

Jagatjit Industries Limited

4th Floor, Bhandari House 91,
Nehru Place, New Delhi – 110019
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ESTABLISHED 1944

August 13, 2018

To,

The BSE Limited
Corporate Relationship Department,
1st Floor, New Trading Ring,
Rotunda Building, P J Towers, Dalal Street,
Fort, Mumbai – 400 001
022-2272 3121, 2037, 2061
corp.relations@bseindia.com

Security Code No. 507155

Subject :

- 1. Regulation 30: Outcome of the Board Meeting and disclosure of material events under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and**
- 2. Regulations 33: Unaudited Financial Results of the Company for the quarter ended June 30, 2018.**

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Dear Sir/Madam,

The Board of Directors at their meeting held today (started at 7.00 p.m. and concluded at 09.50 p.m.) considered and approved the Unaudited Financial Results of the Company for the quarter ended June 30, 2018. Copy of the same along-with the Limited Review Report issued by M/s. Madan & Associates, Chartered Accountants, Statutory Auditors of the Company are attached and the same are being uploaded on the website of the Company at www.jagatjit.com.

You are requested to kindly take the above on record.

Yours faithfully,
For Jagatjit Industries Limited

Monika Bhardwaj
DGM – Company Secretary



Encl: as above

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 ENDED JUNE 30, 2018

(Rs in lacs)

	Particulars	STANDALONE			
		Quarter Ended			Year Ended
		30.06.2018 (Unaudited)	30.06.2017 (Unaudited)	31.03.2018 (Audited)	31.03.2018 (Audited)
		1	2	3	4
1	Revenue from operations	7,545	15,089	13,077	53,386
2	Other income	707	734	1,713	3,324
3	Total income	8,252	15,823	14,790	56,710
4	Expenses				
	(a) Cost of materials consumed	2,125	4,459	3,748	15,695
	(b) Purchase of stock in trade	210	238	309	1,374
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	625	(624)	1,085	470
	(d) Excise duty	1,440	5,578	3,960	16,993
	(e) Employee benefits expense	1,800	1,793	2,573	7,650
	(f) Finance cost	1,326	1,181	1,331	5,509
	(g) Depreciation and amortisation expense	278	314	289	1,212
	(h) Other expenses	1,806	4,210	4,263	15,170
	Total expenses	9,610	17,149	17,558	64,073
5	Profit/(Loss) before tax (3-4)	(1,358)	(1,326)	(2,768)	(7,363)
6	Tax expense (Including deferred tax)				
	Deferred Tax			(370)	(357)
	Previous year tax adjustment			5	5
7	Net Profit / (Loss) after Tax (5+6) from continuing operations	(1,358)	(1,326)	(2,403)	(7,011)
8	Net Profit / (Loss) after Tax (5+6) from discontinuing operations	(9)	(15)	(346)	(396)
9	Net loss for the period	(1,367)	(1,341)	(2,749)	(7,407)
10	Other Comprehensive Income / (Loss)				
	Items that will not be reclassified to profit or loss	(10)	(54)	266	(39)
	Income Tax related to above	-	-	-	13
		(10)	(54)	266	(26)
11	Total Comprehensive loss for the period	(1,377)	(1,395)	(2,483)	(7,432)
12	Paid-up Equity Share Capital (Face Value of the Share is Rs.10/- each)	4615	4615	4615	4615
13	Earnings per share (of Rs. 10/- each) (not annualised):				
	(a) Basic	(3.15)	(3.20)	(5.69)	(17.03)
	(b) Diluted	(3.15)	(3.20)	(5.69)	(17.03)

Notes:

1. The above results for the quarter ended 30.06.2018 are reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 13.08.2018.

2. A limited review of the results for the quarter ended June 30, 2018 have been carried out by our statutory auditors.



3. The financial results of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. These financial results have been prepared in accordance with the recognition and measurement principles in Ind AS 34 - Interim Financial Reporting, prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and the other accounting principles generally accepted in India.

4. Ind AS 115 Revenue from Contracts with Customers are mandatory for reporting periods beginning on or after April 01, 2018 to replace existing revenue recognition requirements. Under the modified retrospective approach there were no significant adjustments required to the retained earnings 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 ending June 30, 2018.

5. Contingent Liabilities - Claims against the company not acknowledged as debts - Rs. 1081 Lacs as at the end of the year 30.06.2018.

6. Unallocable expenditure net of unallocable income for the quarter ended June 30, 2018 includes income of Nil & expenses of Rs. 9 Lacs on account of discontinued operation of packaging business. Capital employed on account of discontinuing operations is Rs 2917 Lacs as on 30.06.18.

7. Provision for Gratuity, Leave Encashment and bonus are made proportionately on the basis of annualised figure of FY 2017-18.

8. Other expenses during the quarter ended June 30, 2018 net off reversal of excise duty of Rs. 295 Lacs (Difference in excise provision on valuation of opening and closing inventory) on account of inventory transfer from Sikandrabad to Hamira after taking permission of excise department of state of Panjab and Uttar Pradesh resulting in crossponding increase in change in inventory.

9. Other income during the quarter ended June 30, 2018 includes profit on sale of fixed assets of Rs. 38 Lacs which have attained residual value.

10. Subsequent to publishing of year end 31st March 2018 on 30th May 2018, but before circulation to members, adjusting events occurred which resulted in reduction of contingent liability of Rs 9933 lacs and increase in confirmed liability of Rs 320 lacs. As a result provision of the same was made in the accounts for the year end 31st March 2018. As a result net loss from discontinued operations during the quarter ended March 31, 2018 are increased to Rs. 346 Lacs vide item no. 8 (column 3) and total comprehensive loss increased to Rs. 2483 Lacs during the year ended FY 2017-18.

For JAGATJIT INDUSTRIES LIMITED

Place: New Delhi

Date: 13.08.2018



(Ravi Manchanda)
Director
DIN.00152760

JAGATJIT INDUSTRIES LIMITED

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

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UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2018

Segment wise Revenue, Results and Capital Employed

(Rs. in Lacs)

Particulars		Standalone			
		Quarter Ended 30.06.2018 (Unaudited)	Quarter Ended 30.06.2017 (Unaudited)	Quarter Ended 31.03.2018 (Audited)	Year Ended 31.03.2018 (Audited)
(1)	(2)	(3)	(4)	(5)	
1. Segment Revenue(net of Excise Duty)					
A. Beverages	2,986	5,957	6,770	23,872	
B. Food	2,929	3,306	3,165	12,142	
C. Rental Income	635	671	675	2,499	
D. Others	227	251	223	981	
Total	6,777	10,185	10,833	39,494	
2. Segment Results					
A. Beverages	(76)	(291)	(1,287)	(2,108)	
B. Food	272	562	433	1897	
C. Rental Income	545	482	570	2005	
D. Others	2	(4)	5	11	
Total	743	749	(279)	1,805	
Less : i) Interest (net)	1,290	1,123	1,398	5,363	
ii) Other un-allocable expenditure Net of un- allocable income (Included Losses of discontinuing operations)	829	1,021	1,171	4,240	
Total Profit/(Loss) Before Tax	(1,376)	(1,395)	(2,848)	(7,798)	
3. Capital Employed (Segment Assets-Segment Current Liabilities)					
A. Beverages	12,430	15,169	12,790	12,790	
B. Food	5,720	8,151	7,548	7,548	
C. Rental	1,542	1,773	1,765	1,765	
D. Others Unallocable	22,065	22,095	21,631	21,631	
Total Capital Employed	41,757	47,188	43,734	43,734	

Note : Revenue from discontinuing operation is not considered in above segment revenue



[Handwritten Signature]



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 along with the notes thereon, of **Jagatjit Industries Limited** ("the Company") for the quarter ended June 30, 2018 ("the Statement") 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.

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.



Going Concern:

Company has been suffering losses for the last three years and net working capital of the company is negative. Turnover of Company continues to decline. All these factors have raised the doubt about appropriateness of going concern assumption as a basis for preparation of financial statements. Management has informed us the following mitigating factors:

- (i) Company has initiated the process of liquidating its surplus immovable property at Sahibabad (UP) and Sikandrabad (UP);
- (ii) Promoters companies are providing security of personal assets/ planning to infuse the money in the form of unsecured loans at most competitive rates;
- (iii) Company is intensively planning to boost its turnover by bringing the new products/brands and new business models;
- (iv) Company has initiated the Economy drive to reduce its cost.

In the opinion of management the operational loss of the Company will be contained. Company's ability to continue as going concern depends upon effectiveness of mitigating factors in the near future. We have relied upon the assertions of management and are therefore unable to express our opinion as of now regarding the appropriateness of Going Concern assumption for preparing the financial statements.

3. Basis for qualified opinion

- (i) In the opinion of the management, Trade Receivable and 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 has a policy of providing for doubtful debts in respect of outstanding beyond 3 years and for outstanding less than 3 years for which recovery proceedings have been initiated, instead on the method prescribed under IND AS 109. Company does not have effective system of obtaining confirmations from Trade Receivables/ Payables and other Advances. The financial impact of this is not ascertainable and to that extent we cannot comment upon the adequacy of provision for Expected Credit loss/doubtful debts.

- (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 June 30, 2018.

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 June 30, 2018.

Consequently, the loss for the quarter ended June 30, 2018 is understated and reserves and surplus as at June 30, 2018 are overstated to the extent of Rs. 2,977 Lacs.

The matter was also qualified vide our audit report on Financial Statement and review report on review of Financial Results for the Quarter & year ended March 31, 2018.

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) Contingent Liabilities of Rs. 1081 Lacs are certified by the management.

Our opinion is not modified in respect of this matter.

for Madan & Associates

Chartered Accountants

FRN: 000185N

M. K. Madan

Proprietor

Membership number: 082214

Place: New Delhi

Date: August 13, 2018

