

Jagatjit Industries Limited

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JIL\SCY\2017 – 18/

15th March, 2018

The Department of Corporate Services,
The Bombay Stock Exchange Ltd.,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001

Sub : Unaudited Financial Results for the Quarter
and period ended on 31st December, 2017

Scrip Code No.: 507155

Dear Sir,

Please refer to your e-mail dated 12th March, 2018. Enclosed please find herewith Unaudited Financial Results of the Company for the Quarter and period ended on 31st December, 2017, after correction of the figure of profit/loss before tax in the segment results.

Kindly acknowledge the receipt.
Thanking you,

Yours faithfully,
for JAGATJIT INDUSTRIES LIMITED

K.K. Kohli
Vice President & Company Secretary

Encl : as above



MADAN & ASSOCIATES
CHARTERED ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM
FINANCIAL RESULTS**

To
The Board of Directors,
Jagatjit Industries Limited,
4th Floor, Bhandari House,
91, Nehru Place,
New Delhi- 110019

1. We have reviewed the accompanying Statement of Unaudited Financial Results alongwith the notes thereon, of **Jagatjit Industries Limited** ("the Company") for the quarter ended December 31, 2017 and year to date from April 1, 2017 to December 31, 2017("the Statement") attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared substantially in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

As stated in Note 8 of the Statement, we have not performed a review or audit of the figures relating to the corresponding quarter ended December 31, 2016 and nine months ended December 31, 2016 including the reconciliation of net loss (Note 10) for the quarter ended December 31, 2016 and nine months ended December 31, 2016 between the previous GAAP and the Indian Accounting standards ("Ind AS").



2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to enquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. Basis for qualified opinion

i) In the opinion of management, Trades Receivable & Loans and Advances have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the Balance sheet. Company obtains balance confirmation from Trades Receivable, Loans and Advances and Trade Payables at year end.

During the financial year ended March 31, 2017 confirmatory letters had been sent to the sundry creditors, suppliers and sundry debtors requesting them to confirm and reconcile the account balances as on March 31, 2017. A number of parties have not yet confirmed/reconciled the balances as on the date of signing of the financial statements.

Accordingly, Trade Payables, Loans and Advances and balances appearing under Trade Receivables are subject to reconciliation & confirmation. The financial impact of this is not ascertainable and to that extent we do not have any information in respect of such balances.

ii) An amount of Rs.2,977 lacs is outstanding in the books of accounts of the company, being an advance to its wholly owned subsidiary M/s S.R.K. Investments Pvt. Ltd, since 2010-2011. No recovery of this amount has been made since disbursal of advance, to the aforementioned subsidiary.

The Company's management, based on internal assessments and evaluations, have represented that the balance outstanding advances are recoverable and that no provision for diminution of advances is necessary as at December 31, 2017.

The Company has not created a provision against this advance in its books of accounts. In our opinion, there is significant uncertainty and doubt about the recovery of this advance from the subsidiary, as considerable period of time has elapsed from grant of advance and therefore, a provision for doubtful advance should have been accounted for in the financial statements for the period ended December 31, 2017.

Consequently, the loss for the period ended December 31, 2017 is understated and reserves and surplus as at December, 2017 are overstated to the extent of Rs. 2,977 lacs.



Opinion of erstwhile Auditor was also qualified for the year ended March 31, 2017. The matter was also qualified vide our Review Report on Review of Financial Results for the Quarter & Half year ended September 30, 2017.

4. Based on our review conducted as stated above read with the notes accompanying the Statement and except for the possible effects of qualification as described in the previous paragraph nothing has come to our attention that causes us to believe that the accompanying Statement prepared substantially in accordance with the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. Emphasis of Matter

- (i) We draw attention to Note 7 to the financial results regarding Gas Sales Agreement with GAIL (India) Limited, for non utilization of RLNG for contract year 2014, 2015, 2016 and 2017. Against these, the company received demand from supplier aggregating to Rs. 13,477 Lacs towards Annual Take or Pay Deficiency basis. The company has denied the liability in this regard to the supplier and the management is confident that there will not be any material amount of financial obligations on resolution/settlement. In view of this, no effect of the same has been given in these results. Opinion of erstwhile Auditor on the financial statements for the year ended March 31, 2017 was also emphasized in this regard. Our opinion is not modified in respect of this matter.

- (ii) Contingent Liabilities of Rs. 14,727 lacs are certified by the management.

Our opinion is not modified in respect of above matters.



for Madan & Associates
Chartered Accountants

FRN: 000185N

M. K. Madan

M. K. Madan

Proprietor

Membership number: 082214

Place: New Delhi

Date: February 14, 2018

JAGATJIT INDUSTRIES LIMITED

Regd. Office: Jagatjit Nagar – 144 802, Distt. Kapurthala (Punjab)

Corporate Identity Number : L15520PB1944PLC001970

Phones: (0181) 2783117 Fax: (0181) 2783118 E-mail: jil @jagatjit.com Website: www.Jagatjit.com

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER & NINE MONTHS ENDED DECEMBER 31, 2017

(Rs. In Lacs)

		Standalone				
	Particulars	Quarter Ended 31.12.2017 (Unaudited)	Quarter Ended 30.09.2017 (Unaudited)	Quarter Ended 31.12.2016 (Unaudited)	Nine Months Ended 31.12.2017 (Unaudited)	Nine Months Ended 31.12.2016 (Unaudited)
	(1)	(2)	(3)	(4)	(5)	(6)
1	Revenue from Operations	13917	11976	20070	41653	64392
	Less : Excise Duty	3936	3519	7935	13033	25546
2	Net Revenue from operations (after Excise Duty)	9981	8457	12135	28620	38846
3	Other Income	101	103	88	267	210
4	Total Income (2+3)	10082	8560	12223	28887	39056
5	Expenses					
	(a) Cost of materials consumed	3661	3827	5573	11947	17380
	(b) Purchase of stock-in-trade	450	377	368	1065	1333
	(c) Change in inventories of finished goods, work in progress and stock in trade	268	(259)	79	(615)	996
	(d) Employees benefits expense	1709	1575	1587	5077	5066
	(e) Depreciation and amortisation Expense	299	310	316	923	955
	(f) Finance costs	1810	1187	1204	4178	3155
	(g) Other Expenses	2970	2454	2769	8964	9775
	(h) Selling Expenses	769	503	1749	1943	5205
	Total Expenses	11937	9974	13645	33482	43865
6	Profit/(Loss) before Tax (4-5)	(1855)	(1414)	(1422)	(4595)	(4809)
7	Tax Expense					
	Current Tax					
	Deferred Tax					
8	Profit/(Loss) after Tax from Continuing Operations	(1855)	(1414)	(1422)	(4595)	(4809)
9	Profit/(Loss) for the period from discontinuing Operations	(17)	(19)	(379)	(50)	(1821)
10	Net Profit/(Loss) for the period	(1872)	(1433)	(1801)	(4645)	(6630)
11	Other Comprehensive Income/(Loss)					
	(i) Items that will not be reclassified to profit or loss	(102)	(150)	(102)	(305)	(305)
12	Total Comprehensive Income/(Loss) for the period (10-11)	(1974)	(1583)	(1903)	(4950)	(6935)
13	Paid-up Equity Share Capital (Face value Rs.10/- per share)	4615	4615	4615	4615	4615
14	Earning Per Share (Rs.10/- each)(not annualised)					
	(a) Basic	(4.52)	(3.63)	(4.36)	(11.34)	(15.89)
	(b) Diluted	(4.52)	(3.63)	(4.36)	(11.34)	(15.89)



Segment wise Revenue, Results and Capital Employed

(Rs. In Lacs)

	Particulars	Standalone				
		Quarter Ended 31.12.2017 (Unaudited)	Quarter Ended 30.09.2017 (Unaudited)	Quarter Ended 31.12.2016 (Unaudited)	Nine Months Ended 31.12.2017 (Unaudited)	Nine Months Ended 31.12.2016 (Unaudited)
	(1)	(2)	(3)	(4)	(5)	(6)
1.	Segment Revenue (net of Excise Duty)					
	a. Beverages	5838	5,307	8,892	17,102	28,104
	b. Food	3285	2,386	2,378	8,977	7,405
	c. Rental Income	576	577	645	1,824	1,957
	d. Others	287	220	267	758	1,446
	Total	9,986	8,490	12,182	28,661	38,912
	Less : Inter segment revenue	-	-	-	-	-
	Net sales/Income from operations	9,986	8,490	12,182	28,661	38,912
2.	Segment Results					
	A. Beverages	(396)	(134)	(699)	(820)	(3,665)
	B. Food	683	219	734	1,464	1,468
	C. Rental Income	482	472	628	1,436	1,488
	D. Others	37	(41)	131	6	325
	Total	806	516	794	2,086	(384)
	Less : i) Interest (net)	1723	1,120	1,144	3,965	2,980
	ii) Other un-allocable expenditure Net of un-allocable income	1057	979	1,553	3,071	3,571
	Total Profit/(Loss) Before Tax	(1,974)	(1,583)	(1,903)	(4,950)	(6,935)
3.	Capital Employed (Segment Assets-Segment Current Liabilities)					
	A. Beverages	14246	15,132	20,263	14,246	20,263
	B. Food	7857	7,841	10,602	7,857	10,602
	C. Rental	1,793	1,692	1,225	1,793	1,225
	D. Others Unallocable	25,085	20,343	5,516	25,085	5,516
	Total Capital Employed	48,981	45,008	37,606	48,981	37,606

Notes

1. The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on February 14, 2018
2. The Statutory Auditors of the company have carried out limited review of the Unaudited Financial Results for the quarter ended December 31, 2017 & Nine months ended on December 31, 2017
3. Unallocable expenditure net of unallocable income (Loss of Rs. 50 Lacs) for the Nine Months ending December 31, 2017 includes income of Rs.5 lac & expenses of Rs. 55 lacs on account of discontinued operation of packaging business. Capital employed on account of discontinuing operations is (Rs.2446) lacs as on December 31, 2017.
4. Provision for deferred tax shall be accounted for at the end of the year.
5. The Company adopted Indian Accounting Standard (Ind AS) from April 1, 2017 and accordingly these financial results have been prepared substantially in accordance with the recognition and measurement principles laid down in the Ind AS - 34 "Interim Financial Reporting" prescribed under section 133 of Companies Act, 2013 read with the relevant rules issued there under and the other Accounting principles generally accepted in India. Financial results for the quarters presented have been prepared substantially in accordance with the recognition and measurement principles of Ind AS - 34.
6. Contingent Liabilities as on December 31,2017 are Rs. 14,727 Lacs as certified by the management.
7. In terms of Gas Sales Agreement dated 27.12.2008 between GAIL (India) Ltd. (Supplier) and the company, for the supply of RLNG by former, the company has not utilized the minimum stipulated quantity of RLNG, due to closure of Glass unit situated at Sahibabad (U.P). The supplier has raised demand towards annual take or pay deficiency basis for the contract year 2014, amounting to Rs. 1,746 Lacs and for contract year 2015, amounting to Rs. 5,269 Lacs, for contract year 2016, amounting to Rs. 2,918 Lacs and Rs. 3,544 Lacs, aggregating to Rs. 13,477 Lacs The company has represented to the supplier that due to reasons beyond thier control the Glass unit had to be closed down permanently and production discontinued. Consequently, as there is no longer any requirement of gas the company may be treated as discharged in this regard. Further, management is confident that there will not be any material amount of financial obligations on resolution/settlement.
8. The financial results for the Quarter & Nine Months ended December 31, 2016 have not been reviewed or audited by the statutory auditors. However, the management has excercised necessary diligence to ensure that the financial results provide a true and fair view of the company's affairs.

(Signature)

9. Previous year's figures have been regrouped/reclassified wherever necessary.
10. Reconciliation of net loss as perviously reported on account of transition from the previous Indian GAAP to Ind AS for the Quarter & Nine Months ended December 31, 2017

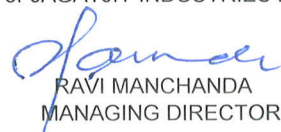
Sr. No	Particulars	Quarter Ended 31.12.2016	Nine Months Ended 31.12.2016
	Net loss for the quarter under previous Indian GAAP	(1,887)	(7,253)
(a)	Interest Income on account of fair valuation of Financial Instruments	39	116
(b)	Actuarial loss on employees defined benefits plans recognised	102	305
(c)	Employee cost on account of fair valuation	(9)	(28)
(d)	Amortisation cost of Leasehold Land	(11)	(33)
(e)	Other Borrowing Costs	(35)	263
	Net loss for the quarter under previous Ind AS	(1,801)	(6,630)
(f)	Other comprehensive Loss	(102)	(305)
	Total Comprehensive Loss for the quarter	(1,903)	(6,935)

11 Finance Cost for the Quarter ended Dec, 31, 2017 includes :-

- Rs. 361 Lacs paid to KKR India Financial Services Pvt. Ltd. on account of redemption interest.
- Rs. 92 Lacs paid to Union Bank of India on account of loan prepayment charges.
- Balance of up front processing Fee of Rs. 204 Lacs written off on account of prepayment of above two loans in accordance with Indian Accounting Standards

Place: New Delhi
Date : 14.02.2018

For JAGATJIT INDUSTRIES LIMITED


RAVI MANCHANDA
MANAGING DIRECTOR
