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, 2014 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.8823.94 Lacs to Banks / Financial Institutions during last fourteen quarters stating from 1st April, 2011 to 30th September, 2014. 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

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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, 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 and the same is under consideration.

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, 2014.

Subject to aforesaid observations and its consequential effects which are not ascertainable as on as date the MDRS is under consideration and subject to 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 : 11th November, 2014

JCT ELECTRONICS LIMITED

Notes to Un-audited Financial Results for the Qtr. Ended 30th September, 2014

A. Audit qualification in respect of the audited accounts of the previous year ended 31st March, 2014	Manner in which qualifications in respect of the audited accounts for the previous year ended 31st March, 2014 are addressed by the management in the un-audited financial results for the quarter ended 30th September, 2014.
i) The Company entered into a Memorandum of Settlement with the worker's unions at Mohali, Punjab crystallizing their dues at Rs 40 Crores as per directions of Hon'ble BIFR. The settlement has been registered before the concerned authorities and submitted to BIFR. The Company has not made any provision of crystallized dues of Rs 40 Crores of workers/staff at Mohali and the same are to be settled out of the sale proceeds of the Mohali assets as per the orders of Hon'ble BIFR. Company states that the same shall be provided upon sale of Mohali Assets. We are of the opinion that in view of Memorandum of Settlement with the workers the company should make a provision of crystallized dues of Rs 40 Crores, irrespective of sale of Mohali Assets in accordance with *Accounting Standard-28 on Provisions, Contingent Liabilities and Contingent Assets* issued by Ministry of Corporate Affairs, Government of India and as prescribed in the Companies (Accounting Standards) Rules, 2006. Accordingly, the net loss for the year, accumulated losses & non current liabilities are understated to that extent.	The settled dues of the workers is to be paid out of the sale proceeds of the Mohali assets as per the sanctioned scheme & the MDRS under consideration of BIFR and there is no need to provide for such amount in the company's accounts. Necessary provision will be made once the sale of assets takes place and payment is to be made.
ii) We have analyzed following factors (a) As per Sanctioned BIFR Scheme, the revival of the company is dependent on sale of land and building at Mohali	Hon'ble BIFR has approved rehabilitation scheme for the company

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Unit. As envisaged in sanctioned scheme, 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.	which will make the operations viable. The scheme 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.
b) The Company has temporarily suspended its production of Color Picture Tubes from August, 2013 onwards at Vadodara Unit at Gujarat & there has been no production till 31st March, 2014, on account of non availability of Working Capital for importing critical raw materials.	Due to non availability of working capital as envisaged in the Sanctioned scheme the operations got affected..The Company is making all out efforts to arrange working capital for sourcing critical raw materials to restart production at the earliest.
c) The gross carrying amount of product development under progress of Rs 140.95 Lacs being shown as Intangible under development has been written off during the year ended 31st March, 2014 as Company did not expect any commercial use.	Since the Company did not expect any commercial use, the same was written off at the year ending on 31st, March, 2014.
d) The Company has defaulted in payment of principal amount of Loans of Rs 6977.43 (previous year - Rs 4105.33 Lacs) to Banks / Financial Institutions for twelve quarters starting from 1st April, 2011 to 31st March, 2014. 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. In the event, the company defaults in its obligations towards repayment of quarterly installments, the banks/FIs reserve the rights given in the sanctioned scheme as mentioned in Para E of Note 27 regarding levying of penalty. As referred in Note Number 28A (b), Modified Debt Restructuring Scheme (MDRS) has been submitted to the Hon'ble BIFR in the month of October, 2012 with the consent of secured lenders which envisages re-schedulement of	On account of non release of working capital by banks as envisaged in the Sanctioned Scheme of BIFR, the operational performance of the company got affected. *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*

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repayment of secured loan within the scheme period besides other requests, which is pending approval before BIFR as at 31st March, 2014. The Accounts have been compiled by the management on the basis of going concern as stated in Note Number-29, however after considering aforesaid factors, in our opinion the continuity of the Company as a Going Concern is doubtful. However, 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 have fetched, if such values were to be lower than the value presently shown. The Company has not attempted to assess the realizable value of the assets and therefore, we are unable to express our opinion on the impact on the accounts.	*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 and the same is under consideration.*
iii) 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. During the financial year ended 31st March 2014 confirmatory letters have been sent to the sundry debtors requesting them to confirm the account balances as on 31st March, 2014. A number of parties have not yet confirmed the balances as on the date of signing the financials. Accordingly accounts payable, other receivables and payables and balances appearing under account receivables are subject to reconciliation & confirmation and are described in Note 33(a) to the financial statements. The financial impact of this is not	Accounts of most of the parties have been reconciled and necessary provisions have been made in the accounts for the year ended 31st March, 2014.

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ascertainable ands to that extent we do not have any information in respect of such balances. Besides, no confirmation is available for margin money account with Allahabad Bank & PNB amounting to Rs 39.14 Lacs. Accordingly the same is also subject to confirmation & reconciliation.	
iv) Company made provision for diminution in value of Investment made in the Equity Shares of India International Airways Limited in previous years. Similarly Company has given short term loans & advances of Rs 57.24 Lacs to India International Airways Limited which is outstanding for quite a long period. Management is of the view that such advance is good & recoverable. However, besides diminution in value of shares, such short term loan is outstanding for quite a long period, we are of the opinion that a provision for doubtful debts should be made for against this short term loan/ advances. Accordingly, the net loss for the year, accumulated losses & current liabilities are understated to that extent.	The company is confident of recovery and as such no provision for doubtful debts has been made. The Company will review the position from time to time and in case the management consider it necessary the provision will be made.
v) Company is engaged only in manufacture of Color Picture Tube, and Deflection Yoke at Vadodara Unit, Gujarat. This is the only Business Segment of the Company. As per ***Accounting Standard-28 on Impairments of Assets issued by Ministry of Corporate Affairs, Government of India*** 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 prescribed under the said Standard. Management of the Company states that there is no impairment in respect of cash generating unit at Vadodara Unit,	The Management of the Company considers that there is no impairment in respect of cash generating unit at Vadodara Unit, Gujarat.

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Gujarat. We are unable to express an opinion on this in the absence of any attempt having been made by the Board of the Company to assess the recoverable value of these cash generating unit by determining the higher of net selling price of such cash generating unit and value in use determined by computing present value of estimated future cash flows expected to arise from the continuing use of cash generating unit and from its disposal at the end of its useful life.	
vi) 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. Company has defaulted in payment of principal amount of Loans of Rs 6977.43 (previous year - Rs 4105.33 Lacs) to Banks / Financial Institutions for twelve quarters starting from 1st April, 2011 to 31st March, 2014. This is in contravention of rehabilitation scheme announced by Board for Industrial and Financial Reconstruction (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 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	Modified Debt Restructuring Scheme (MDRS) with the consent of the secured lenders has been submitted to the Hon'ble BIFR which is under consideration of the Hon'ble BIFR.

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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, 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 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 towards re-schedulement of repayment of secured loan and interest thereon within the scheme period The same is under consideration of the Hon'ble BIFR as at 31st March, 2014. The same is described in Note 28A(b) to the Financials Statements. Our opinion is subject to approval of re-schedulement of repayment of secured loan and interest thereon within the scheme period submitted in the said MDRS by Hon'ble BIFR.	

V SAHAI TRIPATHI & Co. New Delhi Chartered Accountants

For JCT ELECTRONICS LIMITED

GOPAL KRISHNAN

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

Place : New Delhi
Dated : 11th November, 2014

JCT ELECTRONICS LIMITED

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

Unaudited Financial Results for the quarter ended 30th September, 2014.

(Rs. In lacs)

Income from Operations		
a) Net Sales/Income from Operations (Net of excise duty)		-
b) Other Operating Income		49
Total Income from Operations (Net)		49
Expenditure		
a) Cost of materials consumed		15
b) Purchases of stock-in-trade		-
		-
c) Change in Inventories of finished goods, work-in-progress and stock-in-trade		
d) Employee benefits expense		171
e) Depreciation and amortisation expense		381
f) Other expenses		
i) Power & Fuel		2
ii) Others		57
Total expenses		626
Profit/(loss) from operations before other income, finanace cost and exceptional items		(577)
Other Income		9
Profit/(loss) from ordinary activities before finance costs and exceptional items		(568)
Finance costs		401
Profit/(loss) from ordinary activities after finance costs but before exceptional items		(969)
Exceptional Items		-
Profit/(loss) from ordinary activities before tax		(969)
Tax expense		-
Net Profit/(loss) from ordinary activities after tax		(969)
Extra ordinary items (net of tax expense)		-
Net Profit/(loss) for the period		(969)
Minority Interest		-
Net Profit/(loss) after tax after Minority interest		(969)
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		(0.12)
b) Basic & diluted EPS after extraordinary items		(0.12)
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

Manish Mohan
Partner
M.No.091607
FRN- 000262
Place : New Delhi
Date : 11th November, 2014

V SAHAI TRIPATHI & CO. New Delhi Chartered Accountants

for JCT ELECTRONICS LIMITED

Gopal Krishnan
Company Secretary