lakhs, interest accrued and due of Rs. 1,511.17 lakhs (As at 31 March, 2022: Rs. 6,120.49 lakhs and Rs. 984.68 lakhs respectively)	(a)	Exclusive First charge ranking pari passu by way of equitable mortgage of all the immovable properties of the Filament Unit at Hoshiarpur, land at Sri Ganganagar (held for disposal) and two blocks of housing colony at Phagwara measuring 3,854 marlas including all Plant and Machinery and other fixed assets situated at Filament Unit Hoshiarpur.
		(b)	Second Charge ranking pari passu by way of hypothecation of Current Assets of the Company pertaining to Textile Unit at Phagwara and Filament Unit at Hoshiarpur, both in the state of Punjab and of moveable and Immoveable fixed assets of the Phagwara unit except two blocks of housing colony measuring 3,854 marlas.
		(c)	Personal guarantee of Mr. Samir Thapar, CMD.
		(d)	Additional Security of agriculture Land / Farm House measuring 4 Acres of Mr. Samir Thapar.



b.	<p>The Company had taken the secured loans of Rs. 9,945.00 lakhs from above parties (Assets Reconstruction Companies). In terms of the loan agreements, the Company was required to issue Equity Shares in lieu of additional interest (other than and in addition to the normal interest) of Rs. 759.10 lakhs, computed on Net Present Value basis (NPV) on these loans subject to statutory approvals. Accordingly, the Company had sought in-principle approval for allotment of Equity Shares as per SEBI (ICDR) regulations, under the category of consideration other than cash, from Bombay Stock Exchange (BSE). However, the BSE considering that these shares are to be issued on NPV for the interest of the future period did not agree to the contention of the Company to issue the shares under this category. The Company then approached the Securities and Exchange Board of India (SEBI), and as SEBI also rejected the plea of the Company, the Company filed an appeal before the Hon'ble Securities Tribunal, Mumbai, where the matter was decided in favour of the Company, however, against the said order the appeal was filed by BSE in the Hon'ble Supreme Court of India, which was dismissed by the Hon'ble Court on February 4, 2021, and the matter was finally decided in favor of the Company. Thereafter the Company filed the application with BSE for the grant of in-principle approval for issue of the Equity Shares and after getting the approval on April 27, 2021, the Company had during the earlier year allotted 2,99,06,026 Equity Shares having face value of Rs. 2.50 each, aggregating to Rs. 747.65 lakhs on May 5, 2021 (after deducting the applicable Tax at Source of Rs. 11.45 lakhs) towards the final settlement of the additional interest of Rs. 759.10 lakhs as per the agreement with the lenders. As the matter was pending with the Hon'ble Judiciary Authorities / Courts, the Company was not able to allot these Equity Shares, and in the presence of the uncertainty in the mode of payment / quantum of interest no provision towards the said interest was made in the accounts till 31 March, 2021 with the understanding that the same will be accounted for in the period the matter is finally decided/resolved. Accordingly, the said interest of Rs. 759.10 lakhs for which the Equity shares had been issued in May, 2021, had been accounted from the earlier year onwards in a manner to ensure its charge to the revenue over the initial period of the term loan i.e. amount of Rs. 687.35 lakhs has been charged till year end (Rs. 86.10 lakhs during the current year 2022-23 and Rs. 601.25 lakhs till 31 March, 2022) as Interest Expense (for the period from the date of grant of term loan till 31 March, 2023) and the balance amount of Rs. 71.75 lakhs (included in the Prepaid Expenses under 'Other Current Assets' under Note 18) will be charged in future over the remaining period of the term loan to ensure its charging to the revenue over the period of term loan on straight line basis.</p>
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22.2 Terms and Nature of Security: Term Loans from Banks	
a	<p>Principal of Rs. 2,353.50 lakhs and Interest of Rs. 6.54 Lacs (As at 31 March, 2022: Rs. 1,680.84 lakhs and Rs. 7.03 lakhs respectively)</p> <p>These Loans are sanctioned/dispensed in view of GECL 2.0 and GECL 2.0 (extension) and backed by Government body NCGTC and is secured by second charge ranking pari passu on the present securities (except personal guarantees) against the other facilities with the banks. No additional security other than the present security has been given for these loans.</p>
b	<p>Rs. 43.49 lakhs (As at 31 March, 2022: Rs. 20.23 lakhs)</p> <p>Secured against hypothecation of specific vehicles etc.</p>

22.3	Maturity profile of non-current portion of long term borrowings:						
(a)	Secured Term Loans from Banks:	2024-25	2025-26	2026-27	2027-28	2028-29	Total
	HDFC - Car Loans	23.15	-	-	-	-	23.15
	Bank of Baroda - GECL	35.00	35.00	19.25	10.50	-	99.75
	Punjab National Bank - GECL	130.21	130.21	66.83	41.94	-	369.19
	Indian Bank - GECL	255.00	255.00	113.33	63.75	-	687.08
	State Bank of India - GECL	150.00	225.00	225.00	225.00	75.00	900.00
	Total						2,079.17
(b)	Unsecured Loans from related parties :						
	From related entities of Rs. 814.14 lakhs (Rs. 814.14 lakhs as at 31 March, 2022)	There are no fixed repayment terms.					



22.4	The Company has defaulted in the repayment of the principal and interest in the case of certain 'Term Loans from Other parties', included in the 'Current maturities of Long-term Borrowings'. The period and amount of continuing defaults as on the balance sheet date are as under:		
		Overdue since	Total
	Secured Term Loans from Other parties:		
	Phoenix Trust FY 19.5 Scheme G		
	- Principal repayment	June, 2022 to March, 2023	2,630.59
	- Interest	September, 2021 to March, 2023	1,442.30
	Phoenix ARC Pvt. Ltd.		
	- Principal repayment	June, 2022 to March, 2023	305.00
	- Interest	November, 2022 to March, 2023	68.87
	Total		4,446.76

22.5 In case of defaults in the repayment of the principal and/or interest on the Secured Term Loans from Others, the penal interest has to be paid at the rates stipulated in the agreements with the lenders. There are defaults in the repayment of these loans since earlier year/s, and the Company had taken up the matter of waiver of the said penal interest on these defaults with the lenders considering the situation arose on account of the eruption of the business due to COVID 19. However, to be prudent, the Company has created the provision of contingency of Rs. 1,949.57 lakhs (Rs. 1,316.50 lakhs as at 31 March, 2022) as at the yearend towards the said potential penal interest liability (excluding the penal interest pertaining to the period of Covid moratorium from March to August, 2020, in terms of the order dated 24 March, 2021 of the Hon'ble Supreme Court of India).

22.6 The quarterly / periodical returns filed with the banks in respect of the borrowings on the basis of the security of the current assets, are generally in agreement with the books of the accounts, and there are no material discrepancies therein.

(Amount in INR lakhs, unless otherwise stated)

23. OTHER NON-CURRENT FINANCIAL LIABILITIES

	Note No.	As at 31st March, 2023	As at 31st March, 2022
Security Deposits	23.1	1,117.11	1,760.27
Payables to suppliers		2,165.45	2,743.55
Unearned Interest Income		2.65	10.50
TOTAL		<u>3,285.21</u>	<u>4,514.32</u>

23.1 Security deposits include Rs. 640 lakhs (Rs. 1,298 lakhs as at 31 March, 2022) 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.

24. PROVISIONS

	Note No.	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits towards gratuity and leave encashment	39.10	3,028.31	3,195.59
Provision against termination of agreements for sale of Land		225.00	225.00
		<u>3,253.31</u>	<u>3,420.59</u>

25. BORROWINGS

	Note No.	As at 31st March, 2023	As at 31st March, 2022
(a) Secured			
- Working Capital Loans from Banks	25.1 & 22.6	8,650.17	8,298.83
- Current maturities of Long-term Borrowings	22	7,808.13	4,273.89
(b) Unsecured			
- Inter-corporate deposits	25.2	300.00	215.00
TOTAL		<u>16,758.30</u>	<u>12,787.72</u>

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

- a. Exclusive First Charge ranking pari passu by way of hypothecation of Current Assets of the Company pertaining to Textile Unit at Phagwara and Filament Unit at Hoshiarpur, and plant and machinery and other fixed assets of Phagwara along with immoveable fixed assets of the Phagwara unit except two blocks of housing colony measuring 3,854 marlas.
- b. Second charge ranking pari passu by way of equitable mortgage of all the immovable properties of the Filament Unit at Hoshiarpur.
- c. Personal guarantees of Mr. Samir Thapar, CMD and Ms. Priya Thapar, Director.
- d. Pledge of 23,62,44,134 Equity Shares of Rs. 2.50 each of the Company (JCT Limited) held by the promoter companies and Mr. Samir Thapar, CMD.

25.2 Inter-corporate deposits are with no fixed repayment terms.

(Amount in INR lakhs, unless otherwise stated)

26. TRADE PAYABLES

	Note No.	As at 31st March, 2023	As at 31st March, 2022
Total outstanding dues of micro enterprises and small enterprises	39.19	3,996.52	3,086.68
Total outstanding dues of creditors other than micro enterprises and small enterprises		9,193.08	10,855.94
		<u>13,189.60</u>	<u>13,942.62</u>

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

26.2 Refer note 39.17 for ageing of Trade Payables.

27. OTHER CURRENT FINANCIAL LIABILITIES

	Note No.	As at 31st March, 2023	As at 31st March, 2022
Interest accrued but not due on Borrowings		9.77	14.03
Payable to whole time directors		58.74	18.74
Interest accrued on dues of micro enterprises and small enterprises	39.19	360.75	65.66
Book overdraft		127.93	153.64
Security deposits		275.00	275.00
Unclaimed public fixed deposits and interest thereon	27.2	0.07	0.13
Accrued expenses	27.3	5,899.05	4,793.48
Employee benefits payable		2,489.03	1,931.87
Liability towards Contingency of penal interest on Borrowings	22.5	1,949.57	1,316.50
Other payables	27.4	378.34	373.14
TOTAL		<u>11,548.25</u>	<u>8,942.18</u>

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

27.2 The Company has repaid all its fixed deposits received from public during the earlier year/s on their maturity, and, the unclaimed deposits shall be paid as and when claimed.

27.3 Include Rs. 564.35 lakhs (Rs. 403.76 lakhs as at 31 March, 2022) towards outstanding dues of micro enterprises and small enterprises. Also refer Note 39.19.

27.4 Include Rs. 5.81 lakhs (Rs. 5.63 lakhs as at 31 March, 2022) towards the machinery and civil works.



(Amount in INR lakhs, unless otherwise stated)

28. OTHER CURRENT LIABILITIES

	As at 31st March, 2023	As at 31st March, 2022
Statutory liabilities	703.10	262.82
Advance from Customers	1,396.74	912.81
TOTAL	2,099.84	1,175.63

29. PROVISIONS

	Note No.	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits towards gratuity, leave-encashment and superannuation	39.10	582.58	588.81
TOTAL		582.58	588.81

30. REVENUE FROM OPERATIONS

	Note No.	Year ended 31st March, 2023	Year ended 31st March, 2022
Sale of Finished Goods	30.1	59,409.06	76,037.34
Other operating revenues:			
- Export incentives / duty draw back		271.01	370.46
- Sale of process waste / scrap		4,188.70	4,003.99
- Sub-Contracting / Job work		18.78	-
TOTAL		63,887.55	80,411.79

30.1 Particulars of Sale of Finished Goods:

	Year ended 31st March, 2023	Year ended 31st March, 2022
Manufactured		
- Cloth	31,016.23	39,254.49
- Cotton/ blended Yarns	1,227.55	5,469.87
- Nylon filament Yarn	24,644.85	29,332.88
- Nylon chips	140.79	76.47
- Others	2,379.64	1,903.63
TOTAL	59,409.06	76,037.34



(Amount in INR lakhs, unless otherwise stated)

31. OTHER INCOME

	Year ended 31st March, 2023		Year ended 31st March, 2022	
Interest Income from:				
- Bank deposits	50.69		52.28	
- Income tax refund	-		1.47	
- Customers and others	<u>60.94</u>	<u>111.63</u>	<u>64.92</u>	118.67
Profit on sale of property, plant and equipment (net)		<u>791.96</u>		865.70
Profit on sale of Asset (land) classified as held for sale	19.1	-		3,164.61
Liabilities/provisions no longer required written back		<u>115.98</u>		45.60
Profit on sale of raw materials / stores (net)		<u>11.37</u>		1.23
Exchange fluctuation gain (net)		<u>106.57</u>		78.18
Rent		<u>91.83</u>		88.48
Other miscellaneous income		<u>191.08</u>		118.15
TOTAL		<u><u>1,420.42</u></u>		<u><u>4,480.62</u></u>

32. COST OF MATERIALS CONSUMED

	Year ended 31st March, 2023		Year ended 31st March, 2022	
Raw material				
Opening Stock	834.12		1,467.06	
Add: Purchases	<u>32,674.44</u>		<u>41,292.34</u>	
	<u>33,508.56</u>		<u>42,759.40</u>	
(Less) : Closing Stock	<u>(867.04)</u>	<u>32,641.52</u>	<u>(834.12)</u>	41,925.28
Other materials (dyes, chemicals, sizing and packing materials)				
Opening Stock	702.30		861.26	
Add: Purchases	<u>6,774.75</u>		<u>7,702.58</u>	
	<u>7,477.05</u>		<u>8,563.84</u>	
(Less): Closing Stock	<u>(602.14)</u>	<u>6,874.91</u>	<u>(702.30)</u>	7,861.54
TOTAL		<u><u>39,516.43</u></u>		<u><u>49,786.82</u></u>



(Amount in INR lakhs, unless otherwise stated)

33. OTHER MANUFACTURING EXPENSES

	Year ended 31st March, 2023	Year ended 31st March, 2022
Stores & Spares Consumed	376.83	444.39
Power & fuel	14,044.67	13,400.19
Repairs to and maintenance of buildings	88.79	109.20
Repairs to and maintenance of plant & machinery	535.30	1071.60
Processing charges	695.27	590.97
Material handling charges	365.18	460.97
TOTAL	16,106.04	16,077.32

34. CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-PROCESS

	Year ended 31st March, 2023	Year ended 31st March, 2022
Inventories at the end of the year		
Finished Goods	3,748.72	4,501.91
Stock-in-process	<u>8,783.04</u>	<u>8,395.06</u>
Inventories at the beginning of the year		
Finished Goods	4,501.91	3,939.55
Stock-in-process	<u>8,395.06</u>	<u>6,835.31</u>
TOTAL	365.21	(2,122.11)

35. EMPLOYEE BENEFITS EXPENSE

	Year ended 31st March, 2023	Year ended 31st March, 2022
Salaries, wages, bonus, gratuity, leave encashment, allowances etc.	8,196.39	8,766.04
Contribution to provident, superannuation and other funds	763.39	783.88
Workmen & staff welfare expenses	143.66	141.87
TOTAL	9,103.44	9,691.79

36. FINANCE COSTS

	Year ended 31st March, 2023	Year ended 31st March, 2022
Interest Expense on:		
- Term Loans	1,917.78	2,636.98
- Borrowing from banks for working capital	1,111.97	1,086.75
- Advances/deposits from vendors etc.	658.17	790.79
- Lease Liabilities 39.4	16.44	15.82
Other borrowing costs	683.27	619.06
TOTAL	4,387.63	5,149.40



(Amount in INR lakhs, unless otherwise stated)

37. DEPRECIATION AND AMORTISATION EXPENSE

		Year ended 31st March, 2023	Year ended 31st March, 2022
Depreciation on Property, Plant and Equipment	4	1,092.59	1,250.31
Amortisation of Intangible Assets	4	24.60	36.87
Amortisation of ROU Assets	5	49.49	46.69
TOTAL		<u>1,166.68</u>	<u>1,333.87</u>

38. OTHER EXPENSES

	Note No.	Year ended 31st March, 2023	Year ended 31st March, 2022
Rent		43.45	65.10
Insurance		44.57	36.87
Rates & taxes		34.78	37.36
Directors' sitting fee		27.75	26.25
Directors' remuneration		436.30	436.20
Legal and professional fees		427.95	437.88
Travelling and conveyance		164.68	105.80
Payment to Statutory Auditors - Audit fee		22.00	16.00
Bad debts written off (net of impairment allowance)		-	23.01
Impairment loss for advances etc.		28.40	0.05
Impairment loss on Asset (land) classified as held for sale	19.1	-	23.21
Property, plant and equipment written off		2.54	221.04
Selling & publicity expenses		182.90	208.35
Commission to dealers/ canvassing agents		266.18	315.44
Freight & cartage (net of recovery)		864.90	1,185.18
Miscellaneous expenses		651.70	875.10
TOTAL		<u>3,198.09</u>	<u>4,012.85</u>

39. OTHER NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023

39.1 Contingencies and commitments:

Sr. No.	Particulars	As at 31 March, 2023	As at 31 March, 2022
I	Contingencies		
a.	Claims against the Company not acknowledged as debts	68.23	67.64
b.	Guarantees given by the bankers on behalf of the Company	473.16	877.38
c.	Disputed liabilities not adjusted as expenses in the Accounts for various years being in appeals towards (Refer Note 39.1.a)		
	- Sales tax	304.61	2,036.56
	- Excise Duty/Service Tax	1,173.46	1,249.96
	- Entry Tax	1,738.86	1,783.86



Sr. No.	Particulars	As at 31 March, 2023	As at 31 March, 2022
	- Goods and Service Tax	190.37	-
	- Income Tax (Refer Note 39.7)	62.63	-
	- Others	101.06	80.41
d.	Others – for which the Company is contingently liable	105.00	105.00
II	Commitments		
a	Estimated amount of contracts remaining to be executed on Capital Account and not provided for in the accounts (net of advances)	176.99	162.09
b	Export obligation against import, under EPCG / Advance License Scheme	125.30	295.57

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 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 had disputed the said notice with ARCIL in 2016, and 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 In view of the brough forwarded and current year's taxable losses no provision towards current Income tax is considered necessary. Further, the Company has not recorded cumulative deferred tax assets on account of temporary 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 various properties on Operating Leases in its normal course of business which contain extension option after the initial contract period. The amounts recognized on account of leases are as under:

(Amount in INR lakhs, unless otherwise stated)

i. Amount recognized in Statement of Profit and Loss.

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Interest expense on lease liability	16.44	15.82
Amortization of Right-of-use assets	49.49	46.69

ii. Amount recognized in Balance Sheet.

Particulars	As at 31 March, 2022	Addition during the year	Adjustment / (Deletion) during the year	As at 31 March, 2023
Lease liabilities – Non-Current	45.87	130.06	(90.94)	72.78
Lease liabilities – Current	45.85			58.06
Right-of-use assets (Gross) (Refer Note 5)	86.04	130.06	(92.34)	123.76

**(Amount in INR lakhs, unless otherwise stated)**

iii. Maturity Profile

Particulars	Amount
Maturity analysis – contractual undiscounted cash flows	
Within 1 year	73.72
Within 2 years	62.26
Within 3 years	21.33
Total undiscounted lease liabilities	157.31
Impact of discounting and other adjustments	(26.47)
Lease liabilities included in the Balance Sheet	130.84

39.5 Disclosure of Derivative Instruments:

- (a) There are no outstanding forward exchange contracts used for hedge against currency exposures as at 31 March, 2023.
- (b) Foreign currency exposures that have not been specifically hedged by a derivative instrument or otherwise as at 31 March, 2023 are given below:

Particulars	Currency Symbol	As at 31 March, 2023		As at 31 March, 2022	
		Foreign Currency in millions	(Rs. in lakhs)	Foreign Currency in millions	(Rs. in lakhs)
Trade Receivables	US\$	0.255	206.04	0.670	503.76
Loans and Advances	US\$	0.392	323.81	0.133	100.86
	EURO	0.010	9.46	0.008	6.83
	YEN	-	-	0.013	10.22
Trade and other Payables	US \$	(0.803)	(520.86)	(0.540)	(410.31)
Net Asset (in INR)			18.45		211.36

39.6 The accumulated losses of the earlier years and the substantial losses during the current year which are mainly owing to high finance cost and weak sale / operations have resulted in negative net worth and the significant financial crunch and cash flow mismatch, and there are continuous delays and defaults in repayment of certain debt obligations, and unpaid substantial liabilities including employees and statutory dues, etc. These events/conditions indicate the existence of uncertainty on the Company's ability to continue as a going concern.

However, to improve its liquidity / cash flow, and to revive its financial position by reducing its debts and other liabilities, the Company is in the process of disposing off some of its non-core property, and has been successful in the sale of some of such properties in the earlier year and though during the current year it has not been successful in this regard, however subsequent to the yearend, in June, 2023 it has been able to enter into an agreement with a buyer for sale of part its non-core land at Hoshiarpur, and is in advanced talks with some other parties for the sale of other portion of land. The proceeds of these sale of lands will improve its financial position / performance significantly, and once its financial position is improved, the Company is hopeful of gradually improving its operations and take the other strategic initiatives to improve its cost of operations, and therefore, the management is strongly hopeful that the Company would have ability and adequate resources to continue its operational existence for the foreseeable future. Accordingly, the financial statements are prepared on a going concern basis.

39.7 The Income tax authorities had carried out a search and seizure action under Section 132 of the Income tax Act, 1961 at the premises of the Company, its managerial personnel, and some of its executives in the year 2021-22. During the search proceeding various documents / information were seized and thereafter the investigation is going on and the information and details / documents as sought by the authorities from time to time are being provided by the Company. The said matter is under investigation and so far the department has reassessed the income for the assessment year 2021-22, and raised the demand of Rs. 62.63 lakhs considering certain income as unaccounted based on the documents seized during search. The said demand raised by the department has been contested by the Company by filing the appeal before CIT(Appeals). The Company and its advisors are of the view that the ultimate outcome of the said investigation will not have any material adverse impact, and presently no cash outlays / reimbursement / payout are expected in respect of the said matter. As such, the impact thereof, if any required, will be taken in the year of its final outcome/decision.



(Amount in INR lakhs, unless otherwise stated)

39.8 Related Party Disclosures (IND AS-24):

A List of Related Parties and relationships

(a) Key Management Personnel (KMP):

Mr. Samir Thapar	:	Chairman & Managing Director
Ms. Priya Thapar	:	Director – Strategic Business & Development
Mr. Kanwar Nitin Singh	:	Company Secretary
Mr. Kapil Raj Luthra	:	Chief Financial Officer (w.e.f. 23 February, 2023)
Mr. C D Singh	:	Business Head (w.e.f. 01 April, 2023)
Mr. Sandeep Sachdeva	:	Chief Financial Officer (upto 08 December, 2022)
Mr. R. K. Sood	:	Chief Financial Officer (from 09 December, 2022 to 14 February, 2023)

(b) Entities over which the Certain Key Management Personnel have significant influence:

Provestment Securities Pvt. Ltd.
KCT Textiles Ltd.

(c) Relatives of Key management Personnel:

Mr. M. M. Thapar (Demise on 26th July, 2019): Father of Mr. Samir Thapar and Ms. Priya Thapar

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

B. Transactions with related parties:

Transactions		Key Management Personnel	Entities over which the Key Management Personnel have significant influence	Relative of Key Management Personnel
(i)	Transactions during the year / (previous year) :			
a.	Repayment of Unsecured Loan: Mr. Samir Thapar	--/ (8.23)	-- (--)	-- (--)
b.	Managerial Remuneration paid			
	Whole Time Directors	421.18/ (421.08)	-- (--)	-- (--)
	- Employee benefits	15.12/ (15.12)	-- (--)	-- (--)
	- Post-employment benefits			
	Other KMP's			
	- Employee benefits	37.71/ (229.44)	-- (--)	-- (--)
	- Post-employment benefits	2.26/ (7.76)	-- (--)	-- (--)
c.	Interest paid on loan - Mr. Samir Thapar	--/ (0.41)	-- (--)	-- (--)
(ii)	Payables / Receivables as at 31 st March, 2023 / (31 st March, 2022):			
a.	Unsecured Loan from Provestment Securities Pvt. Ltd.	-- (--)	407.14 / (407.14)	-- (--)
b.	Unsecured Loan from KCT Textiles Ltd.	-- (--)	407.00 / (407.00)	-- (--)
c.	Mr. M. M. Thapar	-- (--)	-- (--)	0.77/ (0.77)
d.	Payables:			
	- Mr. Samir Thapar	54.40/ (14.12)	-- (--)	-- (--)
	- Ms. Priya Thapar	4.34/ (4.62)	-- (--)	-- (--)



(Amount in INR lakhs, unless otherwise stated)

39.9 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:

Particulars	Textiles		Filament		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year
External Sales / Income	35,412.81	47,753.33	28,474.74	32,658.46	63,887.55	80,411.79
Segment Revenue	35,727.14	47,968.86	28,815.10	32,864.46	64,542.24	80,833.32
Segment Results	(1,992.30)	1,924.99	(2,967.76)	101.43	(4,960.06)	2,026.42
Segment Assets	60,840.38	63,451.30	18,358.49	21,029.20	79,198.87	84,480.50
Segment Liabilities	33,827.15	30,937.18	17,372.37	16,895.64	51,199.52	47,832.82

Reconciliation of reportable segment with the financial statements:

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	64,542.24	80,833.32	(4,960.06)	2,026.42	79,198.87	84,480.50	51,199.52	47,832.82
Add: Corporate Unallocated	765.73	4,059.09	812.14	4,085.45	1,407.97	1429.47	2,541.73	2,984.29
Finance costs	--	--	(4,387.63)	(5,149.40)	--	--	--	--
Profit/(Loss) before taxes	--	--	(8,535.55)	962.47	--	--	--	--
Taxes	--	--	--	--	156.70	100.76	--	--
As per financial statements	65,307.97	84,892.41	(8,535.55)	962.47	80,763.54	86,010.73	53,741.24	50,817.11

**(Amount in INR lakhs, unless otherwise stated)****(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:

Particulars	Current year	Previous year
Sales to domestic market	57,991.56	73,194.21
Sales to overseas market	5,895.99	7,217.58
Total	63,887.55	80,411.79

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.

39.10 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. During the year amount of Rs. 115.11 lakhs (previous year: Rs. 107.38 lakhs) has been debited to the Statement of Profit and Loss towards the said benefit.

(c) Defined Contribution plan:

Company's employees are covered by Provident Fund, Pension Scheme, 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. 726.70 lakhs (Previous Year: Rs. 746.52 lakhs) has been charged to the Statement of Profit and Loss towards employer's contribution to these schemes/funds as under:

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Employer's contribution towards Provident Fund	230.96	237.15
Employer's contribution towards Pension Scheme	336.87	343.31
Employer's contribution towards Employees State Insurance	126.52	126.11
Employer's contribution towards Superannuation Fund	32.35	39.95
Total	726.70	746.52

(d) Other disclosures of Defined Benefit plan is as under:-**i) Reconciliation of the opening and closing balances of Defined Benefit Obligation, in respect of the funded and un-funded part is as under:**

Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022
Present Value of Defined Benefit Obligation at the beginning of year	2,239.50	2,343.83	1,013.15	1,047.02
Interest cost	161.71	153.37	63.78	68.12
Current Service Cost	144.10	123.39	57.13	52.11
Benefits Paid	(174.06)	(231.14)	(58.73)	(118.42)



Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022
Actuarial (Gain) / Loss arising from Change in Financial Assumptions	(5.36)	(56.96)	(28.28)	1.45
Actuarial (Gain) / Loss arising from Change in Demographic Assumptions	-	(80.00)	-	(20.79)
Actuarial (Gain) / Loss arising from Changes in Experience Adjustments	(205.70)	(12.99)	(61.37)	(16.34)
Present value of the Defined Benefit Obligation at the end of year	2,160.19	2,239.50	985.67	1,013.15

(Amount in INR lakhs, unless otherwise stated)

ii) Net Defined Benefit recognized in the Statement of Profit and Loss.

Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022
Current Service Cost	144.10	123.39	57.13	52.11
Interest cost	161.71	153.37	63.78	68.12
Net Defined Benefit Cost recognized in Statement of Profit and Loss	305.81	276.76	120.91	120.23

iii) Recognized in Other Comprehensive Income.

Particulars	Gratuity	
	Year ended 31 March, 2023	Year ended 31 March, 2022
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(33.64)	(55.51)
Actuarial (Gain)/Loss on arising from Changes in Demographic Assumptions	-	(100.79)
Actuarial (Gain)/Loss on arising from effect of Experience Adjustments	(267.07)	(29.33)
Return on plan assets (excluding interest)	(0.02)	(0.01)
Total remeasurements recognized in OCI	(300.73)	(185.64)

iv) Change in fair value of plan assets

Particulars	Gratuity	
	Year ended 31 March, 2023	Year ended 31 March, 2022
At the beginning of the year	3.56	3.33
Interest Income on Plan Assets	0.24	0.22
Actuarial Gain / (Loss)	0.02	0.01
At the end of the period	3.82	3.56

v) Liability recognized in the Balance Sheet

Particulars	Gratuity	
	Year ended 31 March, 2023	Year ended 31 March, 2022
Funded Defined Benefit Obligation	2,160.19	2,239.50
Fair Value of Plan Assets	(3.82)	(3.56)
	2,156.37	2,235.94
Unfunded Defined Benefit Obligation	985.67	1,013.15
Liability recognized in the Balance Sheet	3,142.04	3,249.09



(Amount in INR lakhs, unless otherwise stated)

vi) Sensitivity Analysis*

a) Impact of the change in the discount rate

Particulars	Gratuity	
	Year ended 31 March, 2023	Year ended 31 March, 2022
Present value of the Defined Benefit Obligation at the end of year	3,145.86	3,252.65
a) Impact due to increase of 100 basis points	(217.78)	(200.65)
b) Impact due to decrease of 100 basis points	249.91	317.98

b) Impact of the change in the salary increase

Particulars	Gratuity	
	Year ended 31 March, 2023	Year ended 31 March, 2022
Present value of the Defined Benefit Obligation at the end of year	3,145.86	3,252.65
a) Impact due to increase of 100 basis points	241.92	307.43
b) Impact due to decrease of 100 basis points	(219.34)	(201.16)

* 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 and life expectancy are not applicable being a lump sum benefit on retirement.

vii) Maturity Profile

Year	Gratuity	
	Year ended 31 March, 2023	Year ended 31 March, 2022
0 to 1 year	357.32	385.39
1 to 2 Year	275.40	271.36
2 to 3 Year	352.07	278.69
3 to 4 Year	348.43	347.38
4 to 5 Year	306.92	366.40
5 years onward	1,290.47	1359.93

viii) Expected contribution for the next Annual reporting period

Particulars	Gratuity	
	Year ended 31 March, 2023	Year ended 31 March, 2022
Expected contributions towards Service Cost, Interest Cost and expected Expenses	2,286.81	853.98



(Amount in INR lakhs, unless otherwise stated)

ix) Actuarial Assumption

Principal assumptions used for actuarial valuation are:

Particulars	Gratuity & Leave Encashment	
	Year ended 31 March, 2023	Year ended 31 March, 2022
Method used	Projected unit credit method	
Discount rate (per annum)	7.30%	7.27%
Salary Escalation (per annum)	7.00%	7.00%
Mortality Rate	IALM (2012-14) Ult	IALM (2012-14) Ult
Withdrawal rate up to 30/44 and above 44 years – Phagwara (per annum)	1%	1%
Withdrawal rate up to 30/44 and above 44 years – Hoshiarpur (per annum)	3.64%/3.50%/5.69%	3.64%/3.50%/5.69%
Withdrawal rate up to 30/44 and above 44 years – Delhi – Corporate Office (per annum)	3.64%/3.50%/5.69%	3.64%/3.50%/5.69%
Expected Rate of return on plan assets (per annum)	7.30%	7.27%
Retirement age (in years)	58	58

39.11 Fair Value Measurements

The carrying amounts and fair values of the financial instruments by class are as follows:

Particulars	Carrying amount/Fair value	
	As at 31 March, 2023	As at 31 March, 2022
Financial assets		
Carrying amounts/fair value:		
a) Measured at fair value through profit and loss		
b) Measured at fair value through other comprehensive income		
Non-current assets		
- Investments	187.26	147.46
c) Measured at amortised cost		
Non-current assets		
- Loans	0.07	1.15
- Other Non-current financial Assets	364.69	350.50
Current assets		
- Investments	10.64	10.64
- Trade receivables	3,277.58	5,979.66
- Cash and cash equivalents	17.66	79.49
- Bank balances other than cash and cash equivalents	881.10	1,072.62
- Loans	0.12	0.12
- Other current financial assets	516.09	725.12
Total	5,255.21	8,366.76



(Amount in INR lakhs, unless otherwise stated)

Particulars	Carrying amount/Fair value	
	As at 31 March, 2023	As at 31 March, 2022
Financial liabilities		
Carrying amounts/fair value:		
a) Measured at fair value through profit and loss	--	--
b) Measured at fair value through other comprehensive income	--	--
c) Measured at amortised cost		
Non-current liabilities		
- Borrowings	2,893.32	5,353.52
- Lease liabilities	72.78	45.87
- Other non-current financial liabilities	3,285.21	4,514.32
Current liabilities		
- Borrowings	16,758.30	12,787.72
- Lease liabilities	58.06	45.85
- Trade payables	13,189.60	13,942.62
- Other current financial liabilities	11,548.25	8,942.18
Total	47,805.52	45,632.08

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.



(Amount in INR lakhs, unless otherwise stated)

Disclosures of fair value measurement hierarchy for financial instruments are given below:

Particulars	Carrying amount/ Fair value					
	As at 31 March, 2023			As at 31 March, 2022		
	L-1	L-2	L-3	L-1	L-2	L-3
Financial assets						
Carrying amounts/fair value:						
a) Measured at fair value through profit and loss	--	--	--	--	--	--
b) Measured at fair value through other comprehensive income						
Non-current assets						
- Investment	--	--	187.26	--	--	147.46
c) Measured at amortised cost						
Non-current assets						
- Loans	--	--	0.07	--	--	1.15
- Other Non-current Financial Assets	--	--	364.69	--	--	350.50
Current assets						
- Investments	--	--	10.64	--	--	10.64
- Trade receivables	--	--	3277.58	--	--	5979.66
- Cash and cash equivalents	--	--	17.66	--	--	79.49
- Bank balances other than cash and cash equivalents	--	--	881.10	--	--	1072.62
- Loans	--	--	0.12	--	--	0.12
- Other current financial assets	--	--	516.09	--	--	725.12
Total	--	--	5255.21	--	--	8366.76
Financial liabilities						
Carrying amounts/fair value:						
a) Measured at fair value through profit and loss	--	--	--	--	--	--
b) Measured at fair value through other comprehensive income	--	--	--	--	--	--
c) Measured at amortised cost						
Non-current liabilities						
- Borrowings	--	--	2893.32	--	--	5353.52
- Lease liabilities	--	--	72.78	--	--	45.87
- Other non-current financial liabilities	--	--	3285.21	--	--	4514.32
Current liabilities						
- Borrowings	--	--	16758.30	--	--	12787.72
- Lease liabilities	--	--	58.06	--	--	45.85
- Trade payable	--	--	13189.60	--	--	13942.62
- Other current financial liabilities	--	--	11548.25	--	--	8942.18
Total	--	--	47805.52	--	--	45632.08

**(Amount in INR lakhs, unless otherwise stated)****39.12 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:

Particulars	As at 31 March, 2023	As at 31 March, 2022
Equity share capital	21,708.32	21,708.32
Other Equity	5,313.97	13,485.30
Total Equity (A)	27,022.29	35,193.62
Non-current borrowings	2,893.32	5,353.52
Short term borrowings	16,758.30	12,787.72
Gross Debt	19,651.62	18,141.24
Less: Cash & Cash Equivalents	17.66	79.49
Less: Bank balances other than cash and cash equivalents)	881.10	1,072.62
Less: Current investments	10.64	10.64
Net Debt (B)	18,742.22	16,978.49
Total Capital and Net Debt (A + B)	45,764.51	52,172.11
Gearing Ration (Net Debt/ Total Capital & Net Debt)	40.95%	32.54%

39.13 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 31 March, 2023. 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 31 March, 2023.

**(Amount in INR lakhs, unless otherwise stated)****(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).

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 recognized by the Company that have not been hedged by a derivative instrument or otherwise are as under:

Particulars	Currency Symbol	As at 31 March, 2023		As at 31 March, 2022	
		Foreign Currency in millions	(Rs. in lakhs)	Foreign Currency in millions	(Rs. in lakhs)
Trade Receivables	US\$	0.255	206.04	0.670	503.76
Loans and Advances	US\$	0.392	323.81	0.133	100.86
	EURO	0.010	9.46	0.008	6.83
	YEN	-	-	0.013	10.22
Trade and other Payables	US \$	(0.803)	(520.86)	(0.540)	(410.31)
Net Asset (in INR)			18.45		211.36

Note: Figures in bracket represents payables

(ii) 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.

(iii) 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.

**(Amount in INR lakhs, unless otherwise stated)**

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, 2023 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.

Particulars	As at 31 March, 2023	As at 31 March, 2022
Non-current assets		
- Investments	187.26	147.46
Non-current assets		
- Loans	0.07	1.15
- Other Non-current Financial Assets	364.69	350.50
Current assets		
- Investments	10.64	10.64
- Trade receivables	3,277.58	5,979.66
- Cash and cash equivalents	17.66	79.49
- Bank balances other than cash and cash equivalents	881.10	1,072.62
- Loans	0.12	0.12
- Other current financial assets	516.09	725.12
Total	5,255.21	8,366.76

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 March, 2023	As at 31 March, 2022
Due from 0 to 180 days	2,569.63	5,762.38
Due from more than 180 days	849.19	358.52
Less: Loss Allowance	(141.24)	(141.24)
Total	3,277.58	5,979.66

(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 source of financing through the use of credit facilities. 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.



(Amount in INR lakhs, unless otherwise stated)

Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date:

Particulars	Carrying Value	Less than 1 year	1 to 5 years
As at 31 March, 2023			
Borrowings	19,651.62	16,758.30	2,893.32
Trade payables	13,189.60	13,189.60	--
Lease liabilities	130.84	58.06	72.78
Other non-current financial liabilities	3,285.21	--	3,285.21
Other current financial liabilities	11,548.25	11,548.25	--
Total	47,805.52	41,554.21	6,251.31

Particulars	Carrying Value	Less than 1 year	1 to 5 years
As at 31 March, 2022			
Borrowings	18,141.24	12,787.72	5,353.52
Trade payables	13,942.62	13,942.62	--
Lease liabilities	91.72	45.85	45.87
Other non-current financial liabilities	4,514.32	--	4,514.32
Other current financial liabilities	8,942.18	8,942.18	--
Total	45,632.08	35,718.37	9,913.71

39.14 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:

Sr. No.	Name of the Investee	Nature of Transaction	2022-23		2021-22	
			During the year	Outstanding Balance	During the Year	Outstanding Balance
1.	KCT Textiles Ltd. (Entity over which the certain Key Management Personnel have significant influence)	Investment	--	10.64	--	10.64

39.15 Earning per share:

Particulars	Current Year	Previous Year
Net (Loss) / Profit as per Statement of Profit and Loss (Rs. in lakhs)	(8535.55)	962.47
Weighted average number of equity shares pre / post dilution	86,83,32,614	86,54,64,913
Nominal value of Equity Share (Rs.)	2.50	2.50
Basic / Diluted Earning per share (Rs.)	(0.98)	0.11



(Amount in INR lakhs, unless otherwise stated)

39.16 Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1 - 2 years	2 - 3 years	More than 3 years	
As at 31 March, 2023						
Undisputed Trade receivables -considered good	2,569.63	148.17	156.43	36.04	367.31	3,277.58
Undisputed Trade Receivables -which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables -credit impaired	-	-	-	-	-	-
Disputed Trade Receivables -considered good	-	-	-	-	-	-
Disputed Trade Receivables -which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables -credit impaired	-	-	-	5.57	135.67	141.24
Total	2,569.63	148.17	156.43	41.61	502.98	3,418.82
As at 31 March, 2022						
Undisputed Trade receivables -considered good	5,762.38	85.09	55.10	29.32	47.77	5,979.66
Undisputed Trade Receivables -which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables -credit impaired	-	-	-	-	-	-
Disputed Trade Receivables -considered good	-	-	-	-	-	-
Disputed Trade Receivables -which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables -credit impaired	-	-	5.57	2.91	132.76	141.24
Total	5,762.38	85.09	60.67	32.23	180.53	6,120.90

39.17 Trade Payables ageing schedule

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March, 2023					
MSME	3,662.47	274.04	49.65	10.36	3,996.52
Others	8,135.36	439.14	536.14	82.44	9,193.08
Disputed dues – MSME	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-
Total	11,797.83	713.18	585.79	92.80	13,189.60
As at 31 March, 2022					
MSME	2,928.21	147.10	5.05	6.32	3,086.68
Others	10,615.44	142.39	72.69	25.42	10,855.94
Disputed dues – MSME	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-
Total	13,543.65	289.49	77.74	31.74	13,942.62



(Amount in INR lakhs, unless otherwise stated)

39.18 CWIP ageing schedule

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March, 2023					
Projects in progress	144.42	5.47	-	3.40	153.29
Projects temporarily suspended	-	-	-	-	-
Total	144.42	5.47	-	3.40	153.29
As at 31 March, 2022					
Projects in progress	97.74	11.86	4.98	-	114.58
Projects temporarily suspended	-	-	-	-	-
Total	97.74	11.86	4.98	-	114.58

39.19 Disclosure required under Section 22 of Micro, Small and Medium Enterprise Development Act, 2006:

	As at 31 March, 2023	As at 31 March, 2022
i. Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act., 2006.		
- Principal #	4,560.87	3,490.44
- Interest	360.75	65.66
ii. Amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-
iv. The amount of interest accrued and remaining unpaid	-	-
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act, 2006	-	-
Total ##	4,921.62	3,556.10

Include Rs. 3,996.52 lakhs (As at 31 March, 2022: Rs. 3,086.68 lakhs) due to the parties under Trade Payable and Rs. 564.35 lakhs (As at 31 March, 2022: Rs. 403.76 lakhs) due to the parties other than Trade Payable.

The above information has been determined to the extent such parties have been identified on the basis of information collected with the Company. Further, the Company has provided the interest on overdue payments to these parties, to the extent practically ascertained / estimated based on the information available with the Company.



39.20 Ratios

Sr. No	Ratio	31 March, 2023	31 March, 2022	Numerator	Denominator	Variation	Reasons For Variation> 25%
(a)	Current Ratio	0.54	0.75	Current Assets	Current liabilities	-29%	Increase in current maturities of long term borrowing
(b)	Debt-Equity Ratio	0.73	0.49	Total Debt	Total Equity	+40%	Erosion in net worth due to heavy accumulated losses
(c)	Debt Service Coverage Ratio	-0.85	0.42	Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.	Interest & Lease Payments + Principal Repayments	-302%	Substantial Losses during the year
(d)	Return on Equity Ratio	-27.43	2.84	Profit after tax	Average Equity shareholder's Fund	-966%	Due to decrease in profit
(e)	Inventory Turnover ratio	4.05	5.04	Sales	Average inventory	-20%	No Significant change
(f)	Trade Receivables turnover ratio	13.80	14.42	Net Sales	Average trade receivables	-4%	No Significant change
(g)	Trade payables turnover ratio	2.91	3.60	Purchases	Average trade Payables	-19%	No Significant change
(h)	Net capital turnover ratio	-3.11	-8.35	Net Sales	Working Capital (CA-CL)	64%	Due to decrease in turnover and increase in current liability.
(i)	Net profit ratio	-13.36	1.23	Profit after tax	Net Sales	-1186%	Substantial losses and decrease in turnover
(j)	Return on Capital employed	-10.74	12.65	EBIT	Capital Employed (TNW+TD+DTL)	-185%	Substantial current year and accumulated losses
(k)	Return on Investment	25.17	3.35	MV/BV at end of the period – MV/BV at beginning of the period + Interest / Dividend	MV/BV at the beginning of the year	651%	Due to increase in fair value of investment.

39.21 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. Adjustment, if any, required in these cases will be accounted for in the period of confirmation / reconciliation, which in view of the management will not have a material impact.

39.22 The Official Liquidator (OL) of CNLT Malaysia, (an erstwhile Associate of the Company, now under liquidation) had filed a recovery case in the Hon'ble High Court of Malaysia (Commercial Division) at Kuala Lumpur for recovery of US\$ 1,250,000 towards alleged fraudulent payment by CNLT to the Company in 2006-07. The Hon'ble Court has since allowed the suit filed against the Company by certain creditors/contributors on behalf of OL, against which the Company has filed Appeal before the Hon'ble Court of Appeals of Malaysia, which is pending decision. The matter is sub-judice and the impact thereof will be taken in the period of final decision / outcome, which in view of the management will not result in any cash outflow / reimbursement.

39.24 The Company did not have any transaction which had not been recorded in the books of accounts, which had been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. However, a



demand of Rs. 62.63 lakhs has been raised by the Income Tax Authorities for the assessment year 2021-22 considering certain income as unaccounted based on the documents seized during the income tax search conducted during the year 2021-22, which has been contested by the Company by filing the appeal before CIT(Appeals) as detailed in note 39.7 above.

- 39.25** The Company has not traded or invested in crypto currency or virtual currency during the year.
- 39.26** The Company has not advanced or loaned or invested any funds (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provided any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 39.27** The Company has not received any funds from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provided any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 39.28** Figures of the previous year/s have been rearranged and regrouped, wherever necessary, to confirm to current year classification.

Signatures to 'Notes 1 to 39'

For and on behalf of the Board of Directors

(Kapil Raj Luthra)
Chief Financial Officer

(Kanwar Nitin Singh)
Company Secretary
(Membership No. 27892)

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

This is the Balance Sheet referred to our Report of even date

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

(Pawan K. Gupta)
Partner
Membership No.092529

Place : Phagwara / New Delhi
Dated : 30 June, 2023

Directors

Priya Thapar	(DIN 06742680)
A K Doshi	(DIN 02298644)
R S Samra	(DIN 00375315)
Surendra Mal Daga	(DIN 03575623)
Mamta Kumari	(DIN 08968141)

Hoshiarpur Railway Station to JCT Limited

