V SAHAI TRIPATHI & CO
CHARTERED ACCOUNTANTS

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Limited Review Report

We have reviewed the accompanying statement of un-audited financial results of *JCT ELECTRONICS LIMITED*, having its registered office at A-32 Industrial Area, Phase VIII, SAS Nagar, Mohali for the quarter ended 30th September, 2015 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the company's management and has to be taken on record by the Board of Directors at their meeting. Our responsibility is to issue a report on these financial statements based on our review.

A review of interim financial information consists principally of applying analytical procedures for financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope and assurance than an audit conducted in accordance with the generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. We have not performed an audit and accordingly, we do not express an audit opinion.

We conducted our review in accordance with the Standard on Review Engagement ***(ISRE) 2400*** on ***Engagement to Review Financial Statements*** 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 financial statements are 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.

The Company has defaulted in payment of principal amount of Loans of Rs.12516.93 Lacs to Banks / Financial Institutions during last eighteen quarters stating from 1st April, 2011 to 30th September, 2015. This is in contravention of *rehabilitation scheme announced by Board for Industrial and Financial Reconstruction (BIFR) vide its order dated 12th March, 2007. The relevant extract of such scheme is re-produced as under:-*

> "**If the company commits default towards repayment of principal instalments** or payment of interest as per the sanctioned scheme or any combination, FIs / Banks reserves the right to charge interest on the defaulted amount at top of the band together with liquidated damages of 2% p.a. thereon till the date of clearance of default or FIs / Banks shall have the right to convert its entire overdues into fully paid up equity shares of JCTEL during the currency of the loans as per SEBI guidelines, or otherwise but with the permission of Hon'ble BIFR, FIs / Banks also reserves the right to revoke the package of rehabilitation with the prior approval of BIFR and in such event of revocation, the decision of FIs / Banks shall be final and binding on the borrower and/or guarantors. In case of FIs / Banks exercise the right of revocation, the financial rehabilitation sanctioned or granted to JCTEL shall be treated as withdrawn and the terms

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and the conditions of the original loan agreements or documents shall come into force as if no such financial rehabilitation were ever granted to JCTEL. Further, FIs/Banks shall have the right to adjust payment received under the present package of financial rehabilitation against outstanding dues in terms of the original loan agreements/documents."

However, the Company has approached IFCI-The Operating Agency with Modified Debt Restructuring Scheme (MDRS) in the month of February, 2012. A meeting of secured lenders was held in the month of April, 2012 & secured lenders whose interest is being affected have given their consent for the proposed Modified Debt Restructuring Scheme (MDRS). IFCI-The Operating Agency has submitted the aforesaid Modified Debt Restructuring Scheme (MDRS) to the Hon'ble BIFR in the month of June, 2012 and October, 2012 .

As explained to us by the management, due to poor market conditions and banks not releasing need based working capital facilities as envisaged in the sanctioned scheme, production at the Baroda Unit was scaled down during the quarter ended 30th September, 2013 and no production could be taken till the quarter ended 30th September, 2015.

Board for Industrial and Financial Reconstruction (BIFR), on the application made by secured creditor holding over 55% of the secured debt and unequivably supported by other creditors (including banks and financial institutions), declared the rehabilitation scheme sanctioned by them for the company in March, 2007, as failed, in the proceeding held on 8th July, 2015 and also formed a prima facie opinion that it would be just, equitable and in public interest that that the company be wound up. The BIFR has accordingly ordered issue of notice for proposed winding up to be published in the newspapers for the information of shareholders, creditors etc , which was published in the newspapers on 6th August, 2015 giving all stakeholders 60 days notice to come forward with any suggestions /plans and posted the matter for final hearing on 14th October 2015. As per information provided to us, we understand that the BIFR at its hearing held on 14th October, 2015 observed that all efforts for revival of the company have failed despite opportunity given to all concerned to work out an acceptable revival scheme to turn the net worth of the company positive and there was no option but to confirm its prima facie opinion. Considering aforesaid factors & various other factors as described in the audited financials for the year ended 31st March, 2015 which have been stated in the **ANNEXURE-A** hereunder, we are of the opinion that company is not a going concern. The Company has not attempted to assess the realizable value of the assets and therefore financial results for the period ended 30th September, 2015 have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to amounts or classification of liabilities that may be necessary if the Company is unable to continue as a going concern.

Subject to aforesaid observations and its consequential effects which are not ascertainable as on as date and subject to adverse report along-with audit qualifications and consequential effects thereto not considered by the company as referred in notes attached as per Annexure 'A'*, nothing has come to our notice that causes us to believe that the accompanying statement of un-audited financial results prepared in accordance with accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of* ***Clause 41 of the Listing Agreement*** *including the manner in which it is to be disclosed or that it contains any material misstatement.*

For V Sahai Tripathi & Co.
Chartered Accountants
Firm's Registration Number : 000262N

(Manish Mohan)
Partner
M.N.-091607

Place : New Delhi
Dated : 10th November, 2015

ANNEXURE 'A'

JCT ELECTRONICS LIMITED

Notes to Un-audited Financial Results for the Qtr. ended 30th September, 2015

A. Audit qualification in respect of the audited accounts of the previous year ended 31st March, 2015	Manner in which qualifications in respect of the audited accounts for the previous year ended 31st March, 2015 are addressed by the management in the un-audited financial results for the quarter ended 30th September, 2015.
Basis for Adverse Opinion (i) We have analyzed following factors :- (a) The financial statements have been drawn and are based on the successful implementation of rehabilitation scheme announced by Board for Industrial and Financial Reconstruction (BIFR) for the company. As per Sanctioned BIFR Scheme, the revival of the company is dependent on sale of land and building at Mohali Unit. As envisaged in sanctioned scheme in 2007, the company's net worth could not turn positive in the 4th year of its implementation due to delay in sale of land & building which is still pending. The tenure of scheme is ending in the year 2017. The Company has defaulted in payment of principal amount of Loans of Rs. 10,670.42 Lacs (previous year Rs 6,977.43 Lacs) to Banks / Financial Institutions for sixteen quarters starting from 1st April, 2011 to 31st March, 2015. This is in contravention of rehabilitation scheme announced by BIFR vide its order dated 12th March, 2007. The Company was unable to meet its obligations towards repayment of quarterly installments due in respect of term/working capital term loans as per BIFR sanctioned scheme, due to non availability of working capital limits as envisaged in the sanctioned scheme and sluggish market conditions during the year. As per the BIFR scheme, if the company commits	Hon'ble BIFR has approved rehabilitation scheme in March, 2007, for the company which will make the operations viable. Due to non release of working capital by banks as envisaged in the Sanctioned Scheme of BIFR, the operational performance of the company got affected. The scheme also could not be fully implemented as there was delay in the sale of land at Mohali on account of various reasons. The ASC has set the process in motion but unable to find buyer. The Company thereafter approached IFCI-The Operating Agency with Modified Debt Restructuring Scheme (MDRS) in the month of February, 2012. A meeting of secured lenders was held in the month of April, 2012 & secured lenders whose interest is being affected have given their consent for the proposed Modified Debt Restructuring Scheme (MDRS). IFCI-The Operating Agency has submitted the aforesaid Modified Debt Restructuring Scheme (MDRS) to the Hon'ble BIFR in the month of June, 2012 and October, 2012 .

	default towards repayment of principal installments as per the sanctioned scheme or any combination, FIs / Banks reserves the right to charge interest on the defaulted amount at top of the band together with liquidated damages of 2% p.a. thereon till the date of clearance of default or FIs / Banks shall have the right to convert its entire overdue into fully paid up equity shares of JCTEL during the currency of the loans as per SEBI guidelines, or otherwise but with the permission of Hon'ble BIFR also reserve the right to revoke the package of rehabilitation. In case FIs / Banks exercise the right of revocation, the financial rehabilitation sanctioned or granted to JCTEL shall be treated as withdrawn and the terms and the conditions of the original loan agreements or documents shall come into force as if no such financial rehabilitation were ever granted to JCTEL. Further, FIs / Banks shall have the right to adjust payment received under the present package of financial rehabilitation against outstanding dues in terms of the original loan agreements/documents. However with the consent of secured creditors, a Modified Debt Restructuring Scheme (MDRS) has been submitted to the Hon'ble BIFR in the month of October, 2012 requesting for reschedulement of repayment of principal amount of secured loans within the scheme period. The same was under consideration of the Hon'ble BIFR as at 31^{st} March, 2014. During the year ended 31^{st} March, 2015, the matter has been referred to Larger Bench to be headed by Chairman, BIFR & is pending. Considering the magnitude of default coupled with delay in sale of assets raises a doubt on the chances of recovery.	However BIFR, on the application made by ARCIL (secured creditor holding over 55% of the secured debt) and un-equiably supported by other banks and financial institutions, declared the rehabilitation scheme sanctioned by them for the company in March, 2007, as failed, in the proceeding held on 8^{TH} July, 2015. It also formed a prima facie opinion that it would be just, equitable and in public interest that that the company be wound up. The BIFR has accordingly ordered issue of notice for proposed winding up to be published in the newspapers for the information of shareholders, creditors etc ,which was published in the newspapers on 6^{th} August, 2015. The BIFR at its hearing held on 14^{th} October , 2015 confirmed its prima facie opinion formed at its hearing held on 8^{th} July , 2015 on the viability of the company and the inability of all concerned to work out an acceptable revival scheme to make the net worth positive within a reasonable time.
(b)	The Company incurred a net loss of Rs. 7,263.97 Lacs for the year ended 31st March, 2015 (Previous year Rs. 6,248.19/ Lacs) and accumulated loss as on 31st March, 2015 stands to Rs. 69,828.84 Lacs. As on 31st March, 2015, the Company's current liabilities	The summary record of the proceedings are awaited where after necessary steps would be taken to address the issues raised by the auditors in their adverse opinion.

exceeded its current assets by Rs. 42,463.96 Lacs (Previous year Rs. 32,644.78/ Lacs) and its total liabilities exceeded its total assets by Rs. 55,307.79 Lacs (Previous year Rs. 48,035.70/ Lacs). In view of these, the Company had been reporting negative operating cash flows for few years which have also contributed to constraints of working capital. These conditions have resulted into acute working capital deficit & have casted material uncertainty on functioning of Company.

(c) The Company had stopped production from August, 2013 onwards at its only working plant at Vadodara, Gujarat and there has been no production during the year ended 31st March, 2015, on account of non availability of working capital for importing critical raw materials. Considering aforesaid factors, the availability of requisite working capital to commence its operations is doubtful.

(d) We understand that due to technological changes, there has been a declining market for color picture tubes.

(e) Due to non release of need based working capital as envisaged in the sanctioned scheme, the Company has not been able to settle dues of running creditors.

(f) There has been constant reduction in the strength of staff.

The management of the company is however hopeful that its request for Modified Debt Restructuring Scheme (MDRS) would be accepted by Hon'ble BIFR and the Company would be able to arrange requisite working capital for importing critical raw materials to start its production lines. The management is confident that it would be able to dispose of its assets as sanctioned in BIFR Scheme. The Accounts have been compiled by the management on the basis of going concern. Please refer Note Number-29 to the financials.

Appropriateness of the "going concern basis" is dependent on the ability of the company to generate adequate finances to meet its

V. SAHAI TRIPATHI & CO. * New Delhi * Chartered Accountants obligations and to operate profitably which in our opinion after considering aforesaid factors indicate material uncertainty which further raises significant and substantial doubt on the ability of the Company to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. If the Company is treated not to be a going concern, then the valuation of assets has to be not merely on the basis of historical cost less depreciation or impairment but at a value which the assets would fetch, if the same are lower than the value presently shown. The Company has not attempted to assess the realizable value of the assets and therefore financial results for the year ended 31st March, 2015 have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to amounts or classification of liabilities that may be necessary if the Company is unable to continue as a going concern.

(ii) In the opinion of the management, accounts receivable, 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 unless specifically provided for. During the financial year ended 31st March 2015, company has not sought confirmations on margin money account, trade receivable, trade payable and other receivables/ payables. Accordingly the balances appearing under margin money account, trade payables, trade receivables and other receivables/ payables are subject to reconciliation & confirmation and are described in Note 33(a) to the financial statements. The financial impact of same is not ascertainable and to that extent we do not have any information in respect of such balances.

(iii) The Company is engaged only in manufacture of Color Picture Tubes and Deflection Yokes at Vadodara Unit, Gujarat. This is the only Business Segment of the Company. As per ***Accounting Standard-28 on Impairments of*** as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and as prescribed in the Companies (Accounting Standards) Rules, 2006, it is imperative to determine impairment in respect of cash generating unit as per the methodology

V. Sahai Tripathi & Co. New Delhi Chartered Accountants

prescribed under the said Standard. However the Management of the Company vide Note No- 30(d) states that there is no impairment in respect of cash generating unit at Vadodara, Gujarat since it has not completed its useful life and that the production will be taken up when working capital is made available after the sale of assets approved by BIFR. Further there is lot of appreciation in the value of the land available at Vadodara. In light of the above we are unable to ascertain financial impact of same.	

For JCT ELECTRONICS LIMITED

Arjun Thapar
Managing Director
DIN - 00090162

As per our Review Report of even date attached
For & On behalf of
V Sahai Tripathi & CO.
Chartered Accountants
Firm's Registration No. : 000262N

Manish Mohan
Partner
M. N.091607

V SAHAI TRIPATHI & CO. New Delhi Chartered Accountants

Place : New Delhi
Dated : 10th November, 2015

JCT ELECTRONICS LIMITED

REGD. OFFICE : A-32, INDUSTRIAL PHASE VIII, SAS NAGAR, MOHALI, PUNJAB

Unaudited Financial Results for the quarter ended 30th September, 2015.

(Rs. In lacs)

Income from Operations		
a) Net Sales/Income from Operations (Net of excise duty)		-
b) Other Operating Income		-
Total Income from Operations (Net)		-
Expenditure		
a) Cost of materials consumed		-
b) Purchases of stock-in-trade		-
c) Change in inventories of finished goods, work-in-progress and stock-in-trade		-
d) Employee benefits expense		114
e) Depreciation and amortisation expense		372
f) Other expenses		
i) Power & Fuel		-
ii) Others		10
Total expenses		496
Profit/(loss) from operations before other income, finanace cost and exceptional items		(496)
Other Income		45
Profit/(loss) from ordinary activities before finance costs and exceptional items		(451)
Finance costs		401
Profit/(loss) from ordinary activities after finance costs but before exceptional items		(852)
Exceptional Items		-
Profit/(loss) from ordinary activities before tax		(852)
Tax expense		-
Net Profit/(loss) from ordinary activities after tax		(852)
Extra ordinary items (net of tax expense)		-
Net Profit/(loss) for the period		(852)
Minority Interest		-
Net Profit/(loss) after tax after Minority interest		(852)
Paid-up equity share capital (face value Rs.1)		7,883
Reserves excluding revaluation reserves as per balance sheet of previous accounting year		
Earnings Per Share (EPS)		
a) Basic & diluted EPS before extraordinary items		(0.11)
b) Basic & diluted EPS after extraordinary items		(0.11)
Public shareholding		
- No. of Shares		135,686,263
- Percentage of shareholding		17.21%
Promoters and promoter group shareholding		
a) Pledged/Encumbered		
- No. of Shares		4,287,000
- Percentage of shares (as a % of the total shareholding of promoters and promoter group)		0.66%
- Percentage of shares (as a % of the total share capital of the company)		0.54%
b) Non-encumbered		
- No. of Shares		648,283,800
- Percentage of shares (as a % of the total shareholding of promoters and promoter group)		99.34%
- Percentage of shares (as a % of the total share capital of the company)		82.24%

As per our review report of even date attached for & on behalf of

V Sahai Tripathi & Co.
Chatered Accountants
FRN 000262N

Manish Mohan
Partner
M.No.091607

Place : New Delhi
Date : 10th November, 2015

V SAHAI TRIPATHI & Co. New Delhi Chartered Accountants

for JCT ELECTRONICS LIMITED

Arjun Thapar
Managing Director