

Jagatjit Industries Limited

4th Floor, Bhandari House 91,
Nehru Place, New Delhi - 110019
Tel: +91 11 26432641 / 42
Fax: +91 11 41618524 / 26441850



14th February, 2019

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 and period ended on 31st December, 2018.

=====

Dear Sir/Madam,

The Board of Directors at their meeting held today i.e. 14th February, 2019 considered and approved the Unaudited Financial Results of the Company for the quarter and period ended on 31st December, 2018. Copy of the same alongwith the Limited Review Report issued by M/s. Madan & Associates, Chartered Accountants, Statutory Auditors of the Company are attached.

You are requested to kindly take the above on record.

Yours faithfully,
For Jagatjit Industries Limited



K.K. Kohli
Sr. Vice President - Legal & Company Secretary

Encl: as above



MADAN & ASSOCIATES
CHARTERED ACCOUNTANTS

Flat No.1003, 10th Floor
Kailash Building, K.G. Marg
New Delhi-110001
PH:30487347, 23327345
PAN: AAAPM5122B
e-mail: mk_madaan@yahoo.com

**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 and nine months period ended December 31, 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.



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 carrying amount in the books.*

Company has a policy of providing for (a) all debts outstanding beyond 3 years or (b) where recovery is considered doubtful irrespective of the fact that legal action has been initiated or not, instead on the method prescribed under IND AS 109. Company does not have effective system of obtention of 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 accrual for diminution of advances is necessary as at December 31, 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 December 31, 2018.

Consequently, the loss for the quarter ended December 31, 2018 is understated 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.

3. 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.



4. Emphasis of Matter

(i) Going Concern

The accounts have been prepared on Going concern Basis. The Company has been suffering losses for more than three years and the net working capital of the company is negative. The turnover of the company has also declined. During the nine months period ended December 31, 2018 Company suffered net loss of Rs. 5217 Lacs. These conditions indicate the existence of a material uncertainty that cast significant doubt about the company's ability to continue as a going concern. Management has represented to us that the company has sufficient resources to survive and curb the losses and there is no intention of the management to liquidate the entity. Further management has stated that the company has undertaken various steps to curtail losses and make working capital positive i.e.

- (a) Entering in to new business model through third party business operations.
- (b) Company has entered upon the agreement of sale/agreement for sub-division and sale thereafter of immovable properties and have received part consideration of Rs. 5900 Lacs for which revenue is yet to be recognized in Statement of profit and loss.

Company is of the view that in terms of various steps undertaken full effect of the same will be visible by March 2019 and company will be able to curtail losses.

As per the assessment of the management the going concern assumption is not affected and no material uncertainty exists in this regard. We have relied upon the assertion of the management.

- (ii) Contingent Liabilities of Rs. 1076 Lacs are certified by the management.
- (iii) Provision for deferred tax (assets/liabilities)/non moving/slow moving is made at the year end.
- (iv) Company has initiated the exercise of scrutinizing the bills payable outstanding from earlier years. Adjustment entry if any, will be passed on completion of exercise at the year end.

Our opinion is not modified in respect of this matter.



For Madan & Associates
Chartered Accountants

FRN: 000185N

M.K. Madan

M. K. Madan
Proprietor

Membership number: 082214

Place: New Delhi

Date: February 14, 2019

JAGATJIT INDUSTRIES LIMITED

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

Corporate Identity Number : L15520PB1944PLC001970

Phones: (0181) 2783112 Fax: (0181) 2783118 E-mail: jil @jagatjit.com Website: www.Jagatjit.com

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2018

(Amount in lacs)

	Quarter Ended			Nine Months Ended		Year Ended
	31.12.2018 (Unaudited)	30.09.2018 (Unaudited)	31.12.2017 (Unaudited)	31.12.2018 (Unaudited)	31.12.2017 (Unaudited)	31.03.2018 (Audited)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1 Revenue from Operations (Refer Note 11)	5913	5578	13340	19036	39829	53386
2 Other Income (Refer Note 13 & 19)	1079	932	678	2718	2091	3324
3 Total Income (1+2)	6992	6510	14018	21754	41920	56710
4 Expenses						
(a) Cost of materials consumed	1786	1776	3661	5687	11947	15695
(b) Purchase of stock-in-trade	12	179	450	401	1065	1374
(c) Change in inventories of finished goods, work in progress and stock in trade .	(72)	202	268	755	(615)	470
(d) Excise Duty	399	298	3936	2137	13033	16993
(e) Employees benefits expense	1682	1696	1709	5178	5077	7650
(f) Finance Cost	1687	1307	1810	4320	4178	5509
(g) Depreciation and amortisation Expense	255	266	299	799	923	1212
(h) Other Expenses	2675	3115	3739	7596	10907	15170
Total Expenses	8424	8839	15872	26873	46515	64073
5 Profit/(Loss) before Tax (3-4)	(1432)	(2329)	(1854)	(5119)	(4595)	(7363)
6 Tax Expense						
Deferred Tax						(357)
Previous year Tax Adjustment						5
7 Profit/(Loss) after Tax from Continuing Operations	(1432)	(2329)	(1854)	(5119)	(4595)	(7011)
8 Profit/(Loss) for the period from discontinuing Operations	(27)	(31)	(17)	(67)	(50)	(396)
9 Net Loss for the period	(1459)	(2360)	(1871)	(5186)	(4645)	(7407)
10 Other Comprehensive Income/(Loss)						
(i) Items that will not be reclassified to profit or loss	(10)	(10)	(102)	(30)	(305)	(39)
Income tax on above						13
11 Total Comprehensive Income/(Loss) for the period (10-11)	(1469)	(2370)	(1973)	(5216)	(4950)	(7433)
12 Paid-up Equity Share Capital (Face value Rs.10/- per share)	4615	4615	4615	4615	4615	4615
13 Earning Per Share (Rs. 10/- each)(not annualised)						
(a) Basic (Rs.)	(3.34)	(5.41)	(4.29)	(11.88)	(10.64)	(16.97)
(b) Diluted (Rs.)	(3.34)	(5.41)	(4.29)	(11.88)	(10.64)	(16.97)



Notes

- The above results for the quarter and nine months period ended December 31, 2018 are reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 14 Feb 2019.
- A limited review of the results for the quarter and nine months period ended December 31, 2018 have been carried out by our statutory auditors.
- 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.
- 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 nine months period ended December 31, 2018.
- Contingent Liabilities - Claims against the company not acknowledged as debts - Rs. 1076 Lacs as on December 31, 2018. (as on March 31, 2018 is Rs 1095 Lacs).
- Unallocable expenditure net of unallocable income for the quarter ended December 31, 2018 includes income of 12 lac & expenses of Rs. 79 Lacs on account of discontinued operation. Further, management is confident that there will not be any material amount of financial obligations on resolution/settlement.
- Provision for Gratuity, Leave Encashment and bonus are made proportionately on the basis of annualised figure of FY 2017-18.
- Other expenses during the nine months period ended December 31, 2018 are net of reversal of excise duty of Rs. 237 Lacs (Difference in excise provision on valuation of opening and closing inventory) on account of inventory transfer from Sikandrabad unit to Hamira unit after taking permission of excise department of state of Panjab and Uttar Pradesh resulting in crossponding increase in change in inventory.
- Provision for deferred tax(assets/liabilities)/non moving stock/slow moving stock shall be accounted for at the end of the year.
- In pursuance of Resolution of Board meeting dated 20th Sept 2018, Company has entered upon an agreement to sell (24th Sept 2018) its immovable property alongwith building & plant & machinery installed thereat admeasuring 55680.67 sq. mtr situated at Industrial-Area Sikandarabad, Bulandshahr, Uttar Pradesh for a total consideration of Rs. 19 crores and has received entire consideration. Recognition of revenue has been deferred, pending approval from the lessor (UPSIDC) and sale thereafter. This plant is treated as discontinued operation w.e.f. Sep 25,2018.
- During the nine months period ended December 31, 2018 Company has entered in to supply agreement with few parties. Under the agreement parties will manufacture at their own cost under the supervision of the company and sell the same to retailers (licencees) on behalf of the company. Revenue is recognised net of cost of goods sold. The gorrss revenue and cost of goods sold reported as under:

	Quarter Ended			Nine Months Ended		Year Ended
	31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	31.03.2018
Revenue from operation including sales under supply agreement	8,454	6,449	13,340	22448#	39,829	53,386
Other Income	1,079	932	678	2,718	2,091	3,324
Gross Revenue	9,533	7,381	14,018	25,166	41,920	56,710
Less: Cost of goods sold from third party supply agreement	2,541	871	-	3,412	-	-
Total Income	6,992	6,510	14,018	21,754	41,920	56,710

- # Includes royalty income of Rs 9 lacs pending execution of agreement with the party.
- During the nine months period ended Dec 31, 2018, Company has made reconciliations with various parties and accordingly a sum of Rs. 237 Lacs (including pertaining to earlier years) has been debited to other expenses.
 - In pursuance of board resolution dated 30th May 2018, Company has entered upon an agreement to sell/transfer used machineries for a total consideration of Rs. 345 Lacs. Till nine months period ending December 31, 2018 total sales are Rs. 319 Lacs against this agreement on which profit of Rs 305 lacs is included in other income.
 - During financial year 2017-18 Company entered in to an agreement of sale for development and disposal thereafter a part of Leasehold land of Glass division at Sahibabad due to discontinuity of operations. In pursuance of the same agreement company has received a sum of Rs 40 crores which is shown as advance from customers. Recognition of revenue has been deferred, pending approval from the lessor (UPSIDC) and sale thereafter.
 - During the quarter ended Dec 31,2018 a sum of Rs 19 lacs representing prior period expenses have been adjusted from other equity in accordance with requirement of IND-AS.
 - Company has initiated the exercise of scrutinising of bills payable (stale cheques) of Rs 124 lacs outstanding from earlier years. Adjustment entry if any will be passed on completion of exercise at the year end.
 - Company has initiated the exercise of impairment of assets particularly with reference to carrying value of machinery of Rs 16.56 lacs, necessary entry if any shall be made at year end.
 - Other expenses includes Rs 159 lacs representing legal and professional expenses for which agreement/bills are pending.
 - Other income includes Rs 92 lacs written back of unidentified credits.
 - Figures for the previous quarters/periods have been regrouped/reclassified, wherever necessary, to correspond with the current period classification/disclosures.

DATE : 14.02.2019
PLACE : NEW DELHI



FOR JAGATJIT INDUSTRIES LIMITED

 RAVI MANCHANDA
 (MANAGING DIRECTOR)

Segment wise Revenue, Results and Capital Employed

(Amount in lacs)

	Quarter Ended			Nine Months Ended		Year Ended
	31.12.2018 (Unaudited)	30.09.2018 (Unaudited)	31.12.2017 (Unaudited)	31.12.2018 (Unaudited)	31.12.2017 (Unaudited)	31.03.2018 (Audited)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. Segment Revenue (net of Excise Duty)						
a. Beverages	2123	2,445	5,838	7,554	17,102	23,872
b. Food	3565	2,954	3,285	9,448	8,977	12,142
c. Rental Income	637	631	576	1,903	1,824	2,499
d. Others	46	142	287	415	758	981
Total	6,371	6,173	9,986	19,321	28,661	39,494
Less : Inter segment revenue		-				
Net sales/Income from operations	6,371	6,173	9,986	19,321	28,661	39,494
2. Segment Results						
A. Beverages	(152)	(659)	(396)	(887)	(820)	(2,108)
B. Food	391	(99)	683	564	1,464	1,897
C. Rental Income	532	490	482	1,567	1,436	2,005
D. Others	(3)	(3)	37	(4)	6	11
Total	769	(271)	806	1,241	2,086	1,805
Less : i) Interest (net)	1467	1,269	1,723	4,026	3,965	5,363
ii) Other un-allocable expenditure Net of un-allocable income	773	830	1,057	2,433	3,071	4,240
Total Profit/(Loss) Before Tax	(1,470)	(2,370)	(1,974)	(5,217)	(4,950)	(7,798)
3. Capital Employed (Segment Assets-Segment Current Liabilities)						
A. Beverages	9599	9,050	14,246	9,599	14,246	12,790
B. Food	5586	5,706	7,857	5,586	7,857	7,548
C. Rental	1657	1,669	1,793	1,657	1,793	1,765
D. Others Unallocable	23092	22,073	25,085	23,092	25,085	21,310
Total Capital Employed	39,933	38,498	48,981	39,933	48,981	43,413

