

## STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2017

Sl.No.	PARTICULARS	Quarter ended
		30.06.2017
		(Unaudited)
		(Amount-Rs. In Lakhs)
<b>1</b>	<b>Income</b>	
	a) Revenue from operations	17,487
	b) Other Income	176
	<b>Total Income (a) + (b)</b>	<b>17,663</b>
<b>2</b>	<b>Expenses</b>	
	a) Cost of materials consumed	11,452
	b) Other manufacturing expenses	3,130
	c) Excise Duty on sales	754
	d) Changes in inventories of finished goods and stock-in-process	(1,800)
	e) Employee benefits expense	3,123
	f) Finance costs	899
	g) Depreciation and amortisation expense	745
	h) Other expenses	869
	<b>Total Expenses (a+b+c+d+e+f+g+h)</b>	<b>19,172</b>
<b>3</b>	<b>(Loss)/Profit from continuing operations before tax (1-2)</b>	<b>(1,509)</b>
<b>4</b>	<b>Tax expense</b>	
	-Current Tax	-
	-Deferred Tax	-
<b>5</b>	<b>(Loss)/Profit from continuing operations after tax (3-4)</b>	<b>(1,509)</b>
<b>6</b>	<b>(Loss)/Profit from discontinued operations before tax</b>	<b>89</b>
<b>7</b>	<b>Tax expense on discontinued operations</b>	<b>-</b>
<b>8</b>	<b>(Loss)/Profit from discontinued operations after tax (6-7)</b>	<b>89</b>
<b>9</b>	<b>(Loss)/Profit for the period (5+8)</b>	<b>(1,420)</b>
<b>10</b>	<b>Other Comprehensive Income/(Loss)</b>	
a.	Items that will not be reclassified as profit or loss	
	-Re-measurement of the net defined benefit plans	(78)
b.	-Income tax relating to items that will not be reclassified as profit or loss	-
	<b>Other Comprehensive Income/(Loss) for the period (a+b)</b>	<b>(78)</b>
<b>11</b>	<b>Total Comprehensive Income/(Loss) for the period (9+10)</b>	<b>(1,498)</b>
<b>12</b>	<b>Paid up Equity Share Capital of Rs. 2.50/- each</b>	<b>14,953</b>
<b>13</b>	<b>Earning per share (for continuing operations) of Rs. 2.50/- each (Not annualised)</b>	
	(1) Basic	(0.25)
	(2) Diluted	(0.25)
	<b>Earning per share (for discontinued operations) of Rs. 2.50/- each (Not annualised)</b>	
	(1) Basic	0.01
	(2) Diluted	0.01
	<b>Earning per share (for continuing operations/ discontinued operations) of Rs. 2.50/- each (Not annualised)</b>	
	(1) Basic	(0.24)
	(2) Diluted	(0.24)

(V K Singhal)  
Chief Financial Officer

(G B Kathuria)  
Director  
DIN 00062088

For S.P.CHOPRA & CO.  
Chartered Accountants  
Firm Registration No.000346N

Ankur Goyal  
Partner

Membership No.099143

Place: Hoshiarpur  
Date: 14th August, 2017



(Amount Rs. in lakhs)			
UNAUDITED SEGMENT-WISE REVENUE, RESULTS, ASSETS & LIABILITIES			
Sl.No.	PARTICULARS	Quarter ended	
		30.06.2017	
		(Unaudited)	
<b>1</b>	<b><u>Segment Revenue</u></b>		
	(a) Textiles		10,049
	(b) Nylon Filament Yarn		7,438
	(c) Unallocated		-
	<b>Total</b>		<b>17,487</b>
	Less : Inter Segment Revenue		-
	<b>Total Income from Operations</b>		<b>17,487</b>
<b>2</b>	<b><u>Segment Results (Profit(+)/Loss(-) before tax and Finance Costs</u></b>		
	(a) Textiles		(618)
	(b) Nylon Filament Yarn		(63)
	(c) Unallocated		-
	<b>Total</b>		<b>(681)</b>
	Less: (i) Finance costs		899
	(ii) Other Un-allocable (Income)/Expenditure net off		(71)
	(iii) Exceptional Item		-
	<b>Profit/(Loss) before Tax from continuing operations</b>		<b>(1,509)</b>
<b>3</b>	<b><u>Segment Informations</u></b>		
	<b><u>Segment Assets</u></b>		
	(a) Textiles		40,319
	(b) Nylon Filament Yarn		18,815
	(c) Unallocated		2,778
	<b>Total segment assets</b>		<b>61,912</b>
	<b><u>Segment liabilities</u></b>		
	(a) Textiles		19,487
	(b) Nylon Filament Yarn		10,373
	(c) Unallocated		24,022
	<b>Total segment liabilities</b>		<b>53,882</b>

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**NOTES TO THE UNAUDITED FINANCIAL RESULTS  
FOR THE QUARTER ENDED 30TH JUNE, 2017**

A.1	The Company has adopted the Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013, read with the relevant rules thereunder with effect from April 1, 2017 (transition date being April 1, 2016), and these financial results have been prepared in accordance with the 'Ind AS' based on the preliminary selection of the exemptions and the accounting policies. The impact of the transition has been accounted for in the opening reserves and the comparative period has been restated accordingly. However, the opening balance sheet as at April 1, 2017 and the results for the subsequent periods would be finalised along with the annual financial statements for the year to end March 31, 2018. The 'Ind AS' financial results and financial information for the quarter ended June 30, 2016 have been compiled by the management after making necessary adjustments to give a true and fair view of the results in accordance with 'Ind AS' and the same has not been subject to any limited review or audit.																
A.2	The Reconciliation of the financial results under 'GAAP' and under 'Ind AS' for the corresponding previous quarter ended June 30, 2016 is as under:																
	<table> <tr> <th>Particulars</th><th>Quarter ended June 30, 2016 (Rs. in Lakhs)</th></tr> <tr> <td>Net profit as reported previously under GAAP</td><td>242</td></tr> <tr> <td>Other Income-Interest impact on financial instruments</td><td>43</td></tr> <tr> <td>Other Income-Amortisation of Government Grant</td><td>6</td></tr> <tr> <td>Finance Cost-Interest impact on financial instruments</td><td>(54)</td></tr> <tr> <td>Depreciation and amortisation-Impact of Government Grant</td><td>(6)</td></tr> <tr> <td>Other Adjustments</td><td>(2)</td></tr> <tr> <td>Net Profit as reported under Ind AS</td><td>229</td></tr> </table>	Particulars	Quarter ended June 30, 2016 (Rs. in Lakhs)	Net profit as reported previously under GAAP	242	Other Income-Interest impact on financial instruments	43	Other Income-Amortisation of Government Grant	6	Finance Cost-Interest impact on financial instruments	(54)	Depreciation and amortisation-Impact of Government Grant	(6)	Other Adjustments	(2)	Net Profit as reported under Ind AS	229
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A.3	In earlier years, operations of Textile Unit at Sriganganagar were discontinued. The Company has recognised Rs.89 lakhs (net) as gain from discontinued operations during the quarter, which includes long term capital gain of Rs. 99 lakhs arising on sale of 2.37 bighas land for Rs.100 lakhs.																
A.4	The Company had executed Corporate guarantee for Rs. 400 lakhs towards Equipment Credit Scheme on 01.09.1993 and also for a foreign currency loan of DM 166,566,406 equivalent to Rs.3580 lakhs as on 27.03.1998 availed by JCT Electronics Ltd. from IFCI Ltd. Subsequently, IFCI Ltd. has assigned their debt to Asset Reconstruction Company (India) Limited (ARCIL) who have issued notice to the Company on 07.11.2015 for winding up under the then existing sections of the Companies Act, 1956. The Company has disputed the notice with ARCIL and has been legally advised that demand raised by them is not sustainable.																
A.5	<p>(i) The winding up petition filed by the Trustee, The Bank of New York, Mellon, of Foreign Currency Convertible Bonds holders (FCCBs) in the High Court of Punjab and Haryana was disposed off on 27th January, 2015 against which appeal was filed by the Trustee and Company with Senior Bench of High Court wherein the consent terms were allowed by the Hon'ble High court on 5th June, 2015, pursuant to which the appeal is adjourned sine die.</p> <p>(ii) The Company complied with all the conditions of the consent terms and accordingly it became effective. The Company as per consent terms with FCCBs holders has to pay US\$ 19.19 million (principal and redemption premium of US\$ 15.00 million and defaulted interest of US\$ 4.19 million) in 10 instalments commencing from 5th October, 2015 to 5th December, 2017 alongwith the interest @ 6% p.a. on the reducing balance.</p> <p>(iii) The Company paid US\$ 5.38 million upto 30.06.2017, however for the balance of US\$ 15.36 million equivalent to Rs.10,049.88 lakhs (including interest of US\$ 5.02 million equivalent to Rs. 3284.21 lakhs), the Company has received a communication from a bond holder for extending the date of payment by 05.12.2017. Further, the Company is taking steps to generate additional funds to meet this liability.</p> <p>(iv) Interest payable on FCCBs as detailed below is accounted for on payment basis:  -Interest accrued for the period 01.04.2017 to 04.06.2017 of US\$ 0.68 million equivalent to Rs. 443.08 lakhs.  -Interest accrued but not due of US\$ 0.02 million equivalent to Rs. 10.43 lakhs for the period 05.06.2017 to 30.06.2017.</p> <p>In view of the management, it is considered prudent to continue the policy to account for the aforesaid interest on payment basis as the interest has been spread together in instalments upto 05.12.2017. As such, no provision has been made for such interest of US\$ 0.70 million equivalent to Rs. 453.51 lakhs during the quarter ended June, 2017.</p>																
A.6	The Company identified land at Sriganganagar, Village Satbari, New Delhi, 26 acres at Phagwara and around 120 acres at Village Chohal, Hoshiarpur as non core assets. The Company had sold some assets which comprise some parts of land at Phagwara (in pursuance of the Agreement to Sell 12 acres of land), some part of the land out of two parcels of land at Hoshiarpur (approved by CDR - EG) and settled for 40 Bighas of land at Sri Ganganagar against 80 Bighas in earlier year. During the quarter, the Company has sold 2.37 bighas of land at Sriganganagar as mentioned in note no.3 above.																
A.7	Debit/ credit balances in account of few parties are subject to confirmation/ reconciliation.																
A.8	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 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 management, 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.9	The figures of the previous period have been regrouped/ reclassified, wherever necessary, to confirm to current period's classification.																



B. Audit qualifications/emphasis of matters/other matters

In respect of the Audited Accounts of the previous accounting year ended 31st March, 2017, Manner in which audit qualifications/ references of the previous accounting year ended 31st March, 2017 are addressed by the management in the unaudited financial results for the Quarter ended 30.06.2017

1. Qualified opinion, we draw attention to the following note in our Independent Report attached with the financial statements:
  - i. Non provision of interest aggregating Rs.3,199.06 lakhs payable on unpaid Refer note no.A.5 above. amount of Foreign Currency Convertible Bonds (FCCBs) which is not in line with the Accounting Standards and the provisions of the Companies Act,2013 and the rules.
2. Without qualifying our opinion, we draw attention to the following notes in the financial statements:
  - i. Note No. 31.6 : Accumulated losses have resulted in erosion of substantial net Refer note no.A.8 above. worth of the Company. However, the financial statements have been prepared on going concern basis on the grounds as disclosed in the said note.
  - ii. Note No. 31.8 : Non-confirmation/ reconciliation of certain balances in trade receivables, advances and trade payables of the Company. The letters have been sent to most of the parties for confirmation of balances. However, due to non receipt of the response from some of the parties, the impact if any, subsequent to confirmation will be taken in the year of confirmation/ reconciliation.

  
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