



JCT ELECTRONICS LIMITED

BOARD OF DIRECTORS

Mr. M.M.Thapar, *Chairman*
Mr. Arjun Thapar, *Managing Director*
Mr. K. Jayabharath Reddy, *Independent Director*
Mr. Arun Ramanathan, *Special Director, BIFR*
Mrs. Neeta Mukerji, *Nominee, Allahabad Bank*
Mr. S. V. Venkatakrishnan, *Nominee, IFCI Ltd.*
Mr. P. K. Ganguly, *Independent Director*

CHIEF OPERATING OFFICER

Mr. Raj Kapur

SR. VICE PRESIDENT & COMPANY SECRETARY

Mr. Gopal Krishnan

AUDITORS

V. Sahai Tripathi & Co.
New Delhi

REGISTERED OFFICE

A-32, Industrial Phase VIII
S.A.S. Nagar,
Mohali (Punjab)

HEAD OFFICE

Thapar House,
124 Janpath
New Delhi - 110001

BANKERS

Allahabad Bank
Punjab National Bank
Punjab & Sind Bank
State Bank of Patiala
Bank of Baroda
Indian Overseas Bank
UCO Bank
Siam Commercial Bank p.l.c.
Standard Chartered Bank
Oman International Bank
Bank of Nova Scotia
Kotak Mahindra Bank

CONTENTS

Notice for AGM	1
Directors' Report	2
Management Discussion and Analysis	5
Corporate Governance Report	6
Auditors' Report	10
Balance Sheet	13
Profit & Loss Account	14
Schedules to Balance Sheet &	15
Profit & Loss Account	
Significant Accounting Policies	22
Notes to Accounts	25
Balance Sheet Abstract	34
Cash Flow Statement	35



JCT ELECTRONICS LIMITED

NOTICE

Notice is hereby given that the 34th Annual General Meeting of the Members of **JCT ELECTRONICS LIMITED** will be held at its registered office at A-32, Industrial Phase-VIII, S.A.S. Nagar, Mohali – 160 055, Punjab on Tuesday the 27th day of September, 2011 at 10.30 a.m. to transact the following business:

Ordinary Business :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2011, the Profit & Loss Account for the financial year ended on that date and the Reports of the Auditors and Directors' thereon.
2. To appoint a Director in place of Mr. K Jayabharath Reddy, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s V. Sahai Tripathi & Co., Chartered Accountants as the Statutory Auditors of the company to hold office from the conclusion of the 34th Annual General Meeting till the conclusion of the 35th Annual General Meeting and authorise the Board of Directors to fix their remuneration.

By order of the Board
for JCT ELECTRONICS LIMITED

Place : New Delhi
Dated : 4th, August, 2011

Gopal Krishnan
Sr. Vice President & Company Secretary

NOTES

- a) **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company.**

Proxies in order to be effective must be received by the company at its registered office not less than 48 hours before the meeting.

- b) The Register of Members and Transfer books of the company will remain closed from Tuesday the 20th day of September, 2011 to Tuesday, the 27th day September, 2011 (both days inclusive)
- c) Transfer requests for shares in physical form and all other queries should be sent to the company's office at **Thapar House, 124 Janpath, New Delhi – 110 001.**
- d) For shares held in electronic form, all instructions regarding change of address, nomination, power of attorney etc., should be given directly to your Depository Participants. The company will not take cognisance of any such requests directly for shareholders.
- e) Particulars of Mr. K Jayabharath Reddy, Director who retires by rotation and is seeking re-appointment at this annual general meeting.

Mr. K Jayabharath Reddy, aged 74 years is an IAS of an Andhra Pradesh Cadre. He has held important positions in the State & Union Government including that of Chief Secretary, Government of Andhra Pradesh and Secretary to the Union Government, in the Ministries of Finance & Urban Development. He is on the Board / Committees of several companies i.e. BPL Limited, BPL Power Limited, Lanco - Kondapalli Power Limited, Facor Alloys Limited, Taj GVK Hotels & Resorts Limited, Viceroy Hotels Ltd., NCL Altek Seccolor Limited and Indus - Medicare Limited.

- f) *The Ministry of Corporate Affairs vide circular nos.17.2011 and 18/2011 dated April 21 and April 29, 2011 respectively, has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository Participants. In respect of shares held in physical form, the members are requested to send their e-mail details, duly signed by the first holder in the format appearing at the bottom of the Attendance Slip to the company's office at **Thapar House, 124 Janpath, New Delhi – 110 001.***



JCT ELECTRONICS LIMITED

DIRECTORS' REPORT

Your directors present their report and audited accounts for the year ended 31st March, 2011

Financial Results

The key financial results of the company are as under :

	Year ended 31.03.2011	Year ended 31.03.2010
		(₹ in lacs)
Gross Sales including other income	51,263	52,811
Earning before Interest , Depreciation & Tax	2,368	2,876
Interest & Financing Charges	2,614	2,384
Depreciation	1,655	1,686
Expenses/depreciation relating to prior period	32	61
Net Profit/(Loss) for the year	(1,933)	(1,255)
Fringe Benefit Tax relating to prior period	53	—
Net Profit/(Loss) after tax for the year	(1,986)	(1,255)

In view of the accumulated losses, no dividend is recommended.

Operations

The financial year 2010-11 again witnessed demand for CPT based CTVs crossing the level of 18 million units inclusive of imports, which was marginally lower than the earlier financial year. Though the Industry has seen growth over the last few years on account of various factors, including the orders from Tamil Nadu Government, the local CPT industry suffered due to large scale imports from South East Asia.

Production during the financial year 2010-11 was 4.21 million CPTs as against 4.30 million in the previous financial year from its Vadodara unit, which only is in operation. Sales during the financial year 2010-11 was 4.31 million CPTs as compared to 4.23 million in the year before. But for the imports, the production and sales would have been higher than the previous year.

Outlook

World over the demand for CPTs is expected to decline, resulting in lot of capacities getting vacated. However, the Indian market is expected to remain steady in view of low penetration of TVs in the rural and semi urban areas, though the overall market for CRT based CTVs in India is expected to decline slowly as the LCD & LED technology based CTVs gain momentum. The company has created flexibility in its production lines to cater to the market requirements for various sizes. With the market preference shifting to ultra slim tubes, we have geared up our facilities to take up its production commercially.

Despite the imposition of anti dumping duties, influx of tubes from abroad continue to pose a threat to the local industry. The surge in imports impacted margins as the company had to match the landed prices, which despite the anti dumping duty, had fallen on account of the dollar depreciating. To offset the shrinking margins, your company has taken steps to reduce costs through process improvements, value engineering, rationalising manpower and improving productivity. Besides the upward movement in prices of all major raw materials, the supply of some critical inputs is now concentrated in the hands of few suppliers, which also makes us more vulnerable on the supply chain front. The power and fuel costs have also been impacted on account of increase in gas & fuel prices. Major focus is on reduction of power and utility costs by conserving energy, increasing own generation and recycling water.

Directors

Allahabad Bank have nominated Mrs. Neeta Mukerji, President & COO – Asset Reconstruction Company (India) Limited (ARCIL), on the Board in place of Mr. S K Kalra with effect from 9th February, 2011.

Mr. K Jayabharath Reddy, director retires by rotation at the forthcoming annual general meeting and being eligible offers himself for re-appointment.



Directors' Responsibility Statement

On the basis of compliance confirmation and subject to disclosures in the annual accounts, as also on the basis of discussion with the Statutory Auditors, your directors report:

- that in the preparation of the annual accounts for the year ended 31st March, 2011, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company for the financial year ended 31st March, 2011 and of the loss of the company for the year under review.
- that proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities has been taken.
- that the annual accounts have been prepared on a going concern basis.

Corporate Governance

Your company has taken adequate steps to ensure compliance with the provisions relating to Corporate Governance as prescribed under the listing agreement with the Stock Exchanges. The Report on Corporate Governance along with a certificate from the Auditors of the company regarding compliance is enclosed and forms part of the report.

Fixed Deposit

During the year under review, the company neither invited nor accepted any deposits. There are no overdue deposits lying unpaid with the company.

Other Information

The information required under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988 is given in the Annexure and forms part of this Report.

The information required to be provided in terms of the provisions of Section 217(2A) of the Companies Act, 1956 and rules framed thereunder forms part of this report. The same is not being sent alongwith this report to the members of the company in line with the provisions of Section 219(1)(b)(iv) of the said Act and will be made available on request by any member of the company.

Environment

Your Company has been awarded ISO 14000 certification in recognition of its responsibility towards environment and society. The Company has been continuously upgrading its capability to meet the required norms and safeguards and to keep the environment pollution free. Lot of greenery has been created in and around the factory. Significant initiatives have been taken to reduce the consumption of energy and shift to more eco-friendly fuels.

Industrial Relations

Your company continues to maintain harmonious and cordial relations with its workforce.

Auditors

The auditors Messrs V Sahai Tripathi & Co., Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and being eligible have expressed their willingness to continue if appointed. The Board of Directors recommend their appointment for the next financial year.

As regards the observations of the Auditors in their report, the relevant notes to the accounts i.e. nos. 6(h), 7, 8(a) & (b) and 11(a) & (b) are self explanatory and therefore do not require any further comments.

Acknowledgement

The Board acknowledges the valuable support of various government agencies, financial institutions, banks, customers, suppliers, business associates, shareholders and employees and looks forward to their continued support.

On behalf of the Board



ANNEXURE TO THE DIRECTORS' REPORT

Information under Section on 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

Energy conservation measures taken:

- Reduction of electricity consumption by operating VAM, run on waste heat recovered from exhaust gas.
- Conversion of hot water generator to run on Natural Gas.
- Reduction of power consumption by use of Turbo Ventilators in non air-conditioned areas to extract heat and also provide natural illumination.
- Reduction in air conditioning load by re-sizing of process areas.
- Reduction in water consumption through recycling of water. Rain water harvesting has also been undertaken.

B. RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

a) Research & Development:

i) Areas in which R&D carried out.

Development carried out in the areas of import substitution, alternative raw materials, technology upgradation, process development and quality improvement.

ii) Benefits derived as a result of above activities.

Cost reduction achieved through improvement in design, import substitution, lower usage and better quality. Company has successfully launched Deflection Yokes with aluminium wire, resulting in cost saving.

iii) Future plan of action.

To continue R&D work in above areas for further improving quality and reducing costs.

iv) Expenditure on R&D.

No significant expenditure involved as the development, up gradation and improvements are carried out in house.

b) Technology absorption:

The company has developed capability to manufacture colour picture tubes, components like deflection yokes and electron guns. The technology for the ultra slim CPTs is being absorbed.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange outgo during the year	—	₹ 98.49 lacs
Foreign exchange earnings during the year	—	NIL



MANAGEMENT DISCUSSION AND ANALYSIS

Industry scenario

Globally the CRT industry has been declining in volumes. However, markets in India and in some South Asian countries continues to be stable. In the current financial year, the overall market for CPTs in India is expected to come down consequent upon completion of the free distribution of CTVs by the Tamil Nadu Government. Last year the local CPT industry faced huge pressure on account of unabated import of CPTs from neighbouring countries despite anti dumping duties having been imposed, which impacted the margins.

With global demand for CRTs declining, lots of capacities are closing down and sourcing of CRTs will be primarily from India and China. The CRT segment continues to be a volume player in the CTV market in India, with huge untapped market in the rural areas where TV penetration has been low. In the CRT segment also, the ultra slim category is expected to gather volumes and compete with the flat panels.

Company's performance

Production and Sales Nos. for the financial year 2010-11 were higher than the previous year despite large scale imports. The company is confident of meeting the challenges faced by the industry. To broaden its product range, the company has plans to introduce the ultra slim CPTs in addition to its existing portfolio of tubes of various sizes in the conventional and pure flat segment. Continuous efforts at improving productivity, reducing input costs, captive power generation have helped in maintaining the margins. Lot of effort has gone in upgrading the skills of the work force to meet the quality standards and improve productivity.

Adequate internal control systems and procedures are in place to ensure optimum utilization of resources, improve performance, comply with internal policies & procedures and statutory regulations.

The company has introduced various H.R. initiatives towards bringing competitiveness, accountability and responsibility among its employees. In house training is being imparted to upgrade the skills and competence of the work force.



JCT ELECTRONICS LIMITED

AUDITORS CERTIFICATE

The Members
JCT Electronics Limited

We have examined the compliance of the conditions of Corporate Governance by JCT Electronics Limited for the year ended 31st March, 2011 as stipulated in clause 49 of the listing agreement of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances during the year ended 31st March, 2011 grievances were received & resolved by the Company. There were no grievances which were pending with the Company as at 31st March, 2011 as per records maintained by the Company.

We further state that compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for V. SAHAI TRIPATHI & Co.
Chartered Accountants
Firm's Registration Number : 000262N

Place : New Delhi
Dated : 4th August, 2011

Manish Mohan
Partner
Membership No. 091607



CORPORATE GOVERNANCE REPORT

I. Company's philosophy on Corporate Governance

JCT Electronics Limited believes that good corporate governance is essential to achieve its business objectives and long term goals besides creating value for all its stakeholders.

II. Board of Directors

- The Board of the company presently has seven directors comprising of two nominee directors, two independent directors, one special director appointed by The Board for Industrial and Finance Reconstruction (BIFR) and two promoter directors.
- The Board met five times during the year on 28th April, 2010, 26th July, 2010 18th August, 2010, 11th November, 2010 and 9th February, 2011.
- Details of meetings attended by directors, sitting fee paid, other directorships held etc. are as under :

Name of Director	Category of Director	No. of Meetings attended		Sitting Fees Paid (₹)	No. of other Directorships held	No. of other Board Committee(s) of which he/she is a	
		Board	Committee			Member	Chairman
Mr. M M Thapar, Chairman	Promoter – Non Executive	None	One	2,000	Two	None	None
Mr. Arjun Thapar, Managing Director	Promoter – Executive	Five	Four	#	Two	None	None
Mr. K Jayabharath Reddy	Independent – Non Executive	Three	Four	49,000	Eight	Two	Two
Mr. P K Ganguly	Independent – Non Executive	Five	Ten	104,000	Three	One	None
Mr. Arun Ramanathan	Special Director – BIFR	Four	Three	75,000	Five	Five	One
Mrs. Neeta Mukerji**	Nominee – Allahabad Bank	One	N/A	15,000	One	One	None
Mr. S V Venkatakrishnan	Nominee-IFCI	Three	One	50,000	None	None	None
Mr. S K Kalra**	Nominee – Allahabad Bank	None	N/A	Nil	None	None	None

** Nominated by Allahabad Bank as director w. e. f. 9th February, 2011 in place of Mr. S K Kalra

Mr. Arjun Thapar, Managing Director is being paid salary and perks as approved by the shareholders. He is not paid any sitting fee, bonus, performance linked incentive, commission, stock option etc.

III. Code of Conduct

The Code of conduct, for the Directors and senior management, in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges has been formulated, framed and adopted by the Board. The Board members and senior management have confirmed compliance with the code of conduct during the period ended 31st March, 2011.

IV. Audit Committee

The Audit Committee presently comprises of Mr. K Jayabharath Reddy and Mr. P K Ganguly, Independent Directors, Mr. Arun Ramanathan, Special Director appointed by BIFR and Mr. S V Venkatakrishnan, Nominee - IFCI Ltd. Mr. Ganguly is the Chairman. Mr. S V Venkatakrishnan, was inducted as the member of the Audit Committee with effect from 11th November, 2010.



JCT ELECTRONICS LIMITED

The committee met five times on 28th April, 2010, 26th July, 2010, 18th August, 2010, 11th November, 2010 and 9th February, 2011. While Mr. P K Ganguly attended all the committee meetings, Mr. K Jayabharath Reddy and Mr. Arun Ramanathan attended three meetings each and Mr. S V Venkatakrishnan attended one meeting.

The Chief Operating Officer, Sr. Vice President & Company Secretary, Vice President - Finance & Accounts and the Internal Auditors attend the committee meetings to clarify queries raised. The Statutory Auditors and representatives from various departments of the company are invited as and when required.

The role and terms of reference of the committee covers all matters specified under Clause 49 of listing agreement as well as Section 292A of the Companies Act, 1956.

V. Remuneration Committee

The Remuneration Committee presently comprises of two independent directors, Mr. K Jayabharath Reddy and Mr. P K Ganguly as its members with Mr. Reddy being the chairman.

The terms of reference are to recommend/review the remuneration of the Managing Director in line with the provisions of the Companies Act, 1956.

VI. Shareholders Committee

The Shareholders & Investor's Grievance Committee has Mr. Arjun Thapar (Managing Director), Mr. M M Thapar and Mr. P K Ganguly, Directors, as its members.

Mr. Gopal Krishnan, Sr. Vice President & Company Secretary has been designated as the Compliance Officer.

The committee meets to review inter-alia the status of transfer/transmission of shares, issue of duplicate share certificates, shares dematted/rematted and investor's grievance and redressal mechanism and recommend measures for improvement of investors' services.

During the year ended 31st March, 2011 there were no complaints/queries pending for reply and there were no share transfers pending for registration.

VII. General Body Meetings

Details of the previous three Annual General Meetings held are as under :

AGM	Financial Year	Day/Date	Time	Venue
31 st	1-4-2007 to 31-3-2008	Tuesday 30.09.2008	10.00 a.m.	A-32, Indl. Phase VIII, SAS Nagar, Mohali, Punjab.
32 nd	1-4-2008 to 31-3-2009	Friday 25.09.2009	10.30 a.m.	A-32, Indl. Phase VIII, SAS Nagar, Mohali, Punjab.
33 rd	1-4-2009 to 31-3-2010	Tuesday 28.09.2010	10.30 a.m.	A-32, Indl. Phase VIII, SAS Nagar, Mohali, Punjab.

No special resolution was required to be passed through postal ballot last year in terms of the provisions of the Act and relevant rules made thereunder.

All the above AGMs were attended by the Chairman of the Audit Committee.

VIII. CEO/CFO Certification

In terms of the requirements of the listing agreement, necessary certificate is submitted to the Board of Directors and the Audit Committee.

IX. Disclosures

No transactions of material nature have been entered into by the company with Promoters, Directors or their relatives except as disclosed in the financial accounts under related party transactions.

No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

X. Management discussion and Analysis

The management discussion and analysis is attached to the Director's Report.



JCT ELECTRONICS LIMITED

XI. Means of communication

Quarterly results are communicated to the stock exchanges where the company's shares are listed. The same are displayed on the following websites www.bseindia.com and www.nseindia.com.

The results are generally published in the newspapers like Mint – Delhi, Chandigarh, Hindustan Times – Chandigarh and The Punjabi Tribune – Chandigarh.

XII. General Shareholder Information

– 34th Annual General Meeting

Day & Date	:	Tuesday, 27 th September, 2011
Time	:	10:30 a.m.
Venue	:	A-32, Indl. Phase VIII, SAS Nagar, Mohali, Punjab

– Financial Calendar 2011-12

First Quarterly Results	:	Before end of August, 2011
Second Quarterly Results	:	Before end of October / November, 2011
Third Quarterly Results	:	Before end of January / February, 2012
Fourth Quarterly Results	:	Before end of April / May, 2012

– Dates of Book Closure :

From Tuesday, 20th September, 2011 to Tuesday, 27th September, 2011 (both days inclusive) for the purpose of AGM.

– Listing on Stock Exchanges/Stock Code :

The Equity Shares of the Company are listed on the following Stock Exchanges :

- National Stock Exchange of India Ltd., Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai-400051.

Stock code : JCTEL

- Bombay Stock Exchange Limited, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001.

Stock code : 500222

– Market price data for the year 2010 - 2011 :

Month	NSE			BSE		
	High (₹)	Low (₹)	Volume (Nos.)	High (₹)	Low (₹)	Volume (Nos.)
Apr., '2010	2.60	1.90	3971312	2.68	1.89	5143089
May, '2010	2.60	1.85	4234237	2.72	1.88	3969603
Jun., '2010	2.30	1.90	1571265	2.20	1.92	2135928
Jul., '2010	2.45	2.00	1856697	2.39	2.00	3544870
Aug., '2010	2.35	1.70	8201574	2.39	1.70	11341073
Sep., '2010	3.10	1.80	35553521	3.07	1.75	43255914
Oct., '2010	2.30	1.95	2772275	2.25	1.98	6154771
Nov. '2010	2.15	1.65	2116234	2.19	1.62	4293537
Dec. '2010	1.90	1.60	1385741	1.90	1.57	3141315
Jan. '2011	2.00	1.40	2103432	2.00	1.36	4111379
Feb. '2011	1.85	1.35	8717838	1.78	1.35	10536486
Mar. '2011	1.55	1.20	895616	1.59	1.22	2942838



JCT ELECTRONICS LIMITED

- Distribution of share holding as at 31st March, 2011

Category (Nos. of shares)	Shares (Nos.)	% age	Shareholders (Nos.)	% age
Upto 500	5267952	0.67	25770	68.08
501-1000	4614582	0.59	4962	13.11
1001-2000	4519543	0.57	2598	6.86
2001-3000	2587714	0.33	961	2.54
3001-4000	1640052	0.21	435	1.15
4001-5000	5473177	0.69	1112	2.94
5001-10000	8583558	1.09	1020	2.69
10001 and above	755570485	95.85	996	2.63
Total	788257063	100.00	37854	100.00

- Shareholding pattern as on 31st March, 2011

Promoters & Group Companies	:	82.78 %
Fin.Inst./Banks/Ins.Co.'s/Mutual Funds	:	5.72 %
NRIs/OCBs/FIIs	:	0.52 %
Public	:	<u>10.98 %</u>
		<u>100.00 %</u>

- Registrar and Transfer Agents :

The share transfer agents for equity shares of the company both for electronic and physical segment are :

RCMC Share Registry (Pvt.) Ltd.
Unit : JCT Electronics Limited
B-106, Sector - 2, Noida
Uttar Pradesh - 201 301
Tele : 0120-4015880
Fax : 0120-2444346
Email : shares@rcmcdelhi.com

- Share Transfer System :

Share transfers and transmissions are registered and returned within the stipulated period if the documents are clear in all respects.

- Dematerialisation of equity shares :

The demat/remat requests are processed within 15 days of the receipt of requests, if the same are complete in all respects.

As per SEBI directives the equity shares of the company are traded only in demat form for all investors and the ISIN allotted to equity shares of the company is INE264B01020. The company has tie up with both the National Securities Depository Limited and Central Depository Services (I) Limited.

- Manufacturing Units :

- NH-8, Village Kandhari, Taluka Karzan, Vadodara (Gujarat)
- A-32, Industrial Phase VIII, SAS Nagar, Mohali, Distt. Ropar, Punjab (The Mohali unit is not in operation)

- Address for Correspondence :

Thapar House, 124 Janpath, New Delhi – 110 001
Phone : 43534242 ; Fax : 23367861
Contact Person : Mr. Manoj Chadha, Joint Manager - Secretarial

The above report was approved at the Board Meeting held on 4th August, 2011.



AUDITORS' REPORT

To the Members

JCT Electronics Limited

1. We have audited the attached balance sheet of JCT Electronics Limited as at 31st March, 2011 and also the profit & loss account and cash flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above we report that:-
 - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of these books.
 - (iii) The company's balance sheet, profit & loss account and cash flow statement dealt with by this report are in agreement with the books of accounts.
 - (iv) In our opinion, the balance sheet, profit & loss account and cash flow statement dealt with by this report; comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (v) On the basis of declarations made by the Directors and certificate obtained from the Company Secretary, none of the Directors are disqualified as on March 31, 2011 from being appointed as a Director under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (vi) *Subject to Note 6(h) regarding crystallizing of dues of workers at Mohali at Rs 4000 lacs and payment of same upon sale proceeds of assets at Mohali unit, Note 7 on assumption of going concern, Note 8(a) on management contention for not considering any impairment on Fixed Assets of Rs 2250 lacs and capital work in progress of Rs 33.20 lacs at Mohali in view of expected higher realization of the value of Land Building upon sale, Note 8(b) on likely substantial loss on impairment of inventory of Rs 1,376.44 lacs at Mohali unit which shall be estimated upon transfer of this inventory to the Vadodara unit as per the scheme, Note 11(a) on reconciliation & confirmation in case of Sundry Debtors, Sundry Creditors, other receivables and payables and Note 11(b) on issuance of credit notes of Rs 3,563.35 lacs by few parties and considering that the financial impact of Note No- 8(a), 8(b), 11(a) & 11(b) is not ascertainable, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and the remaining notes to the accounts contained in Schedule 'U' give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-*
 - (a) in the case of the balance sheet, of the state of affairs of the company as at 31st March, 2011.
 - (b) in the case of the profit and loss account of the company, of the loss for the year ended on that date; and
 - (c) in the case of the cash flow statement, of the cash flows of the company for the year ended on that date.

for V. SAHAI TRIPATHI & Co.

Chartered Accountants

Firm's Registration Number : 000262N



ANNEXURE TO AUDITORS REPORT FOR THE YEAR ENDING MARCH 31, 2011

Referred to in paragraph 3 of our report of even date

- (i) (a) The company has generally maintained records showing full particulars including quantitative details and situation of fixed assets of all its units.
- (b) All the fixed assets of the company have been physically verified by the management in a phased manner so that the entire assets are covered within a period of three years. There is a programme of verification of fixed assets which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The company has not disposed off a substantial part of its fixed assets during the year to affect the status of the company as a going concern. Land & Building at Mohali unit is to be sold as per the rehabilitation scheme sanctioned by the Hon'ble BIFR.
- (ii) (a) Inventories of the Company have been physically verified during the year in a phased manner by the management and in our opinion, the frequency of verification is reasonable.
- (b) The procedures for physical verification of inventories, other than Inventory of Rs 1376 lacs at Mohali unit, followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. Please refer note number – 8(b) of Notes to accounts in Schedule U.
- (c) The company is maintaining proper records of its inventories at Vadodara unit. The discrepancies noticed on verification between the physical stocks and the book records were not material. There is no change in balances of Inventory at Mohali unit since 2002.
- (iii) (a) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act & therefore paras (iii) (a) to (d) are not applicable and have therefore not been commented upon.
- (b) The company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act & therefore paras (iii) (e) to (g) are not applicable and have therefore not been commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to the purchase of inventories, fixed assets and the sale of goods. During the course of our audit, we did not observe any major weaknesses in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that there are no transactions which are required to but have not been entered in the register maintained under section 301 of the Companies Act, 1956.
- (b) In our opinion and according to the information and explanations given to us there were no transactions during the year exceeding the value of rupees five lacs in respect of any party made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956.
- (vi) The company has not accepted deposits from the public during the year and there are no outstanding deposits.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business. However, it needs to be strengthened further.
- (viii) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been kept and maintained.
- (ix) (a) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax,



JCT ELECTRONICS LIMITED

Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other undisputed statutory dues were outstanding at the year end, for a period of more than six months from the date they became payable, except Rs 26.50 lacs pertaining to Mohali unit, which are outstanding since the year 2002.

- (b) The dues on account of excise duty which have not been deposited on account of disputes are given below:-

Forum where dispute is pending	Amt. involved (₹. lacs)
Allahabad High Court	10.50
Commissioner Appeal	12.30
Asstt. Commissioner	21.16
Total	43.96

- (x) The accumulated losses at the end of the financial year exceed its net worth. The company has incurred cash losses in this financial year and also in the financial year immediately proceeding the current financial year.
- (xi) The company had defaulted in the repayment of dues to financial institutions, banks and privately placed debenture holders, however, as per the rehabilitation scheme sanctioned by the Hon'ble BIFR, the interest dues of secured lenders accrued till 31st March 2007 has been waived and the principal amount is scheduled to be paid commencing from quarter ended January-March 2009.
- The Company has started paying principal outstanding on deferral basis in accordance with the scheme sanctioned by Hon'ble BIFR.
- (xii) The company has not granted any loans and advances and therefore clause (xii) is inapplicable and has not been commented upon.
- (xiii) The company is not a chit fund or a nidhi/mutual fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable.
- (xiv) The company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable.
- (xv) The company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) In our opinion the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that funds raised during the year on short-term basis have not been used for long term investments.
- (xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956. However, equity shares of Rs.7502.26 lakhs and Rs 34.78 lacs were issued to promoters/ banks and FIs under the BIFR sanctioned scheme during the financial year ended 31st March 2008 and 31st March, 2010 respectively.
- (xix) The company has not issued any debentures during the current financial year.
- (xx) The company has not made any public issue during the current financial year.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

for V. SAHAI TRIPATHI & Co.
Chartered Accountants
Firm's Registration Number : 000262N



JCT ELECTRONICS LIMITED

BALANCE SHEET AS AT 31st MARCH, 2011

	Schedule	As At 31.03.2011 ₹ in Lacs	As At 31.03.2010 ₹ in Lacs
I. SOURCES OF FUNDS			
1. Shareholders funds :			
a) Equity Capital	A	7,882.40	7,882.40
b) Reserves and surplus	B	6,638.65	6,638.65
		14,521.05	14,521.05
2. Loan funds :			
a) Secured loans	C	35,015.92	36,596.06
b) Unsecured loans	D	311.10	311.10
		35,327.02	36,907.16
TOTAL		49,848.07	51,428.21
II. APPLICATION OF FUNDS			
1. Fixed assets :	E		
a) Gross block		73,636.58	73,532.45
b) Less : Depreciation		40,115.79	38,477.80
c) Net block		33,520.79	35,054.65
d) Capital work in progress / Capital Advances		456.47	290.90
		33,977.26	35,345.55
2. Investments :	F	157.17	157.17
3. i) Current assets, loans and advances :			
a) Inventories	G	4,276.53	7,094.56
b) Sundry debtors	H	4,662.45	5,381.67
c) Cash and bank balances	I	953.95	1,901.96
d) Loans and advances	J	2,590.95	3,353.16
		12,483.88	17,731.35
Less :			
ii) Current liabilities and provisions :			
a) Liabilities	K	41,004.53	43,960.53
b) Provisions	L	823.22	916.78
		41,827.75	44,877.31
Net Current Assets : (i – ii)		(29,343.87)	(27,145.96)
III. PROFIT & LOSS ACCOUNT		45,057.51	43,071.45
TOTAL		49,848.07	51,428.21
Significant Accounting Policies	T		
Notes to Balance Sheet	U		

As per our report of even date
attached to the balance sheet

On behalf of the Board

for V. SAHAI TRIPATHI & Co.
Chartered Accountants

P K GANGULY
Director

ARJUN THAPAR
Managing Director

MANISH MOHAN
Partner

Place : New Delhi
Dated : 4th August, 2011

M P S NARANG
Vice-President –
Finance & Accounts

GOPAL KRISHNAN
Sr. Vice-President &
Company Secretary

RAJ KAPUR
Chief Operating
Officer



JCT ELECTRONICS LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

	Schedule	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
INCOME			
Sales		51,263.36	52,811.18
Less: Excise Duty		4,928.67	4,152.26
Net Sales		46,334.69	48,658.92
Other Income	M	258.91	142.55
Increase / (Decrease) in stocks	N	(1,438.66)	729.27
		<u>45,154.94</u>	<u>49,530.74</u>
EXPENDITURE			
Manufacturing expenses	O	37,557.11	41,055.32
Payment to and provision for employees	P	3,338.04	3,420.32
Administrative & other expenses	Q	967.01	1,064.04
Selling & distribution expenses	R	925.11	1,114.81
Interest & financing charges	S	2,614.46	2,383.84
		<u>45,401.73</u>	<u>49,038.33</u>
Gross profit / (Loss) for the year		(246.79)	492.41
Depreciation		1,655.12	1,686.35
Net profit / (Loss) for the year		(1,901.91)	(1,193.94)
Less: Expenses / Depreciation relating to prior period		(31.50)	(61.47)
Net profit / (Loss) before tax		<u>(1,933.41)</u>	<u>(1,255.41)</u>
FBT Assessed (Previous Years Adjustment)		(52.65)	—
Net profit / (Loss) after tax		<u>(1,986.06)</u>	<u>(1,255.41)</u>
Profit / (Loss) brought forward from previous year		(43,071.45)	(41,816.04)
Profit / (Loss) carried over to Balance Sheet		<u>(45,057.51)</u>	<u>(43,071.45)</u>
Significant Accounting Policies	T		
Notes to Profit & Loss Account	U		

As per our report of even date
attached to the balance sheet

On behalf of the Board

for V. SAHAI TRIPATHI & Co.
Chartered Accountants

P K GANGULY
Director

ARJUN THAPAR
Managing Director

MANISH MOHAN
Partner

Place : New Delhi
Dated : 4th August, 2011

M P S NARANG
Vice-President –
Finance & Accounts

GOPAL KRISHNAN
Sr. Vice-President &
Company Secretary

RAJ KAPUR
Chief Operating
Officer



JCT ELECTRONICS LIMITED

SCHEDULES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2011

	As At 31.03.2011 ₹ in Lacs	As At 31.03.2010 ₹ in Lacs
SCHEDULE – A : SHARE CAPITAL		
Authorised :		
Equity Shares – 130,00,00,000 of ₹ 1/- each.	13,000.00	13,000.00
Preference Shares – 200,00,000 of ₹ 10/- each	2,000.00	2,000.00
	<u>15,000.00</u>	<u>15,000.00</u>
Issued, Subscribed and Paid-up :		
Equity Shares – 78,82,57,063 of ₹ 1/- each fully paid up	7,882.57	7,882.57
Less : Allotment money in arrears (Due from Directors – Nil)	0.17	0.17
Per Balance Sheet	<u>7,882.40</u>	<u>7,882.40</u>
SCHEDULE – B : RESERVES & SURPLUS		
Capital Reserve (Land Subsidy)	81.02	81.02
Capital Redemption Reserve	800.00	800.00
Share Premium Account	5,757.63	5,757.63
Per Balance Sheet	<u>6,638.65</u>	<u>6,638.65</u>



JCT ELECTRONICS LIMITED

	As At 31.03.2011 ₹ in Lacs	As At 31.03.2010 ₹ in Lacs
SCHEDULE – C : SECURED LOANS		
Term Loans/Working Capital Term Loans		
– Financial Institutions	14,492.01	15,321.33
– Banks	12,474.91	13,225.73
	<u>26,966.92</u>	<u>28,547.06</u>
Less : Balance Upfront Payment in no lien a/c with OA yet to be distributed	<u>(27.99)</u>	<u>(27.99)</u>
	26,938.93	28,519.07
Working Capital facilities from Banks	8,076.99	8,076.99
Per Balance Sheet	<u>35,015.92</u>	<u>36,596.06</u>

Notes :

1. (a) Term loans from the financial institutions and banks are secured by an equitable mortgage on all the immovable properties at Mohali & Vadodara and hypothecation of the movable assets of the company, present and future, save and except prior charges on specified movables in favour of the bankers for working capital requirements.
(b) In terms of the scheme sanctioned by BIFR, 15% of the amount outstanding against the NCDs (Series I) subscribed by Vijaya Bank have been converted to equity shares and the balance amount have been converted to term loans and appears under the head Term Loan - Banks.
The NCDs were earlier secured by an equitable mortgage on the immovable properties at Vadodara and hypothecation of the movable assets of the company at Vadodara, present and future, in favour of Debenture Trustees, ranking pari-passu with the charges created on the said assets in favour of other term lenders and is in the process of being released in favour of Vijaya Bank.
(c) Further, in terms of the scheme sanctioned by BIFR, 15% of the amount outstanding against the NCDs (Series II & III) subscribed by IFCI have been converted to equity shares and the balance amount have been converted to term loans and appears under the head Term Loan - Financial Institutions.
The NCDs were earlier secured by an equitable mortgage on the immovable properties at Mohali and Vadodara and hypothecation of the movable assets of the company, present and future, in favour of Debenture Trustees, ranking pari-passu with the charges created on the said properties in favour of other term lenders and is in the process of being released in favour of IFCI.
2. (a) Working Capital facilities/Working Capital Term Loans are secured by first charge by way of hypothecation of raw materials, goods in process, finished goods, stores and spares, book debts and receivables of the Company, present and future and second charge on the immovable properties at Mohali and Vadodara.
(b) In terms of scheme sanctioned by BIFR, outstanding principal amount of the banks (other than banks covered under OTS as per sanctioned scheme) as on 31st March, 2007 have been converted into working Capital Term Loans. These will additionally be covered by a pari-passu charge on the fixed assets along with the term lenders, after completion of documentation in the regard. Principal amount of Working Capital from banks covered under OTS have been shown under Working Capital facilities.



JCT ELECTRONICS LIMITED

	As At 31.03.2011 ₹ in Lacs	As At 31.03.2010 ₹ in Lacs
SCHEDULE – D : UNSECURED LOANS		
Unsecured Non Convertible Debentures*		
90 Nos. of ₹ 1,00,000 each	90.00	90.00
Others	4.29	4.29
Inter Corporate Deposits	49.95	49.95
Interest accrued and due**	166.86	166.86
Per Balance Sheet	311.10	311.10

* These NCDs which were redeemable on 23.11.99 will be now paid as per terms of the sanctioned scheme.

** Includes ₹ 161.06 lacs (Previous year ₹ 161.06 lacs) on Unsecured Non Convertible Debentures and ₹ 5.80 lacs (Previous year ₹ 5.80 lacs) on Inter Corporate Deposit & others.

SCHEDULE – E : FIXED ASSETS

Assets	Original Cost				Depreciation				Written down Value	
	As at 01.04.10	Addi- tions	Dis- posal	As at 31.03.11	As at 01.04.10	For the year	Written back	As on 31.03.11	As at 31.03.11	As at 31.03.10
Leasehold land	140.53	–	–	140.53	25.00	1.43	–	26.43	114.10	115.53
Freehold land	767.87	–	–	767.87	–	–	–	–	767.87	767.87
Buildings	5,107.07	10.94	–	5,118.01	2,313.94	157.33	–	2,471.27	2,646.74	2,793.13
Plant & machinery	58,307.78	70.40	–	58,378.18	31,431.25	1,238.53	–	32,669.78	25,708.40	26,876.53
Electrical installation	7,663.52	2.46	0.42	7,665.56	3,472.95	210.07	0.23	3,682.79	3,982.77	4,190.57
Storage & water system	610.71	–	–	610.71	518.34	6.84	–	525.18	85.53	92.37
Office equipment	354.85	7.53	4.57	357.81	313.86	9.75	4.44	319.17	38.64	40.99
Factory equipment	115.65	0.99	1.42	115.22	65.35	2.18	0.92	66.61	48.61	50.30
Furniture & fittings	299.80	6.21	1.13	304.88	261.85	10.98	1.13	271.70	33.18	37.95
Vehicle & cycles	132.08	25.85	20.15	137.78	51.05	14.27	10.41	54.91	82.87	81.03
Intangible Assets	32.59	7.44	–	40.03	24.21	3.74	–	27.95	12.08	8.38
Current year total	73,532.45	131.82	27.69	73,636.58	38,477.80	1,655.12	17.13	40,115.79	33,520.79	35,054.65
Previous year total	72,884.97	699.08	51.60	73,532.45	36,819.79	1,696.53	38.52	38,477.80		
Capital advances									0.62	–
Capital work in progress									455.85	290.90
Per Balance Sheet									33,977.26	35,345.55



JCT ELECTRONICS LIMITED

	As At 31.03.2011 ₹ in Lacs	As At 31.03.2010 ₹ in Lacs
SCHEDULE - F : INVESTMENTS		
Non Trade - Long Term :		
Unquoted (at cost)		
Shivalik Video Communications Limited		
3,000 Equity Shares of ₹ 100/- each fully paid up	3.00	
Less : Provision for diminution in value of investment	(3.00)	—
India International Airways Limited		
34,81,120 Equity Shares of ₹ 10/- each fully paid up	348.11	
Less : Provision for diminution in value of investment	(239.55)	108.56
Swaraj Automotives Limited (Previously known as Punjab Scooters Ltd.)		
11,498 Equity Shares of ₹ 10/- each fully paid up	0.11	0.11
Quoted (at cost)		
Escorts Income Bond		
5,00,000 Mutual Fund Units of ₹ 10/- each fully paid up	48.50	48.50
Per Balance Sheet	157.17	157.17
Aggregate amount of quoted investments at NAV		
₹ 157.04 lacs. (Previous year ₹ 114.90 lacs)	48.50	48.50
Aggregate amount of unquoted investments	108.67	108.67
Total	157.17	157.17

SCHEDULE - G : INVENTORIES

(As per Inventories valued and certified by the management)

Raw materials	1,528.14	2,422.52
Material in transit	425.82	960.34
Goods in process	440.43	682.10
Finished goods	356.49	1,528.10
Stores & spares	1,525.31	1,501.16
Loose tools	0.34	0.34
Per Balance Sheet	4,276.53	7,094.56

SCHEDULE - H : SUNDRY DEBTORS

Over Six months		
Unsecured — Considered good	3,486.91	3,463.20
— Considered doubtful	43.30	67.04
	3,530.21	3,530.24
Other Debts		
Unsecured — Considered good	1,175.54	1,918.47
	4,705.75	5,448.71
Less: Provision for doubtful debts	43.30	67.04
Per Balance Sheet	4,662.45	5,381.67



JCT ELECTRONICS LIMITED

	As At 31.03.2011 ₹ in Lacs	As At 31.03.2010 ₹ in Lacs
SCHEDULE - I : CASH AND BANK BALANCES		
Cash in hand	14.93	8.18
Cheques in hand & remittance in transit	–	14.96
Balance with scheduled banks – current accounts	243.32	1,230.25
– margin money	695.70	648.57
Per Balance Sheet	953.95	1,901.96
SCHEDULE - J : LOANS & ADVANCES		
Unsecured :		
Advances recoverable in cash or in kind or for value to be received		
– considered good	2,590.95	3,353.16
– considered doubtful	35.41	12.82
	2,626.36	3,365.98
Less: Provision for doubtful advances	35.41	12.82
Per Balance Sheet	2,590.95	3,353.16
SCHEDULE - K : CURRENT LIABILITIES		
Acceptances	735.45	992.30
Sundry creditors		
– due to MSMED	20.49	20.49
– others	30,884.27	35,009.90
Other liabilities	4,782.70	5,220.06
Interest accrued but not due	4,581.62	2,717.78
Per Balance Sheet	41,004.53	43,960.53
SCHEDULE - L : PROVISIONS		
For Leave encashment	242.87	239.10
For Gratuity	580.35	677.68
Per Balance Sheet	823.22	916.78



JCT ELECTRONICS LIMITED

SCHEDULES ATTACHED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
SCHEDULE - M : OTHER INCOME		
Liability no longer required written back	175.59	36.70
Interest (Tax deducted at source ₹ 4.60 lacs, previous year ₹ 17.27 lacs)	61.81	103.34
Other income	6.39	2.22
Dividend	0.46	0.29
Gain on FCY fluctuation	14.18	—
Income on sale of fixed assets	0.48	—
Per Profit & Loss Account	258.91	142.55

SCHEDULE - N : INCREASE/(DECREASE) IN STOCKS

Opening Stock :		
— Finished goods	1,528.10	745.10
— Goods-in-process	682.10	735.83
	2,210.20	1,480.93
Closing Stock :		
— Finished goods	356.49	1,528.10
— Goods-in-process	440.43	682.10
Less : Increase/Decrease in F. G. related to Pre-op	(25.38)	—
	771.54	2,210.20
Per Profit & Loss Account	(1,438.66)	729.27

SCHEDULE - O : MANUFACTURING EXPENSES

Raw materials consumed	34,747.42	37,183.28
Less : Discount on inputs	(1,193.90)	(1,762.53)
Net Raw Material Consumed	33,553.52	35,420.75
[Includes Trading goods ₹ 156.44 lacs (Previous Year ₹ 127.97 lacs)]		
Stores, spares & loose tools consumed	456.75	712.50
Power, fuel & gases	3,610.01	4,491.46
Repairs & maintenance - plant & machinery	20.52	90.87
Repairs & maintenance - factory building	27.98	37.64
Excise duty on FG stock/others*	(111.67)	302.10
Per Profit & Loss Account	37,557.11	41,055.32

* Excise duty shown as above represents difference between excise duty on opening & closing finished goods stock.

SCHEDULE - P : PAYMENT TO & PROVISION FOR EMPLOYEES

Salaries, wages, bonus etc.	2,893.59	3,003.65
Contribution to provident, gratuity & other funds	149.07	132.44
Workmen & staff welfare expenses	295.38	284.23
Per Profit & Loss Account	3,338.04	3,420.32



JCT ELECTRONICS LIMITED

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
SCHEDULE - Q : ADMINISTRATION & OTHER EXPENSES		
Rent	123.09	98.02
Rates & taxes	41.57	107.56
Insurance	44.74	39.53
Directors' fees	32.00	23.30
Travelling expenses	186.22	135.49
Printing & stationery	14.62	17.43
Postage, telegram & telephone	23.99	26.46
Repair & maintenance - other building	0.05	—
Repair & maintenance - others	97.82	84.55
Professional fees	105.56	67.80
Provision for doubtful advances	—	2.54
Provision for obsolete capital Items	54.29	—
Software/Computerization expenses	21.55	23.71
Loss on sale of assets	3.07	6.29
Auditors' remuneration		
— Audit fees	8.50	7.50
— Tax audit fees	1.25	0.75
— Out of pocket expenses	2.04	2.91
— Taxation matters	—	0.72
Miscellaneous expenses	206.65	419.48
Per Profit & Loss Account	967.01	1,064.04
SCHEDULE - R : SELLING & DISTRIBUTION EXPENSES		
Advertisement & publicity	2.15	5.80
Cash & other discount	1.86	189.40
Sales incentive & commission	0.33	0.67
Freight - outward	822.77	778.09
Export sales expenses	0.01	0.53
Provision/write off for doubtful debts	—	40.33
Insurance	26.89	29.32
Miscellaneous expenses	71.10	70.67
Per Profit & Loss Account	925.11	1,114.81
SCHEDULE - S : INTEREST & FINANCING CHARGES		
Interest		
— On fixed loans	1,865.19	1,821.12
— On other loans	517.42	331.64
	2,382.61	2,152.76
Financing Charges		
— Guarantee commission	7.66	—
— Bank & financing charges	224.19	216.28
— Lease rentals	—	14.80
	231.85	231.08
Per Profit & Loss Account	2,614.46	2,383.84



SCHEDULE - T : SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles ("GAAP") in India under the historical cost convention on accrual basis and are in accordance with the applicable accounting standards issued by the Institute of Chartered Accountants of India (ICAI) & prescribed in the Companies (Accounting Standards) Rules, 2006. These Accounting policies have been consistently applied, except where a newly issued accounting standard is initially adopted by the company. Management evaluates the effect of accounting standards issued on a going basis and ensures that they are adopted as mandated by the ICAI.

2. VALUATION OF INVENTORIES:

- (a) Finished goods have been valued at lower of cost or net realizable value. In the case of finished goods, cost is determined by taking material, labour and related factory overheads including depreciation, excise duty and fixed production overheads arrived at by the cost sheet of the last month of the financial year. Fixed overheads are allocated for inclusion in the cost of conversion on the basis of normal levels of production capacity or actual production whichever is higher.
- (b) Raw materials, stores and spares have been valued at cost by using weighted average basis.
- (c) Goods in process have been valued at raw material cost incurred up to the stage of production plus conversion cost apportioned on the basis of raw material cost of goods in process.
- (d) Loose tools and stock in transit have been valued at cost.
- (e) As per past practice, no value is placed on stock of scrap since its estimated net realizable/usable value is not accurately ascertainable.

3. DEPRECIATION

- (a) Depreciation on fixed assets is provided on the straight-line method in accordance with Schedule XIV to the Companies Act, 1956. However, as per rehabilitation scheme approved by Board for Industrial and Financial Reconstruction (BIFR), in respect of plant & machinery (including electrical installation, factory equipment, storage & water system), the estimated useful life of assets has, with retrospective effect, been considered as 30 years. However, the rate of depreciation on plant & machinery are lower than rates prescribed in Schedule XIV. The rate of depreciation as per Straight Line Method is being used is 3.333% as against rate of 4.75% mentioned in Schedule XIV of Companies Act, 1956.
On indigenous vehicles/cycles, depreciation is provided on the written down value method as per rates prescribed and in accordance with the Income Tax Act, 1961.
- (b) In the case of purchase/sale depreciation is charged for the full month in which purchase/sale is made.
- (c) 100% depreciation is charged in the year of purchase on assets equal to or less than ₹ 5,000.

4. FOREIGN CURRENCY TRANSLATION

Foreign exchange transactions are recorded at the rate of exchange prevailing on the date of transaction (i.e. bill of entry). Accordingly, exchange differences arising on foreign exchange transactions settled during the period are recognized in the profit and loss account of the period.

Monetary current assets and monetary current liabilities that are denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. The resulting difference is also recorded in the profit & loss account.

5. ACCOUNTING FOR FIXED ASSETS

- (a) Fixed assets are stated at their original cost including incidental expenses related to acquisition and installation less accumulated depreciation. The cost of assets under installation or under construction as at the balance sheet date are shown as capital work in process. There has been no revaluation of fixed assets carried out during the year.
- (b) Leasehold land is written off over the period of lease.

6. REVENUE RECOGNITION

- (a) Sales are recognized when significant risks and rewards of goods are transferred to the customers and is stated net of returns, trade discounts, rebates and sales tax but includes excise duties.
- (b) Dividend Income is recognized when the right to receive is established.



- (c) Interest revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

7. EMPLOYEE BENEFITS

(a) Short Term Employee Benefits

All employee benefits falling due within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and the expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related service.

(b) Post-Employment Benefits

(i) Defined Contribution Plans

Defined Contribution Plans are provident fund scheme, officers' superannuation scheme, employees state insurance and government pension fund scheme for eligible employees. The company's contribution to the Defined Contribution Plans is recognized in the profit & loss account in the financial year to which they relate.

(ii) Defined Benefit Plans

The employee's gratuity fund scheme managed by LIC are the Company's defined benefit plans. Wherever applicable, the present value of the obligation under such defined benefit plans are determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains and losses are recognized immediately in the Profit & Loss Account.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognize the obligation on the net basis.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs. Past service cost is recognized as expense on a straight-line basis over the average period until the benefits become vested.

(c) Other Long-term Employee Benefits

The obligations for long term employee benefits such as long term compensated leave or encashment of leave accrued up to the specified period only at the time of retirement are recognized in the similar manner as in the case of defined benefit plans as mentioned in (b) (ii) above. The provision for leave encashment is accrued and provided for, based on the actuarial valuation made by an independent Actuary as on the Balance Sheet date.

8. ACCOUNTING FOR INVESTMENT

Investments are classified into current and long term investments. Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are stated at the lower of cost and fair value determined on an individual basis. A provision for decline in value of investments is made only when the extent of loss is determinable and diminution in value, in the opinion of the Directors, is permanent.

9. INTANGIBLE ASSETS

Intangible Assets & related expenditure are recognized as per criteria specified in Accounting Standard-26 on "Intangible Assets" issued by the Institute of Chartered Accountants of India and accounted for as under :-

- Intangible Assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.
- The cost of internally generated products is the sum of the expenditure incurred from the time when the product first met the recognition criteria for an intangible asset in development stage. The expenditure incurred during research phase is directly charged to Profit & Loss Account. The cost of product development comprises its raw material cost, salary & wages, stores & spares, including any import duties and other taxes (other than those subsequently recoverable by the enterprise from the taxing



authorities) and any directly attributable expenditure on making the product ready for its use. Any trade discounts, rebates & realization from sale of products during test runs are deducted in arriving at cost.

- Revenue expenditure whenever incurred on research and development is expensed as incurred.
- Acquisition of software is amortized on a straight line basis over a period of five years starting from the year of capitalization.
- Internally developed new products for commercial use : over a period of 120 months from the month subsequent to the month in which it got activated for commercial use.

10. EXCISE DUTY

Excise duty has been accounted for on the basis of removal of goods as well as provision made for goods lying as closing stock.

11. DEFERRED TAXATION

Deferred tax is the effect of timing differences, being the difference between taxable income and accounting income that originates in one period and is capable of reversal in one or more subsequent periods. On prudent grounds, deferred tax liabilities, when they arise, are provided without any exceptions but deferred tax assets are calculated on the accumulated timing differences as at the end of the year and are based on tax rates and laws in force on the balance sheet date and are recognized and carried forward only to the extent that there is a virtual certainty of realization against future taxable income.

12. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

13. LEASES

- (a) Lease rentals on assets taken on lease prior to April 01, 2001 are charged to the profit & loss account over the period of the lease.
- (b) Assets taken on lease under which the lessor effectively retains all significant risks & rewards of ownership have been classified as operating lease. Lease payments made under an operating lease are recognized as expense in the profit & loss account on straight line basis over the primary term of the lease as mentioned in the lease agreement.

14. BORROWING COSTS

Borrowing costs that are specifically attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of such asset till the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

15. EARNINGS PER SHARE

In determining earnings per share, the Company considers the net profit after tax and includes the post-tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share comprises of the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises of the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

16. CASH FLOW STATEMENTS

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from principle revenue generating, investing and financing activities of the Company are segregated.

17. DISCOUNTS

Discount allowed on sale (other than trade or volume discount) is shown under the Selling & Distribution expense schedule. Discount allowed on purchase (other than trade or volume discount) is reduced from Raw Material Consumed.



JCT ELECTRONICS LIMITED

SCHEDULE - U : NOTES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

	As at 31.03.2011 ₹ in Lacs	As at 31.03.2010 ₹ in Lacs
1. CAPITAL EXPENDITURE COMMITMENTS :		
Estimated amount of contracts remaining to be executed on capital account and not provided for	3.21	12.37
2. CONTINGENT LIABILITIES :		
a) Claims against the Company not acknowledged as debts	1,878.68	1,880.18
b) Bills discounted	745.96	4,728.17

3. EXCHANGE FLUCTUATION:

Exchange differences arising on foreign currency transactions relating to revenue items have been recognised as income or expense in the period in which they arise. During the current year, there was a gain of Rs. 14.18 lacs (Previous year gain of Rs. 74.16 lacs) which has been shown as part of other income.

4. The information required to be disclosed under the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED), has been determined to the extent such parties have been identified on the basis of information available with the company. During the year ended 31st March, 2011, company has not received any confirmation or intimation from any party that it is covered under the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED).

M/s. H.K. Industries and M/s Royal Pack Industries are two parties registered under the said Act to whom the company owes an amount for more than 45 days as at the Balance Sheet date which are carrying since 31st March, 2007. Dues of the creditors as at 31st March, 2007 are to be addressed as per terms of sanctioned scheme of BIFR. However, in respect of balances outstanding as at 31st March, 2007, no provision for interest has been made in view of the BIFR order passed under the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), wherein it is stated that no interest on outstanding amounts due to creditors standing as on the cut off date i.e. 31st March, 2007, shall be payable. Besides, there are no transactions with these parties in the reporting year. In view of above, the information required under the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED), has not been furnished.

5. The Board for Industrial and Financial Reconstruction (BIFR) declared the company as a sick company vide its order dated 12th December, 2005 under the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). BIFR passed an order under section 17(3) of SICA & sanctioned a rehabilitation scheme vide its order dated 12th March, 2007 with the cut off date fixed as 31st March, 2007, which was further amended vide order dated 25th May, 2007. The scheme came into effect from the date of issue of the sanctioned scheme and its provisions are binding on all concerned. Relevant extracts from the sanctioned scheme are given below:-

A. REHABILITATION SCHEME

(a) Contours

Sr. No.	Parameter	Particulars
1.	Cut off date	31-March-2007
2.	Waivers (upto cut off date)	Waiver of past interest /CI/LD/penal interest, etc.
3.	Shifting of Plant & Machinery of Mohali plant to Vadodara	The entire plant at Mohali unit will be shifted to Vadodara as new line-III for the manufacture of 21" True Flat Tubes. The land & building at the Mohali unit will be sold at an expected price of ₹ 11,900 lacs. Workers at the Mohali plant will be given employment at the Vadodara plant and in the event of any worker not opting for shifting, he/she would be paid their legal dues as per the settlement.
4.	Utilisation of sale proceeds of Land & Building at Mohali Unit	Sale of Land & Building at Mohali Unit and utilization of the proceeds (expected at about ₹11,900 lacs) towards payment of workers' dues (about ₹ 1,000 lacs), payment of foreign banks towards settlement of their liabilities (₹ 3,000 lacs) and payment of balance amount of ₹ 7,900 lacs to lenders in the ratio of outstanding



JCT ELECTRONICS LIMITED

		dues for FIs & core irregularities for the banks. In case the realization from sale of Land & Building at Mohali unit falls below ₹ 11,900 lacs, then the promoters will meet the shortfall. In case proceeds are more than ₹ 11,900 lacs, the appropriation shall be as under i) Upto ₹ 3,000 lacs – Increase to be paid to secured lenders after paying crystallized workers dues. ii) Beyond ₹ 3,000 lacs - To be utilized by the company for adding capacities with prior approval of BIFR.
5.	Future Interest Rate	Interest @ 6% p.a. for term loans/working capital term loans w.e.f 1.10.2008 & there will be no running cash credit working capital facility with banks.
6.	Conversion of Principal Term loans / WCTL into Equity	Conversion of 15% of principal outstanding of Term Loans/WCTL (Rs.5,400 lacs) into equity shares of the company after reduction of existing equity by 90%.
7.	Promoters' contribution	Equity : ₹ 2,500 lacs (₹ 750 lacs towards upfront payment + ₹ 1,750 lacs towards capital expenditure for setting up facilities of 14" CPT and captive power generation), In addition, the company will also convert share application money into equity at par after write down of existing equity.
8.	Sanction of need based additional (L/C / LG limits)	Non Fund Based Limit – Need based 2007-08 : ₹ 5,054 lacs
9.	Security	1. Pledge of entire share holding of promoters post restructuring (after equity w/off, conversion & fresh induction). 2. Personal Guarantee of Sh. Arjun Thapar on the entire Loans of FIs & Banks. 3. Ceding of pari-passu charge to working capital banks for their WCTL exposure. 4. Opening of Trust & Retention Account with lead bank.
10.	Capital Reduction	To write down existing paid up equity share capital (₹ 3,450 lacs) by 90%.
11.	Workers' dues	JCTEL/Promoters to settle the workers past liability at ₹ 1,000 lacs (as estimated) to be paid out of sale proceeds of Mohali Unit, as per appropriation proposed in Item No.4.

(b) REPAYMENT SCHEDULE

Sr. No	Parameter	Particulars
1.	Repayment of balance principal -Term Loans & working Capital term Loans	In 33 quarterly instalments commencing from Dec, 2008 to Mar., 2017.

(c) ONE TIME SETTLEMENT PROPOSAL FOR FOREIGN BANKS

Sr. No	Parameter	Particulars
1.	OTS PROPOSAL	One time settlement of dues with foreign banks towards settlement of their entire liabilities for ₹ 3,000 lacs (36.36% of principal) payable out of the Mohali sale proceeds.

B. COST OF THE SCHEME & MEANS OF FINANCE

(₹ in lacs)

Cost of the Scheme:

Capital expenditure	1,750
Settlement of Foreign Banks' dues	3,000
Payment of Workers' dues	1,000
Upfront payment	750
Down payment from sale proceeds of Mohali Plant	7,900
Total	14,400

Means of Financing:

Promoters' contribution by way of equity	2,500
Sale of Mohali Plant (Estimated)	11,900
Total	14,400

No separate provision for contingencies is made as it would be met by the promoters upon crystallizing.



JCT ELECTRONICS LIMITED

C. SALE OF MOHALI ASSETS

The scheme envisages sale of land and building and other infrastructure of the Mohali unit (Punjab) and shifting of the plant and machinery to Vadodara and utilizing the sale proceeds for meeting the liabilities of the secured lenders and workers.

D. RELIEFS & CONCESSIONS:

FIs & Banks

- To waive past interest/compound interest/LD/penal damages etc. from the date of the first default to respective institutions and banks and to agree to collect the principal outstanding as on the cut-off-date in instalments as shown in the cash flow statement, starting from December 2008. The default date for this purpose of waiver for all institutions and banks from which relief is sought is listed in annexure III to the scheme.
- To agree to levy 6% per annum interest from 1.10.2008 until the dues are paid and to convert the debentures into Term Loan.
- Conversion of Working Capital limits into WCTL by Bankers.
- Conversion of part principal into equity, as per SEBI guidelines/pricing formula.
- Reschedule payment of principal so that it is repaid in 33 quarterly instalments starting from December, 2008.
- Banks to provide need based LC/LG facilities from time to time assessed at ₹ 5,054 lacs for the year 2007-08.
- Ceding of pari-passu charge in favour of Working Capital Bankers to secure their WCTL, exposure.

Promoters/Shareholders/JCTEL

- Write down of existing equity by 90%, immediately after sanction of the Scheme.
- Promoters to convert Share Application Money into equity capital as per SEBI formula.
- Personal Guarantee of Shri Arjun Thapar, MD to the exposure of FIs & Banks.
- Promoters to bring in ₹ 25 crores as promoters' contribution in the shape of equity.
- Pledge of entire Promoter's Shareholding (post rehabilitation) with FIs and Banks.
- Sale of Mohali land and building and utilization of proceeds thereof for reduction of debt of institutions/banks and settling workers' liability.
- To continue to induct nominees of lead bank and lead FIs on the board of company.

Workers (Mohali Plant)

- The workers shall extend full cooperation for sale of land and buildings to the company at Mohali and for shifting the plant and machinery to Vadodara.
- To agree to shift to Vadodara on the terms and conditions as applicable to the employees at Vadodara in the event of their giving consent to shift to Vadodara works.
- Those not willing to get shifted, to collect their payments etc. in arrears in accordance with the law.
- To withdraw the legal cases pending with various courts filed by them upon receiving the terminal dues.

Government of Punjab

- To consider to grant permission for closure of Black & White Picture Tube plant and Watch unit as these are non-operational since 1991; and
- To consider waiver of minimum demand charges, interest etc. from PSEB during lock out and non-operational periods and refund of security deposit.
- Government to consider permitting sale and conversion of end use of land of industrial plots at A-32, Indl. Phase-VIII, Mohali and A-27, Phase-VII, Mohali.
- The Sales Tax Deptt. of Punjab has not raised any demand whatsoever. With the sale of land and building of the Mohali unit & shifting of Plant, the Sales tax liability, if any, shall be deemed to have been extinguished. As no liability has arisen the assessments pending, if any, shall be deemed to have been completed.

Government of Gujarat

- Extension of Sales Tax (CST & VAT) concession/exemption expiring in May, 2006 for a further period of 10 years;
- Exemption of Octroi duty for a period of 10 years;
- Exemption from payment of Electricity Duty for a period of 10 years;

Central Government

- Withdrawal of demand notices for PF contribution on wages/salaries during the lock out period.
- Waiver of interest, liquidated damages and penal interest on delayed payments of Provident Fund.
- Exemption from SEBI guidelines for reduction/de-rating of equity; allotment of equity shares to promoters and associates on a preferential basis as envisaged in the Scheme.
- Income Tax Department to consider exempting the company from the provisions of section 115JB & Fringe Benefit Tax and capital gains tax on sale of Mohali assets under the Income Tax Act during the period of rehabilitation.



JCT ELECTRONICS LIMITED

- The Ministry of Commerce, (Director General Foreign Trade) to extend the Export Obligation (EO) period under EPCG scheme for a further period of 5 years from the cut off date (31.3.2007).

E. OTHER STIPULATIONS

If the company commits default towards repayment of principal instalments or payment of interest as per the sanctioned scheme or any combination, Fls / 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 Fls / 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, Fls / 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 Fls / Banks shall be final and binding on the borrower and/or guarantors. In case of Fls / 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, Fls / 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.

6. The impact of the scheme approved by the Hon'ble BIFR, on the accounts of the company for the year under review for which appropriate effect was required to be given are as follows :-

- (a) As per the scheme, interest is to be provided @ 6% p.a. on loans from banks and Fls w.e.f. October 1, 2008.

The company from 1st October, 2008 has started accruing interest @ 6% per annum on Term Loans & Working Capital Term Loans outstanding.

- (b) However, the Hon'ble BIFR vide order dated 12th November, 2008, has stipulated that FI(s)/banks would neither raise any claim for payment of interest w.e.f. 1st October, 2008 in respect of installments, as envisaged in the sanctioned scheme to be read along-with the cash flow statement, nor would they take coercive action in this regard, until issuance of further direction(s) by the Board. The installment's of the balance principal outstanding has been released to Banks/Financial Institutions who have communicated their sanctions. Since Bank of Baroda and Indian Overseas Bank have opted for OTS, they have not been paid installments towards balance principal outstanding.

Starting from the quarter January to March 2009, the company has started paying the balance principal outstanding of Term loans & Working Capital Term Loan after adjusting the amount converted to equity shares and upfront payment, on a deferral basis (over a period of 33 quarterly installments), except payment to Vijaya Bank as the said bank had not sent confirmation to the rehabilitation scheme approved by the Hon'ble BIFR on 12th March, 2007 till the end of this financial year. Amount of ₹ 1,580.14 lacs has been repaid during the year.

- (c) (i) An Asset Sale Committee has been constituted for the sale of land and building of the Mohali unit but before finalizing the sale, permission from the Hon'ble BIFR will be taken. The sale proceeds will be kept in a no lien interest bearing account with the Scheduled Bank, and its utilization will be decided by the Hon'ble BIFR.

(ii) Conversion of leasehold land to freehold land is pending.

(iii) Trust and Retention Bank A/c required to be opened with Scheduled Bank, shall be opened upon sale of Mohali Plant.

- (d) The working capital facilities from the banks (other than banks covered under OTS as per the sanctioned scheme) have been converted into working capital term loan as per the sanctioned scheme. Since the working capital loans of SBI & SBICI, who had earlier opted for OTS, were assigned to Asset Reconstruction Company (India) Limited (ARCIL) in the financial year 2009 -2010, their loans have also been converted into WCTL.

- (e) In view of the deemed sanction of the Income Tax Department, as per section 19(2) of SICA, no provision for Minimum Alternate Tax is required to be made nor is the remission or cessation of interest liability subject to tax under section 41(1) of The Income Tax Act, 1961 since reliefs/concessions provided in the sanctioned scheme under section 17(3) have an over riding effect on the provisions of the Income Tax Act, 1961.

- (f) For continuing uninterrupted supplies/services, in addition to payment against current dues of unsecured creditors, some of the payments against the past dues have also been made and the gross amount paid during the year does not exceed the overall limits prescribed under the sanctioned scheme.

- (g) No interest has been provided on the unsecured loans as per the sanctioned scheme.

- (h) The Company has entered into a Memorandum of Settlement with the worker's unions at Mohali, Punjab,



JCT ELECTRONICS LIMITED

towards crystallizing their dues in the month of May, 2011. The compensation has been increased from ₹ 10 crores to ₹ 40 crores. An application for modification of BIFR scheme has been submitted before Board for Industrial & Financial Reconstruction. Crystallized dues of workers/staff will be settled out of the sale proceeds of the Mohali units as per the sanctioned scheme and hence no provision for the dues to workers/staff has been made in the current year.

- (i) Out of total Debentures of ₹ 500 lacs issued under Series I to Vijaya Bank, 15% of the aforesaid amount of debentures amounting to ₹ 75 lacs has been converted into equity shares in the financial year 2009-2010. The balance amount of ₹ 425 lacs which was appearing as Debentures under the Schedule C 'Secured Loans', till the financial year ending 31st March, 2009 have been shown as Term Loan in the financial year 2009-2010 in terms of Sanctioned Scheme. The security created in favour of Debenture Trustees through Trust Deed is in the process of being released.
 - (j) Similarly, Debentures of ₹ 3,000 lacs issued under Series II & Series III to IFCI which was appearing as Debentures under the Schedule C 'Secured Loans', till the financial year ended 31st March, 2009 have been shown as Term Loan in the financial year 2009-2010 in terms of Sanctioned Scheme. The security created in favour of Debenture Trustees through Trust Deed is in the process of being released.
 - (k) Indian Overseas Bank and Bank of Baroda had not been issued equity equivalent to 15% of principal outstanding as on the cut-off date as per the BIFR sanctioned scheme in the FY 07-08 as they had opted for OTS.
 - (l) In view of the proposed introduction of GST, Extension of Sales Tax (CST & VAT) concession/exemption for a further period of 10 years which has expired in May, 2006, is not likely to come. However, after changes in Sales Tax laws, the same has not been extended & approved by the Gujarat Govt accordingly VAT is being paid on goods sold locally and CST on goods sold in an interstate transaction. Further input tax credit is being claimed on VAT paid.
 - (m) The Scheme has granted exemption of octroi & electricity duty for a period of 10 years but the same has not been approved by the Gujarat Government & it is being borne by the Company.
7. As per BIFR sanctioned scheme, the share capital of ₹ 7,502.26 lacs has been allotted to the promoters/FIs/Banks in the financial year 2006-2007. During the year 2009-10, the share capital of ₹ 34.78 lacs has been allotted to ARCIL pursuant to BIFR order, since SBI & SBICL have assigned their debt to ARCIL. The revival of the company is dependant on sale of land and building at Mohali, shifting of plant and machinery and repayment of dues to various banks and financial institutions. Assuming that this takes place as anticipated in the sanctioned revival scheme, the company's net worth could not turn positive in the 4th year of its implementation due to delay in sale of Mohali Assets. On the assumption that the revival of the company will take place as anticipated, the accounts of the company have been prepared on a "going concern" basis on an assumption made by the management that adequate finances and opportunities would be available in the foreseeable future to enable the company to operate on a profitable basis. Accordingly, the company has been treated as a going concern.
8. (a) As per the sanctioned scheme and assumption by the management that the sale of land & building at Mohali will fetch a value in excess of book value of Fixed Assets of ₹ 2250 lacs and capital work in progress of ₹ 33.20 lacs at Mohali at 31st March, 2011, no provision for impairment of Fixed Assets at Mohali has been considered necessary by the management. The Fixed Assets at Mohali consist of Land, Factory Building, Plant & Machinery, Electrical Installation, Storage & Water System, Office Equipment, Factory Equipment, Furniture & Fittings, Vehicles.
- (b) It is estimated that inventory at Mohali unit which has to be transferred to the Vadodara unit as per the scheme aggregating to ₹1,376.44 lacs contains a substantial loss on impairment which will be estimated and provided for only after these have been shifted to Vadodara Unit. The financial impact of same is not ascertainable. The losses are understated to this extent.
9. The Company estimates the deferred tax (charge) / credit using the applicable rate of taxation based on the impact of timing differences between financial statements and estimated taxable income for the current period. Since there is no reasonable virtual certainty of realisation, deferred tax asset (Net) of ₹ 14,491.20 lacs (Previous year ₹ 14,442.51 lacs) has not been recognized.
10. Employee Benefits:
- (a) Defined Contribution Plans
- The Company has recognized the contribution/liability in the Profit & Loss Account for the financial year 2010-11.



JCT ELECTRONICS LIMITED

(b) Defined Benefit Plans & Other Long Term Benefits:

The following disclosures are made in accordance with AS 15 (Revised) pertaining to Defined Benefit Plans and Other Long Term Benefits :-

(₹ in lacs)

	Leave Encashment 31.03.2011	Leave Encashment 31.03.2010	Gratuity 31.03.2011	Gratuity 31.03.2010
Amount recognized in Balance Sheet				
Present value of funded obligations			975.59	877.87
Fair value of plan assets			395.24	204.92
Present value of unfunded obligations	242.87	239.10		
Unrecognized past service cost				
Net Liability/(Assets)	242.87	239.10	580.35	672.95
Amount in Balance Sheet				
Liability	242.87	239.10	580.35	672.95
Assets	-		-	
Net Liability/(Assets)	242.87	239.10	580.35	672.95
Expenses recognized in the Profit & Loss Account	24.35	35.22	110.67	83.70
Current service cost	15.83	16.22	50.44	48.54
Interest on defined benefit obligation	19.13	16.32	70.23	66.06
Expected return on plan assets	-	-	(26.26)	(13.30)
Net actuarial losses/(gain) recognized in the year	(10.61)	2.68	16.26	(17.60)
Past service cost				
Losses/(gains) on "Curtailments and Settlements"	-	-	-	-
Total, included in "Employee Benefit Expense"	24.35	35.22	110.67	83.70
Actual return on plan assets	-	-	-	-
Reconciliation of benefit obligations and plan assets for the period				
Change in defined benefit obligation				
Opening defined benefit obligation	239.10	217.69	877.87	825.81
Current service cost	15.83	16.22	50.44	48.54
Interest cost	19.13	16.32	70.23	66.06
Actuarial losses/(gains)	(10.61)	2.68	16.26	(17.60)
Liabilities extinguished on curtailments	-	-	-	-
Liabilities extinguished on settlements	-	-	-	-
Liabilities assumed on acquisition	-	-	-	-
Exchange difference on foreign plans	-	-	-	-
Benefits paid	(20.59)	13.81	(39.21)	(44.95)
Closing defined benefit obligation	242.87	239.10	975.59	877.87
Change in fair value of assets				
Opening fair value of plan assets	-	-	204.92	99.14
Expected return on plan assets	-	-	26.26	13.30
Actuarial gain/(Losses)	-		-	
Assets distributed on settlements	-		-	
Contributions by employer	-	-	203.26	137.43
Assets acquired due to acquisition	-		-	
Exchange difference on foreign plans	-		-	
Benefits paid	(20.59)	(13.81)	(39.21)	(44.95)
Closing fair value of plan assets	-	-	395.23	204.92



JCT ELECTRONICS LIMITED

(₹ in lacs)

	Leave Encashment 31.03.2011	Leave Encashment 31.03.2010	Gratuity 31.03.2011	Gratuity 31.03.2010
Assets information				
Category of assets				
Government of India Securities	-	-	100%	100%
Corporate Bonds	-	-	-	-
Special Deposit Scheme	-	-	-	-
Equity shares of listed companies	-	-	-	-
Property	-	-	-	-
Insurer Managed Funds	-	-	-	-
Others	-	-	-	-
Grand Total				
Summary of the actuarial assumptions				
Discount rate	8.00%	7.50%	8.0%	8.0%
Expected rate of return on assets	Nil	Nil	Nil	Nil
Future salary increase	5.50%	5.00%	6.0%	6.0%
Retirement Age	60	60	-	-
Mortality Table	LIC (1994-96) duly modified			
Ages	Withdrawal Rate(%)			
Upto 30 years	3.00	3.00		
From 31 – 44 years	2.00	2.00		
Above 44 years	1.00	1.00		

Notes:

- The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors.
- The company has a fund with the Life Insurance Corporation under the Employees Gratuity Scheme and the fund value as on 31st March 2011 was ₹ 395.24 lacs (Previous Year ₹ 204.92 lacs).

11. Balance confirmation

- Debtors and creditors balances and other receivables/payables are subject to confirmation and have been shown as per values appearing in the books of accounts and have been treated as good for recovery/payment unless specifically provided for.
- Debits to a party's account include ₹ 3,563.35 lacs for the recovery of CST from various parties which have been incorporated on the basis of an understanding with the party for which credit notes are anticipated to be received by the management. The financial impact of same is not ascertainable.
- Balance of Banks and FIs as appearing in the books of accounts are as mentioned in the sanctioned scheme approved by the Hon'ble BIFR and these balances are after accounting for 15% equity share allotment made to them in the financial year 2007-08 and 2009-10, upfront payment and installments paid upto financial year ending 31st March, 2011. There is no change in the bank balances of those banks which have not yet sent the confirmation to the sanctioned scheme or those which have opted for OTS.

12. Earnings per Share (EPS):

	Year ended 31.03.2011	Year ended 31.03.2010
(a) Calculation of Weighted Average Number of Equity Shares of ₹ 1/- each		
Number of Shares at the beginning of the year	78,82,57,063	78,47,78,763
Number of Shares at the close of the year	78,82,57,063	78,82,57,063
Weighted average number of Equity Shares during the year	78,82,57,063	78,51,12,299
(b) Net profit/(loss) for the year attributable to Equity Shares (in ₹)	(19,86,06,508.52)	(12,55,40,429)
(c) Basic Earnings (in ₹) per share	(0.25)	(0.16)
(d) Diluted Earnings (in ₹) per share	(0.25)	(0.16)



JCT ELECTRONICS LIMITED

13. Related party disclosures:

Names of related parties and description of relationship

- Related parties where significant influence exist : India International Airways Limited
- Associates : JCT Limited
- Key Management Personnel : Mr Arjun Thapar
- Relative of Key Management Personnel : Mrs. Nayantara Thapar
- Companies over which persons described in APJ Financial Services Private Limited
(c) & (d) are able to exercise significant influence : Team Plus Securities Limited

Transactions with Related Parties:

(₹ in lacs)

Type of Transaction		Referred to in (a) above		Referred to in (b) above		Referred to in (c) above		Referred to in (d) above	
		2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
(a)	Expenses on Travelling/ Vehicle running	5.77	4.39						
(b)	Rent							0.30	0.30
(c)	Advance for expenses of key managerial personnel			1.00	1.04				
(d)	Remuneration and benefits of key managerial personnel					36.92	29.09		
Balance as on 31.3.2011									
(e)	Investments	348.11	348.11						
(f)	Other receivables	72.19	72.19	59.57	58.57				

- The Company has taken certain commercial premises and vehicles under cancellable operating lease arrangements. The lease period varies from two to three years with the option to extend the same with mutual consent. The total aggregate Lease Rentals recognized as expense in the profit & loss account under cancellable operating lease was ₹ 128.70 lacs (Previous Period : ₹ 112.82 lacs).
- During the financial year ended 31st March, 2011, the Company has incurred ₹ 114.81 lacs towards product development falling under the definition of Intangible Assets as per the Accounting Standard-26. The product is still under development stage. The same is expected to be capitalized during the financial year 2011-2012. The gross carrying amount of such product development under progress as at 31st March, 2011 is ₹ 114.81 lacs. Such product development expenditure shall be amortised over 120 months on straight line basis starting from the month subsequent to the month of its activation for commercial use.
- During the year ended 31st March, 2011, Company has been assessed Fringe Benefit Tax (FBT) of ₹ 52.65 lacs for the financial year 2006-2007 & 2007-2008. The same has been shown in the Profit & Loss Account as tax adjustments of previous years. The Income Tax Department of the opinion that the same is payable as FBT is not a tax on Income and department did not consider the application of its exemption under BIFR Scheme.
- Information on Segment Results:
The company is engaged in the manufacture of Colour Picture Tubes which in the context of Accounting Standard 17 on Segment Reporting, issued by the Institute of Chartered Accountants of India is considered as the only business segment. There are no geographical segments.
- Comparative Figures:
Figures for the previous year have been regrouped/reclassified wherever necessary to make them comparable with those of the current year.
- Sales include sale of scraps and sale of goods purchased for trading.



JCT ELECTRONICS LIMITED

ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPHS (3) TO (4D) OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956 TOGETHER WITH OTHER NOTES

1. PARTICULARS IN RESPECT OF INSTALLED CAPACITIES AND THE ACTUAL PRODUCTION

Class of Goods	Unit	Installed Capacity*		Actual Production**	
		Current Year	Previous Year	Current Year	Previous Year
Colour picture tubes.	Nos.	58,00,000	58,00,000	42,10,833	43,02,244

* Installed capacity of Vadodara and Mohali Units are as certified by the management.

** Actual production pertains to the Vadodara Unit only as the Mohali Unit is not operational.

2. PARTICULARS IN RESPECT OF STOCKS OF FINISHED GOODS AND SALES

Class of Goods	Unit	Opening Stock				Closing Stock				Sales			
		Current Year		Previous Year		Current Year		Previous Year		Current Year		Previous Year	
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
			₹ in lacs		₹ in lacs		₹ in lacs		₹ in lacs		₹ in lacs		₹ in lacs
- Colour picture tubes	Nos.	122676	1528.10	49060	745.10	33949	356.49	122676	1,528.10	4299560	51,006.92	4228628	52,683.21
- Others											156.44		127.97
Per Profit & Loss Account			1,528.10		745.10		356.49		1,528.10		51,263.36		52,811.18

3. ANALYSIS OF RAW MATERIAL / STORES & SPARES CONSUMED

Class of Goods	Unit	Current Year		Previous Year	
		Quantity	Value	Quantity	Value
			₹ in Lacs		₹ in Lacs
A. a) Glass components	Nos.	8799240	17,020.94	8982373	17,586.02
b) Electronic components	Nos.	376126019	12,345.28	392786750	13,620.95
c) Chemicals	Kgs.	1479227	1,764.75	1901159	1,850.54
d) Other Raw Materials			2,266.11		2,235.27
e) Stores & spares			456.75		712.50
Sub-Total			33,853.83		36,005.28
f) Others			156.44		127.97
Per Profit & Loss A/c			34,010.27		36,133.25
B. Percentage of Materials Consumed					
a) Imported		32.01%	10,836.61	25.61%	9,220.95
b) Indigenous		67.99%	23,017.22	74.39%	26,784.33
		100.00%	33,853.83	100.00%	36,005.28

4. VALUE OF IMPORTS CALCULATED ON CIF BASIS

Raw materials, components & spares	9,876.05	10,242.23
Capital Goods	61.23	245.26
NOTE : Includes freight of ₹ 80.96 lacs (previous year ₹ 91.39 lacs) and Insurance of ₹ 7.08 lacs (previous year ₹ 9.23 lacs) paid in Indian currency.	9,937.27	10,487.49

5. EXPENDITURE IN FOREIGN CURRENCY

a) Travelling expenses	15.55	2.40
b) Test & Inspection fees	2.53	2.11
c) Others	-	2.14
	18.08	6.65

6. MANAGING DIRECTOR'S REMUNERATION AND BENEFITS

a) Salary	29.05	22.80
b) Value of Perquisites	0.61	0.59
c) Contribution to Provident & Superannuation Fund	7.26	5.70
	36.92	29.09

Note : The above figures do not include provision for gratuity and leave incashment payable to the Managing Director as the same is actuarially determined for all the employees of the company as a whole.



JCT ELECTRONICS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE PURSUANT TO THE PROVISIONS OF PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

I. Registration Details

Registration No. L32109PB1976PLC003680 State Code 16
Balance Sheet Date 31 – 03 – 2011

II. Capital raised during the year (Amount in ₹ '000)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in ₹'000)

Total Liabilities	4984807	Total Assets	4984807
Sources of Funds :			
Paid-up Capital	788240	Reserve & Surplus	663865
Secured Loans	3501592	Unsecured Loans	31110
Application of Funds :			
Net Fixed Assets	3397726	Investments	15717
Net Current Assets	(2934387)		
Net Accumulated Losses	4505751		

IV. Performance of Company (Amount in ₹ '000)

Turnover	4515494	Total Expenditure	4714100
Profit / (loss) before Tax	(198606)	Profit / (loss) after Tax	(198606)
Earning per Share (in Rs.)	(0.25)		

V. Generic Name of Three Principal Products / Services of Company (as per monetary terms)

Item Code No. (ITC Code) 85.40
Product Description CATHODE RAY TUBES



JCT ELECTRONICS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

(Pursuant to the Listing Agreement with Stock Exchanges)

	Current Year (₹ in Lacs)	Previous Year (₹ in Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	(1,901.91)	(1,193.93)
Adjustment for :		
– Depreciation	1,655.12	1,686.35
– Foreign Exchange fluctuations	14.18	74.16
– Interest/Dividend Income	(0.46)	(0.29)
– Interest expenses	2,382.59	2,152.77
– Loss on sale of fixed assets	2.59	6.29
– Fringe benefit tax Asseed	(52.65)	–
– Prior period adjustments	(31.50)	(61.47)
– Prior period depreciation adjustments	–	10.18
– Liabilities w/b	(175.59)	(36.70)
	<u>3,794.28</u>	<u>3,831.29</u>
Operating Profit before working capital changes	1,892.37	2,637.36
Adjustment for :		
– Trade and Other Receivables	(2,572.36)	(466.75)
– Inventories	2,818.03	(829.45)
– Trade Payables	(684.02)	(287.65)
	<u>(438.35)</u>	<u>(1,583.85)</u>
Cash generated from operations	1,454.02	1,053.51
Foreign Exchange fluctuations	(14.18)	(74.16)
Cash flow before extraordinary items	1,439.84	979.35
Net cash from operating activities	<u>1,439.84</u>	<u>979.35</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(297.39)	(788.15)
Sale of Fixed Assets	7.97	6.79
Dividend received	0.46	0.29
Net cash used in investing activities	(288.96)	(781.07)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Long Term borrowings	(1,580.14)	(518.76)
Interest paid	(518.75)	(331.72)
Net cash generated from financing activities	<u>(2,098.89)</u>	<u>(850.48)</u>
Net increase in cash and cash activities	(948.01)	(652.20)
Cash & cash equivalents as on 01.04.2010 (Opening Balance)	1,901.96	2,554.16
Cash & cash equivalents as on 31.03.2011 (Closing Balance)	<u>953.95</u>	<u>1,901.96</u>

Note : Previous year's figures have been regrouped wherever necessary.

As per our report of even date
attached to the balance sheet

On behalf of the Board

for V. SAHAI TRIPATHI & Co.
Chartered Accountants

P K GANGULY
Director

ARJUN THAPAR
Managing Director

MANISH MOHAN
Partner

Place : New Delhi
Dated : 4th August, 2011

M P S NARANG
Vice-President –
Finance & Accounts

GOPAL KRISHNAN
Sr. Vice-President &
Company Secretary

RAJ KAPUR
Chief Operating
Officer



JCT ELECTRONICS LIMITED



The Thapar Group

Regd. Office : A-32, Industrial Phase-VIII, SAS Nagar, Mohali-160 055 (Punjab)

ATTENDANCE SLIP

Please complete the attendance slip and hand it over at the entrance of the meeting venue.

(Member's particulars to be furnished below)

Folio No. _____ DPID. _____ Client ID _____

Member's / Proxy's name (Block Letters) _____

I hereby record my presence at the 34th Annual General Meeting of the Company at **A-32, INDUSTRIAL PHASE-VIII, SAS NAGAR, MOHALI, PUNJAB** on Tuesday, the 27th September, 2011 at 10.30 a.m.

Signature of the member / proxy present _____

This attendance is valid only in case shares are held on the date of meeting.

PROXY FORM

I/We _____ resident of _____
_____ being a member / members of JCT ELECTRONICS LIMITED,
here by appoint _____ of _____
_____ of failing him _____
of _____ as my / our
proxy to attend and vote for me / us on my / our behalf at the 34th Annual General Meeting of the Company to be held on Tuesday, the 27th September, 2011 at 10.30 a.m. and any adjournment thereof.

Signed this _____ day of _____, 2011

Signature _____

**Affix
Revenue
Stamp**

Folio No. _____

DP / Client ID _____

Note : The form duly completed and signed should be deposited at the registered office of the Company at least 48 hours before the time of the meeting.

E-MAIL UPDATION

I hereby request JCT Electronics Limited to register my following email address for service of the Notice of General Meeting(s), Audited Financial Statements, Directors' Report, Auditors' Report and other documents to me in electronic mode instead of in physical mode :-

Ledger Folio No. _____

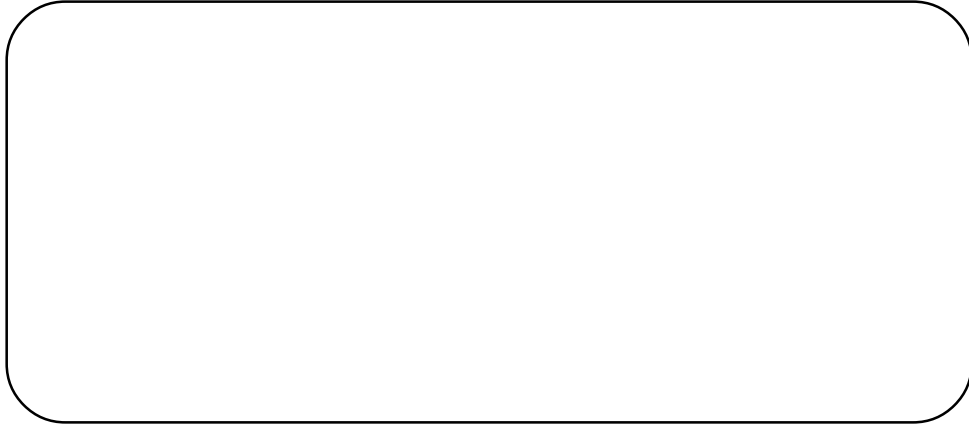
Full Name of 1st Registered Holder _____

Email ID (to be Registered for above purpose) _____

Date _____

Signature _____

Book – Post



if undelivered please return to :
JCT Electronics Limited
Thapar House, 124 Janpath
New Delhi-110001