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INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL RESULTS OF JCT LIMITED PURSUANT TO THE REGULATION 33 OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
The Board of Directors of JCT Limited,

1. We have reviewed the accompanying **statement of unaudited quarterly financial results of JCT Limited (the "Company") for the quarter ended June 30, 2018**, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation') read with the SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular').
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34') prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued there-under and other accounting principles generally accepted in India. Our responsibility is to issue a report on this Statement based on our review.
3. We conducted our review 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 inquiries, of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. **Basis of Qualified Conclusion**

Dues of Rs. 11,022.28 lakhs (including interest of Rs. 3,848.28 lakhs) having fallen due on 05.12.2017 to the Foreign Currency Convertible Bonds (FCCB's) holders could not be paid due to cash crunch. During the quarter ended 30.06.2018, a mutual understanding was arrived at to settle the dues on certain agreed terms by way of upfront payment and issue of fresh equity in the Company subject to approval from the banks/regulatory authorities. The Company intends to settle these dues through refinancing of its existing term loans and availing fresh funds from a financial organisation. The accounting impact will be taken after execution of settlement in all aspect.

Interest payable on FCCBs @ 6% p.a. for the quarter ended 30.06.2018 amounting to US \$ 0.23 million equivalent Rs. 159.85 lakhs will be accounted for on payment basis instead of accrual basis by the Company. As such, no provision for such interest aggregating to Rs. 159.85 lakhs for the quarter ended 30.06.2018 has been made in the accounts by the Company. This treatment is not in line with the Indian Accounting Standards and the provisions of the Companies Act, 2013 and the relevant rules thereunder.

Had the interest been accounted for on accrual basis as stated above, the finance costs and loss for the quarter ended 30.06.2018 would have been higher by Rs. 159.85 lakhs.

5. Qualified Conclusion

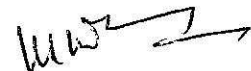
Based on our review conducted as above, with the exception of the matter described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Financial Results prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 to the extent applicable, read with the relevant rules issued thereunder and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI 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.

6. Emphasis of Matter

We draw attention to the following matters in the Notes to the quarterly financial results:

- i. Note No. A.5 : Non-confirmation / reconciliation of balances in the accounts of few parties.
- ii. Note No. A.6 : Accumulated losses have resulted in erosion of substantial net worth of the Company. However, the financial statements have been prepared on going concern basis on the grounds as disclosed in the said note.

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

For NAVDEEP SINGH & CO.Chartered Accountants
Firm Regn. No. 008400N**(Navdeep Singh Choudhary)**Partner
M. No. 034979**Place: New Delhi**
Dated: 14th August, 2018

JCT LIMITED

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(CIN NO. L17117PB1946PLC004565)

**STATEMENT OF UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER ENDED JUNE 30, 2018**

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter ended	
		June 30, 2018 (Unaudited)	June 30, 2017 (Unaudited)
1	Income		
	a) Revenue from operations	18,951	17,487
	b) Other Income	146	277
	Total Income (a) + (b)	19,097	17,764
2	Expenses		
	a) Cost of materials consumed	11,584	11,452
	b) Other manufacturing expenses	3,269	3,130
	a) Excise duty on sales	-	754
	c) Changes in inventories of finished goods and stock-in-process	(560)	(1,800)
	d) Employee benefits expense	2,981	3,123
	e) Finance costs	869	899
	f) Depreciation and amortisation expense	845	745
	g) Other expenses	892	881
	Total Expenses (a+b+c+d+e+f+g)	19,880	19,184
3	(Loss) before tax (1-2)	(783)	(1,420)
4	Tax expense		
	- Current tax	-	-
5	(Loss) after tax (3-4)	(783)	(1,420)
6	Other Comprehensive Income/(Loss)		
	Items that will not be reclassified as profit or loss		
	- Re-measurements of the net defined benefit plans	51	(78)
	Other Comprehensive Income/(Loss) for the period	51	(78)
7	Total Comprehensive (Loss) for the period (5+6)	(732)	(1,498)
8	Paid up Equity Share Capital Rs. 2.50/- each	14,953	14,953
9	Earning per share of Rs. 2.50/- each (Not annualised)		
	(1) Basic (in Rs.)	(0.13)	(0.24)
	(2) Diluted (in Rs.)	(0.13)	(0.24)

(Amount Rs. in lakhs)			
UNAUDITED SEGMENT WISE REVENUE, RESULTS AND ASSETS & LIABILITIES			
Sl.No.	PARTICULARS	Quarter ended	
		30.06.2018 (Unaudited)	30.06.2017 (Unaudited)
1	Segment Revenue		
	(a) Textiles	11,769	10,049
	(b) Nylon Filament Yarn	7,182	7,438
	(c) Unallocated	-	-
	Total	18,951	17,487
	Less: Inter Segment Revenue	-	-
	Total Income from Operations	18,951	17,487
2	Segment Results (Profit(+)/Loss(-) before tax and Finance Costs		
	(a) Textiles	232	(618)
	(b) Nylon Filament Yarn	(142)	(63)
	(c) Unallocated	-	-
	Total	90	(681)
	Less: (i) Finance costs	869	899
	(ii) Other Un-allocable (Income)/Expenditure net off	4	(160)
	(iii) Exceptional Item	-	-
	(Loss) before Tax	(783)	(1,420)
3	Segment informations		
	Segment Assets		
	(a) Textiles	39,265	40,319
	(b) Nylon Filament Yarn	18,158	18,815
	(c) Unallocated	2,331	2,778
	Total segment assets	59,754	61,912
	Segment liabilities		
	(a) Textiles	21,921	19,487
	(b) Nylon Filament Yarn	11,331	10,373
	(c) Unallocated	21,343	24,022
	Total segment liabilities	54,595	53,882
Notes:			
A.1	The Audit Committee has reviewed and recommended the above results, and subsequently the Board of Directors have approved the same, in their respective meeting held on August 14, 2018.		
A.2	These financial results have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendments thereafter.		
A.3	Ind AS 115 "Revenue from Contracts with Customers" is mandatory for reporting period beginning on or after April 01, 2018 and has replaced existing Ind AS related thereto. Under the modified retrospective approach, there were no significant adjustments required to be made to the retained earning as at April 01, 2018. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial results for the quarter ended June 30, 2018.		
A.4	Dues of Rs. 11,022.28 lakhs (including interest of Rs. 3,848.28 lakhs) having fallen due on 05.12.2017 to the FCCB's holders could not be paid due to cash crunch. During the quarter ended 30.06.2018, a mutual understanding was arrived at to settle the dues by way of upfront payment of certain dues and issue of fresh equity in the Company after receipt of approval from regulatory authorities. The Company intends to payout these dues through refinancing of its existing term loans and availing fresh funds from a financial organisation from whom a sanction has been received subject to approvals from the Banks of the Company. The accounting impact will be taken after execution of settlement in all aspect.		
A.4.1	Interest payable on FCCBs @ 6% p.a. for the quarter ended 30.06.2018 amounting to US \$ 0.23 million equivalent Rs. 159.85 lakhs (cumulative upto 30.06.2018, US\$ 5.55 million equivalent Rs. 3,848.28 lakhs) will be accounted for on payment basis, as such no provision has been made for interest in the accounts as on 30.06.2018.		
A.5	Debit/ credit balances in account of few parties are subject to confirmation/ reconciliation.		
A.6	Accumulated losses have resulted in erosion of substantial net worth of the Company. However, the financial statements have been prepared on a going basis on the strength of continued support from the promoters, bankers/ other lenders. Further, the Company is in the process of disposing off some of its non-core fixed assets to reduce its debts and improve its liquidity. The magement, considering the future plans for operation and support of the promoters, lenders, business associates and workmen, is hopeful of improved profitability needing to further improvement in its financial position.		
A.7	The figures of the previous period have been regrouped/reclassified, wherever necessary, to confirm to current period's classification.		

BY ORDER OF THE BOARD


SAMIR THAPAR
CHAIRMAN & MANAGING DIRECTOR