

Jagatjit Industries Limited

4th Floor, Bhandari House 91,
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November 14, 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 and half year ended September 30, 2018.**

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Dear Sir/Madam,

The Board of Directors at their meeting held today (started at 5.00 p.m. and concluded at 6.45 p.m.) considered and approved the Unaudited Financial Results of the Company for the quarter and half year ended September 30, 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 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



K.K. Kohli
Sr. Vice President - Legal & 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 along with the notes thereon, of **Jagatjit Industries Limited** ("the Company") for the quarter and half year ended September 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.



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 (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.2,977Lacs 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 September 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 September 30, 2018.

Consequently, the loss for the quarter ended September 30, 2018 is understated and reserves and surplus as at September 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) Going Concern

The accounts have been prepared on Going concern Basis. The Company has been suffering losses for the last three years and the net working capital of the company is negative. The turnover of the company has also declined. During the half year ended Sept 30, 2018 Company suffered net loss of Rs. 4007 lacs and as on Sep 30, 2018 the Current Liabilities exceeded the Current Assets by Rs. 9460 lacs. These conditions indicate the existence of a material uncertainty that may 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 of immovable properties and have received part consideration of Rs.42 Crores.

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. 1080 Lacs are certified by the management.

Our opinion is not modified in respect of these matters.



for **Madan & Associates**
Chartered Accountants

FRN: 000185N

M. K. Madan

M. K. Madan

Proprietor

Membership number: 082214

Place: New Delhi

Date: November 14, 2018

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 HALF YEAR ENDED SEP 30, 2018

		Quarter Ended			Half Year Ended		Year Ended
		30.09.2018 (Unaudited)	30.06.2018 (Unaudited)	30.09.2017 (Unaudited)	30.09.2018 (Unaudited)	30.09.2017 (Unaudited)	31.03.2018 (Audited)
(1)		(2)	(3)	(4)	(5)	(6)	(7)
1	Revenue from Operations	6449	7545	11400	13994	26490	53386
2	Other Income	932	707	679	1639	1412	3324
3	Total Income (1+2)	7381	8252	12079	15633	27902	56710
4	Expenses						
	(a) Cost of materials consumed	1776	2125	3827	3901	8286	15695
	(b) Purchase of stock-in-trade	1050	210	377	1260	615	1374
	(c) Change in inventories of finished goods, work in progress and stock in trade	202	625	(259)	827	(883)	470
	(d) Excise Duty	298	1440	3519	1738	9097	16993
	(e) Employees benefits expense	1696	1800	1575	3496	3368	7650
	(f) Finance Cost	1307	1326	1187	2633	2368	5509
	(g) Depreciation and amortisation Expense	266	278	310	544	624	1212
	(h) Other Expenses	3115	1806	2957	4921	7167	15170
	Total Expenses	9710	9610	13493	19320	30642	64073
5	Profit/(Loss) before Tax (3-4)	(2329)	(1358)	(1414)	(3687)	(2740)	(7363)
6	Tax Expense Deferred Tax Previous year Tax Adjustment						(357) 5
7	Profit/(Loss) after Tax from Continuing Operations	(2329)	(1358)	(1414)	(3687)	(2740)	(7011)
8	Profit/(Loss) for the period from discontinuing Operations	(31)	(9)	(19)	(40)	(33)	(396)
9	Net Loss for the period	(2360)	(1367)	(1433)	(3727)	(2773)	(7407)
10	Other Comprehensive Income/(Loss) (i) Items that will not be reclassified to profit or loss Income tax on above	(10)	(10)	(150)	(20)	(203)	(39) 13
11	Total Comprehensive Income/(Loss) for the period (10-11)	(2370)	(1377)	(1583)	(3747)	(2976)	(7433)
12	Paid-up Equity Share Capital (Face value Rs. 10/- per share)	4615	4615	4615	4615	4615	4615
13	Earning Per Share (Rs.) (Rs. 10/- each)(not annualised)						
	(a) Basic	(5.41)	(3.13)	(3.28)	(8.54)	(6.35)	(16.97)
	(b) Diluted	(5.41)	(3.13)	(3.28)	(8.54)	(6.35)	(16.97)



Notes

1. The above results for the quarter and half year ended 30.09.2018 are reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 14.11.2018.
2. A limited review of the results for the quarter and half year ended Sep 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 half year ending Sep 30, 2018.
5. Contingent Liabilities - Claims against the company not acknowledged as debts - Rs. 1080 Lacs as on 30.09.2018 (as on 31.03.2018 is Rs 1095 lacs).
6. Unallocable expenditure net of unallocable income for the quarter ended Sep 30, 2018 includes income of 1 lac & expenses of Rs. 41 Lacs on account of discontinued operation of packaging business. Further, management is confident that there will not be any material amount of financial obligations on resolution/settlement.
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 half year ended Sep 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 corresponding increase in change in inventory.
9. Provision for deferred tax shall be accounted for at the end of the year.
10. 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 a part consideration of Rs. 2 crores. It is assumed that building plant and equipment have been valued at written down value of Rs. 45 lakhs, and the balance amount of Rs. 18.55 crores is considered towards sale of land. Revaluation reserve of Rs. 21.65 crores (in respect of the land under sale) created in earlier years is scaled down to 18.55 crores to match with net realisable value by corresponding credit to Land account.
11. During the quarter ending Sept 30, 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. The sale by such parties on behalf of companies is included in revenue from operations and the cost paid to such parties for the supply is included in purchase of stock in trade.
12. During the half year ending Company has made reconciliations with various parties and accordingly a sum of Rs. 198 lakhs (including pertaining to earlier years) has been debited to other expenses.
13. 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 lakhs. Till half year ending Sept 30, 2018 a sum of Rs. 238 lacs recorded as a sale included as non operating income.
14. 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 further received a sum of Rs. 15 crores during the half year ending Sept 30, 2018. The entire amount of Rs 40 crores is shown as advance from customers under other current liabilities pending formal approval from the lessor i.e. Statutory Authority.

DATE : 14.11.2018
PLACE : NEW DELHI



FOR JAGATJIT INDUSTRIES LIMITED

Ravi Manchanda
RAVI MANCHANDA
(MANAGING DIRECTOR)



Segment wise Revenue, Results and Capital Employed

(Rs in lacs)

	Quarter Ended			Half Year Ended		Year Ended
	30.09.2018 (Unaudited)	30.06.2018 (Unaudited)	30.09.2017 (Unaudited)	30.09.2018 (Unaudited)	30.09.2017 (Unaudited)	31.03.2018 (Audited)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. Segment Revenue (net of Excise Duty)						
a. Beverages	5054	2,986	5,307	8,040	11,264	23,872
b. Food	2954	2,929	2,386	5,883	5,692	12,142
c. Rental Income	631	635	577	1,266	1,248	2,499
d. Others	142	227	220	369	471	981
Total	8,781	6,777	8,490	15,558	18,675	39,494
Less : Inter segment revenue		-				
Net sales/Income from operations	8,781	6,777	8,490	15,558	18,675	39,494
2. Segment Results						
A. Beverages	(659)	(76)	(134)	(735)	(425)	(2,108)
B. Food	(99)	272	219	173	781	1,897
C. Rental Income	490	545	473	1,035	954	2,005
D. Others	(3)	2	(41)	(1)	(30)	11
Total	(271)	743	517	472	1,280	1,805
Less : i) Interest (net)	1269	1,290	1,120	2,559	2,243	5,363
ii) Other un-allocable expenditure Net of un-allocable income	830	830	980	1,660	2,014	4,240
Total Profit/(Loss) Before Tax	(2,370)	(1,377)	(1,583)	(3,747)	(2,977)	(7,798)
3. Capital Employed (Segment Assets-Segment Current Liabilities)						
A. Beverages	9050	12,430	15,132	9,050	15,132	12,790
B. Food	5706	5,720	7,841	5,706	7,841	7,548
C. Rental	1,669	1,542	1,692	1,669	1,692	1,765
D. Others Unallocable	22073	22,065	20,343	22,073	20,343	21,310
Total Capital Employed	38,498	41,757	45,008	38,498	45,008	43,413



BALANCE SHEET AS ON 30TH SEPTEMBER 2018

(Rs in lacs)

Particulars	As at Sep 30, 2018	As at March 31, 2018
	(Unaudited)	(Audited)
ASSETS		
1 Non-current assets		
a) Property, plant and equipment	38514	41296
b) Other intangible assets	2	4
c) Capital work-in-progress	16	33
d) Investment Properties	1743	1764
e) Financial assets		
i) Investments	1289	1291
ii) Loans	3499	3477
iii) Other financial assets	900	975
f) Other non-current assets	1995	2194
Total Non-current assets	47958	51034
2 Current assets		
a) Inventories	4278	5611
b) Financial assets		
i) Investments		0
ii) Trade receivables	7321	13452
iii) Cash and cash equivalents	976	1321
iv) Loans	1316	1260
v) Other financial assets	570	647
c) Other current assets	3723	3358
d) Assets classified as held for sale	1939	45
Total Current assets	20123	25694
TOTAL- ASSETS	68081	76728
EQUITY AND LIABILITIES		
Equity		
Equity share capital	4615	4615
Other equity	7467	11557
Total Equity	12082	16172
LIABILITIES		
1 Non-current liabilities		
a) Financial liabilities		
i) Borrowings	22888	23802
ii) Other financial liabilities	816	706
b) Other long term liabilities	36	66
c) Provisions	2177	2169
d) Deferred tax Liabilities	499	499
Total Non current liabilities	26416	27242
2 Current liabilities		
a) Financial liabilities		
i) Borrowings	633	3233
ii) Trade payables		
a) total outstanding dues of micro enterprises and small enterprises	12	20
b) total outstanding dues of creditors other than micro enterprises and small enterprises	9373	11886
iii) Other financial liabilities	13114	12727
b) Other current liabilities	5983	4972
c) Provisions	468	476
Total Current liabilities	29583	33314
Total Liabilities	55999	60556
Total equity and liabilities	68081	76728

