

# **ANNUAL REPORT**

## **2013 – 14**



**JCT ELECTRONICS LIMITED**



## BOARD OF DIRECTORS

Mr. Arjun Thapar, Managing Director  
Mr. K. Jayabharath Reddy  
Mr. Mukesh Mohan Gupta, Special Director, BIFR  
Mr. Umesh Wamorkor, Nominee, Allahabad Bank  
Mr. P. K. Ganguly

## CHIEF OPERATING OFFICER

Mr. Raj Kapur

## 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

## CIN

L32019PB1976PLC003680

## BANKERS

Allahabad Bank  
Punjab National Bank  
Punjab & Sind Bank  
State Bank of Patiala  
UCO Bank

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## DIRECTORS' REPORT

Your directors present their report and audited accounts for the year ended 31<sup>st</sup> March, 2014

### Financial Results & Operations

	Year ended 31.03.2014	Year ended 31.03.2013
		(₹ in lacs)
The key financial results of the company are as under :		
Revenue from Operations and other income	6123	38924
Earning before Interest, Depreciation & Tax	(2932)	(1450)
Finance Cost	1639	2007
Depreciation	1677	1532
Net Profit/(Loss) for the year	(6248)	(4989)

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

Your company faced lot of challenges during the financial year 2013-14. Non availability of working capital restricted our ability to overcome some of these challenges. Despite the local demand being 4~5 million tubes during the year and being the sole supplier in India, your company was forced to operate at less than rated capacity on many occasions. From the start of the second quarter the operation had to be forcibly curtailed on account of non availability of Glass Parts, one of the most important inputs as the only supplier in India not only cut down supplies but also did not extend credit on supplies as was being done earlier. Despite best efforts the company had no option but to temporarily suspend operations as it did not have enough working capital to import Glass Parts from suppliers abroad who were ready to supply but only on advance remittance/LC. The company believes that being the only manufacturer of CPTs in India, there is a good chance to revive, if working capital support is made available as imports of CPTs from China are finding its way into the Indian market to feed the CPT based TV market.

There was all round increase in prices of all major raw materials, power/fuel etc which impacted the bottom line. Major volatility in the forex markets also took its toll on the company's finances. Radical steps were taken to reduce costs through process improvements, value engineering, rationalising manpower, reducing power consumption and improving productivity to partially offset increase in various input costs.

The rehabilitation scheme approved by The Board for Industrial & Financial Reconstruction (BIFR) is under implementation. With the consent of the secured lenders, the company moved a modified debt restructuring scheme before BIFR which is under their consideration.

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

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

### Industry Scenario

Globally the CPT industry has seen declining volumes over the last few years. The markets in India have also dropped to around 4-5 million tubes per annum from the level of 10-12 million an year ago. The shift in demand preference for flat panel TVs in most markets over conventional CRT based TVs has seen volumes in the CPT segment coming down sharply. The markets for CPT based TVs in India are primarily in the rural and semi urban towns. Availability of raw materials and components is the biggest challenge as only few manufacturers are left.

The demand of CPTs globally seems to have plateaued for the present, but steep decline is expected in a some years as major global players have already quit or in the verge of quitting. In India these still shall be fairly poised.

### Directors

Mr. M M Thapar vacated the office of director in terms of the provisions of the Companies Act, 2013. The appointment of Mr. K Jayabharath Reddy, who retires by rotation, is being taken up at the forthcoming annual general meeting, as he qualifies to become Independent Director on the Board in terms of the provisions of the Companies Act, 2013. Mr. P K Ganguly, 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 31<sup>st</sup> March, 2014, 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 31<sup>st</sup> March, 2014 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.

## 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 there under 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 the said Act and will be made available on request by any member of the company.

## Environment

Your Company has been awarded ISO 14000:2004 certification in recognition of its responsibility towards environment and society. Steps have taken to upgrade its capability to meet the required norms and safeguards and to keep the environment pollution free. Significant initiatives have been taken to reduce the consumption of energy and shift to more eco-friendly fuels. Lot of greenery has been created in and around the factory. Water conservation and recycling has be in focus and has yielded good results

## 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, notes nos. 28 A(b) & A(f), 29, 30 (c) & 33(a) to the accounts are self explanatory and do not require any further comments.

## Cost Auditors

Audit of the cost accounting records has been made mandatory for our company. Your company has appointed M/s Balaji and Associates, Cost Accountants to conduct the cost audit exercise for the financial year ending 31<sup>st</sup> March, 2014.

## 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

Place : New Delhi  
Dated : 28<sup>th</sup> May, 2014

Arjun Thapar  
Managing Director



## 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:

- 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, change in raw material, lower usage and better quality.

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 were carried out in house.

b) Technology absorption

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

### C. *Foreign Exchange Earnings and Outgo*

Foreign exchange outgo during the year – ₹ 594.54 Lacs

Foreign exchange earnings during the year – ₹ 246.09 Lacs

## MANAGEMENT DISCUSSION AND ANALYSIS

### **Industry scenario**

Globally the CRT industry has been declining in volumes since last few years though the markets in India had remained stable at around 10-12 million per annum till FY 2011-12. However in FY 2012-13 the volumes have come down to 4 ~ 5 million per annum. Import of CPTs from China including TVs with refurbished monitor tubes have been eating into the market. The shift in demand preference for flat panel TVs in most markets over conventional CRT based TVs resulted in lot of capacities closing down. Though in India there is still market for CRT based TVs in the rural and semi urban towns, supply chain for material and components is the biggest challenge as only a handful of players are left leading to lot of uncertainty.

### **Company's performance**

The operations of the Company have been hit on account of constraints faced in raw material supplies. The company is trying hard to meet the challenges faced by the industry. To offset increase in all round input costs, continuous efforts at improving productivity, reduction in power consumption, recycling etc. were taken up aggressively to protect the margins which were under strain. Efforts at upgrading the skills of the work force helped in improving productivity and reducing wastage. Various H.R. initiatives were introduced towards bringing competitiveness, accountability and responsibility among its employees.

Efforts to retain customers and incentivise their CRT based T.V. plans are being made. The situation looks rather grim, but we believe that being the only manufacturer of CPTs in India, there is a good chance to improve.

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

**CORPORATE GOVERNANCE REPORT****I. Company's philosophy on Corporate Governance**

JCT Electronics Limited (JCTEL) 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 five directors comprising of one nominee director, two independent directors, special director of BIFR and one promoter director.
- The Board met four times during the year on 28<sup>th</sup> May, 2013, 7<sup>th</sup> Aug., 2013, 12<sup>th</sup> Nov., 2013 and 13<sup>th</sup> Feb., 2014.
- Details of meetings attended by directors and other directorships held are as under :

Name of Director	Category of Director	No of Meetings attended		Sitting fees paid (in ₹)	No. of other Directorships held	No. of other Board Committee(s) of which he is a	
		Board	Committee			Member	Chairman
Mr. M M Thapar, Chairman*	Promoter – Non Executive	None	None	Nil	One	None	None
Mr. Arjun Thapar, Managing Director***	Promoter – Executive	Four	Four	Nil	Two	None	None
Mr. K Jayabharth Reddy	Independent – Non Executive	Four	Four	0.80	Six	Three	Three
Mr. P K Ganguly	Independent – Non Executive	Two	Six	0.60	Three	One	None
Mr. Umesh Warmorkar	Nominee – Allahabad Bank	Three	Three	0.60	One	None	None
Mr. Mukesh Mohan	Special Director-BIFR	Two	Two	0.40	Five	None	None
Mr. S V Venkatakrishnan**	Nominee-IFCI	One	One	0.20	None	None	None

\* Mr. M M Thapar vacated office of director pursuant to provisions of the Companies Act.

\*\* Nomination of Mr. S V Venkatakrishnan was withdrawn w.e.f. 15<sup>th</sup> January, 2014

\*\*\* Remuneration of Mr. Arjun Thapar, Managing Director, was approved by the shareholders, subject to limits prescribed in Schedule XIII of the Companies Act, 1956. He is not paid any sitting fee, bonus, performance linked incentive, commission, stock option etc. However, effective from 1<sup>st</sup> July, 2013, Mr. Thapar has voluntarily decided to take monthly salary of ₹1/- only.

**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 has been formulated, framed and adopted by the Board.

As provided under clause 49 of the listing agreement with the Stock Exchanges, the Board members and senior management have confirmed compliance with the code of conduct for the period ended 31<sup>st</sup> March, 2014

**IV. Audit Committee**

The role and terms of reference of the committee is as specified in Clause 49 of listing agreement with Stock Exchange(s) and as per requirement of the Companies Act.



The composition of the Audit Committee and the details of the meetings attended by the members are as follows:

Name of Member	Category	Designation	No. of Meetings	
			Held	Attended
Mr. P. K. Ganguly	Independent	Chairman	4	2
Mr. K Jayabharath Reddy	Independent	Member	4	4
Mr. Umesh Wamorkar	Nominee	Member	4	3
Mr. S V Venkatakrishnan*	Nominee	Member	4	1
Mr. Mukesh Mohan	Special Director	Member	4	2

\*Ceased w.e.f. 15<sup>th</sup> January, 2014

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

The Audit Committee has considered and reviewed the quarterly financial results and the annual accounts for the year 2013-14 and recommended its adoption to the Board.

**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.

**VI. Shareholders / Investor's Grievance Committee**

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

Mr. Gopal Krishnan, 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 31<sup>st</sup> March, 2014 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
34 <sup>th</sup>	2010 – 2011	Tuesday/27-09-2011	10.30 a.m.	A-32, Indl. Phase VIII, SAS Nagar, Mohali Punjab
35 <sup>th</sup>	2011 – 2012	Thursday/27-09-2012	10.30 a.m.	A-32, Indl. Phase VIII, SAS Nagar, Mohali Punjab
36 <sup>th</sup>	2012 – 2013	Thursday/27-09-2013	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.

No Extra-Ordinary General Meeting of shareholders was held during the year.

**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 conflicting with the company's interest 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.



## XI. Means of communication

Quarterly results are communicated to the NSE & BSE where the company's shares are listed and displayed on their websites.

The results are published in leading newspapers.

## XII. General Shareholder Information

### - 37<sup>th</sup> Annual General Meeting

Day & Date : Thursday, 18<sup>th</sup> September, 2014  
 Time : 11.00 a.m.  
 Venue : A-32, Indl. Phase VIII, SAS Nagar, Mohali, Punjab

### - Financial Calendar 2014-15 :

First Quarterly Results : Before mid August, 2014  
 Second Quarterly Results : Before mid November, 2014  
 Third Quarterly Results : Before mid February, 2014  
 Fourth Quarterly Results : Before end of May, 2015

### - Dates of Book Closure : From 11/09/2014 to 18/09/2014 (both days inclusive)

### - Dividend payment date : The company has not declared any dividend for the current financial year.

### - Listing on Stock Exchanges :

The Equity Shares of the Company are listed on the National Stock Exchange of India Ltd., Mumbai and the Bombay Stock Exchange Limited, Mumbai.

### - Company/Stock Code :

The National Stock Exchange Association Ltd. JCTEL  
 The Bombay Stock Exchange Limited 500222

### - Market price data for the year 2013 - 2014 :

Month	NSE			BSE		
	High Rs.	Low Rs.	Volume Nos.	High Rs.	Low Rs.	Volume Nos.
Apr., 2013	0.50	0.30	168896	0.46	0.38	161789
May, 2013	0.50	0.30	528673	0.47	0.35	297129
Jun., 2013	0.40	0.25	969016	0.39	0.28	593014
Jul., 2013	0.40	0.25	447957	0.39	0.29	450636
Aug., 2013	0.50	0.25	700809	0.44	0.26	675953
Sep., 2013	0.50	0.40	338054	0.50	0.40	518055
Oct., 2013	0.55	0.40	385046	0.51	0.39	325821
Nov., 2013	0.55	0.40	414222	0.52	0.44	454585
Dec., 2013	0.50	0.35	327013	0.50	0.38	327602
Jan., 2014	0.65	0.35	537700	0.63	0.38	316486
Feb., 2014	0.45	0.35	230759	0.46	0.39	117617
Mar., 2014	0.45	0.35	490706	0.43	0.37	766854

### - Distribution of shareholding as at 31<sup>st</sup> March, 2014 :

Category Nos. of shares	Shares Nos.	% age	Shareholders Nos.	% age
Upto 500	4931803	0.62	24665	69.17
501-1000	4079515	0.52	4391	12.32
1001-2000	4103373	0.52	2362	6.62
2001-3000	2265396	0.29	841	2.36
3001-4000	1554054	0.20	413	1.16
4001-5000	4966666	0.63	1009	2.83
5001-10000	8105116	1.03	966	2.71
10001 and above	758251240	96.19	1010	2.83
Total	788257063	100.00	35657	100.00





- Shareholding pattern as on 31<sup>st</sup> March, 2014 :
 

Promoters & Group Companies	:	82.78 %
FIs/Banks/Ins.Co.'s/Mutual Funds	:	5.69 %
NRIs/OCBs/FIIs	:	0.57 %
Public	:	10.96 %
Total	:	100.00 %
- 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-25/1, First Floor, Okhla Industrial Area, Phase-II, New Delhi-110020  
 Tele : 011-26387320/321/323; Fax : 011-26387322  
 Email : shares@rcmcdelhi.com
- Share Transfer System :  
 Share transfers and transmissions are registered and returned within the stipulated period if the documents are complete 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 tied 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 (not in operation)
- Address for : Thapar House, 124 Janpath, New Delhi – 110 001  
 Correspondence : Phone : 43534242 ; Fax : 23367861  
 Contact Person : Mr. Manoj Chadha, Secretarial Head

The above report was approved at the Board meeting held on 28<sup>th</sup> May, 2014.

Compliance Certificate for corporate governance from auditors of the company is annexed herewith.

## 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 31<sup>st</sup> March, 2014 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 31<sup>st</sup> March, 2014 grievances were received & resolved by the Company. There were no grievances which were pending with the Company as on 31<sup>st</sup> March, 2014 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 : 28<sup>th</sup> May, 2014

Manish Mohan, Partner  
Membership No. 091607



## AUDITORS' REPORT

To the Members  
JCT Electronics Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of JCT Electronics Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements is based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements."

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Basis for Qualified Opinion

- (i) The Company entered into a Memorandum of Settlement with the worker's unions at Mohali, Punjab crystallizing their dues at Rs 40 Crores as per directions of Hon'ble BIFR. The settlement has been registered before the concerned authorities and submitted to BIFR. The Company has not made any provision of crystallized dues of Rs 40 Crores of workers/staff at Mohali and the same are to be settled out of the sale proceeds of the Mohali assets as per the orders of Hon'ble BIFR. Company states that the same shall be provided upon sale of Mohali Assets. We are of the opinion that in view of Memorandum of Settlement with the workers the company should make a provision of crystallized dues of Rs 40 Crores, irrespective of sale of Mohali Assets in accordance with *Accounting Standard-28 on Provisions, Contingent Liabilities and Contingent Assets* issued by Ministry of Corporate Affairs, Government of India and as prescribed in the Companies (Accounting Standards) Rules, 2006. Accordingly, the net loss for the year, accumulated losses & non current liabilities are understated to that extent.
- (ii) We have analyzed following factors :-
  - a) As per Sanctioned BIFR Scheme, the revival of the company is dependent on sale of land and building at Mohali Unit. As envisaged in sanctioned scheme, the company's net worth could not turn positive in the 4<sup>th</sup> year of its implementation due to delay in sale of land & building which is still pending.
  - b) The Company has temporarily suspended its production of Color Picture Tubes from August, 2013 onwards at Vadodara Unit at Gujarat & there has been no production till 31<sup>st</sup> March, 2014, on account of non availability of Working Capital for importing critical raw materials.
  - c) The gross carrying amount of product development under progress of Rs. 140.95 Lacs being shown as Intangible under development has been written off during the year ended 31<sup>st</sup> March, 2014 as Company did not expect any commercial use.
  - d) The Company has defaulted in payment of principal amount of Loans of Rs. 6,977.43 Lacs (previous year - Rs. 4,105.33 Lacs) to Banks / Financial Institutions for twelve quarters starting from 1<sup>st</sup> April, 2011 to 31<sup>st</sup> March, 2014. The Company was unable to meet its obligations towards repayment of quarterly