

Annual Report

2011-2012



JCT LIMITED

**Board of Directors**

Mr. Samir Thapar

Chairman & Managing Director

Mr. Gordhan Bhojraj Kathuria

Mr. Apar Singh Dugal

Dr. Ajit Kumar Doshi

Mr. Vipul Singla

Allahabad Bank Nominee

Chief Financial Officer

Mr. V.K. Singhal

Company Secretary

Mr. S.C. Saxena

Auditors

S.P. Chopra & Co.
Chartered Accountants
F-31, Connaught Place
New Delhi - 110 001

Registered Office

Village Chohal
Distt. Hoshiarpur - 146 024
(Punjab)

Units

Textiles : Phagwara (Punjab)
: Sriganaganagar (Raj.)
Filament : Hoshiarpur (Punjab)

Corporate Office

305-309, 3rd Floor
Rattan Jyoti Building
18, Rajendra Place
New Delhi- 110008

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

RCMC Share Registry Pvt. Ltd.
B-106, Sector-2
Noida-201 301
Tel.: 95120-4015880
Fax: 95120-2444346
e-mail: shares@rcmcdelhi.com

Bankers

Allahabad Bank
Bank of Baroda
Punjab National Bank
Punjab & Sind Bank
State Bank of India
State Bank of Patiala
State Bank of Travancore

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NOTICE

THE 63rd ANNUAL GENERAL MEETING OF JCT LIMITED will be held at the Registered Office at Village Chohal, Dist. Hoshiarpur (Punjab) on Friday, the 30th day of November, 2012 at 12.30 P.M. to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the audited Accounts of the Company for the financial year ended 31st March 2012 and the Reports of the Directors and Auditors thereon.
2. To re-elect Shri Apar Singh Dugal as Director retiring by rotation and pass the following resolution
"RESOLVED that Shri Apar Singh Dugal be and is hereby re-elected as Director of the Company."
3. To appoint Auditors and to fix their remuneration and to consider and, if thought fit, to pass the following resolution:-
"RESOLVED that M/s S P Chopra & Company, Chartered Accountants, be and are hereby appointed as the Auditors of the Company to hold such office until the conclusion of the next Annual General Meeting at a remuneration of to be decided by the Board / Audit Committee of Directors of the Company, payable in one or more tranche plus service tax as applicable in addition to reimbursement of all out of pocket expenses in connection with the audit of the Company."

SPECIAL BUSINESS

4. To consider and if thought fit, to pass the following resolution with or without modification(s) as **Ordinary Resolution**:
"That Dr. Ajit Kumar Doshi be and is hereby elected and appointed as a Director of the Company liable to retire by rotation."
5. To consider and if thought fit, to pass the following resolution with or without modification(s) as **Special Resolution**:
"RESOLVED THAT pursuant to the provisions of Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of Central Government the consent of the members of the Company be and is hereby accorded for the continuation of Shri Man Mohan Thapar as Advisor on a monthly professional fee of Rs.2,00,000/- plus service tax as applicable and reimbursement of actual traveling and other incidentals incurred in connection with the business of the Company for a period of five years w.e.f. 1st April, 2013 with an authority to the Board of Directors of the Company to vary the terms and conditions of his continuation including the increase in the professional fee and subject to such further approvals as may be required and envisaged under the Companies Act, 1956."
6. To consider and if thought fit, to pass the following resolution with or without modification(s) as **Special Resolution** :
"RESOLVED that pursuant to Section 81, 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, as amended from time to time, and in terms of the Articles of Association of the Company and the Listing Agreement entered into by the Company with the Stock Exchange, Mumbai where shares of the Company are listed, Corporate Debt Restructuring Scheme (CDR) of the Company as approved by the concerned authorities on 12th September,

2012 and conveyed to the Company vide their CDR(PMJ) No.685/2012-13 on 21st September, 2012 and subject to such approvals, consents, permissions and/or sanctions as may be required from the Securities and Exchange Board of India(SEBI) and from any other government / appropriate authorities (hereinafter individually / collectively referred to as "concerned authorities) and subject to such conditions, if any, as may be stipulated by the concerned authorities from time to time in granting any such approvals, consents, permissions or sanctions, the Board of Directors of the company (hereinafter referred to as the "Board"), which term shall be deemed to include any committee(s) of the Board for the time being, exercising the powers conferred on the Board) and is hereby authorised and empowered and they shall always be deemed to have been so authorised and empowered on behalf of the Company, in terms of the approved Corporate Debt Restructuring (CDR) Scheme, to offer issue and allot 4,08,80,000 equity shares (Four crore eight lakhs eighty thousand only) of Rs..2.50 each aggregating to Rs.10,22,00,000/- as fully paid-up, to the Promoters/Promoter Group Companies, in such manner and terms and conditions as may be determined by the Board in accordance with applicable statutory provisions, rules and regulations."

"RESOLVED FURTHER THAT the equity shares referred to above in terms of the Corporate Debt Restructuring (CDR) Scheme shall rank pari-passu with the existing equity shares of the Company in all respects."

"RESOLVED FURTHER THAT the equity shares referred to above shall be subject to lock-in of three years from the date of allotment or as applicable."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board, be and is hereby authorised on behalf of the Company to take all actions and do all such deeds, matters and things as it may at their sole discretion deem necessary, desirable or expedient to the issue and allotment of above referred equity shares and to resolve and settle any question, difficulty or doubt that may arise in regard to any such issue, offer and allotment of such equity shares, without being required to seek any further consent or approval of the shareholders."

7. To consider and if thought fit, to pass the following resolution with or without modification(s) as **Special Resolution** :
"RESOLVED that pursuant to Section 81, 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, as amended from time to time and in terms of the Articles of Association of the Company and the Listing Agreement entered into by the Company with the Stock Exchange Mumbai, where shares of the Company are listed, Corporate Debt Restructuring Scheme (CDR) of the Company as approved by the concerned authorities on 12th September, 2012 and conveyed to the Company vide their CDR(PMJ) No.685/2012-13 on 21st September, 2012 and subject to such approvals, consents, permissions and/or sanctions as may be required from the Securities and Exchange Board of India(SEBI) and from any other government / appropriate authorities (hereinafter individually / collectively referred to as "concerned authorities) and subject to such conditions,



if any, as may be stipulated by the concerned authorities from time to time in granting any such approvals, consents, permissions or sanctions, the Board of Directors of the company (hereinafter referred to as the "Board"), which term shall be deemed to include any committee(s) of the Board for the time being, exercising the powers conferred on the Board) and is hereby authorised and empowered and they shall always be deemed to have been so authorised and empowered on behalf of the Company, in terms of the approved Corporate Debt Restructuring (CDR) Scheme, to offer issue and allot 4,08,80,000 equity shares (Four crore eight lakhs eighty thousand only) of Rs.2.50 each aggregating to Rs.10,22,00,000/- as fully paid-up, to the under mentioned banks pursuant to their Sacrifices, as explained in the Explanatory Statement, in such manner and terms and conditions as may be determined by the Board in accordance with applicable statutory provisions, rules and regulations."

Sr.	Name of the Bank	No. of Equity Shares (Face value Rs.2.50 each)	Amount (in Rs.)
1	Allahabad Bank	86,00,000	2,15,00,000
2	State Bank of India	1,65,60,000	4,14,00,000
3	Punjab National Bank	95,20,000	2,38,00,000
4	State Bank of Patiala	44,00,000	1,10,00,000
5	Bank of Baroda	10,00,000	25,00,000
6	State Bank of Travancore	5,60,000	14,00,000
7	Punjab & Sind Bank	2,40,000	6,00,000
	Total	4,08,80,000	10,22,00,000

"RESOLVED FURTHER THAT the equity shares referred to above in terms of the Corporate Debt Restructuring (CDR) Scheme shall rank pari-passu with the existing equity shares of the Company in all respects."

"RESOLVED FURTHER THAT the equity shares referred to above shall be subject to lock-in of three years from the date of allotment or as applicable."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board, be and is hereby authorised on behalf of the Company to take all actions and do all such deeds, matters and things as it may at their sole discretion deem necessary, desirable or expedient to the issue and allotment of above referred equity shares and to resolve and settle any question, difficulty or doubt that may arise in regard to any such issue, offer and allotment of such equity shares, without being required to seek any further consent or approval of the shareholders."

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

"RESOLVED THAT, the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and any other provisions of the Companies Act, 1956 as amended from time to time, for mortgaging and/or to the creation by the

Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall also include a Committee thereof) of such mortgages and charges, in addition to the existing mortgages and charges created by the Company, on such assets of the Company, both movable and immovable, whether in existence or to be acquired in future, in such form and manner and at such time, as the Board may direct, and /or conferring the power to enter upon and take possession of the assets of the company in certain events, to or in favour of all or any of the lenders, to secure the financial facilities availed or to be availed by the Company in terms of the subscription agreements / loan agreements / letters of sanctions / memorandum of terms and conditions entered into or to be entered into by the Company for such facilities."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to finalize with the bank, the documents for creating the aforesaid mortgage and/or charge and to do all such acts, deeds and things as may be necessary for giving effect to the above resolution."

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

"RESOLVED THAT in compliance with the requirements of Section 293(1)(d) of the Companies Act, 1956, the Company do hereby consent to the Board of Directors of the Company borrowing monies for and on behalf of the company from time to time as and when required by the Company provided that the monies so borrowed (excluding temporary loans obtained from time to time by the Company from its bankers in the ordinary course of business) shall not exceed in the aggregate in any case and at any time by more than Rs. 650 Crores over and above the aggregate of the Paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, as the Board of Directors may from time to time deem necessary."

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

"RESOLVED that pursuant to Section 81, 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, as amended from time to time and in terms of the Articles of Association of the Company and the Listing Agreement entered into by the Company with The Stock Exchange, Mumbai where shares of the Company are listed, Restructuring Scheme in respect of the Foreign Currency Convertible Bonds (FCCBs), as may/may have been approved/agreed to by the Company and the Bondholders concerned and subject to such approvals, consents, permissions and/or sanctions as may be required from the Securities and Exchange Board of India(SEBI) and from any other government / appropriate authorities (hereinafter individually / collectively referred to as "concerned authorities) and subject to such conditions, if any, as may be stipulated by the concerned authorities from time to time in granting any such approvals, consents, permissions or sanctions, the Board of Directors of the company (hereinafter referred to as the "Board"), which term shall be deemed to include any committee(s) of the Board for the time being, exercising the powers conferred on the Board) and is hereby



authorised and empowered and they shall always be deemed to have been so authorised and empowered on behalf of the Company, in terms of the approved Restructuring Scheme, in such a manner and on the terms and conditions as may be determined by the Board in accordance with applicable statutory provisions, rules and regulations if any."

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board, be and is hereby authorised on behalf of the Company to take all actions and do all such deeds, matters and things as it may at their sole discretion deem fit and necessary, desirable or expedient and most beneficial to the Company and all their actions done hitherto be and are hereby ratified."

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

"RESOLVED that pursuant to the erosion of more than fifty percent of the Company's Net worth at the end of the financial year ended 31st March, 2012, in relation to its peak net worth during the immediately preceding four financial years, be and is hereby considered, noted and taken on record in accordance with the provisions of Section 23(1)(a)(ii) of the Sick Industrial Companies (Special Provisions) Act, 1985, in all respects."

"RESOLVED further that the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things in such a manner as the board of directors may deem fit and proper and most beneficial to the Company at their absolute discretion and all their actions done hitherto be and are hereby ratified."

By Order of the Board
For JCT LIMITED
S. C. Saxena
Company Secretary

Place: New Delhi
Dated: 31.10.2012

NOTES FOR MEMBERS' ATTENTION:

- (a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING MAY APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS/HER BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE AT VILLAGE CHOHAL, DIST. HOSHIARPUR (PUNJAB), NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME OF THE MEETING.**
- (b) Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of special business to be transacted at the Annual General Meeting is annexed herewith.
- (c) Additional information, pursuant to Clause 49 of the Listing Agreement in relation to Directors recommended by the Board for appointment / re-appointment at the Annual General Meeting forms part of the Annual Report.
- (d) The Share Transfer Books and Register of Members of the Company shall remain closed from 23.11.2012 to 30.11.2012 (both days inclusive).
- (e) The Members holding equity shares in physical form are requested to inform the Registrar and Transfer Agents, M/s RCMC Registry Private Limited, B-106, Sector 2, Noida 201301, District Gautambudh Nagar (UP) change of address, if any, at the earliest, quoting their registered folio number. Change of address

in respect of shares held in dematerialized form is required to be informed to the concerned Depository Participant.

- (f) The Ministry of Corporate Affairs vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering / updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository Participants. In respect of shares held in physical form, the members are requested to send their e-mail details, duly signed by all the joint holders to the company's office at 305, Rattan Jyoti Building, 18, Rajendra Place, New Delhi 110008.
- (g) All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays between 11.00 A.M. and 1.00 P.M. upto the date of the Annual General Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 4

Dr. Ajit Kumar Doshi was appointed as an Additional Director of the Company with effect from 21st October, 2012 by the Board of the Directors pursuant to the provisions of Article 130 of Articles of Association of the Company and Section 260 of the Companies Act, 1956. According to the said Article and provisions of Section 260 of the Companies Act, 1956, Dr. Ajit Kumar Doshi will hold office only upto the date of the forthcoming Annual General Meeting of the Company and is eligible for appointment of as Director.

The Company has received notices under Section 257 of the Companies Act, 1956 from certain members of the Company alongwith the requisite amount, proposing appointment of Dr. Ajit Kumar Doshi as Director of the Company liable to retire by rotation.

Except Dr. Ajit Kumar Doshi no other Director is concerned or interested in the resolution.

Item No.5

Shri Man Mohan Thapar being related to Shri Samir Thapar – Chairman & Managing Director of the Company and the remuneration being in excess of the amount as prescribed under Section 314 of the Companies Act, 1956, the said resolution is being recommended to the shareholders for their approval.

Except Shri Samir Thapar being related to Shri Man Mohan Thapar, no other Director is concerned or interested in the resolution.

The Directors consider the proposal to be in the interest of the Company and accordingly recommend the same.

Item No.6 & 7

The Company has been experiencing financial crunch due to global recession coupled with substantial increase in prices of various inputs and high fluctuations in foreign currency exchange rates which resulted in heavy losses to the Company; there was erosion in working capital of the Company which adversely affected the debt serviceability of the Company.



With a view to tide over the above difficulty arising out of the company had approached the banks for restructuring of its liabilities under CDR mechanism and a restructuring package was approved by CDR EG in September 2012. The salient features of the CDR package are:

- a) Rescheduling of term loans to start from 31st March 2012 and the last installment to be paid on 30th June 2021
- b) Funding of interest on term loans (FITL) for one year from 1st February 2012 to 31st January 2013 and repayable in monthly installment commencing from 28th February 2013 to 31st January 2014.
- c) Conversion of shortfall in Drawing Power on 31st January 2012 of Rs 36.09 crores to Working Capital Term Loan (WCTL) which is repayable in 17 installments commencing from 31st March 2012 to 31st March 2016.
- d) Additional working Capital of Rs 45.77 crores.
- e) Sacrifice of the lenders of Rs 16.22 crores will be settled as follows:
 - Rs 6.00 crores upfront in the ratio of their sacrifices.
 - Rs 10.22 crores by issuance of equity shares at Par in line with SEBI Guidelines.
- f) Promoters' contribution of Rs 16.00 crores will be infused in the following manner:
 - Rs 10.22 crores in the form of equity shares at Par in line with SEBI Guidelines
 - Rs 5.78 crores in the form of Subordinate Debt
- g) 26 Acres of land at Phagwara be sold at Rs 44.00 crores (net of tax) which will be paid to lenders Rs 20.00 crores in 2015 and Rs 24.00 crores in 2016.
- h) Promoters to pledge their entire share holding or 51% of the total equity of the company whichever is lower with the lenders.
- i) Promoters (Mr. M.M. Thapar & Mr. Samir Thapar) to give personal guarantees for the entire exposure of the banks.
- j) Implementation of the scheme to be completed within 120 days from the date of LOA i.e. 21st September 2012.

Except Shri Samir Thapar being the Promoter Director, none of the other Directors of the Company are interested or concerned in the Resolutions.

Item No.8

The financial facilities from the banks have to be secured by way of first & second charge on pari-passu basis on all the immovable and movable properties of the Company, both present & future. As per Section 293(1)(a) of the Companies Act, 1956, the Board of Directors of a public limited company shall not, without the consent of the shareholders in general meeting, sale/lease or otherwise dispose off the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking. Since the mortgaging by the Company of its immovable and moveable properties, may be regarded as disposal of the Company's properties/ undertaking, it is necessary for the members to pass a resolution under Section 293(1)(a) of the Companies Act, 1956 for authorization & rectification for charge created / to be created on the properties of the Company.

None of the Directors of the Company are interested or concerned in the Resolution.

Item No.9

A resolution was passed at the Annual General Meeting of the Company held on 30th September, 1993 authorizing the Board of Directors to borrow upto a limit of Rs. 550 Crores over and above the aggregate of the paid-up capital of the company and its free reserves. The Company may be required to borrow in future even in excess of the said limits. The borrowing limit is, therefore, proposed to be increased upto Rs. 650 Crores over and above the aggregate of the paid-up capital of the Company and its free reserves. The resolution is recommended for your approval.

None of the Directors of the Company is concerned or interested in the resolution.

Item No.10

The company is in discussions with the FCCB holders to restructure the terms and conditions including repayment of FCCBs. The resolution is recommended to the members for their approval.

None of the Directors of the Company is concerned or interested in the resolution.

Item No.11

Section 23(1)(a)(i) of the Sick Industrial Companies (Special Provisions) Act, 1985 requires the company that in case accumulated losses of the company at the end of the financial year have resulted in erosion of fifty per cent or more of its peak net worth during the immediately preceding four financial years, the Company is to hold the meeting of the shareholders of the company and accordingly report the fact of such erosion to the Board for Industrial and Financial Reconstruction (BIFR).

The shareholders are required to pass the Ordinary Resolution to this effect for taking cognizance of such erosion. After the said resolution is passed, the intimation as per the format prescribed would be further submitted with the BIFR.

The Board of Directors are already seized of the situation arising on account of erosion of net worth and taking requisite steps including discussions with the lenders and a package of financial restructuring under the CDR mechanism has already been approved in September, 2012 which is under implementation. The excerpts of the report in respect of the reasons of erosion of net worth being sent to BIFR are briefly explained here under.

Marketing Difficulties:

- The expansion and modernization project of the company's manufacturing facilities were undertaken in 2006-08 which could not be fully utilized as the completion of the expansion coincided with global meltdown & recessionary market conditions.
- Demand for direct export and from garment manufacturers remained subdued during the period due to downward trend in the domestic as well as international markets.
- High Cotton Prices, during the last procurement season of cotton the prices went as high as Rs 62500 per candy from Rs 35000 per candy due to pre-mature announcement of cotton exports and other factors. The prices suddenly crashed to a level of Rs 32000 per candy. The fluctuation of cotton prices



lead to high cost cotton getting stuck with the mills and losses on account of devaluation hit the company. It has affected the entire industry. Against the huge increase in the prices of cotton, the selling prices only increased marginally in this period, thus leading to strain on the overall margins.

- The continuous upward trend in prices of Caprolactum has been a major concern for the company. The Caprolactum prices increased from average of Rs 104.49 kg in FY 2010 to Rs 139.67 kg in FY 2011 an increase of 34% and against it the average realisation increased only by 23% from Rs 217.29 kg to Rs 268.09 kg. The capacity of the market to absorb the increase in selling prices is limited as weavers start moving to other yarns.
- The company is having 19.5 MW in house rice-husk based power plants. The rates of rice husk have been abnormally high this year.
- The company incurred operational cash losses during the financial year 2008-09 to 2011-12 but continued to service interest and repayment of debt to the lenders which ultimately resulted in substantial erosion of working capital and lower capacity utilization.

Financial problems

In light of the scenario, as explained above, owing to marketing difficulties, the profitability of the Textile operations took a sharp dip during the said period. Cotton prices went up by almost 40%. The Government of India on realizing the liquidity crunch being faced by Textile Sector gave two years moratorium on the loans taken by companies under TUF scheme. However, the interest on these loans had to be serviced. Consequently in this situation the earnings which had gone negative on account of low capacity utilization, high raw material cost and falling fabric prices, the company ended up paying interest to the Banks out of working capital. This situation led to the erosion of working capital.

Now that the fabric demand has again picked up, most Textile Companies of the country are running their Plants at full capacity. In spite of the order-book being comfortable, full capacity utilization continues to be elusive on account of working capital constraints.

Government policies

In the year 2010-11 the policy of Government of India for allowing and banning of export of cotton which had resulted textile industry incurred huge losses.

Steps initiated by the company:

- The company has since expanded its customer base and has gone deeper with the existing customers to fully secure its production capacities. The company in these years, focused, especially on work-wear and sportswear segments.
- The company has been very guarded in covering cotton in the current season. We are now not only keeping track of cotton future in India but also in New York Exchange.
- The company has taken several power saving initiatives, which will cover a part of husk price hike.
- The company had submitted restructuring proposal to the lenders under CDR mechanism which has been approved by the CDR Cell envisaging primarily fresh Capital Input. The restructuring package also envisages, reduction in rate of interest, rescheduling of repayment of term loans, need based additional working capital. The implementation of the scheme is under process.

None of the Directors of the Company is, in any way, concerned or interested in these Resolutions.

Brief profile of the Directors to be appointed/ re-appointed at the Annual General Meeting

Shri Apar Singh Dugal

Shri Dugal has been a Director of the Company since 29th November, 1996. He retired from a senior position in GIC of India and has vast knowledge and experience in Insurance & Industrial Labour Relations. He is also the member of Audit, Shareholders & Remuneration Committee of Directors.

Dr. Ajit Kumar Doshi

Dr Doshi has done Ph.D in Law (Amalgamation & Merger), Chartered Accountant and LL.B & LL.M with consistent good academic record. He retired as Member (Technical) of Company Law Board and actively involved in education as Professor of Law with Hidayatullah National Law University, Jodhpur, Army Institute of Management & Technology, Examiner on the subject "Corporate Laws & Practice" with ICAI and also as Examiner on the subject "Corporate Restructuring Law & Practice" with ICSI. He is also a visiting professor of Calcutta Business School, managed by top industrialist of the Country and Indian Institute of Corporate Affairs of the Ministry of Corporate Affairs. He is on the Board of Evinix Industries Limited and Innovative Consulting Services Private Limited.



DIRECTORS' REPORT

To the Members of JCT Limited

The Directors of your Company present the 63rd Annual Report on the affairs of the Company together with audited statement of account of the Company for the year ended on 31st March, 2012.

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

(Rs. in Lakhs)

	2011-12	2010-11
Gross Income from operations	82,940	76,845
Other Income	728	501
Profit before Interest, Depreciation, tax and Exceptional Items	2,223	3,006
Interest and financing charges	4,116	4,702
Depreciation and amortization Expense	4,695	4,056
Exceptional Items		
- Profit on Sale of building	-	11762
- Loss on Sale of Shares of a Subsidiary Company	61	-
- Profit/(Loss) from Discontinuing Operations	(143)	7
Provision for Tax		
- Current Year	-	419
- Earlier Year	14	(6)
Net Profit/(Loss)	(6,805)	5,604

Dividend

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

Operations

Textile Units

The expansion and modernization project of the company's manufacturing facilities which were undertaken in 2006-08 could not be fully utilized as the completion of the expansion coincided with global meltdown & recessionary market conditions. Demand for direct export and from garment manufacturers remained subdued during the period due to downward trend in the domestic as well as international markets.

High Cotton Prices, during the last procurement season of cotton the prices which went as high as Rs 62500 per candy from Rs 35000 per candy due to pre-mature announcement of cotton exports and other factors. The prices suddenly crashed to a level of Rs 32000 per candy. The fluctuation of cotton prices led to high cost cotton getting stuck with the mills and losses on account of rupee devaluation hit by the company. It affected even the entire industry. Against the huge increase in the prices of cotton, and other inputs the selling prices increased marginally during this period, thus leading to strain on the overall margins.

- The company is having 19.5 MW in house rice-husk based power plants. The rates of rice husk have been abnormally high this year.
- The company incurred operational cash losses during the financial year 2008-09 to 2011-12 and continued to service

interest and repayment of debts to the lenders despite losses which resulted in further erosion of working capital and lower capacity utilization.

In Sriganganagar unit, the operations were discontinued in earlier years. The sale of Land is pending due to mutation and is under disposal. The company is taking steps to get the mutation formalities completed.

Financial problems:

In light of the scenario, as explained above, owing to marketing difficulties, the profitability of the Textile operations took a sharp dip during the said period. Cotton prices went up by almost 40%. The Government of India on realizing the liquidity crunch being faced by Textile Sector had given two years moratorium on the loans taken by companies under TUF scheme. However, the interest on these loans had to be serviced. Consequently in this situation the earnings which had gone negative on account of low capacity utilization, the company ended up paying interest to the Banks out of working capital. This situation led to the erosion of working capital.

Now that the fabric demand has again picked up, most Textile Companies of the country are running their Plants at full capacity. In spite of the order-book being comfortable, full capacity utilization your Company continues to be elusive on account of working capital constraints.

Government policies:

In the year 2010-11 the policy of Government of India for allowing and thereafter banning export of cotton resulted textile industry incurring huge losses. Steps initiated by the company:

- The company has since expanded its customer base and has gone deeper with the existing customers to fully secure its production capacities. The company in these years, focused, especially on work-wear and sportswear segments.
- The company has been very guarded in covering cotton in the current season. We are now not only keeping track of cotton future in India but also in New York Exchange.
- The company has taken several power saving initiatives, which will cover a part of husk price hike.

Filament Unit

JCT continues to maintain its position as one of the largest Textile Grade Nylon yarn manufacturer in India with installed capacity of 14,000 TPA. During the year the company sold -11211 MT of filament yarn & 696 MT of nylon chips as compared to 11,496 MT of filament yarn and 741 MT of nylon chips during the previous year.

The continuous upward trend in prices of Caprolactum has been a major concern for the company. The Caprolactum prices increased from average of Rs 104.49 kg in FY 2010 to Rs 139.67 kg in FY 2011 an increase of 34% against it the average realisation increase of only 23% from Rs 217.29 kg to Rs 268.09 kg. The capacity of the market to absorb prices is limited as weavers start moving to other type of yarns.

The company has made a major shift in the product mix where the dependability on yarn sold in Surat market has been shifted to yarn being sold in Amritsar and Mau markets. The change is very significant as LOY base 20 Mono Yarn is less prone to market fluctuation and has a much higher margin.

**Finance**

During the year, the company redeemed Zero Rate Debentures (ZRDs) of Rs. 26.23 lakhs, Optionally Partially Convertible Preference Shares (OPCPS) of Rs. 22.49 lakhs and repaid term loan installments of Rs.2471.23 lakhs as per stipulated terms. In certain cases of loans, debentures and Optionally Partially Convertible Preference Shares (OPCPS) which became due for repayment/ redemption during the year, there were delays in servicing the debt obligations due to liquidity constraints.

Corporate Debt Restructuring

The company had filed its proposal for restructuring its debt through CDR Mechanism in January 2012, which was admitted by the Corporate Debt Restructuring Empowered Group (CDR EG) on 24th February 2012. Further, the company received a Letter of Approval bearing Number BY.CDR/(PMJ) No 685/2012-13 dated 21st September 2012 from the CDR EG approving the Restructuring Package which, inter-alia includes Protection to Lenders for loss on NPV basis, Reduction in Rate of Interest, Rescheduling of Repayment of Term Loans, Carving out Working Capital Term Loan from Working Capital Limits, Sanction of Need Based Additional Working Capital, Issuance of equity shares to lenders for part of their sacrifices on NPV basis and provision of fresh funding by the promoters. The implementation of the scheme is under progress.

Foreign Currency Convertible Bonds (FCCBs)

The Company could not redeem the Foreign Currency Convertible Bonds (FCCBs) on due date 08.04.2011 for paucity of cash funds. The Company is taking steps to restructure/ extend the maturity of the FCCBs. The Company is in discussions with the majority of Bondholders to restructure and their response is positive. For restructuring of FCCBs, shareholders' approval is also being sought at the forthcoming Annual General Meeting. In the meantime, the Bank of New York Mellon, the Trustee of such FCCB holders has filed a winding up petition against the Company before the Hon'ble High Court of Punjab & Haryana, Chandigarh, which is pending hearing/disposal. In the light of on going talks with some of the major Bondholders and the merit of the petition, the company does not anticipate any adverse outcome.

Net Worth Erosion

The accumulated losses of the company at the end of financial year 31st March, 2012 have resulted in erosion of more than fifty percent of its peak net worth during the immediately preceding four financial years. While the company is taking necessary steps to protect further erosion, the Company will report to the Board for Industrial and Financial Reconstruction about such erosion of net worth as envisaged under Section 23 of the Sick Industrial Companies (Special Provision) Act, 1985 forthwith upon finalization of the duly audited accounts of the Company for the financial year ended 31st March, 2012. Shareholders are also requested to take note of this erosion and consider the same at the Annual General Meeting of the members being convened on 30th November, 2012.

Fixed Deposits (FDs)

Deposits remaining unclaimed at maturity amounted to Rs. 8.08 lakhs as on 31st March, 2012. Of the above, deposits of Rs. 5.18

lakhs have been repaid subsequently. Repayments and servicing of interest on fixed deposits remained prompt and regular.

In view of substantial erosion in net worth, the company has stopped accepting fresh and renewals of deposits.

SUBSIDIARY COMPANY

The Company has sold its shareholding in the only subsidiary company and incurred a loss of Rs 60.70 lakhs.

Statutory Disclosures

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

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

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

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

Directors' Responsibility Statement

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

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

Auditors

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



Auditors' Report

The report by the Auditors is self-explanatory. However, in respect of certain observations made by the Auditors in the Annexure to their main Report to the Members of the Company, directors have to submit that (a) delay in deposit of statutory dues in few cases were for very short period due to non-availability of funds timely; (b) delay and default in repayment of term loan installments during the year were due to paucity of funds and the Company had also approached banks for restructuring of debt under CDR mechanism, the proposal of the company has been approved by the CDR Cell vide LOA dated 21st September, 2012 which is under implementation; (c) the company made a security deposit of Rs.11.50 Cr to an associate company due to non-fulfilment of a specific obligation stipulated in an agreement in 2008, the said security deposit has since been received back subsequently in 2012-13; and (d) the redemption of FCCBs was due on 8th April, 2011 for US\$ 25.42 million alongwith redemption premium of US\$ 5.08 million, the company could not make payment due to paucity of funds and approached bond holders for restructuring, the majority of bond holders have agreed and company is in discussion with the remaining bond holders. In the meantime, the trustees of the bondholders have filed winding up petition before Hon'ble High Court of Punjab & Haryana at Chandigarh, which is pending hearing / disposal. In the light of ongoing talks with the bondholders and the merit of the petition, the company does not anticipate any adverse outcome of the said litigation.

Cost Auditors

Pursuant to provisions of Section 233-B of the Companies Act, 1956, your Directors have appointed Mr. P.K. Verma AICWA, ACMM, as the Cost Auditors to conduct the Cost Audit of Textile Units at Phagwara and Sriganaganagar and Filament Unit at

Hoshiarpur, for the year ending on 31st March, 2012 and the requisite approval of Central Government have been received.

Directors

In accordance with the provisions of the Companies act, 1956 and Articles of Association of the Company, Mr Apar Singh Dugal, retire by rotation and being eligible offer himself for re-election.

Dr Ajit Kumar Doshi has joined the Board as Additional Director w.e.f 26th October, 2012 and holds office as Additional Director upto the date of the forthcoming Annual General Meeting of the Company. The Company has received notices from the members of the Company under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director.

Mr Mahesh Sahai and Dr Satya Pal Narang have resigned from the Board of the Company on 26.09.2011 and 13.10.2012 respectively. Your Directors wish to place on record appreciation for Mr Sahai and Dr Narang in respect of their gratitude and appreciation for assistance and guidance during their tenure as Directors of the Company.

Acknowledgement

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

Your Directors acknowledges the valuable support of banks, customers, suppliers, business associates, shareholders for their continued co-operation and look forward to their continued support.

New Delhi
Date: 31st October, 2012

For and on behalf of the Board
(SAMIRTHAPAR)
Chairman & Managing Director



ANNEXURE TO DIRECTORS' REPORT

Information under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31.03.2012

(A) CONSERVATION OF ENERGY

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

Textile Division

Continuous improvement plans for saving of Power Energy and reduction of Electrical energy consumption, Steam Conservation and Saving of Water Resources. The company runs Humidification Plants, Turbine Blowers, Lights and exhaust fans, etc. (auxiliaries) as per the requirement of production and the quality as well. Reduction of compressed air consumption under Continual Improvement Plan resulted good amount of power saving. There has been Water saving through various projects i.e. run time control of tube wells, recovery of water, and pressure control of main water grid. Stopping of Steam Siren in mills to save the steam consumption. Adjustment of speed of TFO (Star focus), Auto Coro machine with reference to UKG saving of 10 to 25%. Adjusting balloon lift to reduce power consumption of 3.25 % in TFO m/cs. Reduction of Angles and Pullies of Various H. Plants as per Department conditions requirements for Reduction electrical units' consumption. Increasing the parking time of Zinsar Travelling Blower to 3 min at 40 Count on one machine (3.6 hrs per day). Modification in the circuit of Warping Machine No-4 to control the dust fan with machine starting. Maintaining Optimum power factor at purchased power supply. Stopping of one Power Transformer 66-33/11 KV with reference to load conditions for Energy Conservation. Removal of 5 Nos. micro dust collectors from G5/1 Ring Frames to save electrical units. Stopping the idle running of Blow Room -6 Beater to save electrical units while running of motors. Sulzer B Section decreasing the height of Tube light fittings by which 100 tube fittings removed. Use of CFL 11 Watts in mills and replacement of M. V. lamps 250 watt with CFL 85 watt at street lights (28 nos) with reference to required Lux level. Procurement of Star leveled equipments i.e. Air Conditioners & Ceiling fans. Replacement of Desert cooler Tullu Pump with energy efficient submersible type pumps 35nos. Individual switching for 200 tube fittings in sizing-7,8,5, warping-7,1,2,3 and different departments.

Filament Division

Replacement of common godet motors with individual energy efficiency motors & Inverters in DT machines. Replacement of AC motors and drives with energy efficient motors and inverters in spinning. Purchase of electricity at cheaper cost through open access. Air consumption reduced in plant by minimizing the operating pressure compressor and plugging air leakage in plant. Lighting load of plant is reduced by using CFL & T5 tube. Chilling load of plant is reduced by 250 KW/hr by replacing old centrifugal chillers with new energy efficient chiller. Centrifugal fan of D.tex II AHU is replaced with axial fan. Pack pre heaters of Poly I and Poly II discontinued thus saving energy. 38 Nos. FRP Blades of Cooling Tower provided in place of Aluminium Blades.

(b) Impact of Measures:

The above measures have resulted / will result in reduction in energy consumption, increase in productivity and reduction in energy cost.

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

As per Form 'A' Attached.

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

(FORM 'B')

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

Textile Division

Reduction of coating stains in PU coated fabrics by recipe modification. Reduction of long length defect in fabric due to foreign ends in double yarn piece dyed with yarn of PVxPV & PCxPC yarn. New Development of recycled poly with Cot Blend of 52/48 pc yarn of 15 pc. New Product developed. Minimizing multiple warps breaks on warping machine due to wild yarn/ bunches. In PC blended yarn, reduction in yarn imperfections by running the Draw Frame blending mixing in place of blow room blending mixing in 40 PC 35/65.

Filament Division

Spinning hardware modified for mono filament to improve quality & productivity. Successfully launched two new micro denier 30/36 FD TL & 39/36 BRTL & 40/28 BRTPOLY for Air Textrising. Efficiency of waste recovery significantly improved to recycle maximum waste & reduce production cost. Successfully re-launched 39 & 40/10 SD FDY in Amritsar market by adopting modified process parameter. Modified work practices adopted in production as well as utility for energy saving. Automatic material transportation system installed to improve material handling in plant.

2. Benefits Derived:

Textile Division

Fabric quality improved and recovery of coated fabric also got improved. Increased fresh recovery percentage of graded fabric. Party Order and sample approval by buyer under negotiation with marketing department. Increase in efficiency of warping machines and loom efficiency percentage. Improvement in fabric quality and appearance of fabric in finish product.

Filament Division

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

3. Future plan of action:

Textile Division

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



Filament Division

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

(C) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

(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 Unit. Training was imparted to technical staff as an ongoing process

(b) Benefits derived :

Availability of energy efficient, environment friendly systems and equipment, wider range of products, improved quality and product designs and cost reduction were amongst the benefits derived.

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

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

No Technology has been imported during the last five financial years.

(D) FOREIGN EXCHANGE EARNINGS & OUTGO

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

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

(b) Total Foreign Exchange used and earned:

	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Used	2837.98	2837.88
Earned	8974.93	7503.38

**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	28859581	41919937
		Total Cost (Rs. in lacs)	1844.35	2336.37
		Rate/Unit(Rs.)	6.39	5.57
		Marchant Power		
		Units (Kwh)	32302318	11207933
		Total cost (Rs. in lacs)	1502.44	393.93
		Rate/Unit(Rs.)	4.65	3.51
	(b)	Own Generation:		
	(i)	Through Diesel Generators		
		Units	151408	457420
		Total Cost (Rs. in lacs)	19.60	43.19
		Unit per Ltr of Diesel Oil	2.69	3.17
		Cost/unit (Rs.)	13.61	10.65
	(ii)	Through Steam Turbine Generators		
		Units	98917020	105722800
		Total cost of Coal / Rice Husk (Rs. In lacs)	3671.29	4086.05
		Cost/unit(Rs)	3.93	4.07

			Current Year	Previous Year
2		Coal / Husk (Boilers)		
		Quantity(tonnes)	200663	234019
		Total Cost(Rs.in lacs)	6097.76	6645.09
		Average Rate(Rs)	3038.81	2839.55
3		Furnace Oil (Boilers)		
		Quantity(K.Ltrs)	1097383	1338890
		Total Cost(Rs.in lacs)	433.19	379.60
		Average Rate./Ltr (Rs)	39.48	28.35
4		LDO/HSD (Furnaces / DG sets)		
		Quantity(Ltrs)	54680	136614
		Total Cost(Rs.in lacs)	19.60	43.34
		Average Rate/ltr(Rs)	36.41	33.48
5		Other/Internal Generation		
		Steam		
		Quantity(tonnes)	634149	650854
		Total Cost(Rs. in lacs)	6134.64	6651.88
		Average Rate(Rs)	947.41	1,007.57

B. CONSUMPTION COST PER UNIT OF PRODUCTION (RS)

PRODUCTS	Current Year		Previous Year	
	Elect. & DG Power	Steam	Elect. & DG Power	Steam
Filament Yarn / Chips	26.04	6.65	30.43	6.78
Cloth	6.58	7.68	5.98	7.41



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

I. OVERALL VIEW

The Global economy is struggling for revival of growth after experiencing weak performance in the second half of 2011 and first quarter of 2012. However, there are serious downsides risks emanating from the 'uncertainties in economic policies prescribed by EU and restrained fiscal expansionary policies by USA. The shortfall in global demand attributed by tough economic conditions in developed countries has not been compensated by surge in domestic demand in emerging economies. The emerging and developing economies are expected to experience lower growth of 5.7% in 2012 against 6.2% in 2011 and may grow at 6% in 2013.

In addition to global pressure on Indian economic performance, structural problems related to infrastructure, lower productivity levels and lack of policy reforms are other major concern areas. Moreover, higher inflationary pressures are also resulting in tight monetary policies thereby restricting the industrial growth in India.

The profitability of the Company during the year under review has suffered a severe set-back because of continuing increase in input costs, the global economic slow- down, lack of adequate demand due to high inflation, fierce competition, high interest costs and other reasons. The circumstances prevailing in each business segments of the Company are separately discussed hereunder. Efforts are to improve the performance of the Company are continuing.

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

II. TEXTILE OPERATIONS

The global cotton price which is largely a function of global demand and supply of cotton has been influenced by the factors other than the actual user demand and overall supply of cotton in 2011-12. The Chinese policy of accumulating cotton for strategic reserves and occasional policy decision of Indian Government in relation to export of cotton has caused much volatility in cotton prices.

During the year production of textile fabrics decreased to 443.64 lakh meters compared to 497.30 lakh meters in the previous year. In volume terms, Sales also decreased to 434.64 lakh meters of fabric compared to 494.97 lakh meters in the previous year. This includes production and sales of the newly set up 100% synthetic performance fabrics unit, its products having been widely accepted in the market. In value terms, total revenue from textile operations increased to Rs. 45725 lakhs as compared to Rs. 43411 lakhs in the previous year. Market segment-wise and area-wise revenue from textile operations is as under:

MARKET SEGMENT	Fabrics- RMG	Fabrics- Export	Fabrics- Domestic	Institutions	Yarn & Others
to 2011-12 - Rs. in Lakhs	25388	7872	7471	2790	39
- %age	58.28%	18.07%	17.15%	6.41%	0.09%
Region	Northern	Western	Southern	Eastern	Exports
2011-12 - Rs. in Lakhs	13008	3133	14553	4994	7872
- %age	29.86%	7.19%	33.41%	11.47%	18.07%

The segment incurred operational loss (before interest) of Rs. 1714 lakhs as against Rs.491 lakhs in the previous year. The cost of power and fuel was on the higher side as the prices of Rice Husk which is the main fuel used for power & steam generation remained higher than expected. In the prices of Dyes & Chemicals some consolidation was observed in the current year.

III. FILAMENT OPERATIONS

During the year production of Nylon Filament Yarn has marginally increased to 11538 MT from 11329 MT while the production of Nylon Chips (for outside sales) has decreased to 696 MT from 738 MT during previous year. During the year our shift was towards producing finer denier to cater the changing market demands. The average denier of yarn produced was 35.6 as compared to 36.9 in the previous year. In volume terms the sales of Nylon Filament Yarn was at 11,211 MT as compared to 11496 MT while Nylon Chips was at 696 MT as against 741 MT during the previous year. In value terms the revenues from Filament operations improved to Rs.34372 lakhs from Rs.30651 lakhs in the previous year. The segment earned operational profit before interest Rs.660 lacs as against Rs.931 lacs in the previous year. During the year the margins were under pressure due to increased operational cost mainly on account of raw materials and power and fuel.

The Company has installed 3 NOs of spinning LOY lines to facilitate production of more mono/finer deniers. Realization has been higher during the year in comparison to previous year on account of more production of finer deniers. The increase in in-put costs could not be passed on in entirety to customers either due to cheap imports and also customers switching-over to cheaper substitutes.

IV. INTERNAL CONTROL SYSTEMS

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



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

V. HUMAN RESOURCES

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

VI. CORPORATE SOCIAL RESPONSIBILITY AND CONSERVATION OF RESOURCES

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

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

VII. STATEMENT OF CAUTION

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

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

**CORPORATE GOVERNANCE REPORT: 2011-2012****Company's philosophy on code of Governance**

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

1. Board of Directors**Composition of Board**

During the year 2011-12, the strength of Board remained five Directors comprising of one Executive and four Non-Executive Directors including one Nominee which constitute more than 50% as independent directors on the Board. These directors have considerable professional expertise and experience. None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees. Necessary disclosures regarding directorship held in other companies and committee positions as on 31.3.2012 have been made by the Directors.

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 committees as a member or chairperson thereof during the financial year

Name of Director	Category	No. of Board Meetings		No. of Directorships in other Companies	No. of Committees in which a Member	No. of other Board / Committees in which a Chairperson	Attended Last AGM held on 26.09.2011
		Held	Attended				
Mr Samir Thapar <i>Vice Chairman & Managing Director</i>	Executive	6	3	5	-	-	No
Mr Rajmohan Singh* <i>Director (Operations)</i>	Executive	1	1	2	-	-	No
Mr Mahesh Sahai**	Independent Non Executive	3	2	2	2	-	No
Mr Gordhan Bhojraj Kathuria	Independent Non Executive	6	6	1	3	2	Yes
Mr Apar Singh Dugal	Independent Non Executive	6	6	-	3	-	Yes
Dr Satyapal Narang	Independent Non Executive	6	5	2	9	2	No
Mr Sonjoy Sethee*** <i>Nominee – IFCI Limited</i>	Independent Non Executive	2	-	-	-	-	No
Mr Vipul Singla**** <i>Nominee – Allahabad Bank</i>	Independent Non Executive	5	3	-	2	-	Yes

*ceased to be the Director (Operations) w.e.f 15.05.2011

**ceased to be a Director w.e.f 26.09.2011

***ceased to be a Nominee Director w.e.f 12.08.2011

****Nominated by Allahabad Bank, the lead Bank in the Consortium Member Bank, w.e.f 12.08.2011

Date and number of Board Meetings held

Six Board meetings were held during the year on May 14, 2011, August 12, 2011, September 26, 2011, November 14, 2011, February 10, 2012 and March 26, 2012.

Code of Conduct

The Board of Directors plays an important role in ensuring good governance and have laid down the Code of Conduct applicable to all the Board Members and Senior Management of the Company. The Code of Conduct is also posted on the website of Company.

Declaration

As provided under Clause 49 of the Listing Agreement with The Stock Exchange, Mumbai, all the Board Members and Senior Management of the Company have confirmed compliance with the Code of Conduct for the year ended 31st March, 2012.

For JCT Limited
SAMIR THAPAR
Chairman & Managing Director



2. Audit Committee

Constitution

The Audit Committee during the year 2011-12 has qualified independent directors consisting of Mr. Gordhan Bhojraj Kathuria, Mr Apar Singh Dugal, Dr. Satyapal Narang and Mr Vipul Singla (Nominee of Allahabad Bank). Mr. Gordhan Bhojraj Kathuria, who is an independent director, is the Chairman of the Committee. Mr Samir Thapar – Vice Chairman & Managing Director, is the permanent invitee.

Statutory Auditors, Internal Auditors, Cost Auditor, Chief Financial Officer (CFO) and other Functional Heads are also invited as Special invitees. The Company Secretary acts as a Secretary of the Committee.

Date and number of Committee Meetings held

Five meetings of the Audit Committee were held during the year on May 14, 2011, August 12, 2011, November 14, 2011, February 10, 2012 and March 26, 2012.

Attendance of Directors

Name of Committee Member	Category	No. of Meetings Held	No. of Meetings Attended
Mr Gordhan Bhojraj Kathuria	Independent Non Executive	5	5
Dr Satyapal Narang	Independent Non Executive	5	5
Mr Mahesh Sahai*	Independent Non Executive	2	2
Mr Rajmohan Singh**	Executive Director (Operations)	1	-
Mr Sonjoy Sethee***	Independent Non Executive – (Nominee IFCI Limited)	2	-
Mr Vipul Singla****	Independent Non Executive (Nominee – Allahabad Bank)	4	2
Mr Apar Singh Dugal*****	Independent Non Executive	3	3

*ceased to be the member w.e.f 26.09.2011

**ceased to be the member w.e.f. 15.05.2011

***ceased to be the member w.e.f. 12.08.2011

****become the member w.e.f. 12.08.2011

*****become the member w.e.f. 14.11.2011

Power, Role and Review of information by Audit Committee

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

3. Subsidiary Companies

Company as at 31.03.2012 does not have any Subsidiary Company. The wholly-owned subsidiary company was fully divested on 14.03.2012.

4. Disclosures

Basis of related party transactions

Related Party transaction with the Directors, Senior Management, Personnel and their relatives are reported to the Audit Committee from time to time and have been disclosed under the Related Party Transactions as per Accounting Standard 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India (ICAI) which are set out in the Annual Report and other relevant notes to the financial statements for the year ended 31.03.2012.

Disclosure of Accounting Treatment

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

Risk Management

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

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

No money has been raised for public issue, right issue, and preferential issue by the Company during the year 2011-12.

**Remuneration of Directors**

Terms of reference for Remuneration Committee constituted by the Board are to recommend/review the remuneration package of the Managing/ whole time Director based on performance and keeping in view the applicable provisions of the Companies Act, 1956. The committee at present comprises of Mr. Gordhan Bhojraj Kathuria, Mr Apar Singh Dugal, Dr. Satyapal Narang and Mr Vipul Singla (Nominee of Allahabad Bank), all independent directors. Mr. Gordhan Bhojraj Kathuria is the Chairman of the Committee.

Attendance of Members

One meeting of the Remuneration Committee held during the year on May 14, 2011 was attended by Mr. Gordhan Bhojraj Kathuria, Chairman and Dr Satyapal Narang, Member of the Committee.

Remuneration Policy

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

Details of remuneration of Directors

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

(Rs. in lacs)

	Mr Samir Thapar <i>Vice Chairman & Managing Director</i>		Mr Rajmohan Singh* <i>Director (Operations)</i>	
	Current Year	Previous Year	Current Year	Previous Year
Salary including allowances	45.00	49.50	5.54	41.64
Contribution to Provident & Superannuation Funds**	11.25	9.37	1.09	7.50
Perquisites & Reimbursements	12.60	3.30	0.83	11.16
TOTAL	68.85	62.17	7.46	60.30

*Ceased to be Director on the Board of the Company w.e.f 15.5.2011

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

Executive Directors are under service contracts on terms and conditions as approved by the Board /shareholders from time to time and the remuneration as permissible under the provisions of the Companies Act, 1956. The Non-executive Directors do not draw any remuneration from the Company except sitting fee of Rs.20,000/- for attending each meeting of the Board and Committees. The total amount of sitting fee paid to such directors during the year was Rs.9,53,000/-. Further, no shares and/or convertible instruments are held by the Non-executive Directors of the Company.

Management Discussion and Analysis Report / Disclosure of Accounting Treatment

- Management Discussion and Analysis Report forms part of the Annual Report and are in accordance with the requirements laid in the Listing Agreement.
- Your Company follows all relevant Accounting Standards while preparing the Financial Statement.

Shareholders' Committee

The said committee during the year 2011-12 consists of Dr. Satyapal Narang, Mr Gordhan Bhojraj Kathuria and Mr. Apar Singh Dugal, all Non Executive Independent Directors. The committee meets normally once in three months to oversee proper redressal of grievances of shareholders / investors and compliance of stipulation in the matter of listing of shares with stock exchange/depositories etc. The matter of transfer / transmission of shares, 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. S.C. Saxena, Company Secretary, and Mr. Sanjiva Jain, Chief Financial Officer, who have been authorized by the Committee for the same.

Name of the Non-Executive Director heading the Committee

Mr. Apar Singh Dugal, Director

Name & Designation of Compliance Officers

Mr. S. C. Saxena, Company Secretary.

Mr. Sanjiva Jain, Chief Financial Officer.

Number of complaints received, not solved & shares pending transfer

13 complaints were received and replied to the satisfaction of shareholders during the year 2011-12. There were no pending complaints as on 31st March, 2012. There is no share transfer or any other correspondence pending for more than fifteen days as on the date of this report. The Company also have exclusive e-mail ID i.e. jctsecretarial@jctltd.com for investors to contact the Company in case of any information and grievance.

General Body Meetings

During the last 3 years, the Annual General Meetings (AGM) of your Company were held at 12.30 p.m. each on 25.09.2009, 29.09.2010 and 26.09.2011 at the Registered Office of the Company at Village Chohal, District Hoshiarpur (Punjab) 146001.

All the resolutions, including the special resolution(s), set out in the respective Notices of the previous three AGMs were passed by the Shareholders.

**Resolution through Postal Ballot**

No resolution has been passed in FY 2011-12 through postal ballot.

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

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

Whistle Blower Policy

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

Means of Communication

- (a) Quarterly Results : Through publication
 (b) Newspapers wherein results normally published : Business Standard (English) All editions
 Punjabi Tribune (Punjabi)
 (c) Website at which results are displayed : www.jct.co.in and www.bseindia.com
 (d) Whether it also displays official news releases : Yes, as and when necessary / required
 and the presentations made to institutional
 investors or to analysts:

General Shareholder Information

1. **Annual General Meeting**
 - Date and Time : 30th November, 2012 at 12.30 p.m.
 - Venue : Registered Office: Village Chohal, District Hoshiarpur (Punjab) 146 001
2. **Financial Calendar for Reporting**
 Quarters ending on June 30, 2012; : Within 45 days of the close of the respective quarter
 September 30, 2012 and December 2012
 For the year ending March 31, 2013 : Within 45 days of the close of the year
 Annual General Meeting for the year ending : By August / September, 2013
 March 31, 2013
3. **Date of Book Closure** : 23rd November 2012 to 30th November, 2012 (both days inclusive)
4. **Dividend Payment Date** : No dividend is proposed
5. **Registered Office** : Village Chohal, District Hoshiarpur(Punjab)
 Tel: (01882) 258780 Fax: (01882) 258059
 Website: www.jct.co.in Email: jctsecretarial@jctltd.com
6. (a) Listing Details : The Stock Exchange, Mumbai
 (b) Stock Code : 500223
 (c) ISIN No. : INE945A01026

7. Stock Price Data:

(in Rs.)

Month	High	Low
April 2011	3.25	2.85
May	3.00	2.65
June	2.95	2.36
July	2.60	2.33
August	2.58	1.60
September	2.18	1.65
October	2.03	1.71
November	2.06	1.46
December	1.80	1.31
January 2012	2.02	1.33
February	2.00	1.61
March	1.95	1.38



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

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

9. Registrar and Transfer Agents : RCMC Share Registry Private Limited
B-106, Sector – 2, Noida 201 301
Tel: (0120) 4015880 Fax: (0120) 2444346 Email: shares@rcmcdelhi.com

10. Share Transfer System : The system for transfer of shares in physical form is delegated to Share Transfer Committee which meets once in a fortnight and the average time taken for transfer of shares is approximately 15 days. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance as required under Clause 47(c) of the Listing Agreement with the Stock Exchange.

11. Distribution of Shareholding as on 31st March, 2012

No. of Equity Shares held		No. of shareholders	% of shareholders	No. of shares held	% Shareholding
From	To				
1	5000	90367	90.03	37269977	10.38
5001	10000	4169	4.15	12524318	3.49
10001	20000	3085	3.07	17163417	4.78
20001	30000	1204	1.20	12044093	3.35
30001	40000	432	0.43	6146891	1.71
40001	50000	268	0.27	5058194	1.41
50001	100000	446	0.44	12702806	3.54
100001 & above		404	0.40	256168894	71.34
Total		100375	100.00	359078590	100.00

12. Shareholding Pattern as on 31st March, 2012

Category	No. of Shares	% Shareholding
Promoters/Promoters Group	182502524	50.83
Non-Promoters (Banks/Mutual Funds/State Govt./FIs/FIIIs)	21367729	5.95
Others (Individuals/ Bodies Corporate/NRIs.)	155208337	43.22
TOTAL	359078590	100.00

13. Dematerialization of shares and liquidity

97.55% of equity shares has been dematerialized as on 31st March, 2012.

- National Securities Depository Limited (NSDL) : 97.14

-Central Depository Services ((India) Limited (CDSL) : 0.41

Total : 97.55

14. Outstanding GDRs/Warrants or any Convertible Instruments

Name of the Instrument	Date of Conversion	Maximum Amount likely to be converted into Equity Shares
Optionally Partially Convertible Preference Shares (OPCPS) of Rs.100/- each	Any time before the last installment of redemption due on 31.12.2016	20% of 10 Lakhs OPCPS and 100% of 14 Lakhs OPCPS i.e. Rs.1600 Lakhs
Foreign Currency Convertible Bonds (FCCBs) issued on 8.4.2006 and due on 8.4.2011	-	FCCBs not redeemed on due date. Steps to restructure / extend the maturity period are in progress. Further winding-up petition has been filed by, the Bondholders Trustee, The Bank of New York, Mellon on 29.09.2012 and the petition has been fixed for the first hearing on 09.01.2013.



15. **Plant Locations** : Textile Units at Phagwara (Punjab) & Sriganganagar (Rajasthan)
: Filament Yarn Unit at Hoshiarpur (Punjab)

16. **Address for Correspondence** : Village Chohal, District Hoshiarpur (Punjab) 146 001
: 305, Rattan Jyoti Building, 18, Rajendra Place, New Delhi 110008

CEO/ CFO CERTIFICATION

Mr. Samir Thapar, Chairman & Managing Director and Mr. V. K. Singhal, Chief Financial Officer of the Company have certified to the Board that;

- (a) They have reviewed financial statements and the cash flow statement for the year ended 31st March ,2012 and that to the best of their knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material factor contain statements that might be misleading; and
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards , applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief , no transaction entered into by the Company during the year ended 31st March, 2012 are fraudulent , illegal or violative of the Company's code of conduct.
- (c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) They have indicated to the auditors and the Audit Committee.
- (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they became aware and the involvement therein, if any of the management or an employee having a significant role in the Company's internal control system over financial reporting.

(SAMIR THAPAR)
Chairman & Managing Director

(V. K. SINGHAL)
Chief Financial Officer

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

We have examined the compliance of the conditions of 'Corporate Governance' by JCT Limited for the year ended on 31st March, 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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

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

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

For S P Chopra & Company
Chartered Accountants
(PAWAN K.GUPTA)
Partner
Membership No.092529
Firm Registration No.000346N

Place : New Delhi
Dated : 31st October, 2012

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

1. We have audited the attached Balance Sheet of JCT Limited, as at 31st March, 2012, the Statement of Profit & Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
 2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
 3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
 4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that;
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of those books;
 - (c) the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) on the basis of the written representations received from the directors of the Company and taken on record by the Board of Directors, we report that none of the directors is disqualified as at 31st March, 2012 from being appointed as director of the Company in terms of Section 274 (1) (g) of the Companies Act, 1956;
 - (e) In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement of the Company dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
- (f) Without qualifying our opinion, we draw attention to the following notes in the financial statements:
- i. Note No. 5.2 (b) ; Non provision of yield protection of Rs. 924.78 lakhs payable on unpaid amount of Foreign Currency Convertible Bonds (FCCB) for the reasons stated therein and the uncertainty related to the outcome of the lawsuit filed against the Company by the Trustee of the FCCB holders.
 - ii. Note No. 31.7 : The Company has incurred substantial cash losses in the current year as also in the previous years resulting in substantial erosion of net worth of the company. However, the financial statements have been prepared on going concern basis on the grounds as stated therein.
 - iii. Note No. 31.12: Interest free unsecured security deposit of Rs.1150 lakhs given to an associate company and consequences, if any, as to the applicability of Section 295 and/or 372A of the Companies Act, 1956 to this transaction.
- (g) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and notes thereon give the information as required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - (ii) in the case of the Statement of Profit & Loss, of the loss of the Company for the year ended on that date; and
 - (iii) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For S. P. CHOPRA & CO.

Chartered Accountants.

(PAWAN K. GUPTA)

Partner

Place: New Delhi

Dated: 31st October, 2012

Membership No. 92529

Firm Registration No. : 000346N

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our Report of even date)

- i) a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
- ii) a. As explained to us, inventories except those lying with third parties, have been physically verified by the management in accordance with the perpetual inventory programme, at regular intervals during the year. In our opinion, the frequency of verification is reasonable.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to size of the Company and nature of its business.
 - c. The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed in physical verification of inventory as compared to the book records.



- iii) a. The Company during the year has granted an interest free unsecured security deposit to an associate company covered in the register maintained under Section 301 of the Companies Act, 1956 aggregating Rs.1150 lakhs. The balance as at 31st March, 2012 is Rs.1150 lakhs. As explained to us, the security deposit was granted consequent to non-fulfilment of a specific obligation as stipulated in the agreement entered into with the associate company as detailed by the management in Note No. 31.12, which has been fully repaid after the year end. Prima facie, it does not appear to be prejudicial to the interest of the Company.
- b. The Company has not taken any loan during the year from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v) In our opinion and according to the information and explanations given to us, the Company has entered the interest free unsecured security deposit given to an associate company in the register maintained under Section 301 of the Companies Act, 1956. Besides the said transaction there is no other transaction which needs to be entered in the said register. Further, the clause regarding reasonability of the price is not applicable as it is the transaction of placement of interest free security deposit.
- vi) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 58A, Section 58AA and other relevant provisions of the Companies Act, 1956 and the Rules framed there under, with regard to the deposits accepted from the public. As informed to us, no order has been passed by the National Company Law Tribunal, Reserve Bank of India, any court or any other Tribunal during the year.
- vii) In our opinion and according to the information and explanations given to us, the internal audit system is commensurate with the size and nature of the Company's business.
- viii) We have broadly reviewed the books of account maintained by the Company in respect of the Textile and Filament Units of the Company where Order has been made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records.
- ix) In respect of statutory dues:
- a. According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities *though there has been a delay in few cases*. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2012 for a period of more than six months from the date they became payable.
- b. The disputed statutory dues aggregating to Rs. 3146.70 lakhs, that have not been deposited on account of matters pending in appeal before appropriate authorities are as under:

Sl. No	Name of the statute	Nature of the dues	Forum where dispute is pending	Amount (Rs. in lakhs)
1	Central Excise Act	Excise Duty	Upto Commissioner's level CESTAT High Court	118.00 2,306.25 20.95
2	Central Sales Tax and Sales Tax Act of Various states	Sales Tax	Upto AETC Tribunal Supreme Court	3.55 377.76 51.10
3	Customs Duty Act, 1962	Customs Duty	Commissioner of Customs	186.05
4	Income tax Act, 1961	Income Tax	CIT Supreme Court	0.55 82.49
			Total	3146.70

- x) In our opinion, the accumulated losses of the Company as at 31.03.2012 are more than fifty percent of its net worth. Further, the Company has incurred cash losses during the financial year covered by the audit and also in the immediately preceeding financial year.
- xi) Based on our audit procedures and according to the information and explanations given to us, *the Company has defaulted in repayment of term loan of Rs.857.49 lakhs to bankers and US\$ 30.50 million equivalent to Rs.15,718.72 lakhs to foreign currency bond holders since 08.04.2011. Further, there have been delays in repayment of dues to banks amounting to Rs. 2,352.97 lakhs during the year with maximum of 105 days.*
- xii) According to the information and explanations given to us and based on the documents and records produced to us, Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society.
- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments.
- xv) The Company has given a guarantee for a loan taken by another body corporate from a financial institution during the earlier year. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima-facie prejudicial to the interest of the Company.
- xvi) In our opinion and according to the information and explanations given to us, the Company has not availed any term loan during the year.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
- xviii) The Company has not made any preferential allotment of shares to any parties or companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- xix) The Company has not issued any debentures during the year hence the issue of creation of charge or security does not arise.
- xx) The Company has not raised any money by way of public issues during the year.
- xxi) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For S. P. CHOPRA & CO.
Chartered Accountants.
(PAWAN K. GUPTA)
Partner

Place: New Delhi
Dated: 31st October, 2012

Membership No. 92529
Firm Registration No. : 000346N



BALANCE SHEET AS AT 31ST MARCH, 2012

(Rs. in Lakhs)

	Note No.	31-03-2012		31-03-2011	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	3	11,376.96		11,399.45	
Reserves & Surplus	4	(3,797.93)	7,579.03	3,389.73	14,789.18
Non-current liabilities					
Long-term Borrowings	5	12,550.66		16,069.30	
Other Long-term liabilities	6	2,116.45		2,118.96	
Long-term Provisions	7	2,294.63	16,961.74	1,926.71	20,114.97
Current liabilities					
Short-term Borrowings	8	8,434.07		7,752.99	
Trade Payables	9	12,867.13		14,260.46	
Other Current Liabilities	10	27,003.46		23,630.84	
Short-term Provisions	11	526.91	48,831.57	454.79	46,099.08
Total			73,372.34		81,003.23
ASSETS					
Non-current assets					
Fixed Assets	12				
Tangible Assets		45,632.04		47,535.03	
Intangible Assets		48.21		95.52	
Capital Work-in-Progress		200.98		407.79	
		45,881.23		48,038.34	
Non Current Investments	13	4,017.49		4,084.14	
Long-term Loans and Advances	14	591.26	50,489.98	752.52	52,875.00
Current assets					
Current Investments	15	166.81		166.81	
Inventories	16	12,843.41		16,361.90	
Trade Receivables	17	4,791.76		5,872.09	
Cash and Bank Balances	18	772.23		2,254.71	
Short-term Loans and Advances	19	2,758.79		1,575.30	
Other Current Assets	20	1,549.36	22,882.36	1,897.42	28,128.23
Total			73,372.34		81,003.23

Significant accounting policies 2
Accompanying notes form an integral part of the financial statements.

J K Gupta
General Manager-Accounts

V K Singhal
Chief Financial Officer

S C Saxena
Company Secretary

Samir Thapar
Chairman & Managing Director

Gordhan Bhojraj Kathuria
Apar Singh Dugal
Directors

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

Place: New Delhi
Dated: October 31, 2012

Membership No. 92529
Firm Registration No.000346N



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(Rs. in Lakhs)

	Note No.	31-03-2012	31-03-2011
I. Revenue from operations (Gross)	21	82,940.46	76,845.05
Less: Excise Duty		(3,516.61)	(3,247.94)
II. Other Income	22	728.12	500.89
III. Total Revenue (I + II)		80,151.97	74,098.00
IV. EXPENSES:			
Cost of materials consumed	23	50,559.90	44,930.37
Other manufacturing expenses	24	13,518.23	13,037.63
Changes in inventories of finished goods and stock-in-process	25	(421.84)	(41.79)
Employee benefits expense	26	8,259.02	7,290.00
Finance Costs	27	4,115.52	4,701.86
Depreciation and Amortisation Expense	28	4,695.07	4,055.58
Other expenses	29	6,013.71	5,876.00
Total expenses		86,739.61	79,849.65
V. (Loss) before exceptional items and tax (III-IV)		(6,587.64)	(5,751.65)
VI. Exceptional items :			
Profit on sale of building		-	11,761.76
(Loss) on sale of shares of a subsidiary Company	31.9	(60.70)	-
VII. Loss/Profit for the year from continuing operations before tax (V+VI)"		(6,648.34)	6,010.11
VIII. Tax expense			
a) Current tax		-	418.70
b) Earlier years		14.17	(6.11)
IX. (Loss)/Profit for the year from continuing operations (VII-VIII)"		(6,662.51)	5,597.52
X. (Loss)/Profit for the year from discontinuing operations	31.8.4	(142.89)	6.92
XI. (Loss)/Profit for the year after tax (IX+X)		(6,805.40)	5,604.44
XII. (Loss)/Earning per share before exceptional items - in Rs.	31.17		
- Basic		(1.85)	(1.72)
- Diluted		(1.57)	(1.25)
(Loss)/Earning per share after exceptional items - in Rs.	31.17		
- Basic		(1.90)	1.56
- Diluted		(1.61)	1.14
Significant accounting policies	2		
Accompanying notes form an integral part of the financial statements.			

J K Gupta
General Manager-Accounts

V K Singhal
Chief Financial Officer

S C Saxena
Company Secretary

Samir Thapar
Chairman & Managing Director

Gordhan Bhojraj Kathuria
Apar Singh Dugal
Directors

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

Place: New Delhi
Dated: October 31, 2012

Membership No. 92529
Firm Registration No.000346N

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2012**

(Rs. in lakhs)

	Year ended 31.3.2012	Year ended 31.3.2011
A CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before tax and exceptional items	(6,587.64)	(5,751.65)
Adjustments for:		
Depreciation and Amortisation expense	4,695.07	4,055.58
Provision for other than temporary diminution in value of investments	-	238.70
Fixed Assets written off	10.07	127.42
Provision for doubtful debts and advances	60.66	271.78
Bad debts written off	1.12	4.32
Liabilities/provisions no longer required, written back	(140.54)	(34.72)
Depreciation excess provided in earlier years written back (net)	(0.15)	(0.85)
Finance costs	4,115.52	4,701.86
Interest Income	(162.39)	(158.66)
Dividend from current Investments	(4.36)	(3.60)
Profit on sale of long term investments	(0.47)	(2.25)
Profit on sale of fixed assets (net)	(131.39)	(24.69)
Exchange fluctuation loss/ (profit) (net)	207.93	(87.89)
	8,651.07	9,087.00
Operating profit before exceptional items and before working capital changes	2,063.43	3,335.35
Adjustments for working capital changes:		
Inventories	3,518.49	(3,731.52)
Trade and Other receivables	261.35	(2,250.62)
Trade payables, Other liabilities and provisions	(275.67)	2,279.66
	3,504.17	(3,702.48)
Cash generated from operations	5,567.60	(367.13)
Cash flow from operating activities	5,567.60	(367.13)
Income tax paid	(68.86)	(432.72)
Net cash flow from operating activities	5,498.74	(799.85)
B CASH FLOW FROM EXCEPTIONAL ITEMS:		
Sale of shares of a subsidiary company (Refer Note 31.9)	5.01	-
Sale proceeds of Building	-	12,000.00
Profit/(Loss) from discontinuing operations (Refer Note 31.8.4)	(142.89)	6.92
Loss arising on amalgamation	-	(17.83)
Net Cash flow from Exceptional Items	(137.88)	11,989.09



(Rs. in lakhs)

	Year ended 31.3.2012	Year ended 31.3.2011
C CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets including capital work in progress	(2,941.81)	(1,263.37)
Sale of fixed assets	247.79	44.36
Sale proceeds from investments (net of provision for diminution)	62.11	880.85
Interest Income	162.39	158.66
Dividend on current investments	4.36	3.60
Net cash used in investing activities	(2,465.16)	(175.90)
D CASH FLOW FROM FINANCING ACTIVITIES:		
Redemption of Preference Shares	(22.49)	(488.88)
Repayment of Secured long term borrowings	(2,471.23)	(1,049.08)
Proceeds from Unsecured long term borrowings	1,757.91	(476.93)
Proceeds from Secured short term borrowings	314.34	(2,841.75)
Proceeds from Unsecured short term borrowings	366.74	(341.22)
Exchange fluctuations (loss)/ profit (net)	(207.93)	87.89
Finance costs	(4,115.52)	(4,701.86)
Net cash used in financing activities	(4,378.18)	(9,811.83)
INCREASE IN CASH AND BANK BALANCES	(1,482.48)	1,201.51
CASH AND BANK BALANCES (OPENING)	2,254.71	1,053.20
CASH AND BANK BALANCES (CLOSING)	772.23	2,254.71

Note to cash flow statement:

Cash and bank balances consists of cash and cash equivalents, cash in hand and bank balances as under:

Cash and Cash Equivalents

- Balance with Banks	46.59	881.01
- Cheques, draft on hand/ remittance in transit	228.67	575.22
- Cash on Hand	10.32	25.26
Other bank balances		
- Balance with Banks	9.87	11.11
- Fixed Deposits held as Margin Money	400.94	611.11
- Fixed Deposits	75.65	150.81
- Post Office Savings Accounts (Lodged as security)	0.19	0.19
	772.23	2,254.71

J K Gupta
General Manager-Accounts

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Chief Financial Officer

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

Place: New Delhi
Dated: October 31, 2012

Membership No. 92529
Firm Registration No.000346N



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

1. GENERAL INFORMATION

JCT Limited (the Company) is primarily a manufacturer of cloth and nylon filament yarn. The Company's manufacturing facilities are located in Phagwara and Hoshiarpur.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation of financial Statements

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

2.2. Use of Estimates

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

2.3. Fixed Assets

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

2.4. Intangible asset

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

2.5. Investments

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

2.6. Inventory Valuation

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

2.7. Depreciation

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

2.8. Impairment of Assets

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

**2.9. Foreign Currency Transactions**

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

2.10. Revenue Recognition

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

2.11. Government Grants

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

2.12. Employee Benefits

- Gratuity to employees is provided for on the basis of actuarial valuation on projected unit credit method at balance sheet date and is managed by a Trust. The deficit if any between the actuarial liability and plan assets is recognised/provided at the year end.
- Earned Leave which is encashable is considered as long term benefit and is provided on the basis of actuarial valuation on projected unit credit method at balance sheet date.
- Liability towards Provident Fund is funded through a separate Trust and contributions thereon are made to the Trust
- The Company has an approved Superannuation Scheme for its Officers not covered under the Payment of Bonus Act, 1965. Contributions are made in accordance with the Scheme and the Trust Rules.

3 SHARE CAPITAL

	31.03.2012	31.03.2011
	(Rs.in lakhs)	
Authorised:		
60,00,00,000 (60,00,00,000) Equity Shares of Rs. 2.50 each	15,000.00	15,000.00
50,00,00,000 (50,00,00,000) Redeemable Preference Shares of Rs. 100 each	5,000.00	5,000.00
	20,000.00	20,000.00
Issued, Subscribed and Fully paid up:		
35,90,78,590 (35,90,78,590) Equity Shares of Rs. 2.50 each.	8,976.96	8,976.96
24,00,000 (24,22,488) Optionally partially convertible Preference Shares (OPCPS) of Rs.100 each (net of redemption)	2,400.00	2,422.49
TOTAL	11,376.96	11,399.45

3.1 10,00,000 OPCPS of Rs.1,000 lakhs are redeemable on 31.12.2016 (date extended from 31.12.2011). 20% of the face value is optionally convertible into equity shares during the currency of OPCPS. They are neither entitled to dividend nor carry any voting right.

3.2 1,400,000 OPCPS of Rs.1,400 lakhs are redeemable on 26.12.2015 (date extended from 26.12.2010) with the option to convert before that the whole amount into equity shares at a rate to be determined and as permissible under the SEBI guidelines. They are neither entitled to dividend nor carry any voting right.



3.3 Reconciliation of Shares Outstanding

Particular	31.03.2012		31.03.2011	
	No. of shares	Rs. in Lakhs	No. of shares	Rs. in Lakhs
Equity Shares				
At the beginning of the year	359,078,590	8,976.96	359,078,590	8,976.96
At the end of the year	359,078,590	8,976.96	359,078,590	8,976.96
OPCPS				
At the beginning of the year	2,422,488	2,422.49	2,911,365	2,911.37
Less: redeemed during the year	22,488	22.49	488,877	488.88
At the end of the year	2,400,000	2,400.00	2,422,488	2,422.49

3.4 Details of Shareholders holding more than 5% shares:

Name of the Shareholder	31.03.2012		31.03.2011	
	No. of Shares	% held	No. of Shares	% held
Equity Shares				
Provestment Securities Private Limited	91,214,334	25.40	91,214,334	25.40
KCT Textiles Limited	90,545,111	25.22	90,545,111	25.22
OPCPS				
Provestment Securities Private Limited	1,000,000	41.67	1,000,000	41.28
Alport Limited	1,400,000	58.33	1,400,000	57.79

4. RESERVES & SURPLUS

(Rs.in lakhs)

Note No.	31.03.2012		31.03.2011	
Capital Redemption Reserve				
As per last account		165.44		165.44
Share Premium Account				
As per last account	6,490.51		6,931.60	
Less: Premium payable on redemption of Foreign Currency Convertible Bonds (FCCB)	-		(441.09)	
Less: Exchange fluctuation on FCCB	4.1	(324.87)	-	6,490.51
Debenture Redemption Reserve				
As per last account		2,045.76		2,045.76
Revaluation Reserve				
As per last account	4,901.45		5,031.18	
Less: Adjusted on sale of assets	(44.09)		(116.43)	
Less: Transfer to depreciation	28	(13.30)	(13.30)	4,901.45
Surplus				
Debit balance in Statement of Profit & Loss				
As per last account	(10,213.43)		(15,800.04)	
Add: (Loss)/profit for the year	(6,805.40)		5,604.44	
Add: (Loss) arising on amalgamation	-	(17,018.83)	(17.83)	(10,213.43)
TOTAL		(3,797.93)		3,389.73

4.1 "Redemption premium of US\$ 5.08 million equivalent to Rs.2294.92lakhs (Previous year:Rs.2294.92 lakhs) fully provided in share premium account on 2.5% FCCB of US \$ 25.42 millions has been reinstated at Rs 2619.79 lakhs as at 31.03.12 and the resultant exchange fluctuation has been adjusted in the share premium account.



5. LONG TERM BORROWINGS

		(Rs.in lakhs)			
	Note No.	Current	31.03.2012 Non-current	Current	31.03.2011 Non-current
(a) Secured					
Zero Rate Redeemable Debentures (net of redemption)		-	-	26.23	-
Term Loans from:		-	-	-	-
- Banks	5.1.1	4,286.49	11,670.68	3,271.39	15,054.54
- Others	5.1.2	39.47	11.46	51.04	76.13
		4,325.96	11,682.14	3,348.66	15,130.67
(b) Unsecured					
Fixed Deposits from Public		990.78	868.52	1,111.97	938.63
Foreign Currency Convertible Bonds (FCCB) (including premium payable on redemption of Rs. 2619.79 lakhs, Previous year Rs. 2294.92 lakhs)	5.2(b)	15,718.72	-	13,769.51	-
		16,709.50	868.52	14,881.48	938.63
Total (a + b)		21,035.46	12,550.66	18,230.14	16,069.30
Less: Amount disclosed under the head "other current liabilities"	10	(21,035.46)	-	(18,230.14)	-
Net amount		-	12,550.66	-	16,069.30

5.1 Nature of Security:

5.1.1 Term Loans from Banks :

- (a) Rs.14,765.86 lakhs (Previous year Rs.16,854.13 lakhs) and interest accrued & due of Rs.269.13 lakhs(Previous Year 204.63 lakhs) Secured by hypothecation of all the moveable properties including plant & machinery and accessories etc. (both present & future) and also equitable mortgage, by deposit of title deeds, of all the immovable properties (both present & future) including land, factory buildings, structures, erections, constructions and/or further constructions to be made thereon pertaining to Textile and Filament Units. Further, these loans are additionally secured by the personal guarantees of Chairman and Managing Director and Sh. M.M.Thapar.

Term loans from Allahabad Bank are additionally secured by first charge by way of an equitable mortgage over the land admeasuring around 9 acres and structures thereon at Phagwara.

- (b) Rs.1,122.69 lakhs (Previous year Rs.1,388.39 lakhs) Secured by hypothecation of specific plant & machinery and the personal guarantees of Chairman and Mangaing Director and Sh. M.M.Thapar.

- (c) Rs.68.62 lakhs (Previous year Rs.83.41 lakhs) Secured against hypothecation of specific vehicles.

5.1.2 Term Loans from Others:

Rs.50.93 lakhs (Previous year Rs.127.17 lakhs) Secured against hypothecation of specific vehicles etc.

5.2 Default in repayment of Term Loans from the Banks and FCCBs (included under current maturities as on 31.03.2012 in note no.10)

(Rs.in lakhs)

(a) Term Loan	31.03.2012		31.03.2011		Period since when in default
	Principal Due	Interest due	Principal Due	Interest due	
Allahabad Bank	357.47	82.61	2.00	82.81	0 to 3 months
Punjab National Bank	187.51	89.84	-	46.37	0 to 3 months
State Bank of India	208.34	51.34	208.34	50.72	0 to 3.5 months
State Bank of Patiala	104.17	45.34	104.17	24.73	0 to 3.5 months
	857.49	269.13	314.51	204.63	



(b) FCCB

Company raised US\$ 30 million through issue of 2.5% unsecured FCCBs on 8.4.2006. FCCBs of US\$ 4.58 million stood converted into equity shares in earlier years and the balance of US\$ 25.42 million (equivalent to Rs.13,098.93 lakhs) became due for redemption on 08-04-2011 alongwith premium of 20.075% (US\$ 5.08 million equivalent to Rs.2,619.79 lakhs). The Company could not redeem the same due to paucity of cash funds. Further, provision of Rs.924.78 lakhs towards yield protection on the unpaid amount is not considered necessary as this will not be payable once the restructuring is completed considering the changes in economic scenario.

In the meantime, the Bank of New York Mellon, Trustee has filed winding up petition before the Hon'ble High Court of Punjab and Haryana at Chandigarh on 29th September, 2012, which is pending hearing /disposal. In the light of ongoing talks with some of the major bond holders and the merit of the petition, The Company does not anticipate any adverse outcome of the said litigation.

5.3 Maturity profile of the long term borrowings

(a) Term Loans from Banks

Name of Bank	Interest Rate %	Year of maturity			
		2013-14	2014-15	2015-16	2016-17 onwards
Allahabad Bank	11.00	145.84	137.80	-	-
Allahabad Bank	13.75	1,250.00	1,250.00	1,250.00	1,354.50
Punjab National Bank	14.75	750.04	658.57	583.36	721.04
State Bank of India	17.00	825.18	750.00	718.92	-
State Bank of Patiala	14.50	416.68	416.68	406.53	-
HDFC Bank Ltd.-Car loans	Fixed EMI	27.54	5.34	-	-
ICICI Bank Ltd.- Car loan	Fixed EMI	1.98	0.69	-	-
		3,417.26	3,219.08	2,958.81	2,075.54
(b) Term Loans from Others					
Kotak Mahindra Prime Ltd.-Car loans	Fixed EMI	11.46	-	-	-
(c) Fixed Deposits From Public	11.00	59.75	1.50	-	-
Fixed Deposits From Public	11.50	431.10	106.81	-	-
Fixed Deposits From Public	12.00	-	269.36	-	-
		490.85	377.67	-	-

6. OTHER LONG TERM LIABILITIES

(Rs.in lakhs)

	Note No.	31.03.2012	31.03.2011
Interest accrued but not due on fixed deposits		51.55	97.24
Security Deposits	6.1	2,064.90	2,021.72
Total		2,116.45	2,118.96

6.1 Security deposits includes Rs.1630 lakhs (previous year: Rs.1540 lakhs) 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.

7. LONG TERM PROVISIONS

(Rs.in lakhs)

	Note No.	31.03.2012	31.03.2011
Provision for employee benefits towards gratuity and leave encashment		2,294.63	1,926.71
Total		2,294.63	1,926.71

8. SHORT-TERM BORROWINGS

(Rs.in lakhs)

	Note No.	31.03.2012	31.03.2011
(a) Secured			
- Working Capital Loans from Banks	8.1	7,279.31	7,204.97
- Other	8.2	240.00	-
		7,519.31	7,204.97
(b) Unsecured			
- Book over draft		512.48	498.02
- Others		402.28	50.00
		914.76	548.02
Total (a+b)		8,434.07	7,752.99



8.1 Secured Working Capital Loans have been taken from consortium of scheduled banks and are secured by first charge ranking *pari-passu inter-se* amongst member banks on all the stocks of raw materials, stock in process, semi-finished and finished goods, stores and spares, bills receivable and books debts and all other movables current assets both present and future pertaining to Company's Textile and Filament Units. These are also secured by second charge over the fixed assets pertaining to abovesaid Units and by personal guarantees of Chairman and Managing Director and Sh. M M Thapar. Working Capital Loans from Allahabad Bank are additionally secured by First Charge by way of an equitable mortgage over the land admeasuring around 9 acres and structures thereon at Phagwara.

8.2 Secured loans from other is secured against pledge of shares held under Current Investments of the company - Refer Note 15(a)i.

9. TRADE PAYABLES

(Rs.in lakhs)

	Note No.	31.03.2012	31.03.2011
Acceptances under letter of credit		5,711.21	4,455.34
Others		7,155.92	9,805.12
		12,867.13	14,260.46

9.1 The company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid at the year end together with interest paid/payable as required under the said Act have not been given.

10. OTHER CURRENT LIABILITIES

(Rs.in lakhs)

	Note No.	31.03.2012	31.03.2011
Current maturities of Long term borrowings	5	21,035.46	18,230.14
Interest accrued but not due on fixed deposits		108.99	63.08
Interest accrued but not due on other borrowings		3.99	142.96
Interest accrued and due on secured borrowings	5.1.1	269.13	500.91
Remuneration payable to a director		2.40	3.71
Unclaimed fixed deposits and Interest thereon		12.29	30.78
Unclaimed Preference shares		3.83	3.84
Security and other deposits		16.69	8.53
Statutory liabilities		521.36	458.66
Advance from customers		1,004.02	647.18
Advance against sale of land and other assets	31.8	601.50	421.50
Accrued expenses		2,480.02	2,236.28
Other payables	10.2	943.78	883.27
Total		27,003.46	23,630.84

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

10.2 Includes for machinery and civil works Rs.4.53 lakhs (Previous Year : Rs. 36.40 lakhs)

11. SHORT TERM PROVISIONS

(Rs.in lakhs)

	Note No.	31.03.2012	31.03.2011
Provision for employee benefits towards gratuity, leave encashment and superannuation		526.91	454.79
Total		526.91	454.79



12. FIXED ASSETS

(Rs. in Lakhs)

	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at 01.04.2011	Additions during the year	Sales/ disposal/ adjustment during the year	As at 31.03.2012	As at 1.04.2011	For the year	On sales/ disposal/ adjustment during the year	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
(i) Tangible Assets										
Land freehold (Refer Note 12.1(a), (b), (c) & (d))	15,134.70	28.59	44.25	15,119.04	-	-	-	-	15,119.04	15,134.70
Buildings (Refer Note 12.1 (e))	11,442.72	356.55	68.52	11,730.75	3,682.18	341.89	19.74	4,004.33	7,726.42	7,760.54
Plant & Machinery (Refer Note 12.2(a) & (b))	71,909.40	2,656.54	3,333.81	71,232.13	48,094.37	4,147.31	3,138.93	49,102.75	22,129.38	23,815.03
Data processing equipment	493.69	24.87	40.21	478.35	376.24	29.44	34.43	371.25	107.10	117.45
Electric installation including gadgets	817.03	8.94	223.14	602.83	583.15	25.33	165.12	443.36	159.47	233.88
Tools & implements	53.07	0.41	0.48	53.00	43.64	1.51	0.30	44.85	8.15	9.43
Furniture & fixtures	482.61	28.36	105.75	405.22	379.96	18.72	96.41	302.27	102.95	102.65
Office Equipments	18.30	0.75	0.67	18.38	9.80	1.19	0.62	10.37	8.01	8.50
Vehicles	845.38	43.61	114.30	774.69	507.27	91.09	89.96	508.40	266.29	338.11
Leasehold Improvements	23.51	-	-	23.51	10.45	7.83	-	18.28	5.23	13.06
Scrap (value of discarded assets)	1.68	-	1.68	-	-	-	-	-	-	1.68
Sub Total	101,222.09	3,148.62	3,932.81	100,437.90	53,687.06	4,664.31	3,545.51	54,805.86	45,632.04	47,535.03
Capital Work-in-progress (Refer note 12.3)	407.79	894.71	1,101.52	200.98	-	-	-	-	200.98	407.79
Current year's total	101629.88	4043.33	5,034.33	100,638.88	53,687.06	4,664.31	3,545.51	54,805.86	45,833.02	47,942.82
Previous year's total *	102,010.06	1,254.38	1,634.56	101,629.88	50,680.85	4,026.45	1,020.24	53,687.06	47,942.82	-
* includes on account of amalgamation	-	5.45	-	5.45	-	4.89	-	4.89	0.56	-
(ii) Intangible Assets (other than internally generated)										
Computer Software	197.90	-	-	197.90	102.38	47.31	-	149.69	48.21	95.52
Current year's total	197.90	-	-	197.90	102.38	47.31	-	149.69	48.21	95.52
Previous year's total	197.90	-	-	197.90	55.06	47.32	-	102.38	95.52	-

- 12.1 (a) The Company had revalued its certain freehold land held at Tehsil Phagwara on 01.04.2005 and the resultant revalued amount of Rs. 10,417.70 lakhs was substituted for the historical cost in the gross block of land, net block as at 31.03.12 is Rs 10,417.70 lakhs.
- (b) The Company had revalued its freehold land at Village Chohal, Hoshiarpur on 15.03.2010 and the resultant revalued amount of Rs.4,403.91 lakhs was substituted for the historical cost in the gross block of land, net block as at 31.3.12 is Rs 4359.66 lakhs.
- (c) The Company had revalued its certain freehold land at Sriganganagar on 30.4.85 and the resultant revalued amount of Rs.134.58 lakhs was substituted for the historical cost in the gross block of land, net block as at 31.3.12 is Rs. 50.19 lakhs.
- (d) During the year ended 31.3.2012, the company had adjusted Rs.44.09 lakhs relating to Filament unit, Hoshiarpur from revaluation reserve against sale of land.
- (e) The company had revalued its building at Tehsil phagwara on 30.4.85 and the resultant revalued amount of Rs.738.41 lakhs was added to the historical cost in the gross block of building of Rs.1077.32 lakhs.

"The aforesaid revaluations were done based on reports of external valuers at replacement / market value which resulted in net increase of Rs.15694.60 lakhs in the gross block of fixed assets."

- 12.2 (a) Government grant of Rs. 416.54 lakhs received in 2008-09 was reduced against the cost of specific plant and machinery.
- (b) The Company has continued to adjust the foreign currency exchange variation on amounts borrowed (FCCBs) for acquisition of fixed assets to the carrying cost of fixed assets as the related borrowings originated in the year 2006, which is in accordance with provisions of the company's Act 1956, read with notifications of the Government of India. This has resulted in increase in fixed assets by Rs.1624.33 lakhs (previous year decrease of Rs 111.85 lakhs), with corresponding increase in FCCBs borrowings during the year.

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

	31.03.2011	Additions during the year	Less: Capitalised/adjusted	31.03.2012
Legal & Professional fees	30.81	0.97	0.42	31.36
Travelling and conveyance	2.20	-	2.20	-
Miscellaneous Expenses	2.22	3.22	5.44	-
Total	35.23	4.19	8.06	31.36



13. NON CURRENT INVESTMENTS

(Rs. in lakhs)

	Note No.	No.	31.03.2012	No.	31.03.2011
(Other Investments)					
(a) In Equity Shares of Associate Companies - Quoted, fully paid up JCT Electronics Ltd. of Rs. 1 each	13.1	10,631,900	562.55	10,631,900	562.55
Less: Provision for other than temporary diminution in value			(281.30)		(281.30)
			281.25		281.25
(b) In Equity Shares of Associate Companies - Unquoted, fully paid up India International Airways Ltd. of Rs. 10 each		3,630,000	537.00	3,630,000	537.00
Less: Provision for other than temporary diminution in value			(429.60)		(429.60)
			107.40		107.40
(c) In Equity Shares of Subsidiary companies - Unquoted, fully paid up Rajdhani Trading Co. Ltd. of Rs. 100 each	31.10	-	-	5,010	65.71
(d) In Equity Shares of Other Companies - Unquoted, fully paid up Preeti Vanijya (P) Ltd. of Rs. 10 each		52,312	418.50	52,312	418.50
Mynah Industries Ltd. of Rs. 10 each		4,000	0.40	4,000	0.40
Nimbua Greenfield (Punjab) Ltd. of Rs. 10 each		28,125	2.81	37,500	3.75
The New India Cooperative Bank Ltd. of Rs. 10 each		3,260	0.33	3,260	0.33
Shivalik Video Communication Ltd. of Rs. 100 each		9,200	9.20	9,200	9.20
Less: Provision for other than temporary diminution in value		-	(8.28)	-	(8.28)
			422.96		423.90
(e) In Debentures of Associate Companies - Unquoted, fully paid up Optionally Convertible Zero Rate Debentures of Provestment Securities Pvt. Ltd. of Rs.40 each (Net of redemption)	13.2	2,988,000	1,195.20	2,988,000	1,195.20
Optionally Convertible Zero Rate Debentures of KCT Textiles Ltd. of Rs. 70 each (Net of redemption)	13.3	2,872,398	2,010.68	2,872,398	2,010.68
			3,205.88		3,205.88
Total Non Current Investments			4,017.49		4,084.14
Aggregate amount of quoted investments			281.25		281.25
Market Value of quoted investments	13.4		81.87		154.16
Aggregate amount of unquoted investments			4,174.12		4,240.77
Less: Aggregate provision for other than temporary diminution in value			(437.88)		(437.88)
Net amount of unquoted investments			3,736.24		3,802.89

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

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

13.2 Though Rs.597.60 lakhs was redeemable on 31.03.2012, however moratorium of 2 years has been given for repayment of whole amount which is now redeemable from 31.03.2014 onwards in two annual equal instalments.

13.3 Though Rs.287.24 lakhs was redeemable on 31.03.2012, however a moratorium of 2 years has been given for repayment of whole amount which is,now redeemable from 31.03.2014 onwards in seven annual equal instalments.

13.4 Provision for shortfall of Rs. 199.38 Lakhs (previous year Rs. 127.09 lakhs) in the aggregate market value of quoted investments as compared to the book value is not considered necessary as in the view of the management, there is no permanent diminution in value of investment except to the extent for which adequate provision is already made in the accounts.



14. LONG TERM LOANS AND ADVANCES		(Rs.in lakhs)		
	Note No.	31.03.2012	31.03.2011	
(Unsecured, considered good)				
Capital Advances		65.16	107.15	
Security Deposits		259.88	294.18	
Advance Tax/Tax deducted at source (Net of Provision)		198.03	281.06	
Advances to employees		60.69	54.27	
Prepaid expenses		7.50	15.86	
TOTAL		591.26	752.52	

15. CURRENT INVESTMENTS		(Rs. in lakhs)			
	Note No.	No.	31.03.2012	No.	31.03.2011
(At Cost)					
(a) Equity Shares of Other Companies - Quoted, fully paid up					
(i) Pledged during the year					
	8.2				
ABB Ltd. of Rs. 2 each	6,000	0.07	6,000	0.07	
Aditya Birla Nuvo Ltd. of Rs. 10 each	9,313	11.90	9,313	11.90	
Alstom Projects India Ltd. of Rs. 10 each	1,200	-	1,200	-	
Ashok Leyland Ltd. of Rs. 1 each	10,000	0.18	5,000	0.18	
Asian Paints Ltd. of Rs. 10 each	600	-	600	-	
Britannia Industries Ltd. of Rs. 2 each	2,500	-	2,500	-	
Colgate Palmolive (I) Ltd. of Rs. 1 each	3,000	0.06	3,000	0.06	
EIH Ltd. of Rs. 2 each	10,909	2.25	10,909	2.25	
Grasim Industries Ltd. of Rs. 10 each	1,000	-	1,000	-	
HDFC Bank Ltd. of Rs. 2 each (Previous year:Rs.10 each)	2,500	0.05	500	0.05	
Hindustan Unilever Ltd. of Rs. 1 each	5,000	0.03	5,000	0.03	
Housing Development Finance Corpn. Ltd. of Rs. 2 each	15,100	0.40	15,100	0.40	
Tata Steel Ltd. of Rs. 10 each	81	0.10	81	0.10	
Ultratech Cement Ltd.of Rs.10 each	571	-	571	-	
		15.04		15.04	
(ii) Free from encumbrance					
Cheslind Textiles Ltd. of Rs.10 each	15,000	1.50	15,000	1.50	
Indian Card Clothing Ltd.of Rs.10 each	75	0.02	75	0.02	
The Waterbase Ltd. of Rs.10 each	1,450,000	145.00	1,450,000	145.00	
		146.52		146.52	
(b) Mutual funds - Quoted, fully paid up					
Units of UTI Growth Fund of Rs. 10 each	8,516	5.25	8,516	5.25	
		5.25		5.25	
Total Current Investments		166.81		166.81	
Aggregate amount of quoted investments		166.81		166.81	
Market value of quoted investments		558.03		433.10	



16. INVENTORIES		(Rs.in lakhs)	
	Note No.	31.03.2012	31.03.2011
(Valued at lower of cost or net realisable value)			
Raw Materials	16.1	1,948.36	5,482.95
Raw Materials - in transit		274.74	446.41
Stock-in-Process	16.2	4195.27	4,880.20
Loose stock awaiting packing		651.39	691.30
Finished Goods	16.2	3,765.42	2,608.41
Finished Goods - in transit		64.82	75.15
Stores and Spares	16.2	1,927.24	2,116.75
Stores and Spares - in transit		16.17	60.73
TOTAL		12,843.41	16,361.90
16.1 Includes Rs.254.43 lakhs (Previous Year: Rs.2663.18 lakhs) lying with outside parties/creditors.			
16.2 Includes stocks-in-process of Rs 3.54lakhs, Finished Goods Rs 0.07 lakhs and stores and spares of Rs.57.91 lakhs held for disposal (previous year Rs. nil) Refer not No. 31.8.4			
17. TRADE RECEIVABLES		(Rs.in lakhs)	
	Note No.	31.03.2012	31.03.2011
Outstanding for a period exceeding six months			
- Unsecured, considered good		137.42	161.87
- Unsecured, considered doubtful		443.73	403.43
Less: Provision for doubtful debts		(443.73)	(403.43)
		137.42	161.87
Others (unsecured, considered good)		4,654.34	5,710.22
TOTAL		4,791.76	5,872.09
18. CASH AND BANK BALANCES		(Rs.in lakhs)	
	Note No.	31.03.2012	31.03.2011
(i) Cash and Cash Equivalents			
- Balance with Banks		46.59	881.01
- Cheques, draft on hand/ remittance in transit		228.67	575.22
- Cash on Hand		10.32	25.26
		285.58	1,481.49
(ii) Others			
- Balance with Banks	18.1	9.87	11.11
- Fixed Deposits held as Margin Money		400.94	611.11
- Fixed Deposits	18.2	75.65	150.81
- Post Office Savings Accounts(lodged as security)		0.19	0.19
		486.65	773.22
		772.23	2,254.71
18.1 Includes Rs.3.79 lakhs (Previous Year: Rs.3.80 lakhs) earmarked for redemption of preference shares and Rs.6.08 lakhs (Previous Year: Rs 7.31 lakhs) against employees' security deposits.			
18.2 Includes fixed deposits of Rs.75 lakhs maturing on 20.03.2013 (Previous year: Rs.150 lakhs maturing on 20.03.2012)			



19. SHORT TERM LOANS AND ADVANCES		(Rs.in lakhs)	
	Note No.	31.03.2012	31.03.2011
(Unsecured, considered good)			
Loans and Advances to related parties	19.1	409.35	409.35
Security Deposits	19.2	1199.63	21.54
Others:			
- Unsecured, considered good	19.3	1,149.81	1,144.41
- Unsecured, considered doubtful		731.14	1,207.71
- Less: Provision for doubtful		(731.14)	(1,207.71)
TOTAL		2,758.79	1,575.30

19.1 Includes Interest free advances recoverable from related parties with no stipulation of recovery:			
- JCT Chemicals & Fibres Ltd.		395.00	395.00
- Firemount Textile (India) Ltd.		9.35	9.35
Recoverable against sales of land			
- Provestment Securities Pvt. Ltd.		5.00	5.00
		409.35	409.35

19.2 Includes from a related party-provestment securities	31.12	1150.00	-
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19.3 Others comprise of advance against raw materials, stores and spares, prepaid expenses, income tax refundable, excise duty recoverable, CENVAT recoverable etc.

20. OTHER CURRENT ASSETS		(Rs.in lakhs)	
	Note No.	31.03.2012	31.03.2011
(Unsecured, considered good)			
Interest Subsidy under Technology Upgradation Fund Scheme		512.40	902.85
Interest accrued on deposits/advances		66.85	52.13
Tangible assets held for disposal	20.1	301.24	84.65
Others			
Unsecured, considered good	20.2	668.87	857.79
Unsecured, considered doubtful		35.79	35.63
Less: Provision for doubtful		(35.79)	(35.63)
TOTAL		1,549.36	1,897.42

20.1 Details of tangible fixed assets held for disposal, which are being carried at the lower of book value and net realisable value are as under: (Refer note no.31.08.4)

Description	Gross Block		Accumulated Depreciation		Net Block	
	31.03.12	31.03.11	31.03.12	31.03.11	31.03.12	31.03.11
Tangible Fixed Assets:						
Land	84.65	84.65	-	-	84.65	84.65
Plant & Machinery	2,881.61	-	2,718.19	-	163.42	-
Other Assets	238.04	-	184.87	-	53.17	-
Total tangible fixed assets	3,204.30	84.65	2,903.06	-	301.24	84.65

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



21. REVENUE FROM OPERATIONS

	Note No.	Year ended 31-03-2012	Year ended 31-03-2011
Sale of Finished Goods (Gross)	30.1	80,399.17	74,433.10
Other operating revenues:			
- Export incentives/ duty draw back		521.05	414.69
- Sale of process waste/ scrap		1,877.03	1,394.64
- Proceeds from carbon emission reduction credits		143.21	602.62
Total		82,940.46	76,845.05

22. OTHER INCOME

	Note No.	Year ended 31-03-2012	Year ended 31-03-2011
Interest Income from:			
- Bank deposits	31.12	73.96	
- Customers and others	131.27	162.39	84.70
Dividend from current investments		4.36	3.60
Profit on sale of fixed assets (net)		131.39	24.69
Profit on sale of long term investment		0.47	2.25
Liabilities/provisions no longer required written back		140.54	34.72
Depreciation excess provided in earlier years written back (net)		0.15	0.85
Rent		171.39	181.37
Other Miscellaneous Income		117.43	94.75
Total		728.12	500.89

23. COST OF MATERIALS CONSUMED

	Note No.	Year ended 31-03-2012	Year ended 31-03-2011
Raw material	30.2		
Opening Stock		2,819.77	779.49
Purchases		42,749.05	40,638.25
		45,568.82	41,417.74
Less: Adjustments on account of Vat/Modvat		(199.84)	(188.72)
Less : Closing Stock		(1,693.93)	2,819.77
Other materials			
(dyes, chemicals, sizing and packing materials)			
Opening Stock		792.45	604.53
Purchases		7,143.04	7,153.32
		7,935.49	7,757.85
Less: Adjustments on account of Vat/Modvat		(278.57)	(444.28)
Less: Closing Stock		(772.07)	(792.45)
Total		50,559.90	44,930.37



24. OTHER MANUFACTURING EXPENSES

(Rs.in lakhs)

	Note No.	Year ended 31-03-2012	Year ended 31-03-2011
Stores & Spares Consumed		580.92	548.87
Power & fuel		10,351.50	1,0225.95
Repairs to and maintenance of buildings		189.31	136.17
Repairs to and maintenance of plant & machinery		1,609.35	1,411.15
Processing charges		521.44	551.08
Material handling charges		231.64	151.41
Excise Duty	24.1	34.07	13.00
Total		13,518.23	13,037.63

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

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

(Rs.in lakhs)

	Note No.	Year ended 31-03-2012	Year ended 31-03-2011
Inventories at the end of the year			
Finished Goods		3,765.42	2,608.41
Finished Goods-in transit		64.82	75.15
Loose stock awaiting packing		651.39	691.30
Stock-in-process	30.4	4,195.27	4,880.20
Inventories at the beginning of the year			
Finished Goods		2,608.41	2,337.25
Finished Goods-in transit		75.15	77.67
Loose stock awaiting packing		691.30	2,429.66
Stock-in-process		4,880.20	3,368.69
Total		(421.84)	(41.79)

26. EMPLOYEE BENEFITS EXPENSES

	Note No.	Year ended 31-03-2012	Year ended 31-03-2011
Salaries, wages, bonus, gratuity, allowances etc.		7,252.19	6,405.50
Contribution to Provident, superannuation and other funds		832.34	728.68
Workmen & staff welfare expenses		174.49	155.82
Total		8,259.02	7,290.00

27. FINANCE COSTS

	Note No.	Year ended 31-03-2012	Year ended 31-03-2011
Interest Expense on:			
- Foreign Currency Convertible Bonds		3.54	364.15
- Term Loans		1,688.55	1,422.69
- Public fixed deposits and inter-corporate deposits		236.29	471.99
- Borrowing from banks for working capital		951.67	1,100.54
- Credit from vendors		934.12	1,018.24
Other borrowing costs		301.35	324.25
Total		4,115.52	4,701.86

28. DEPRECIATION AND AMORTISATION EXPENSE

	Note No.	Year ended 31-03-2012	Year ended 31-03-2011
Depreciation for the year	12	4664.31	4,021.56
Less: Transfer from revaluation reserve	4	(13.30)	(13.30)
Less: Transfer to discontinuing operations	31.8.4	(3.25)	-
Amortisation for the year	12	47.31	47.32
Total		4,695.07	4,055.58



29. OTHER EXPENSES

		(Rs.in lakhs)	
	Note No.	Year ended 31-03-2012	Year ended 31-03-2011
Rent		169.43	132.99
Insurance		84.28	74.79
Rates & taxes		63.48	64.78
Directors' fee		9.53	9.05
Directors' remuneration		50.55	91.14
Legal and professional fees		336.70	175.53
Travelling and conveyance		360.23	261.66
Payment to Statutory Auditors:			-
- For Audit fee	15.00		15.00
- For Certification work	5.71		5.80
- For Reimbursement of expenses	1.65	22.36	1.44
		22.36	22.24
Bad debts written off	495.29	-	582.00
Less: Provision for bad and doubtful debts written back	(494.17)	1.12	(577.68)
Provision for doubtful debts and advances		60.66	271.78
Loss on sale of raw materials/stores (net)		11.83	3.89
"Provision for other than temporary diminution in value of investments"		-	238.70
Fixed Assets written off		10.07	127.42
Selling & publicity expenses		249.27	277.18
Commission to dealers/convassing agents		641.14	637.19
Freight & cartage (net of recovery)		694.13	718.49
Sales tax & octroi		1,539.13	1,330.79
Cash discount on sales		415.51	372.92
Exchange fluctuation loss (net)		207.93	(87.89)
Miscellaneous expenses		1,086.36	1149.03
Total		6,013.71	5,876.00

30. Disclosures as per Revised Schedule VI with respect to Statement of Profit & Loss

30.1 Particulars of sale of Finish Goods

	(Rs. In Lakhs)	
Particulars	Year ended 31-03-2012	Year ended 31-03-2011
Manufactured		
- Cloth	43,220.84	41,315.13
- Nylon filament Yarn	35,295.44	31,310.57
- Polyester/nylon Chips	1,343.40	1,229.88
- Others	539.49	577.52
TOTAL	80,399.17	74,433.10



30.2 Details of raw materials consumed.

(Rs. In Lakhs)

Particulars	Year ended 31-03-2012	Year ended 31-03-2011
Cotton	12,245.99	10,034.89
Grey cloth	3,201.84	4,140.74
Synthetic fibre	996.43	1,253.46
Finished fabrics	706.77	273.94
Blended yarn	4,895.28	4,742.34
Caprolactum	19,383.63	15,655.73
Renol Chips	279.18	241.48
Nylon chips	218.81	-
Nylon POY & Others	1,435.87	2,025.95
Others	311.25	40.72
TOTAL	43,675.05	38,409.25

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

(Rs. In Lakhs)

Particulars	Year ended 31-03-2012		Year ended 31-03-2011	
	Amount	Percentage	Amount	Percentage
(a) Raw materials - imported	1,936.18	4.43	1,543.59	4.02
Raw materials - indigenous	41,738.87	95.57	36,865.66	95.98
Total	43,675.05	100.00	38,409.25	100.00
(b) Spare parts & Components- imported	342.06	20.41	307.55	21.05
Spare parts & Components- indigenous	1,334.27	79.59	1,153.77	78.95
Total	1,676.33	100.00	1,461.32	100.00

30.4 Details of Stock-in Process:

(Rs. In Lakhs)

Particulars	Year ended 31-03-2012	Year ended 31-03-2011
Cotton/synthetic fabrics	3,102.52	3,709.08
Nylon filament yarn	404.50	318.12
Nylon Chips	688.25	853.00
TOTAL	4,195.27	4,880.20

30.5 Value of imports on CIF basis:

(Rs. In Lakhs)

Particulars	Year ended 31-03-2012	Year ended 31-03-2011
Raw Materials	1,637.14	1,476.98
Components and spare parts etc,	924.71	815.91
Capital Goods	27.99	47.09
Total	2,589.84	2,339.98



30.6 Expenditure in foreign currency:

(Rs. In Lakhs)

Particulars	Year ended 31-03-2012	Year ended 31-03-2011
Commission on export Sales	69.78	73.63
Interest on FCCB	3.54	291.32
Travelling	73.20	82.97
Others	101.62	49.98
TOTAL	248.14	497.90

30.7 Earnings in foreign currency:

(Rs. In Lakhs)

Particulars	Year ended 31-03-2012	Year ended 31-03-2011
Export of goods calculated on F.O.B. basis	8,974.93	7,503.38

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

30.9 Prior period expenses aggregating Rs. 52.75 lakhs (net debit) have been accounted for in the respective heads of account (Previous Year: 15.30 lakhs (net debit))

31. Additional notes to the financial statements for the year ended 31st March, 2012.

31.1 Contingent liabilities and commitments not provided for:

(Rs. In Lakhs)

	Particulars	31.03.2012	31.03.2011
(I)	Contingent Liabilities		
(a)	Claims against the Company not acknowledged as debts.	19.38	18.47
(b)	Guarantees given by the bankers on behalf of the Company	205.28	229.21
(c)	Unutilised letter of credit	24.80	166.31
(d)	Disputed liabilities not adjusted as expenses in the Accounts for various years being in appeals towards:		
	- Sales tax	735.02	454.46
	- Income tax	83.04	120.87
	- Excise Duty	2,422.80	2,363.51
	- Stamp Duty	187.72	187.72
	- Custom Duty	186.05	186.05
	- Entry Tax	351.82	16.37
	- Others	228.46	218.70
	Total	4,194.91	3,547.68
(II)	Commitments		
(a)	Estimated amount of contracts remaining to be executed on Capital Account and not provided for in the accounts (net of advances)	154.59	483.76
(b)	Export obligation against import of machinery under EPCG Scheme	13,590.00	6,151.12

31.2 Corporate guarantee of Rs. 3,580.00 lakhs given to a Financial Institution for term loan given to JCT Electronics Ltd. was invoked in earlier years. JCT Electronics Limited was making quarterly payments to Institution in terms of the Scheme sanctioned by the "Board for Industrial and Financial Reconstruction" (BIFR) till 31.3.2011. Thereafter the said institution with the consent of all the secured lenders whose interests were effected had filed a Modified Debt Restructuring Scheme (MDRS) before the BIFR covering the deferment of over-due quarterly instalments. The invocation of corporate guarantee is under abeyance till the approval of the MDRS.

31.3 (a) The Company has not recorded cumulative deferred tax assets on account of timing differences as stipulated in Accounting Standard 22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India in view of uncertainty of future taxable income.

(b) In view of no taxable profits, no provision for Income Tax as per the provisions of the Income tax Act, 1961 is considered necessary. Adequate provision in respect of Wealth tax has been made in the Accounts.



31.4 In view of accumulated losses:

- (i) No commission is payable to whole time directors.
- (ii) No capital redemption reserve has been created during the year.

31.5 Leases:

The Company has leased facilities under cancellable and non cancellable operating lease arrangements with a lease terms ranging from 1 to 3 years, which are subject to renewal thereafter at mutual consent. The cancellable arrangements can be terminated by either party after giving due notice. The lease rent expense recognized during the year amounts to Rs. 117.64 lakhs (Previous Year: Rs. 84.73 Lakhs). The future lease payments in respect of non- cancellable operating leases for a period later than one year but not later than 5 years is Rs. 100.85 lakhs as at 31st March, 2012 (Previous year Rs.103.80 lakhs).

31.6 Disclosure of Derivative Instruments :

- (a) The following are the outstanding forward exchange contracts used for hedge against currency exposures as at 31st March, 2012.

Currency	In foreign currency (in million)	In Indian Rupee (in lakhs)	Exposure to Buy/Sell
EUR	0.74	506.66	Sell
USD	1.80	938.29	Sell

- (b) Foreign currency exposures that have not been specifically hedged by a derivative instrument or otherwise as at 31st March, 2012 are given below:

	Rs. In Lakhs		Foreign Currency in millions			
	Current Year	Previous Year	Current Year		Previous Year	
			Currency	Amount	Currency	Amount
Sundry Debtors	292.29	630.24	US \$	0.64	US \$	1.41
	-	137.98	-	-	EURO	0.22
Loans and Advances	273.86	315.23	EURO	0.41	EURO	0.51
Foreign Currency Convertible Bonds	15,718.72	13,769.51	US \$	30.50	US \$	30.50
Sundry Creditors	29.22	217.23	US \$	0.06	US \$	0.49
	-	1.87	-	-	MYR	0.01
	114.48	38.19	EURO	0.17	EURO	0.07
	25.25	38.06	JPY	3.99	JPY	6.94

31.7 Going Concern:

Accumulated losses have resulted in substantial erosion in net worth of the Company. However, the financial statements have been prepared on a going concern basis on the strength of continued support of the promoters, bankers/ other lenders. Further, the restructuring of Company's debts with its bankers has been approved under Corporate Debt Restructuring Cell (CDR) mechanism in its meeting held on 12/09/2012 as per LOA dated 21/09/2012 which shall be implemented after completing all the conditions stipulated therein and the impact thereof as such shall be given in the accounts on its fulfilment of all the formalities/conditions. The management, considering the future plans for operations and support of the promoters, lenders, business associates and workmen is hopeful of improved profitability leading to improvement in its financial position.

31.8 Discontinued Operations:

31.8.1 The operations at Unit-I of Sriganganagar Textile Mill were discontinued since 16.11.2009. The identified asset being land having net book value of Rs. 84.65 lakhs is carried at the net book value as expected net realizable value is higher, and is disclosed in Note No.20.1 as 'Assets held for disposal'. Advances of Rs. 421.50 lakhs received from the buyers of the asset are included in other Current Liabilities to be adjusted pending completion of legal formalities.

31.8.2 During the year, operations at Unit-II of Sriganganagar Textile Mill were discontinued. The Company entered into an agreement with the workers unions pursuant to which full and final dues of some of the workers have been settled and paid off. Company also entered into agreement for disposal of the assets of the Unit except Land and Building. The identified fixed assets pending disposal having net book value of Rs. 216.59 lakhs and inventory of Rs.61.52 lakhs are carried at the net book value, expected net realizable value being higher, and are disclosed in Note No.20.1 and 16.2 respectively as 'Assets held for disposal'. Advances of Rs.180 lakhs received from a buyer of these assets are included in other Current Liabilities to be adjusted on sale of assets.



31.8.3 Company has recognised loss of Rs. 142.89 lakhs as 'Loss from discontinuing Operations' and disclosed it separately in the 'Statement of Profit & Loss'. In earlier years results of the Unit were included under 'Textile Segment'.

31.8.4 Disclosures as required under 'Accounting Standard 24 – Discontinuing Operations' in respect of Sriganganagar Unit I and II are as under:

(Rs. in lakhs)

	Year ended 31-03-2012	Year ended 31-03-2011
Tangible fixed Assets	301.24	84.65
Inventory	61.52	-
Total Liabilities excluding corporate funds	601.50	421.50
Other Income	1.49	21.86
Expenses:		
<i>Employee benefits</i>	10.49	11.94
<i>Compensation to workers for retiral</i>	124.77	--
<i>Depreciation</i>	3.25	--
<i>Interest</i>	0.16	--
<i>Miscellaneous expenses</i>	5.71	3.00
Profit/ (Loss) before Tax	(142.89)	6.92
Profit/ (Loss) after Tax	(142.89)	6.92
Net Cash Flows attributable to:		
Operating Activities (including change in working capital)	--	--
Investing Activities	40.36	62.83

31.9 During the year the Company sold its entire shareholding in its subsidiary company Rajdhani Trading Company Limited for a total consideration of Rs. 5.01 lakhs. Loss of Rs. 60.70 lakhs thereon has been shown separately in the 'Statement of Profit & Loss' as an Exceptional Loss.

31.10 Pursuant to the losses in the current year, accumulated losses as on 31.03.2012 exceed fifty percent of the peak net worth of the Company during preceding four financial years attracting provisions of 'Sick Industrial Companies (Special Provisions) Act, 1985'. Accordingly, requisite steps are being taken as envisaged under the said Act including intimation to the 'Board for Industrial and Financial Reconstruction'.

31.11 The letters have been sent to almost all the parties for confirmation of the balances under trade receivables, advances and trade payables, however, due to non receipt of the response from the parties, the balances are subject to confirmations/reconciliation in some cases. The impact, if any, subsequent to the confirmation/reconciliation will be taken in the year of confirmation/reconciliation.

31.12 During the year, the company made an interest-free security deposit of Rs. 1150 lakhs to an associate company. The said deposit was made due to the non-fulfillment of a specific obligation stipulated in an agreement entered into by the Company in the year 2008 with the said Associate Company. Subsequent to the year end, the deposit has been repaid in full to the company by the said associate company. With respect to the applicability of the provisions of section 295 and/or 372A of the Companies Act, 1956, the Company has been legally advised that considering the nature of transaction and the fact that the entire deposit has been repaid, any applicable enabling penal clauses of the aforesaid sections, if any, are unlikely to be material.

31.13 In the opinion of the management, the value of assets other than fixed assets and non-current investments, on realization in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

31.14 Related party disclosures:

Relationship

(a)	Key Management Personnel:	(b)	Other related parties where control/ significant influence exists:
	Mr. Samir Thapar Mr. Rajmohan Singh Mr. Sanjiva Jain		Mr. M.M. Thapar JCT Electronics Ltd. Provstment Securities Pvt. Ltd. JCT Chemicals & Fibres Ltd. India International Airways Ltd. Firemount Textiles (India) Ltd. KCT Textiles Ltd JCT Sports Pvt.Ltd.

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



Transactions with related parties:

(Rs. in lakhs)

	Year ended 31-03-2012	Year ended 31-03-2011
Expenses:		
Professional Fees: Mr M M Thapar	26.47	24.00
Rent Paid : Mr. M M Thapar	0.30	0.08
Interest paid: Provestment Securities Pvt. Ltd.	-	175.83
Sports promotion expenses: JCT Sports Pvt Ltd	5.80	36.84

(Rs. in lakhs)

	Dr. / (Cr.) Balances as at 01.04.11	Received / adjusted/ given during the year	Refunded / adjusted during the year	Dr./ (Cr.) Balances as at 31.03.2012
Investments:				
Provestment Securities Pvt. Ltd.	1,195.20	--	--	1,195.20
KCT Textiles Ltd.	2,010.68	--	--	2,010.68
	3,205.88	--	--	3,205.88
Security Deposit				
Provestment Securities Pvt Ltd.	--	1,150.00	--	1,150.00
		1,150.00		1,150.00
Other Receivables:				
Provestment Securities Pvt Ltd.	5.00	--	--	5.00
JCT Chemicals & Fibres Ltd	395.00	--	--	395.00
Firemount Textiles (India) Ltd.	9.35	--	--	9.35
	409.35	--	--	409.35
Payables:				
Provestment Securities Pvt Ltd.	(136.16)	--	79.14	(57.02)
JCT Electronics Ltd	(59.57)	(0.60)	--	(60.17)
JCT Sports Pvt Ltd	--	(5.80)	5.80	--
Mr. M M Thapar	(11.93)	(24.12)	24.14	(11.91)
India International Airways Ltd.	(1.52)	--	1.35	(0.17)
	(209.18)	(30.52)	110.43	(129.27)

Note: Figures in respect of Rajdhani Trading Company Limited have not been given since it ceased to be a wholly owned subsidiary company w.e.f.14th March 2012.

31.15 Segment Reporting:

(a) Identification of segments

i) Primary Segments

Business segment: The Company's operating businesses are 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 Divisional transfers of goods, as marketable products produced by separate divisions of the Company, for captive consumption are made as if sales were made to third parties at current market prices and are included in turnover.

(c) Unallocable Items:

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



Segment information:

(Rs. in lakhs)

	Textiles		Filament		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
External Sales/ Income	45,348.13	43,094.65	34,075.72	30,502.46	79,423.85	73,597.11
Segment Revenue	45,719.09	43,332.82	34,369.44	30,651.24	80,088.53	73,984.06
Segment Results	(1,714.03)	(491.13)	660.02	930.88	(1,054.01)	439.75
Segment Assets	47,314.71	54,518.32	18,650.09	14,171.76	65,964.80	68,690.08
Segment Liabilities	16,493.03	17,942.63	13,931.40	7,453.21	30,424.43	25,395.84

Reconciliation of reportable segment with the financial statements:

(Rs in lakhs)

	Revenues		Net Profit/ (Loss)		Assets		Liabilities	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Total of reportable segments	80,088.53	73,984.06	(1,054.01)	439.75	65,964.80	68,690.08	30,424.43	25,395.84
Add:Corporate Unallocated	63.44	113.94	(1,418.11)	(1,489.54)	7,209.51	12,032.09	35,368.88	40,818.21
Finance costs	--	--	(4,115.52)	(4,701.86)	--	--	--	--
Exceptional Items(net)	--	--	(203.59)	11,768.68	--	--	--	--
Taxes	--	--	(14.17)	(412.59)	198.03	281.06	--	--
As per financial statements	80,151.97	74,098.00	(6,805.40)	5,604.44	73,372.34	81,003.23	65,793.31	66,214.05

(d) Secondary segment reporting (By geographical segments)

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

(Rs. in lakhs)

	Year ended 31-03-2012	Year ended 31-03-2011
Sales to domestic market	67,295.26	62,217.79
Sales to overseas market	9,587.30	8,967.37
Total	76,882.56	71,185.16

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

31.16 Employee Benefits:

(a) **Defined Benefit Plan**

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

(b) **Defined Contribution Scheme**

Company's employees are covered by Provident Fund, Employees State Insurance and Superannuation scheme etc. to which the Company makes a defined contribution measured as a fixed percentage of salary. During the year amount of Rs.832.34 lakhs (Previous year Rs.728.68 lakhs) have been charged to the Statement of Profit & Loss towards contribution to the above schemes/benefits.

(c) **Other Long term Benefits**

Employees of the Company are entitled to accumulate their earned/privilege leave upto a maximum of 30 days for workers and 300 days for other employees which is payable /encashable as per the policy of on their separation.



Other disclosures as required under Accounting Standard-15 (Revised 2005) on 'Employee Benefits' are as under:

I) Reconciliation of opening and closing balances of Defined Benefit obligation

(Rs. in lakhs)

Particulars	Gratuity (Funded)		Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Defined Benefit obligation at beginning of the year	1,373.81	1,241.17	649.35	573.88	490.89	408.44
Current Service Cost	94.77	87.77	48.28	43.45	50.43	61.24
Past Service Cost	-	14.81	-	28.05	-	-
Interest Cost	116.77	93.09	55.29	43.04	41.81	30.63
Actuarial (gain)/ loss	49.94	26.97	89.65	44.22	60.59	61.51
Benefits paid	(146.98)	(90.00)	(92.22)	(83.29)	(95.02)	(70.93)
Defined benefit obligation at the year end	1,488.31	1,373.81	750.35	649.35	548.70	490.89

II) Reconciliation of opening and closing balances of fair value of plan assets

(Rs. in lakhs)

	Gratuity (Funded)	
	2011-12	2010-11
Fair value of plan assets at beginning of the year	399.25	346.03
Expected return on plan assets	36.93	32.01
Actuarial gain/(loss)	4.89	(0.56)
Employer contribution	-	111.77
Benefits paid	(146.98)	(90.00)
Fair value of plan assets at year end	284.31	399.25
Actual return on plan assets	32.04	31.45

III) Reconciliation of fair value of assets and obligations

(Rs. in lakhs)

	Gratuity (Funded)									
	2011-12	2010-11	2009-10	2008-09	2007-08					
Fair value of plan assets	284.31	399.25	346.03	475.52	502.00					
Present value of obligation	(1488.31)	(1373.81)	(1241.17)	(1225.19)	(1054.26)					
Amount recognized in the Balance Sheet (Liability)	(1204.00)	(974.56)	(895.14)	(749.67)	(552.26)					
	Gratuity (Unfunded)					Leave Encashment (Unfunded)				
	2011-12	2010-11	2009-10	2008-09	2007-08	2011-12	2010-11	2009-10	2008-09	2007-08
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-
Present value of obligation	(750.35)	(649.35)	(573.88)	(804.74)	(740.32)	(548.70)	(490.89)	(408.44)	(434.67)	(412.72)
Amount recognized in Balance Sheet (Liability)	(750.35)	(649.35)	(573.88)	(804.74)	(740.32)	(548.70)	(490.89)	(408.44)	(434.67)	(412.72)



IV) Expenses recognised in Employee benefits expenses during the year

(Rs. in lakhs)

	Gratuity (Funded)									
	2011-12	2010-11	2009-10	2008-09	2007-08					
Current Service Cost	94.77	87.77	80.89	77.44	62.94					
Past Service Cost	-	14.81	-	-	-					
Interest Cost	116.77	93.09	91.89	79.07	84.74					
Expected return on plan assets	(36.93)	(32.01)	(41.61)	(46.69)	(45.13)					
Actuarial (Gain) / loss	54.82	26.97	15.91	136.38	7.65					
Net Cost	229.43	190.63	147.08	246.20	110.20					
	Gratuity (Unfunded)					Leave Encashment (Unfunded)				
	2011-12	2010-11	2009-10	2008-09	2007-08	2011-12	2010-11	2009-10	2008-09	2007-08
Current Service Cost	48.28	43.45	37.56	50.49	196.86	50.43	61.24	46.08	45.1	139.72
Past Service Cost	-	28.05	-	-	-	-	-	-	-	-
Interest Cost	55.29	43.04	60.35	55.52	50.82	41.81	30.63	32.6	30.95	28.72
Expected return on plan assets	-	-	-	-	-	-	-	-	-	-
Actuarial (Gain) / loss	89.65	44.22	66.94	40.91	(35.34)	60.59	61.51	(26.49)	59.57	1.78
Net Cost	193.22	158.76	164.85	146.92	212.34	152.83	153.38	52.19	135.62	170.22

V) Investment Details

(% invested)

	31-03-2012	31-03-2011
Life Insurance Corporation of India	100	100

VI) Actuarial assumptions

	31-03-2012	31-03-2011
Method used	Projected unit credit	
Mortality Table (LIC)	1994-96 (duly modified)	
Discount rate (per annum)	8.50%	7.50%
Expected rate of return on plan assets (per annum)	9.25%	9.25%
Withdrawal Rate (per annum) upto 30/44 years and above 44 years	3%/2%/1%	
Rate of escalation in salary (per annum)	6%	5%

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

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



31.17 Earnings/ (Loss) per share:

	Year ended 31-03-2012	Year ended 31-03-2011
Net Profit/(Loss) as per Statement of Profit & Loss – (Rs. in lakhs)	(6805.40)	5604.44
Weighted average number of equity shares for Basic Profit/ (Loss)	35,90,78,590	35,90,78,590
Add: i) Adjustment for option for 24,00,000 (Previous year: 24,22,488) Optionally Partially Convertible Preference Shares of Rs. 100/- each	6,40,00,000	6,52,29,651
ii) Adjustment for option for Foreign Currency Convertible Bonds having face value of US\$ 25,420,000	-	6,87,35,253
Weighted average number of equity shares for Diluted Profit/ (Loss)	42,30,78,590	49,30,43,494
Nominal value of Equity Share (Rs.)	2.50	2.50
Basic Profit/ (Loss) per Share before exceptional items (Rs.)	(1.85)	(1.72)
Diluted Profit/ (Loss) per Share before exceptional items (Rs.)	(1.57)	(1.25)
Basic Profit/ (Loss) per Share after exceptional items (Rs.)	(1.90)	1.56
Diluted Profit/ (Loss) per Share after exceptional items (Rs.)	(1.61)	1.14

32. The financial statements for the year ended 31.03.2011 were prepared as per then applicable Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended 31.03.12 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year classification.

E-Communication Registration Form

To

RCMC Share Registry Private Limited
B-106, Sector 2
NOIDA 201 301

I/We hereby exercise my/our option to receive all communications from the Company such as Notice of General Meeting, Explanatory Statement, Audited Financial Statements, Balance Sheet, Profit & loss Account, Directors' Report, Auditor's Report etc. in electronic mode pursuant to the 'Green Initiative in Corporate Governance' taken by the Ministry of Corporate Affairs vide circular no.17 /2011 dated 21st April, 2011. Please register my e-mail ID as given below, in your records, for sending the communications:-

Folio No. / DP ID & Client ID No.	:	
Name of 1st Registered Holder	:	
Name of Joint Holder(s), if any	:	
Registered Address of the Sole/1st Registered Holder	:	
No. of shares held	:	
E-mail ID (to be registered)	:	

- 1) On registration, all communications will be sent to the e-mail ID registered.
- 2) The form is also available on the website of the Company under the section 'Investors Relation'.
- 3) Shareholders are requested to keep the Company's Registrar-RCMC Share Registry Private limited informed as and when there is any change in the e-mail address.



JCT LIMITED

Registered Office: Village Chohal, District Hoshiarpur (Punjab) 146 001

ATTENDANCE SLIP

63rd Annual General Meeting

I hereby record my presence at the 63rd Annual General Meeting of the Company at Village Chohal, District Hoshiarpur (Punjab) 146001, on Friday, 30th November, 2012 at 12.30 p.m.

.....
Name of the Shareholder/Proxy (in block letters)

.....
Signature of Shareholder/Proxy

Folio No

DP ID No

Client ID No

No. of Shares



JCT LIMITED

Registered Office: Village Chohal, District Hoshiarpur (Punjab) 146 001

PROXY FORM

63rd Annual General Meeting

I/We..... of

Being member/members of JCT LIMITED hereby appoint of

Or failing him / her of

as my/ our proxy to vote for me/us on my/our behalf at the 63rd Annual General Meeting of the Company to be held on Friday, 30th November, 2012 at 12.30 p.m. at Village Chohal, District Hoshiarpur (Punjab) 146 001 and at any adjournment(s) thereof, if any.

Signed this 30th day of November, 2012.

Folio No

DP ID No

Client ID No

No. of Shares

Affix
Revenue
Stamp

.....
Signature of Shareholder/Proxy

NOTE: The Proxy completed in all respect must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding of the meeting.

